PRESIDIUM MODEL UN CONFERENCE 2017

"Standards and Morals of International Trade with special emphasis on Conservation and Sustainable use of oceans, seas, and marine resources."

WORLD TRADE ORGANISATION (WTO)

PRESIDIUM MODEL UN CONFERENCE 2017

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Letter from the Executive Board

Greetings Delegates!

It's indeed an honor you to welcome you to the **General Council** of the **World Trade Organization** hosted by Presidium Model United Nations 2017 which shall discuss "**Standards and Morals of International Trade with special emphasis on Conservation and Sustainable use of oceans, seas, and marine resources**." We hope that being a part of this simulation is an intellectually enriching experience for you as well as for us.

The intent of this letter is to inform you the purpose of the background guide and its direction for use. Firstly, the background aims to only equip you with the basics about the committee and the agenda that is to be discussed. At no point should this background guide be treated as a substitute for further research and analysis. In other words, this background guide should only be treated as a starting point for your preparation for the conference, while giving it some structure throughout. This brings us to the second aim of the background guide: as this simulation will be a General Council of the World Trade Organization, we shall be shifting the nature of discussion in the committee with progress of debate. Such that, we wish to discuss multiple facets of the agenda, as well as simulate a Dispute Settlement Body (DSB) of the World Trade Organization. You may read more about the DSB in the 'About the Committee' section of the background guide. You are also given the exact dispute (later in the guide) which shall be discussed in the committee to give you time for preparation.

For the benefit of the debate, a provisional set of rules of procedures have been prepared to allow for the ease of discussions of the said simulation. These rules of procedures will be made available to you online by the Secretariat.

For the purpose of documentation, the committee may decide to have a general document strictly pertaining to the agenda, or may incorporate the discussions that are to be held the consultations of the 'dispute' that is to be discussed under the agenda.

While we understand that having an unconventional simulation such as this can be a challenge sometimes, we wish to you know that we, as the executive board, are always more than willing to assist you. Therefore, please feel free to contact us in case you have any questions or wish to seek any clarification with any matter pertaining to this conference.

All the best!

Regards,

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About the Committee

The World Trade Organization is the international organization whose primary purpose is to open trade for the benefit of all. The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to ensure that trade flows as smoothly, predictably and freely as possible.

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The WTO provides a forum for negotiating agreements aimed at reducing obstacles to international trade and ensuring a level playing field for all, thus contributing to economic growth and development. The WTO also provides a legal and institutional framework for the implementation and monitoring of these agreements, as well as for settling disputes arising from their interpretation and application. The current body of trade agreements comprising the WTO consists of 16 different multilateral agreements (to which all WTO members are parties) and two different plurilateral agreements (to which only some WTO members are parties).

Over the past 60 years, the WTO, which was established in 1995, and its predecessor organization the GATT have helped to create a strong and prosperous international trading system, thereby contributing to unprecedented global economic growth. The WTO currently has 164 members, of which 117 are developing countries or separate customs territories. WTO activities are supported by a Secretariat of some 700 staff, led by the WTO Director-General. The Secretariat is located in Geneva, Switzerland, and has an annual budget of approximately CHF 200 million ($180 million, €130 million).

Decisions in the WTO are generally taken by consensus of the entire membership. The highest institutional body is the Ministerial Conference, which meets roughly every two years. A General Council conducts the organization's business in the intervals between Ministerial Conferences. Both of these bodies comprise all members. Specialized subsidiary bodies (Councils, Committees, Sub-committees), also comprising all members, administer and monitor the implementation by members of the various WTO agreements.

More specifically, the WTO's main activities are:

- Negotiating the reduction or elimination of obstacles to trade (import tariffs, other barriers to trade) and agreeing on rules governing the conduct of international trade (e.g. antidumping, subsidies, product standards, etc.)
- administering and monitoring the application of the WTO's agreed rules for trade in goods, trade in services, and trade-related intellectual property rights
- monitoring and reviewing the trade policies of our members, as well as ensuring transparency of regional and bilateral trade agreements
- settling disputes among our members regarding the interpretation and application of the agreements
- building capacity of developing country government officials in international trade matters
- assisting the process of accession of some 30 countries who are not yet members of the organization
- conducting economic research and collecting and disseminating trade data in support of the WTO's other main activities

— explaining to and educating the public about the WTO, its mission and its activities.

The WTO's founding and guiding principles remain the pursuit of open borders, the guarantee of most-favored-nation (MFN) principle and non-discriminatory treatment by and among members, and a commitment to transparency in the conduct of its activities. The opening of national markets to international trade, with justifiable exceptions or with adequate flexibilities, will

encourage and contribute to sustainable development, raise people's welfare, reduce poverty, and foster peace and stability. At the same time, such market opening must be accompanied by sound domestic and international policies that contribute to economic growth and development according to each member's needs and aspirations.
For the aforementioned tasks and aims of the WTO, three main functional 'bodies' have been established. They are as follows:

1. The Ministerial Conference: The topmost decision-making body of the WTO is the Ministerial Conference, which usually meets every two years. It brings together all members of the WTO, all of which are countries or customs unions. The Ministerial Conference can take decisions on all matters under any of the multilateral trade agreements.

2. General Council: The General Council is the WTO's highest-level decision-making body in Geneva, meeting regularly to carry out the functions of the WTO. It has representatives (usually ambassadors or equivalent) from all member governments and has the authority to act on behalf of the ministerial conference which only meets about every two years. The General Council oversees the operation of the agreement and ministerial decisions on a regular basis. This General Council acts as a Dispute Settlement Body and a Trade Policy Review Mechanism, which concern themselves with the full range of trade issues covered by the WTO, and has also established subsidiary bodies such as a Goods Council, a Services Council and a TRIPs Council.

The General Council convenes as the Dispute Settlement Body (DSB) to deal with disputes between WTO members. Resolving trade disputes is one of the core activities of the WTO. A dispute arises when a member government believes another member government is violating an agreement or a commitment that it has made in the WTO. The WTO has one of the most active international dispute settlement mechanisms in the world. Since 1995, over 500 disputes have been brought to the WTO and over 350 rulings have been issued. Appeals are handled by the permanent seven-member Appellate Body which is set up by the Dispute Settlement Body and broadly represents the range of WTO membership.
Surveillance of national trade policies is a fundamentally important activity running throughout the work of the WTO. At the center of this work is the Trade Policy Review Mechanism (TPRM). All WTO members are reviewed, the frequency of each country's review varying according to its share of world trade.
General Agreement on Tariffs and Trade
General Agreement on Tariffs and Trade (GATT) was a multilateral agreement regulating international trade. According to its preamble, its purpose was the "substantial reduction of tariffs and other trade barriers and the elimination of preferences, on a reciprocal and mutually advantageous basis." It was discussed during the United Nations Conference on Trade and Employment and was the outcome of the failure of negotiating governments to create the International Trade Organization (ITO). GATT was signed by 23 nations in Geneva on October 30, 1947 and took effect on January 1, 1948. It lasted until the signature by 123 nations in Marrakesh on April 14, 1994 of the Uruguay Round Agreements, which established the World Trade Organization (WTO) on January 1, 1995.
The original GATT text (GATT 1947) is still in effect under the WTO framework, subject to the modifications of GATT 1994.

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In 1993, the GATT was updated (GATT 1994) to include new obligations upon its signatories. One of the most significant changes was the creation of the World Trade Organization (WTO). The 75 existing GATT members and the European Communities became the founding members of the WTO on 1 January 1995. The other 52 GATT members rejoined the WTO in the following two years (the last being Congo in 1997). Since the founding of the WTO, 21 new non-GATT members have joined and 29 are currently negotiating membership. There are a total of 164 member countries in the WTO, with Liberia and Afghanistan being the newest members as of 2016.

The General Council of WTO, on 4 May 2010, agreed to establish a working party to examine the request of Syria for WTO membership. The contracting parties who founded the WTO ended official agreement of the "GATT 1947" terms on 31 December 1995. Montenegro became a member in 2012, while Serbia is in the decision stage of the negotiations and is expected to become one of the newest members of the WTO in 2014 or in near future.

Whilst GATT was a set of rules agreed upon by nations, the WTO is an institutional body. As such, GATT was merely a forum for nations to discuss, while the WTO is a proper international organization. The WTO expanded its scope from traded goods to include trade within the service sector and intellectual property rights. Although it was designed to serve multilateral agreements, during several rounds of GATT negotiations (particularly the Tokyo Round) plurilateral agreements created selective trading and caused fragmentation among members. WTO arrangements are generally a multilateral agreement settlement mechanism of GATT.

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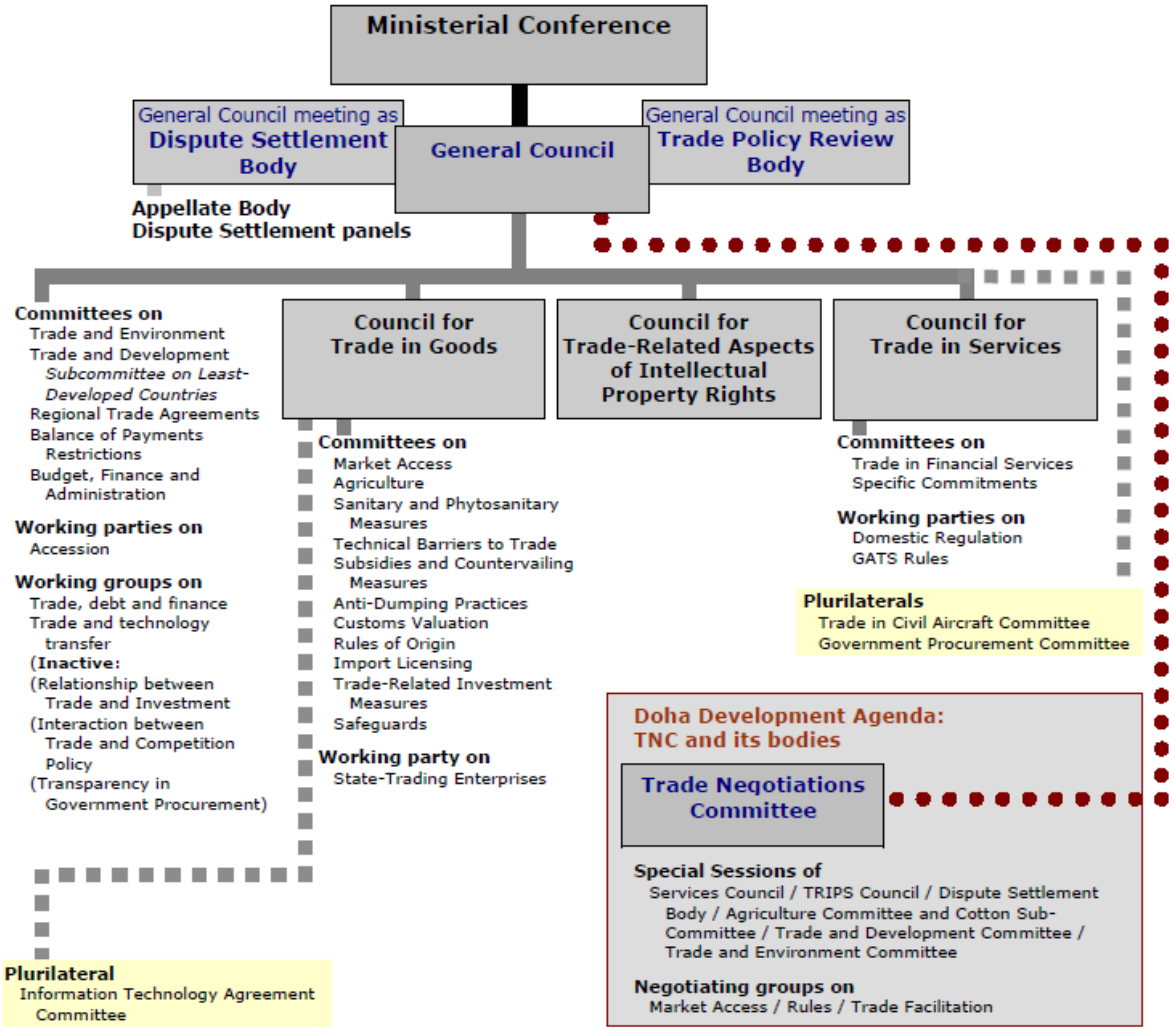

"Standards and Morals of International Trade with special emphasis on Conservation and Sustainable use of oceans, seas, and marine resources."

Agenda: Standards and Morals of International Trade with Special Emphasis on conservation & sustainable use of seas, oceans, and marine resources.

International Trade Law

International trade law should be distinguished from the broader field of international economic law. The latter could be said to encompass not only WTO law, but also law governing the international monetary system and currency regulation, as well as the law of international development.

The body of rules for transnational trade in the 21st century derives from medieval commercial laws called the *lex mercatoria* and *lex maritima* — respectively, "the law for merchants on land" and "the law for merchants on sea." Modern trade law (extending beyond bilateral treaties) began shortly after the Second World War, with the negotiation of a multilateral treaty to deal with trade in goods: the General Agreement on Tariffs and Trade (GATT).

International Trade Law is an aggregate of legal rules of "international legislation" and new lex mercatoria, regulating relations in international trade. "International legislation" – international treaties and acts of international intergovernmental organizations regulating relations in international trade. lex mercatoria - "the law for merchants on land".

Principles of International Trade

The WTO agreements deal with: agriculture, textiles and clothing, banking, telecommunications, government purchases, industrial standards and product safety, food sanitation regulations, intellectual property, and much more. But a number of simple, fundamental principles run throughout all of these documents. These principles are the foundation of the multilateral trading system.

'Multilateral' trading system is the system operated by the WTO. Most nations — including almost all the main trading nations — are members of the system. But some are not, so "multilateral" is used to describe the system instead of "global" or "world".

A closer look at these principles:

1. Trade without discrimination

This principle is known as most-favoured-nation (MFN) treatment. It is so important that it is the first article of the General Agreement on Tariffs and Trade (GATT), which governs trade in goods. MFN is also a priority in the General Agreement on Trade in Services (GATS) (Article 2) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (Article 4), although in each agreement the principle is handled slightly differently. Together, those three agreements cover all three main areas of trade handled by the WTO.

Some exceptions are allowed. For example, countries can set up a free trade agreement that applies only to goods traded within the group — discriminating against goods from outside. Or they can give developing countries special access to their markets. Or a country can raise barriers against products that are considered to be traded unfairly from specific countries. And in services, countries are allowed, in limited circumstances, to discriminate. But the agreements only permit these exceptions under strict conditions. In general, MFN means that every time a country lowers a trade barrier or opens up a market, it has to do so for the same goods or services from all its trading partners — whether rich or poor, weak or strong.

2. National treatment: Treating foreigners and locals equally

Imported and locally-produced goods should be treated equally — at least after the foreign goods have entered the market. The same should apply to foreign and domestic services, and to foreign and local trademarks, copyrights and patents. This principle of "national treatment" (giving

others the same treatment as one's own nationals) is also found in all the three main WTO agreements (Article 3 of GATT, Article 17 of GATS and Article 3 of TRIPS), although once again the principle is handled slightly differently in each of these.
National treatment only applies once a product, service or item of intellectual property has entered the market. Therefore, charging customs duty on an import is not a violation of national treatment even if locally-produced products are not charged an equivalent tax.

3. Freer trade: gradually, through negotiation

Lowering trade barriers is one of the most obvious means of encouraging trade. The barriers concerned include customs duties (or tariffs) and measures such as import bans or quotas that restrict quantities selectively. From time to time other issues such as red tape and exchange rate policies have also been discussed.
Since GATT's creation in 1947-48 there have been eight rounds of trade negotiations. A ninth round, under the Doha Development Agenda, is now underway. At first these focused on lowering tariffs (customs duties) on imported goods. As a result of the negotiations, by the mid-1990s industrial countries' tariff rates on industrial goods had fallen steadily to less than 4%.
But by the 1980s, the negotiations had expanded to cover non-tariff barriers on goods, and to the new areas such as services and intellectual property.
Opening markets can be beneficial, but it also requires adjustment. The WTO agreements allow countries to introduce changes gradually, through "progressive liberalization". Developing countries are usually given longer to fulfil their obligations.

4. Predictability: through binding and transparency

Sometimes, promising not to raise a trade barrier can be as important as lowering one, because the promise gives businesses a clearer view of their future opportunities. With stability and predictability, investment is encouraged, jobs are created and consumers can fully enjoy the benefits of competition — choice and lower prices. The multilateral trading system is an attempt by governments to make the business environment stable and predictable.
In the WTO, when countries agree to open their markets for goods or services, they "bind" their commitments. For goods, these bindings amount to ceilings on customs tariff rates. Sometimes countries tax imports at rates that are lower than the bound rates. Frequently this is the case in developing countries. In developed countries the rates actually charged and the bound rates tend to be the same.
A country can change its bindings, but only after negotiating with its trading partners, which could mean compensating them for loss of trade. One of the achievements of the Uruguay Round of multilateral trade talks was to increase the amount of trade under binding commitments. In agriculture, 100% of products now have bound tariffs. The result of all this: a substantially higher degree of market security for traders and investors.
The system tries to improve predictability and stability in other ways as well. One way is to discourage the use of quotas and other measures used to set limits on quantities of imports — administering quotas can lead to more red-tape and accusations of unfair play. Another is to make countries' trade rules as clear and public ("transparent") as possible. Many WTO agreements require governments to disclose their policies and practices publicly within the country or by notifying the WTO. The regular surveillance of national trade policies through the Trade Policy Review Mechanism provides a further means of encouraging transparency both domestically and at the multilateral level.

5. Promoting fair competition

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The WTO is sometimes described as a "free trade" institution, but that is not entirely accurate. The system does allow tariffs and, in limited circumstances, other forms of protection. More accurately, it is a system of rules dedicated to open, fair and undistorted competition.

The rules on non-discrimination — MFN and national treatment — are designed to secure fair conditions of trade. So too are those on dumping (exporting at below cost to gain market share) and subsidies. The issues are complex, and the rules try to establish what is fair or unfair, and how governments can respond, in particular by charging additional import duties calculated to compensate for damage caused by unfair trade.

Many of the other WTO agreements aim to support fair competition: in agriculture, intellectual property, services, for example. The agreement on government procurement (a "plurilateral" agreement because it is signed by only a few WTO members) extends competition rules to purchases by thousands of government entities in many countries. And so on.

6. Encouraging development and economic reform

The WTO system contributes to development. On the other hand, developing countries need flexibility in the time they take to implement the system's agreements. And the agreements themselves inherit the earlier provisions of GATT that allow for special assistance and trade concessions for developing countries.

Over three quarters of WTO members are developing countries and countries in transition to market economies. During the seven and a half years of the Uruguay Round, over 60 of these countries implemented trade liberalization programmes autonomously. At the same time, developing countries and transition economies were much more active and influential in the Uruguay Round negotiations than in any previous round, and they are even more so in the current Doha Development Agenda.

At the end of the Uruguay Round, developing countries were prepared to take on most of the obligations that are required of developed countries. But the agreements did give them transition periods to adjust to the more unfamiliar and, perhaps, difficult WTO provisions — particularly so for the poorest, "least-developed" countries. A ministerial decision adopted at the end of the round says better-off countries should accelerate implementing market access commitments on goods exported by the least-developed countries, and it seeks increased technical assistance for them. More recently, developed countries have started to allow duty-free and quota-free imports for almost all products from least-developed countries. On all of this, the WTO and its members are still going through a learning process. The current Doha Development Agenda includes developing countries' concerns about the difficulties they face in implementing the Uruguay Round agreements.[1]

Agreements

The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions. They include individual countries' commitments to lower customs tariffs and other trade barriers, and to open and keep open services markets. They set procedures for settling disputes. They prescribe special treatment for developing countries. They require governments to make their trade policies transparent by notifying the WTO about laws in force and measures adopted, and through regular reports by the secretariat on countries' trade policies.

Six-part broad outline

[1] https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm

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The table of contents of "The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts" is a daunting list of about 60 agreements, annexes, decisions and understandings. In fact, the agreements fall into a simple structure with six main parts: an umbrella agreement (the Agreement Establishing the WTO); agreements for each of the three broad areas of trade that the WTO covers (goods, services and intellectual property); dispute settlement; and reviews of governments' trade policies.

The agreements for the two largest areas — goods and services — share a common three-part outline, even though the detail is sometimes quite different.

They start with broad principles: the General Agreement on Tariffs and Trade (GATT)[2] (for goods), and the General Agreement on Trade in Services (GATS)[3]. (The third area, Trade-Related Aspects of Intellectual Property Rights (TRIPS), also falls into this category although at present it has no additional parts.)

Then come extra agreements and annexes dealing with the special requirements of specific sectors or issues.

Finally, there are the detailed and lengthy schedules (or lists) of commitments made by individual countries allowing specific foreign products or service-providers access to their markets. For GATT, these take the form of binding commitments on tariffs for goods in general, and combinations of tariffs and quotas for some agricultural goods. For GATS, the commitments state how much access foreign service providers are allowed for specific sectors, and they include lists of types of services where individual countries say they are not applying the "most-favoured-nation" principle of non-discrimination.

Conservation and Sustainable Use of Marine Resources

Oceans, seas and coastal areas form an integrated and essential component of the Earth's ecosystem and are critical to sustainable development. Oceans provide key natural resources including food, medicines, biofuels and other products. They help with the breakdown and removal of waste and pollution, and their coastal ecosystems act as buffers to reduce damage from storms. Maintaining healthy oceans supports climate change mitigation and adaptation efforts. Even more, Marine Protected Areas contribute to poverty reduction by increasing fish catches and income, and improving health. They also help improve gender equality, as women do much of the work at small-scale fisheries. The marine environment is also home to a stunning variety of beautiful creatures, ranging from single-celled organisms to the biggest animal ever to have lived on the Earth–the blue whale. They are also home to coral reefs, one of the most diverse ecosystems on the planet.

Increasing levels of debris in the world's oceans are having a major environmental and economic impact. Marine debris impacts biodiversity through entanglement or ingestion of debris items by organisms, which can kill them or make it impossible for them to reproduce. As far as the world's coral reefs are concerned, about 20 per cent of them have been effectively destroyed and show no prospects for recovery. About 24 per cent of the remaining reefs are under imminent risk of collapse through human pressures, and a further 26 per cent are under a longer -term threat of collapse. Furthermore, improper marine management results in overfishing. The lost economic benefits from the fisheries sector are estimated to be around US$50 billion annually. The UN Environment Programme estimates the cumulative economic impact of poor ocean management practices is at least US$200 billion per year. In the absence of mitigation measures,

[2] https://www.wto.org/english/tratop_e/gatt_e/gatt_e.htm

[3] https://www.wto.org/english/tratop_e/serv_e/gatsqa_e.htm

climate change will increase the cost of damage to the ocean by an additional US$322 billion per year by 2050.
The oceans are the most prominent feature on the planet, covering nearly three quarters of the Earth, and are essential for planetary survival. They serve as the Earth's respiratory system, producing oxygen for life and absorbing carbon dioxide and waste. The oceans provide storage and absorb 30 per cent of the world's carbon dioxide, while marine phytoplankton generates 50 per cent of the oxygen needed for survival. The oceans regulate the climate and temperature, making the planet hospitable to diverse forms of life.
The oceans and seas are essential for national and global economic well-being. The global ocean economic activity is estimated to be between US $3 trillion to US $6 trillion, contributing to the world economy in many important ways, such as:

- 90 per cent of global trade moves by marine transport.
- Submarine cables carry 95 per cent of all global telecommunications.
- Fisheries and aquaculture supply 4.3 billion people with more than 15 per cent of annual consumption of animal protein.
- Over 30 per cent of global oil and gas produced is extracted offshore.
- Coastal tourism is the largest market segment in the world economy, comprising 5 per cent of the global gross domestic product (GDP) and 6 to 7 per cent of global employment.
- Expanding knowledge on marine biodiversity has provided breakthrough advances in sectors such as pharmaceuticals, food production, and aquaculture.
- 13 of the world's 20 megacities are coastal.
- Tides, waves, currents, and offshore wind are emerging sources of energy that have significant potential to contribute to low-carbon energy in many coastal countries.

The oceans and seas are essential for social well-being. Over 40 per cent, or 3.1 billion, of the world's population lives within 100 kilometres of the ocean or sea in about 150 coastal and island nations. Regardless of whether a country is landlocked, or has a coastline, all nations are directly connected to the oceans and seas through rivers, lakes and streams. Nations have placed significant importance on the benefits that are provided by the oceans and seas, comprising over 60 per cent of the global gross national product (GNP). In particular, coastal economic activity is the lifeblood of coastal and island nations.
Through activities such as sustainable fishing, renewable energy production, ecotourism, and "green" shipping, nations have been able to increase the rates of employment and good sanitation while decreasing poverty, malnutrition and pollution. Ocean-based economies provide more opportunities for the empowerment and employment of women, who make up the majority of the secondary activities workforce in marine fisheries and aquaculture. The results of increased female employment include the strengthening of the economic vitality of small and isolated communities and the enhancement of the status of women in developing countries.
At the same time, coastal and island populations are some of the most vulnerable to climate change impacts. Oceans, seas and coastal areas experience an increased frequency and intensity

of climate extremes, including stronger hurricanes, typhoons and cyclones. They are also subject to ocean acidification, sea level rise and fluctuations in ocean circulation and salinity. These changes will be felt not only along coastlines, but inland as well due to the widespread influence of ocean currents on weather systems. By 2050, it is estimated that 50 million to 200 million people worldwide will be displaced due to the negative impacts of climate change, threatening food security, livelihoods and social stability not only in coastal and island nations, but in all countries that will be assisting displaced populations. Mitigation and adaptation must be further enhanced to provide increased support for emergency preparedness and disaster response, as well as early warning systems, observations, and coastal planning and management.

Oceans and seas were centrally emphasized in the Rio+20 outcome document, "The future we want". However, since oceans and seas had hardly figured in the Millennium Development Goals (MDGs), when the work of the OWG began in 2013, there was a need for extensive mobilization of Member States and civil society to articulate the centrality of oceans for sustainable development. Some viewed oceans and seas as mainly an environmental issue, not fully aware of their economic and social importance. Starting in summer 2013, a strong push by Member States, led by the Pacific Small Island Developing States and Timor-Leste, and supported by civil society, including the Global Ocean Forum, articulated the need for an oceans goal for planetary survival and for global and national economic and social well-being. The many opportunities for civil society input afforded by the co-chairs of the OWG of the United Nations, who ran a truly "open process", contributed to the adoption of SDG 14, which came to be supported by a very large number and range of nations—developing and developed, coastal and inland, small islands and continental nations.

The package of ocean and seas issues reflected in SDG 14, "Conserve and sustainably use the oceans, seas and marine resources for sustainable development", with its seven targets and three provisions on means of implementation is a very important one. The goal itself, its targets and means of implementation reinforce and give renewed focus and urgency to existing international prescriptions on oceans and seas emanating from the 1992 United Nations Conference on Environment and Development, the 2002 World Summit on Sustainable Development, the 2012 United Nations Conference on Sustainable Development (Rio+20), and the United Nations Convention on the Law of the Sea, which came into force in 1994.

Especially noteworthy is target 14.7 which urges "By 2030 increase the economic benefits to Small Island developing States (SIDS) and least developed countries (LDCs) from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism". This emphasis on enhanced benefits to SIDS and LDCs is long-overdue and will cause a profound shift in consideration of ocean management decisions to highlight their economic and social impacts.

An important addition, if appropriate, would be a provision to strengthen ocean governance, e.g., reinforce ocean and coastal decision-making processes, including through the enactment of ocean and coastal laws and through capacity development. <u>This is the basic focus of the agenda under discussion for the committee</u>.

Marine Pollution

From plastic bags to pesticides - most of the waste we produce on land eventually reaches the oceans, either through deliberate dumping or from run-off through drains and rivers. This includes:

<u>Oil</u>

Oil spills cause huge damage to the marine environment - but in fact are responsible for only around 12% of the oil entering the seas each year. According to a study by the US National Research Council, 36% comes down drains and rivers as waste and runoff from cities and industry.

Fertilizers

Fertilizer runoff from farms and lawns is a huge problem for coastal areas. The extra nutrients cause eutrophication - flourishing of algal blooms that deplete the water's dissolved oxygen and suffocate other marine life.

Eutrophication has created enormous dead zones in several parts of the world, including the Gulf of Mexico and the Baltic Sea.

Seas of garbage

Solid garbage also makes its way to the ocean. Plastic bags, balloons, glass bottles, shoes, and packaging material – if not disposed of correctly, almost everything we throw away can reach the sea.

Plastic garbage, which decomposes very slowly, is often mistaken for food by marine animals. High concentrations of plastic material, particularly plastic bags, have been found blocking the breathing passages and stomachs of many marine species, including whales, dolphins, seals, puffins, and turtles. Plastic six-pack rings for drink bottles can also choke marine animals.

This garbage can also come back to shore, where it pollutes beaches and other coastal habitats.

Sewage disposal

In many parts of the world, sewage flows untreated, or under-treated, into the ocean. For example, 80% of urban sewage discharged into the Mediterranean Sea is untreated.

This sewage can also lead to eutrophication. In addition, it can cause human disease and lead to beach closures.

Toxic chemicals

Almost every marine organism, from the tiniest plankton to whales and polar bears, is contaminated with man-made chemicals, such as pesticides and chemicals used in common consumer products.

Some of these chemicals enter the sea through deliberate dumping. For centuries, the oceans have been a convenient dumping ground for waste generated on land. This continued until the 1970s, with dumping at sea the accepted practise for disposal of nearly everything, including toxic material such as pesticides, chemical weapons, and radioactive waste.

Dumping of the most toxic materials was banned by the London Dumping Convention in 1972, and an amended treaty in 1996 (the London Convention) further restricted what could be dumped at sea. However, there are still the problems of already-dumped toxic material, and even the disposal of permitted substances at sea can be a substantial environmental hazard.

Chemicals also enter the sea from land-based activities. Chemicals can escape into water, soil, and air during their manufacture, use, or disposal, as well as from accidental leaks or fires in products containing these chemicals. Once in the environment, they can travel for long distances in air and water, including ocean currents.

People once assumed that the ocean was so large that all pollutants would be diluted and dispersed to safe levels. But in reality, they have not disappeared - and some toxic man-made chemicals have even become more concentrated as they have entered the food chain.

Tiny animals at the bottom of the food chain, such as plankton in the oceans, absorb the chemicals as they feed. Because they do not break down easily, the chemicals accumulate in

these organisms, becoming much more concentrated in their bodies than in the surrounding water or soil. These organisms are eaten by small animals, and the concentration rises again. These animals are in turn eaten by larger animals, which can travel large distances with their even further increased chemical load.
Animals higher up the food chain, such as seals, can have contamination levels millions of times higher than the water in which they live. And polar bears, which feed on seals, can have contamination levels up to 3 billion times higher than their environment.
People become contaminated either directly from household products or by eating contaminated seafood and animal fats.
Evidence is mounting that a number of man-made chemicals can cause serious health problems - including cancer, damage to the immune system, behavioral problems, and reduced fertility.

Existing Legal Instruments

1. United Nations Convention on the Law of the Sea

International law, as reflected in the United Nations Convention on the Law of the Sea (UNCLOS)[4], provides the legal framework for the conservation and sustainable use of the oceans and their resources. This Focus Area on marine resources, oceans and seas integrates the three pillars of sustainable development and has also many interlinkages to the other Focus Areas. It can contribute to: food security and nutrition, climate change, sustainable consumption and production, energy, sustainable cities and human settlements, disaster risk reduction, sustainable agriculture, land desertification, forests, ecosystems and biodiversity, women's empowerment, employment and sustainable tourism.[5]
The UNCLOS provides some essential definitions concerning this agenda. Those are as follows:

1) Area: The seabed and ocean floor and subsoil thereof, beyond the limits of national jurisdiction;

2) Activities in the Area: All activities of exploration for, and exploitation of, the resources of the Area;

3) Pollution of the marine environment: The introduction by man, directly or indirectly, of substances or energy into the marine environment, including estuaries, which results or is likely to result in such deleterious effects as harm to living resources and marine life, hazards to human health, hindrance to marine activities, including fishing and other legitimate uses of the sea, impairment of quality for use of sea water and reduction of amenities;

4) Dumping:

    a. Any deliberate disposal of wastes or other matter from vessels, aircraft, platforms or other man-made structures at sea;

[4] http://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf
http://jpkc.fudan.edu.cn/picture/article/460/05/56/944404884db8857880997b8500b1/694d8cb6-b013-42a3-837a-2298e170ed58.pdf

[5] http://www.un.org/sustainabledevelopment/wp-content/uploads/2016/08/14_Why-it-Matters_Goal-14_Life-Below-Water_3p.pdf

b. any deliberate disposal of vessels, aircraft, platforms or other man-made structures at sea;

It is worth noting that dumping does not include:

i. The disposal of wastes or other matter incidental to, or derived from the normal operations of vessels, aircraft, platforms or other man-made structures at sea and their equipment, other than wastes or other matter transported by or to vessels, aircraft, platforms or other man-made structures at sea, operating for the purpose of disposal of such matter or derived from the treatment of such wastes or other matter on such vessels, aircraft, platforms or structures;

ii. Placement of matter for a purpose other than the mere disposal thereof, provided that such placement is not contrary to the aims of UNCLOS.

Note from the Executive Board

There are two forms of dumping mentioned here. First one refers to economic dumping (of a good) which is selling any good below the cost of production of that good. While the marine dumping mentioned under UNCLOS refers to disposal of waste into marine resources. Both of them, while described using the same word, are completely different, and independent of one another.

UNCLOS sections the oceans, splitting marine areas into five main zones, each with a different legal status: Internal Waters, Territorial Sea, Contiguous Zone, Exclusive Economic Zone (EEZ) and the High Seas. It provides the backbone for offshore governance by coastal states and those navigating the oceans. It not only zones coastal states' offshore areas but provides specific guidance for states' rights and responsibilities in the five concentric zones.

1. *Internal Waters*

Internal Waters include littoral areas such as ports, rivers, inlets and other marine spaces landward of the baseline (low-water line) where the port state has jurisdiction to enforce domestic regulations. Enforcement measures can be taken for violations of static standards while in port as well as for violations that occurred within the coastal state's maritime zones and beyond. However, foreign vessels are not usually held to non-maritime or security port state laws so long as the activities conducted are not detrimental to the peace and security of the locale. In the maritime security context, however, a coastal state can prevent privately contracted armed security personnel (PCASP) from entering its ports and internal waters if carriage of weapons is forbidden in national legislation. Moreover, once entering a port PCASP (and the vessel which they are aboard) can be held accountable for other violations that took place at sea if (a) they in some way impacted the port state or (b) for other reasons with the permission of the flag state.

2. *Territorial Sea*

In the Territorial Sea, a coastal state has unlimited jurisdiction over all (including foreign) activities unless restrictions are imposed by law. All coastal states have the right to a territorial

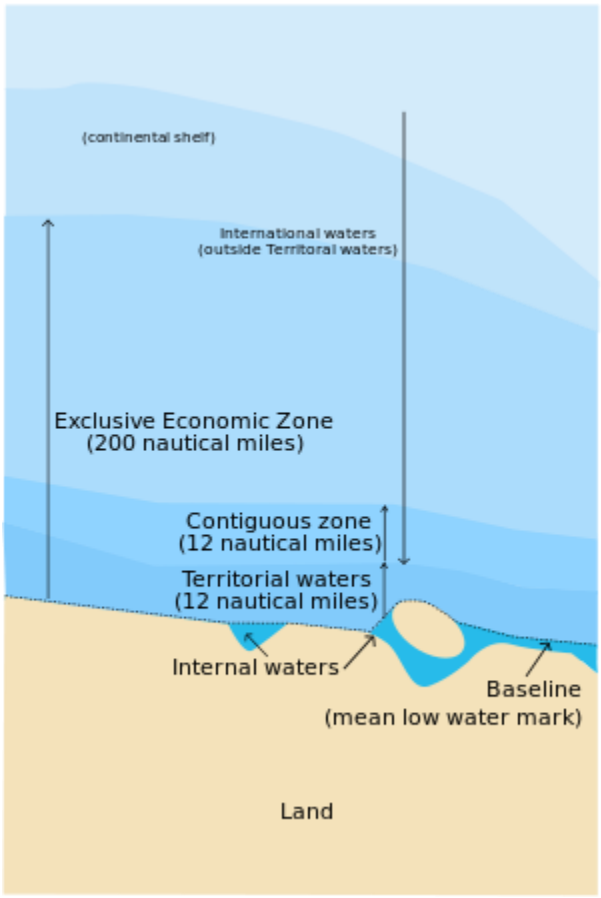
sea extending 12 nautical miles from the baseline which is usually the mean low water-mark. 12 nautical miles is approximately 22.2kms.

3. *Contiguous Zone*

The Contiguous Zone is an intermediary zone between the territorial sea and the high seas extending enforcement jurisdiction of the coastal state to a maximum of 24 nautical miles from baselines for the purposes of preventing or punishing violations of customs, fiscal, immigration or sanitary (and thus residual national security) legislation.
In the maritime security context, this can certainly include monitoring any activities which can result in armed violence or weapons import into the state. Therefore the coastal state can take measures to prevent or regulate armed maritime security activities out to 24 nautical miles under the reasoning that it is undertaking customs enforcement operations to prevent movement of arms into its waters/ports.

4. Exclusive Economic Zone (EEZ)

The EEZ is another intermediary zone, lying between the territorial sea (12 nautical miles) and the high seas to the maximum extent of 200 nautical miles. Although high seas freedoms concerning general navigation principles remain in place, in this zone the coastal state retains exclusive sovereignty over exploring, exploiting and conserving all natural resources. The coastal state therefore can take action to prevent infringement by third parties of its economic assets in this area including, inter alia, fishing, bio-prospecting and wind-farming.
In order to safeguard these rights, the coastal state may take necessary measures including boarding, inspection, arrest and judicial proceedings, as may be necessary to ensure compliance with the international laws and regulations.



5. *High Seas*

The High Seas, which lie beyond 200 nautical miles from shore, are to be open and freely available to everyone, governed by the principle of equal rights for all. In agreeing to UNCLOS, all state parties acknowledged that the oceans are for peaceful purposes as the Convention's aim was to maintain peace, justice and progress for all people of the world. On the High Seas, no state can act or interfere with justified and equal interests of other states.
The Convention establishes freedom of activity in six spheres: Navigation, Overflight, Laying of cables and pipelines, artificial islands and installations, Fishing, Marine scientific research. Freedom of navigation is of utmost importance for all, and maritime security activities can be considered part of navigational activities as they protect vessels from interference by third parties.

5) The 1972 Convention on Dumping Waste at Seas and its 1996 Protocol

An inter-governmental conference on the Convention on the Dumping of Wastes at Sea met in London in November 1972 to adopt this instrument, the London Convention. The Convention has a global character and is aimed at international control and putting an end to marine pollution. The definition of dumping under the Convention relates to deliberate disposal at sea of wastes or other materials from vessels, aircraft, platforms and other man-made structures or disposal of the vessels or platforms themselves.
The Protocol, which became effective on March 24, 2006, replaces the 1972 Convention. Article 3 of the Protocol calls for appropriate preventive measures to be taken when wastes or other

matter thrown into the sea are likely to cause harm "even when there is no conclusive evidence to prove a cause relation between inputs and their effects." The article states that "the polluter should, in principle, bear the cost of pollution". The Contracting Parties must ensure that the Protocol does not simply result in pollution being transferred from one part of the environment to another.

Article 4 prohibits the Contracting Parties from dumping "wastes or any other matter with the exception of those listed in Annex 1". This Annex includes dredged material; sewage sludge; fish waste or material resulting from industrial fish processing operations; vessels and platforms or other man-made structures at sea; inert, inorganic geological material; organic material of natural origin; and bulky items like iron, steel, concrete and other similar unharmful materials for which the concern is mainly physical impact and it is limited to those circumstances and where such wastes are generated in small islands with isolated peoples who have no access to other proper disposal options.

Exceptions to the above are contained in Article 8 which allows dumping "in cases of force majeure caused by stress of weather, or in any case which constitutes a danger to human life or a real threat to vessels…"

Article 5 prohibits incineration of wastes at sea (permitted by the 1972 convention but prohibited under the 1993 amendments).

Article 6 states that "Contracting Parties shall not allow the export of wastes or other matter to other countries for dumping or incineration at sea". This reflects concern in recent years regarding export of wastes which cannot be dumped at sea under the 1972 Convention to Non-Contracting Parties.

Article 9 calls upon the Parties to designate an appropriate authority to issue permits in accordance with the Protocol.

Article 11 explains the compliance procedures which states that, no later than two years after the coming into effect of the Protocol, the "Meeting of Contracting Parties shall establish those procedures and mechanisms necessary to assess and promote compliance…"

Article 26 allows for a transitional period which enables Contracting Parties to phase in compliance with the convention over a five-year period. There are extended technical assistance provisions in this regard.

The International Maritime Organization (IMO) is responsible for Secretariat duties with respect to the Protocol.

The Protocol has three annexes in all, two of them concerned with assessment of wastes and arbitral procedures.

Amendments to the articles shall come into force on the 60th day after two-thirds of Contracting Parties shall have deposited an instrument of acceptance of the amendment with the IMO. Amendments to the annexes are adopted through a tacit acceptance procedure and they will be enforced not later than a hundred days after being adopted. The amendments are binding on all Contracting Parties except those who have clearly stated their non-acceptance.

Adopted on November 2, 2006, the amendments were enforced on February 10, 2007. The amendments allow the dumping of carbon dioxide streams only when it is done into a sub-seabed geological formation; the streams have an overwhelming carbon dioxide content (they may also have incidental associated substances got from the source material and capture and sequestration processes used); and wastes or other matter are not added when disposing them.

The amendments allow storage of carbon dioxide (CO_2) under the seabed but regulate the sequestration of CO_2 streams from CO_2 capture processes in sub-seabed geological formations.

Parties agreed that guidance for conducting it should be developed within the earliest time possible.
The amendments have created a basis in international environment law to regulate carbon capture and storage in sub- sealed geological formation in order to ensure their permanent isolation. It is part of the measures being considered to address climate change and ocean acidification like developing low carbon energy forms especially for sources of enormous CO_2 emissions (power plants, steel factories and cement works).

"Standards and Morals of International Trade with special emphasis on Conservation and Sustainable use of oceans, seas, and marine resources."

The Case to be discussed

DS421: Moldova — Measures Affecting the Importation and Internal Sale of Goods (Environmental Charge)

As of now, a panel has been established for this case, but no consultations have happened yet. We sincerely recommend to the PMUN website where you will find the mini-site for this committee. We, as the Executive Board will be uploading multiple resources up there. They shall include, but not be limited to:

1. Explanation of Environmental Charge.
2. The Dispute Settlement Process of the WTO
3. Case Studies about environmental charge, as well as statistics.

The text of the official submission of complaint by Ukraine against Moldova has been provided on the following page. We sincerely suggest you read up the relevant legislation mentioned in the complaint.

The following communication, dated 12 May 2011, from the delegation of Ukraine to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

On 18 February 2011, Ukraine requested consultations with the Government of the Republic of Moldova pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU") and Article XXII.1 of the General Agreement on Tariffs and Trade 1994 ("GATT") , which was circulated to the Members in document WT/DS421/1 on 21 February 2011.

The Request for Consultations was with respect to the measures introduced by Moldova affecting the importation and internal sale of goods (environmental charge).

Pursuant to the Law "On Charge for Contamination of Environment" of 25 February 1998 ("Law") Moldova applies "a charge for import of products, the use of which contaminates the environment", ranging from 0,5 % to 5 % of the customs value of imported products. The list of goods is extensive and it seems to be a systemic issue. It appears that like domestic products are not subject to this charge. Pursuant to the Law Moldova also applies "a charge for a plastic or "tetra-pack" package containing products (except for dairy produce)", ranging from MDL 0,80 to 3,00 per a package. It appears that packages containing domestically produced like products are not subject to this charge.

Ukraine considers that the measure is inconsistent with Moldova's obligations under GATT 1994:

- Moldova seems to have acted inconsistently with Article III:1 and 2 of the GATT 1994, by subjecting the products of the territory of other Members imported into the territory of Moldova, directly or indirectly, to internal taxes or other internal charges of any kind in excess of those applied, directly or indirectly, to like domestic products and affording protection to domestic production;
- Moldova seems to have acted inconsistently with Article III: 4 of the GATT 1994, by failing to accord to products of the territory of Ukraine imported into the territory of Moldova treatment no less favorable than that accorded to like products of national origin in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use.

With a view to reaching a mutually satisfactory solution to this matter, Ukraine proposed that consultations be held as soon as possible on a date to be agreed between our Missions. Nevertheless, the consultations were not possible since Ukraine had neither received any written reply nor had the Moldovan experts enter the consultations within a period as provided in Article 4 of the DSU, which made it impossible for the experts from Ukraine to meet and discuss the matter in question at consultation stage.