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**INFORMAL DIALOGUE ON PLASTICS POLLUTION
AND ENVIRONMENTALLY SUSTAINABLE PLASTICS TRADE**

STATEMENT BY THE FORUM ON TRADE, ENVIRONMENT & THE SDGS (TESS)

IDP pre-plenary Meeting – 11 May 2022

DOCUMENT DE SÉANCE NON OFFICIEL¹

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* In Original language only/En langue originale seulement/En el idioma original solamente.

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Work stream 1: Cross-cutting Issues

Thank you for the invitation to be here at your pre-plenary meeting today and for focusing our attention on these crosscutting issues. Thank you also to the UK and China for their updates.

Transparency

As has already been noted in this Informal Dialogue, there is a lack of transparency with regard to types of plastics, plastic products, plastic additives as well as plastic substitutes that are traded internationally, in part because these are not fully captured by the Harmonized System (HS) classification.

TESS has already presented to this committee of this working group the findings of our research on this topic. To support that work further we are pleased to be sharing a [policy brief](#) on the potential amendments to the HS classification, which lays out some very concrete options for addressing some of the main gaps identified and that could be pursued as part of the current amendment cycle at the WCO.

We are delighted to see the suggested elements of the communication to the WCO and agree with other comments that a key priority going forward would be to integrate the work in capitals between authorities responsible for customs, trade and plastic pollution. This will be particularly important given the short time-frame for moving ahead with potential HS amendments in the 2022-2027 amendment cycle. From the TESS point of view, we would like to highlight how important this kind of technical work will be to enabling future co-operation on trade policies and plastic pollution. Putting this on the agenda is already an excellent contribution by IDP to international efforts to tackle plastic pollution.

We are also conscious that there will be a need for some very detailed work from governments in order to take specific amendments forward, so one should not underestimate the task ahead. For this reason, it is especially good to see the co-operation of the Secretariat with the WCO on this topic.

As discussed already this morning, there is also the need more transparency in environmental policies that are relevant to trade, and of trade policies more generally that are relevant to plastic pollution. We agree that transparency of national measures is an area where the IDP could make an important contribution. With that in mind we endorse the proposal for a taxonomy of types of trade policies relevant to plastic pollution and of environmental policies with a trade dimensions. A voluntary survey that complements the WTO's formal notification processes would help stimulate information sharing. In addition, it would spur dialogue within national capitals and among stakeholders on plastic pollution and trade, spurring joint analysis of what is going on nationally and where some of the trade-policy related challenges lie. The survey can thus be seen as a key contribution of the IDP process to the important process of building dialogue between trade and environment experts and stakeholders at the national level.

On the issue of transparency, we think it is also important to highlight an important number of wider data gaps. There is no common platform in the international system for publicly accessible data on trends in global plastic production, trade-flows, plastic value chains, and material composition of plastics or of the implications of policy measures that countries take nationally. It would be fantastic looking forward if the IDP could explore with the WTO Secretariat options to work with and spur other IGOs and parts of the UN system to form kind of joint portal or data entry point for some of this information. I think this will make it a lot easier for governments at the national level to get a full picture. While it will be difficult to have a fully integrated online database, it should be possible to at least put together the various sources of information in one place.

Another aspect of transparency is to build better understanding of the terminology commonly used in regard to plastics, plastic substitutes, and circularity in ways that are relevant to this trade and trade policy discussion. One option would be a glossary of terms that draws on work already underway and undertaken by UNEP and by our colleagues at the Basel Convention. At TESS, we are keen to consult with colleagues at UNEP or beyond on contributing to a compendium of some of the terms that would be useful for your discussions here in the IDP. There are many stakeholders here

who could contribute further with their analyses on the definitions and debates on the terminology, concepts and technologies that are out there.

On this point, TESS would like to remind you of the presentation by our Senior Policy Advisor Mahesh Sugathan at the March 18 session of the IDP, where he shared early findings of his research on the state of play on Aid for Trade and plastic pollution.

TESS will be issuing a [policy brief](#) to be shared with all IDP co-sponsors and stakeholders that provides a snapshot of the state of play on overseas development assistance on plastics pollution generally as well as that related to trade and trade-policy. The policy brief shows that there are numerous pathways for co-operation on Aid for Trade that will be vital to enabling developing and least-developed countries to address the trade-dimensions of plastic pollution. At TESS, we are hopeful that this topic will achieve attention in the next work programme of the Aid for Trade initiative, and we are heartened to hear that co-sponsors are working to have a special session on plastic pollution at the 2022 Aid for Trade Global Review.

Our colleagues from other IGOs have highlighted a number of areas where there are complementarities and synergies. Going forward, it will be important for the IDP to find ways to benefit from and work with UNCTAD on their work on plastic substitutes and the circular economy as well as their work to support sustainable manufacturing in developing countries.

At the WCO, there is both the opportunity to engage with process on HS reform and the potential to bolster collaboration with customs authorities in monitoring and identifying plastics at the border. Another potential area worthy of exploration would be to see if there are ways to address unnecessary secondary plastic packaging that may be used as part of export and import procedures. This is an aspect of plastic packaging that has a very specific trade angle and the WCO may be uniquely positioned to support an exploration of that topic.

Finally, our colleagues from UNEP mentioned the INC process for the negotiation of a new international instrument on plastic pollution. While trade is not mentioned specifically in the resolution, it is a topic highlighted for discussion in the multi-stakeholder dialogues that will take place as part of the Open-Ended Working Group (OEWG) at the end of May in Senegal. We encourage Members to speak up at the OEWG meetings on the importance of the challenges and opportunities linked to trade, supply chains and efforts to reduce plastic pollution. Ideally, the WTO Secretariat could also participate and contribute their expertise to the OEWG meeting. When negotiations for the new treaty begin, a very specific issue on the agenda will be financial mechanisms for supporting action on plastic pollution in developing countries. Here too, there is a link to work on Aid for Trade that you are contemplating here.

Work stream 2: Promoting trade to tackle plastic pollution:

TESS would like to join others in thanking UNCTAD and UNEP for their excellent presentations today. TESS has been contributing to UNCTAD's work on non-plastic substitutes and supports UNCTAD's proposal for a workshop on this topic of substitutes for plastics and look forward to joining with other stakeholders in contributing our expertise if invited.

One of the issues we did not hear so much about today but which a number of delegations in the early stages of the IDP was that plastic substitutes may be of export interest to some developing countries and that they may also have a role in displacing plastic imports. That is, in domestic market place in some developing countries, there may be opportunities for communities that produce traditional packaging materials to replace imports while also supporting livelihoods in rural communities, including by generating employment for women.

A really key part of promoting substitutes is to explore business models that reduce the use of plastics. This topic may arise in discussion on this IDP workstream later today, but it is worth noting here because re-use and refill schemes are an approach to substituting plastics. Reuse and refill schemes may require standardization of packaging and may also spur new re-use services and business models. The trade dimensions of re-use and re-fill models are only just beginning to be explored, but it would be useful in the IDP to devote some attention to better understanding the trade and trade policy dimensions of promoting refill and reuse particularly across supply chains.

On promoting trade in environmentally sound recycling and waste management goods and services, we need to listen carefully to developing countries on what they consider to be environmentally sound technologies particularly with regard to the health effects of different types of technologies and also in consideration of the livelihoods and health effects of workers in the informal plastics waste collection and management sector. There have been important discussions about this in the UNEA context. There is not a perfect set of technologies that can be used in all settings. On the topic of promoting trade in environmental goods and services we will need to explore if there is a link to discussions on promoting trade in EGS in the TESSD context.

Also on this topic of promoting environmental goods and services that can help tackle plastic pollution, it will be important to have a broad approach that considers tariff and non-tariff regulatory measures, standards as well as issues of technology transfer, financing and investment, which are all critical to how much and whether these technologies are actually useful and used in developing countries.

On the issue of standards, the Philippines delegates has made an important point about false claims and greenwashing around the range of plastics that we see on the market. The WTO will not be place to develop regulations and standards on issues such as eco-design and labelling on the material composition of plastic products, but it can be a place to foster understanding the tensions and the challenges related to cross-border cooperation on standards.

Finally, I mentioned earlier the links between the IDP work streams on “promote” and on “reduce.” Something that you may want to consider is the role of major international distributors, shipping companies and retailers, all of which are drivers and vectors for a lot of unnecessary and harmful plastic packaging. The IDP could consider how to better understanding opportunities from their perspective on how to promote re-use and re-fill schemes across international supply chains, for example, and how trade policies might help provide incentives in this respect.

A final is that it may be useful to create a link between your discussions here on plastic pollution and transfer of technology, and the work of the WTO Working Group on Trade and Transfer of Technology.

Work stream 3: Circularity and reduction to tackle plastic pollution

TESS supports the idea, introduced by Colombia, of a voluntary survey on trade-related policies and measures related to plastic pollution, and look forward to analyzing the survey results. Such as survey would help Members and stakeholders better understand the state of play and to identify ways countries might be able to co-operate going forward.

On the theme of ‘reduce’, it is important to bear in mind that the work of the IDP and the wider global efforts to tackle plastic pollution are advancing in the face of massive projected increases in the amount of plastics circulating in the global economy. By 2040, current forecasts are for a doubling of the overall production of plastics globally. Predictions are for up to 2 000 million metric tonnes per year by 2050 if we continue on our current trajectory. That compares to 400 million metric tonnes per year in 2020.

At TESS, we understand that plastics will continue to play a vital role in the economy. The key challenge is for us to make sure if we are using plastics in a way that is safe, non-toxic and circular and that we only use them where they are necessary and where there are not environmentally sound and effective substitutes for them.

Many countries are already working to reduce the production and use of unnecessary, harmful or problematic plastics. Some are focusing on single-use plastics, others on particular products, materials or additives that are harmful. The key point for us to bear in mind is that the production and consumption of plastics occurs across a range of different sectors. The implications of those plastics for the environment are different and the economic stakes vary for countries widely depending on the sector. What is clear is that that the plastics sector operates internationally through trade, investment and integrated supply chains. No country acting alone will be able to successfully reduce the use or misuse of harmful, unnecessary or problematic plastics. It will require international co-operation and there will be a trade piece to that puzzle. It is clear that there is considerable scope for more analysis. The plastics economy is vast, the range of products and materials are many.

However, a key starting point is to examine what countries are already doing and the policies they are implementing at the national level.

One of the questions for today was on the trade and trade-policy measures that Members could take and what aspects require international cooperation. Looking ahead, this question is one of the central ones for the IDP. We can start by looking at what countries are already doing. Following are some quick reminders of options that have been noted in past IDP discussions:

- Members that have already banned or wish to phase out or restrict production or use of specific plastics could extend those same policies to their exports as well (i.e., do not export what you restrict domestically).
- Members could focus attention on how they can co-operate on trade-related restrictions on specific problematic plastics such as certain single-use plastics or hazardous plastics or unnecessary ones particularly in the area of plastic packaging.
- A specific trade-related issue worthy of exploration is secondary plastic packaging used for the purposes of international transportation and distribution. Here, it is important to understand where such packaging might be necessary for particular hygiene, safety or other reasons or where there are certain requirements that one might be able to remove. That is, can we target a share of the plastic packaging that crosses borders internationally, but which is hidden and not captured in trade flow statistics. If you are an importing company or consumer, you might receive a product with packaging that is used only for transportation purposes. This is a complex area as there is broad array of packaging that can be directly associated with a good (such as pre-packaged goods) that require consideration and some has vital hygiene and food safety purposes. However, the suggestion here is to start with just a piece of the puzzle, by exploring plastic packaging used for clearing customs, transportation and shipping. A key point to bear in mind when considering strategies for the transition to supply chains that use less plastics is that there will be many producers around the world that will need to adapt to new packaging requirements, systems and so on. So, there will be a need to consider the kinds of support, technology and technical assistance that developing country producers and exporters will need in order to be able to compete in key export markets where there may be changing regulations around packaging.
- Reducing certain uses of plastics across supply chains will require transparency and cooperation on the standards and labelling requirements that different countries have. As noted earlier, the WTO is likely not place to set such standards, but it can be a place for deepening deepen understanding on how these standards vary across countries, the trade implications of that variation, and also the implications for businesses and their incentives to invest in supply-chains and in products that use less plastic. We hear from a lot of businesses that this patchwork of regulatory requirements is something that slows them from making the transition to reduce unnecessary and problematic uses of plastic.

Finally, it would be useful to consider work that IDP Members could spur or support among companies that are involved with international supply chains or plastics value chains. This could include efforts by supply chain leaders to reduce excess use of packaging in their supply chains or to ensure the shipping of plastic pellets is better regulated to avoid the loss of plastic pellets at sea. We have also heard of major international shipping companies refusing to ship plastic waste that do not meet a certain set of requirements. The point to underline here is that action by key actors in plastics value chains will be important to complement the work here that you are doing here.

Thank you.
