



## Ecolabelling

**The compatibility of ecolabelling schemes with current WTO law is unclear, and labelling for environmental purposes has been the subject of discussions since Doha. Any framework on ecolabelling must include not only the WTO, but other international bodies with environmental competence. Negotiations on ecolabelling should not be launched, and the WTO should be instructed to contribute to a process of dialogue with other international bodies on the issues concerning ecolabelling.**

An important part of the work of WWF for the last ten years has focused on the promotion of ethical labelling – through the Forest Stewardship Council, for example. However, the exact legal status under the WTO of these non-governmental schemes, as well as the status of more formal government ecolabelling requirements, is not clear. The extent to which WTO rules cover ecolabelling schemes is contested. There are also potential conflicts between ecolabelling schemes and substantive WTO rules.

The Doha declaration launched discussions on labelling for environmental purposes, and instructed the Committee on Trade and the Environment to report on progress at Cancún and to recommend whether or not negotiations on ecolabelling should be launched. Pressures for reform are conflicting. Some WTO members are pursuing rules that will facilitate the use of both voluntary and mandatory ecolabelling. Others, including the US and many developing countries, are concerned about the protectionist use of ecolabelling.

While there is a need for clarification of international trade law so that it supports the non-protectionist use of ecolabelling, there are concerns over the current WTO discussions. Any attempt to limit the scope for ecolabelling would represent a significant backwards step, in particular if the WTO is given any additional role in voluntary ecolabelling schemes – for example, if there was a requirement that the WTO be ‘notified’ of any new or existing schemes. The WTO by itself has neither the competence nor the expertise to play a significant role in the regulation of voluntary ecolabelling schemes.

Any process to develop an effective international framework on ecolabelling, whilst including the WTO, must be led by other international bodies with environmental competence. Unlike the current discussions being conducted solely within the WTO, these international bodies must lead the negotiation of any framework addressing the relationship between ecolabelling and trade rules.

### What Should Happen at Cancún?

1. No negotiations on ecolabelling should be launched.
2. Noting the work that has been undertaken by the Committee on Trade and the Environment since Doha, Ministers in Cancún should affirm that WTO rules respect the non-protectionist use of ecolabelling schemes, and their importance in promoting sustainable development.
3. The CTE should be instructed to prepare recommendations on how the WTO and its members could contribute to the discussion of these issues through alternative forums. The need for preferential treatment for developing countries must be incorporated in these discussions and any subsequent agreement.