

GATT/WTO and the International Regime on Climate Change: Focusing on the Kyoto Mechanisms

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Abstract

The international climate change regime consists of the 1992 UN Framework Convention on Climate Change and the 1997 Kyoto Protocol. The causes of as well as the potential mitigation measures in responding to the problem of global climate change are closely related to a country's industrial policies and economic activities. Consequently, the regulatory measures adopted by the Convention and the Protocol mostly concentrate on economic measures. On the other spectrum, the regulation of international trade under the World Trade Organisation has, after the Uruguay Round, extended from goods to areas such as services and trade-related investment measures. The Convention and the Protocol have yet to restrict or regulate trade in related goods. However, the design and operation of the three Kyoto Mechanisms involve trade and investment activities that might come under the jurisdiction of the WTO. The interaction between the rules of the GATT/WTO and the climate change regime, thus, has been under debate since the adoption of the Kyoto Protocol in 1997. The purpose of this Article is to present an analytical argument on this particular case-study under the broader "WTO and the Environment" debate and to provide some policy suggestions as to the implications of this interaction on Taiwan.

Keywords: GATT/WTO, GATS, TRIMs, UNFCCC, Kyoto Protocol, Kyoto Mechanisms, Clean Development Mechanism, emission trading, joint implementation