

## **TRADE AND ENVIRONMENTAL SUSTAINABILITY STRUCTURED DISCUSSIONS (TESSD)**

### INFORMAL WORKING GROUP MEETINGS HELD ON 10-11 MAY 2023

#### *Summary of discussions<sup>1</sup>*

#### **1 Remarks by the TESSD Coordinators**

1.1. In their introductory remarks, the TESSD Co-convenors<sup>2</sup> recalled that, in the 2021 TESSD Ministerial Statement, Members had indicated their intention to seek out opportunities to take action, either individually or collectively, for environmentally sustainable trade. They encouraged Members to reflect on their exchanges in TESSD and find potential areas of convergence and shared interests for future work and action to achieve their environmental goals. Further, the Co-convenors indicated that different outcomes could be possible: a baseline would be a compilation of Member inputs or summary documents which would capture the information shared and discussions since the 12th WTO Ministerial Conference (MC12). At a slightly more ambitious level, Members could work together on some of these compilations to identify best practices that could be released as products of TESSD. Additionally, the Co-convenors encouraged voluntary actions or the adoption of practices by groups of Members, such as adding more information to their notifications of environmental measures. As Members would pilot different actions, this could help other Members in their evaluation of whether to take similar actions.

1.2. Welcome was extended to Mauro Bruno (Uruguay), the new facilitator of the Working Group on Subsidies, and gratitude was conveyed to his predecessor Mariana Vera (Uruguay), as well as to Helga Helland (Norway) and Göksu Tülümen (Türkiye), since these were their last meetings as facilitators of the Working Groups on Environmental Goods and Services and Trade-related Climate Measures, respectively.

1.3. In their closing remarks after the four Working Group meetings, the Co-convenors commended the substantive discussions that had taken place, and expressed appreciation for Members' efforts and engagement in TESSD. They underlined the importance of getting a clearer view on the outputs that Members would like to achieve by the end of the year in the four Working Groups. They mentioned that at the next Plenary Meeting, tentatively scheduled for 11-12 July, some time would be dedicated to discussing possible outputs towards MC13, and encouraged the participation of Ambassadors.

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<sup>1</sup> This summary provides a non-exhaustive, illustrative summary of the issues addressed by Members, prepared and circulated under the responsibility of the facilitators chairing the meetings: Carlos Guevara (Ecuador) and Helga Helland (Norway) for the Working Group on Environmental Goods and Services; Mauro Bruno (Uruguay) and Sveinn K. Einarsson (Iceland) for the Working Group on Subsidies; Jean-Marie Meraldi (Switzerland) and Göksu Tülümen (Türkiye) for the Working Group on Trade-related Climate Measures; and Olivia Cook (Chile) and Kazunari Morii (Japan) for the Working Group on Circular Economy – Circularity.

<sup>2</sup> Nicola Waterfield (Canada) and Ana Lizano (Costa Rica) on behalf of the Co-convenors.

## 2 Working Group on Environmental Goods and Services (EGS) – 10 May (a.m.)<sup>3</sup>

### Wind energy and hydropower

2.1. A presentation was made by Ernst & Young focusing on services inputs to the wind energy value chain. The presentation elaborated on the role of services in decarbonizing supply chains, as well as the professional services required at different stages of wind power projects throughout their lifecycles including, *inter alia*, site selection, engineering, legal services, technical services, consulting services, environmental impact assessments, financial services, and maintenance services.

2.2. As part of the discussions, Members reacted to the presentation and responded to the following questions:

#### Services:

- What services are important for the development, installation and operation of wind energy and hydropower projects to achieve climate change mitigation and adaptation objectives?
- What are the main barriers to trade in these services?
- What is your experience or what do you see as possible approaches to promoting and facilitating trade in these services?

#### Goods:

- What are key goods to allow wind energy and hydropower to achieve climate change mitigation and adaptation objectives?
- What are the main bottlenecks in supply chains or barriers to the dissemination of these goods?
- What is your experience or what do you see as possible approaches to promoting and facilitating trade in these goods?

2.3. Members discussed the significance of trade in services for wind energy and hydropower projects. Key services identified by Members included, *inter alia*, engineering, architectural, construction, financing, operation and maintenance, nature and landscape protection, urban planning, site investigation, installation, research and development, and repair services. Some Members noted the importance of foreign investments and the opportunity of enhanced services commitments in Mode 3 (commercial presence) for promoting job creation, higher salaries, and knowledge transfer in emerging economies, as well as the relevance of Mode 1 (cross-border supply) and Mode 4 (movement of professionals) for wind and hydropower projects.

2.4. One Member highlighted the relevance of the Asia-Pacific Economic Cooperation (APEC)'s Model Schedule of Commitments for Environmental and Environmentally Related Services for the identification of essential services for wind and hydropower projects, including dam and power plant construction services. Another Member suggested, as a first step, to develop a non-exhaustive list of relevant services and then to survey the main obstacles, including by using tools such as the Organisation for Economic Co-operation and Development (OECD)'s Services Trade Restrictiveness Index (STRI) and services commitments, with a view to identifying best practices for the promotion and facilitation of trade in these services. Another Member noted that environmental services in wind energy and hydropower projects would require a multidimensional approach involving additional service sectors beyond those captured by Central Product Classification (CPC) 94.

2.5. Members also highlighted barriers that could impact trade in services related to wind and hydropower projects. These included lack of transparency, local content requirements, performance requirements, limited access to finance, skilled workforce and advanced technologies, and

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<sup>3</sup> Sixteen Members contributed to the discussions: Australia; Brazil; Canada; Chile; China; Costa Rica; Ecuador; European Union; Japan; Norway; Kingdom of Saudi Arabia; Singapore; Switzerland; United Kingdom; United States; Uruguay.

restrictions on the movement of professionals. Another Member highlighted that the Joint Statement Initiative on Services Domestic Regulation may be able to address some of the barriers highlighted, as well as to promote transparency and predictability in regulatory practices.

2.6. Members also discussed key goods for the wind and hydropower sectors. Some of the goods highlighted by Members for the wind energy sector included, *inter alia*, wind turbines, high-voltage power cables, structures, electrical panel, electrical meters, and electrical transformers. Further goods mentioned included power converters and generators, control systems, electrical infrastructure, meteorological equipment, steel, and aluminium. One Member also mentioned the sub-components of wind turbines, i.e. nacelles, rotors, and towers.

2.7. Goods important for hydropower turbines mentioned by Members included, *inter alia*, control systems, high-voltage power cables, specialized maintenance equipment essential for the operation of hydropower turbines and generators, inlet valves, penstocks, intake gates, power transformers, auxiliary transformers, and AC generators.

2.8. Members also highlighted supply chain bottlenecks and barriers such as inadequate transportation infrastructure, global supply chain disruptions, limited suppliers of critical minerals, technical regulations, grid integration challenges such as variable power generation, technological limitations, and financing challenges for MSMEs. Other challenges also included delays or disruptions in receiving inputs for controls, automation devices, and other small subcomponents involving microchips. The role of trade policy in reducing tariffs and non-tariff barriers was also emphasized by Members. For instance, Members noted that trade facilitation measures could streamline the movement of goods across borders by reducing bureaucratic hurdles and establishing clear and transparent guidelines for permits, certifications, and quality control. The United Kingdom mentioned that it had conducted further value chain analysis on offshore wind turbines, which would be circulated in a technical paper to Members following the meeting.<sup>4</sup>

#### Developing country perspectives

2.9. The United Nations Conference on Trade and Development (UNCTAD) presented on opportunities for developing countries in renewable energy technologies, based on the "Technology and Innovation Report 2023: Opening green windows – Technological opportunities for a low-carbon world".<sup>5</sup> Policy would be the main driver in opening green windows in developing countries and incentives would be necessary to support a green transition due to the possibility of market failures. Regarding international cooperation, the report called for consistency between the trade, Intellectual Property (IP) and climate change regimes; for greater flexibilities for developing countries regarding IP and green technologies; and for flexibilities for developing countries in trade rules to foster infant green industries through tariffs, subsidies, and public procurement.

2.10. As part of the discussions, Members reacted to the presentation and responded to the following questions:

- How can trade in goods and services help developing countries with access to and deployment of renewable energy technologies? What are the challenges and needs of developing countries and LDCs to use trade to develop the renewable energies?

2.11. Several Members agreed that a green transition was both necessary and beneficial for developing countries. Members also emphasized the role of the WTO in addressing barriers to trade in environmental goods and services like tariffs, technical standards, and labelling requirements. A Member highlighted weak infrastructure and the lack of access to technology and expertise as barriers to greater adoption of green technologies in developing economies. In response to a Member comment that the Report's recommendations appeared to challenge existing WTO rules, UNCTAD mentioned that the Report found that developing countries might require industrial policy to support their green transition and development of infant industries and recommended that efforts to align

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<sup>4</sup> Offshore Wind Energy – Technical paper by the United Kingdom (INF/TE/SSD/W/26 and INF/TE/SSD/W/26/Add.1) was circulated on 23 May, adding to its technical paper "Building our Evidence Base around Environmental Goods" (INF/TE/SSD/W/23) which provided a value chain analysis for solar PV modules.

<sup>5</sup> [https://unctad.org/system/files/official-document/tir2023\\_en.pdf](https://unctad.org/system/files/official-document/tir2023_en.pdf).

trade rules and commitments with international environmental agreements should be continued and strengthened.

### *Analytical summary*

2.12. The Facilitators introduced an Analytical Summary document (INF/TE/SSD/W/24) based on discussions at the previous meeting, which they considered as a starting point towards a possible output of the Working Group by the end of the year. Several Members welcomed the summary document as a positive contribution, and expressed interest in providing written comments and engaging further.

### **3 Working Group on Subsidies – 10 May (p.m.)<sup>6</sup>**

3.1. Presentations were made by the International Institute for Sustainable Development (IISD), China, the European Union, and Canada. The presentation by IISD focused on efforts to track public financial flows from fossil fuels to clean energy via the Energy Policy Tracker<sup>7</sup>, which covered policies affecting energy production and consumption for 38 economies and was an initiative of 29 expert organizations. IISD underscored the need to prioritize clean energy investments and reforms in recovery plans, and to balance immediate crisis responses with longer term sustainability objectives.

3.2. China presented its Green Subsidy Policy aimed at promoting the green and low-carbon transition, focusing on the practice of competitive allocation of fiscal funds. The presentation provided different examples of green subsidies policy that were considered important to support China's goals of carbon peaking and carbon neutrality, and for the green transformation of its economy more generally. The competitive allocation of fiscal funds was introduced as an innovative approach to ensure the efficient and equitable distribution of funds.

3.3. The European Union presented on its policy support for the green transition. The EU Green Deal Industrial Plan included the four pillars of: predictable regulations; increased investment for clean tech production; skills enhancement; and open trade. The EU's state aid framework and guidelines ensured support for climate and environmental initiatives while adhering to WTO-compatibility. The WTO's role in supporting climate neutrality would be through disciplines on subsidies, promoting green transition in a manner that minimized trade distortions, and as a forum for multilateral discussions on trade aspects of the green transition.

3.4. Canada presented on its Plan for Affordable Energy, Good Jobs, and a Growing Clean Economy as part of its 2023 federal budget. The budget plan proposed investments in clean growth of almost USD 21 billion over the next five years and focused on securing global investment in the clean economy, with significant funding allocated for clean electricity, clean economy growth, resilient infrastructure, and technological innovation. Three tiers of federal financial incentives (targeting programming, strategic financing, and investment tax credits), underpinned by carbon pollution pricing and regulatory frameworks, aimed to accelerate private investment.

3.5. As part of the discussions, Members reacted to the presentations and responded to the following questions:

- How do you balance environmental and trade considerations when designing subsidies related to the low-carbon transition?
- How do you consider possible trade impacts in the design of subsidies related to the low-carbon transition?
- How can the environmental effects and trade impacts of such subsidies be identified?
- What are information gaps to better understand these impacts, and how could transparency and data availability be enhanced?

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<sup>6</sup> Fifteen Members contributed to the discussions: Australia; Brazil; Canada; China; Chile; Costa Rica; Ecuador; European Union; Norway; Kingdom of Saudi Arabia; Singapore; Switzerland; United Kingdom; United States; Uruguay.

<sup>7</sup> <https://www.energypolicytracker.org/>.

3.6. Members exchanged views on the presentations and shared their experiences on subsidy design, including environmental effects and trade impacts in the design and implementation of such subsidies. Several Members emphasized the importance of transparency in supporting greater predictability and greener economies, stressing the need to improve compliance with notification requirements under the Agreement on Subsidies and Countervailing Measures. A Member also encouraged the sharing of best practices for subsidy design to enable Members to maximize environmental benefits while minimizing negative trade effects.

3.7. Members also emphasized the importance of consistency with WTO rules in designing subsidies, as well as the need to account for trade and environmental considerations. A Member stated that it utilized subsidies as incentives, along with regulatory measures, to promote private investments in sectors contributing to the global green transition, while another Member noted that it sought to minimize the trade-distorting impacts of green subsidies and support non-discriminatory support measures. Referring to a recent OECD synthesis report on government support to industrial sectors, one Member noted that market-pull incentives like carbon pricing and investment tax credits were generally less distortive than subsidies that directly encouraged manufacturing capacity.

3.8. Further, Members shared concerns on the impact of market distortions, emphasized the need to progressively scale down subsidies, and noted the importance of proportional and targeted measures, including those which related to greenhouse gas emissions. One Member underlined the need to comprehensively understand the effects of subsidy programmes on decarbonizing the global economy and expressed concerns about potential market distortions caused by subsidies implemented by developed countries as well as the impact on developing countries' ability to pursue similar goals.

#### **4 Working Group on Trade-related Climate Measures (TrCMs) – 11 May (a.m.)<sup>8</sup>**

##### *Review of carbon measurement standards and measures intended to lead to a reduction in carbon emissions related to fertilizer production*

4.1. Presentations were made by the International Fertilizer Association (IFA), the WTO Secretariat, and the OECD. IFA's presentation focused on carbon footprint and decarbonization pathways of fertilizer production, including ongoing initiatives, policies, and technologies. IFA highlighted that countries should develop tailored local decarbonization roadmaps for their fertilizer industry, and that the fertilizer, ammonia, and hydrogen industries were working towards developing harmonized carbon footprint standards and certifications. The WTO Secretariat provided an overview of global trends of trade in fertilizers, pointing to the decline in prices following record highs in 2022, the concentration of supply in fertilizers and related vulnerabilities, challenges for African LDCs to secure needed fertilizer imports, trade restrictions such as non-automatic licences and prohibitions, and ongoing work between the WTO and other international organizations on fertilizers and food security. The OECD presented on approaches to measuring carbon footprints for food systems, pointing to challenges with emission measurements, public and private sector pushes for greater environmental disclosure, a growing number of calculation tools, and increasing availability of data.

4.2. As part of the discussions, Members reacted to the presentations and responded to the following questions:

- What trade-related climate measures (TrCMs), including standards and regulations, are Members pursuing to support the decarbonization of fertilizer production? How can measures regarding the development of low-carbon hydrogen support the greening of ammonia production for nitrogen fertilizers?
- What are the trade and climate implications of such measures?
- How can Members best cooperate with the private sector and among each other, including at the WTO, to promote coherence and to maximize both climate and trade benefits?

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<sup>8</sup> Thirteen Members contributed to the discussions: Australia; Brazil; Canada; China; Colombia; European Union; New Zealand; Norway; Paraguay; Kingdom of Saudi Arabia; United Kingdom; United States; Uruguay.

- What are specific challenges facing developing countries in relation to decarbonizing fertilizer production and entering green value chains in this area? How can these be addressed: (i) in the standards development stage; and (ii) in the implementation stage when measuring process and product emissions?

4.3. Members identified and discussed measures adopted to address the impacts of fertilizer production on emissions reduction. A few Members stated that they did not have in place specific TrCMs targeted at the decarbonization of fertilizer production but had implemented or were in the process of implementing broader initiatives aimed at decarbonizing production methods, which would also apply to fertilizer production. Measures discussed included, *inter alia*, carbon pricing, border carbon adjustments, product standards, regulations to reduce emissions from transportation, and funding for low-carbon technology research. One Member highlighted that its leading fertilizer producer was working towards decarbonizing the entire value chain for food, including transitioning to green and blue ammonia production.

4.4. The European Union mentioned that its Emissions Trading System and Carbon Border Adjustment Mechanism both covered fertilizers, and aimed at reducing carbon emissions and addressing carbon leakage. A number of Members informed on their policies to promote low-carbon hydrogen, which would support the production of green ammonia for nitrogen fertilizers. Singapore noted that its Green Economy Regulatory Initiative had been introduced with the goal of supporting green growth opportunities and allowing for trials of impactful green proposals, including on hydrogen, through regulatory 'sandboxes'. Australia mentioned that it was developing an internationally aligned guarantee of origin scheme for measurement and verification of carbon emissions of clean energy products, including hydrogen and ammonia. Canada said that its Clean Fuel Standard of 2020 set carbon intensity requirements for liquid, gaseous, and solid fuels, including ammonia, while its CAD\$ 1.5 billion Zero-emissions Fuels Fund set up in 2020 supported the production of low-carbon fuels, including hydrogen.

4.5. Members also identified the importance of emission measurement standards and noted the need for a balanced and inclusive development of such standards based on international cooperation. They emphasized the need for greater cooperation between Members and the private sector through dialogue, knowledge sharing, capacity building, information exchange, technology transfer, and the development of guidelines and methodologies to promote coherence between climate policies and trade. One Member highlighted the importance of transparently notifying measures, proposed regulations, and technical standards to the WTO since clean hydrogen was becoming increasingly used in industrial processes for fertilizer production. Members also discussed challenges faced by developing economies, expressed concerns that emission measurement standards could create non-tariff barriers to trade and limit producers' competitiveness, and highlighted the need to enhance capacity and knowledge in developing countries to address emissions challenges. Referring to the OECD presentation on carbon footprints for food systems, a few Members pointed to the variability of emissions in agriculture, including for the cattle sector, across countries due to differences in production techniques, and the need to facilitate measuring carbon in developing countries, while another Members underlined the need to account for other countries' national efforts and circumstances when implementing unilateral measures against deforestation.

#### Exchange on the development and implementation process of TrCMs

4.6. The Facilitators introduced a document titled "Member Practices in the Development of TrCMs" (INF/TE/SSD/W/25), a compilation of statements by Members on their regulatory processes at the March meeting of the Working Group on TrCMs. As part of the discussions, Members built on the practices shared at the previous meeting and responded to the following questions, which focused on transparency and consultation mechanisms as well as impact assessments:

- What are the main transparency mechanisms employed by Members during the regulatory process when developing TrCMs, and during the implementation phase?
- What are the main public consultation mechanisms employed by Members when developing TrCMs? What challenges, if any, do Members encounter in engaging with stakeholders in this area during the regulatory process? What stakeholder engagement practices are used by Members when developing and implementing TrCMs to ensure that the special needs and circumstances of developing Members are taken into account?

- What challenges do developing Members face regarding the engagement in consultation processes instituted by other Members or in obtaining necessary information from transparency mechanism, including at the WTO?
- What processes do Members have in place to evaluate the impacts and effectiveness of TrCMs during their development (prior to adoption of the measure), and during their implementation (following adoption of the measure)?

4.7. In sharing their experiences on the development and implementation process of TrCMs, some Members stated that TrCMs were treated like any other regulations, following regular legislative procedures. Members also noted that the mechanisms to develop TrCMs included public consultations, stakeholder engagement, impact assessment, establishment of expert groups and committees, and publication of draft regulations to promote transparency. One Member stated that it had introduced key performance indicator (KPI) targets using national and international measurements and indices.

4.8. Members also emphasized the importance of transparency while developing TrCMs. Members encouraged international partners to participate in their consultation processes, and one Member invited other Members to participate in an ongoing domestic consultation process regarding potential policy measures to mitigate carbon leakage risks and to support decarbonization such as border carbon adjustments, mandatory product standards, and embodied emissions reporting. A Member also opined that the OECD Directorate for Public Governance's work on regulatory policy frameworks may be of relevance in developing TrCMs. Further, Members mentioned that stakeholders in the various consultation processes included, *inter alia*, industry, environmental groups, NGOs, and others.

#### Ongoing activities

4.9. The Forum on Trade, Environment and the SDGs (TESS) briefed Members that it had assembled a group of 20 international legal experts to prepare a report on well-established principles of international law relevant to climate, environment, trade, and TrCMs. The forthcoming report aimed to identify principles and provide guidance on their application to the design and implementation of TrCMs and policies, and would be presented during the WTO Trade and Environment Week in June.

## **5 Working Group on Circular Economy – Circularity – 11 May (p.m.)<sup>9</sup>**

### Solar and wind energy

5.1. Presentations were made by the Smart Prosperity Institute (SPI), the International Renewable Energy Agency (IRENA), and the company Ørsted. SPI presented on trade-related circular economy aspects of wind and solar energy, highlighting the need to clarify definitions and classifications for circular trade, to identify regulatory and technical barriers for growing circular trade and how trade agreements or policies such as digital product passports could address those, as well as to build partnerships to facilitate trade and develop regional eco-systems for circular innovation, investment, and scale economies needed for the viability of recycling.

5.2. IRENA presented on end-of-life management of solar photovoltaics (PV) and the circular economy. It highlighted PV recycling and potential new trade flows of raw materials, the role of standardization, and the importance of international collaboration and technical assistance, also with regard to maximizing benefits and avoiding potential negative environmental impacts of second-hand solar PV in developing countries. Ørsted presented its activities on circularity of wind energy projects and related trade aspects along its strategic circularity pillars – design and supply chain (minimizing input material, increasing secondary inputs); late-life strategies (repair, reuse, lifetime extension); and resource recovery (increasing recyclability). Ørsted also highlighted key challenges across all lifecycle stages to increase circularity in the renewable energy industry, such as establishing reliable second-hand markets.

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<sup>9</sup> Eight Members contributed to the discussions: Canada; Chile; China; Costa Rica; European Union; Kingdom of Saudi Arabia; United Kingdom; United States.

5.3. As part of the discussions, Members reacted to the presentations and responded to the following questions:

- What role does trade and trade policy play in Members' strategies and policies to promote circularity in solar and wind energy?
- What opportunities exist for Members in WTO (in areas such as trade facilitation; technical regulations; labelling and certification; conformity assessment procedures; government support; or trade restrictions) to ensure and facilitate safe circular value chains in solar and wind energy?
- What trade policies, tools and collaborative actions could support developing and LDC Members in addressing challenges along the lifecycle of solar and wind energy?

5.4. Several Members acknowledged that trade could contribute to promoting circularity, including by facilitating the reuse, repair, and recycling of goods and materials and promoting services that supported this. One Member stated that it promoted circularity by minimizing waste, reducing the need for new materials, and utilizing trade agreements to encourage sustainable production practices in the renewable energy sector, while another Member highlighted that circular economy principles could result in reduced mining needs, promote reuse, repair, and recycling, and enhance cooperation on standards and product recyclability. The European Union noted that it had proposed a Critical Raw Materials Act, which sought to ensure secure and sustainable access to critical raw materials.

5.5. Reducing tariffs and non-tariff barriers and implementing fast-track governmental and custom procedures were raised as possible actions for facilitating a circular economy. Members also noted that trade policies could contribute to promoting design-for-repair, reuse, remanufacturing, and recycling. Consideration of trade-facilitative approaches for reverse supply chains and the alignment of international standards were also discussed, with some Members noting the role of the WTO Technical Barriers to Trade (TBT) Committee in the development and uptake of regulatory measures for a safe and circular supply chain. Members also noted that trade policies should be carefully designed to avoid encouraging unsustainable practices and instead incentivize circular economy solutions. Technical assistance, preferential market access, and access to finance were highlighted as supportive measures for developing countries. Members, including developing economies, stated that technical assistance and investments were particularly important for greater pro-circular technology adoption, and highlighted challenges related to recycling waste.

#### Mapping exercise

5.6. The WTO Secretariat presented on the status of the mapping of measures contained in the Environmental Database (EDB) relating to circular economy as part of a broader mapping exercise being undertaken in this Working Group. The draft mapping by the Secretariat identified 440 measures from notifications and 218 measures from TPRs. Members appreciated the work done by the Secretariat and welcomed a suggestion by the Facilitators to produce a draft document for the next TESSD Plenary Meeting in July, which would map the key trade aspects of a circular economy based on the analysis by the Secretariat as well as the work carried out so far by this Working Group. Noting that Members would have several opportunities to discuss the mapping document before its finalization towards the end of the year, the Facilitators invited Members to provide comments on substance as well as to share their views on steps forward at the forthcoming Plenary meeting.

#### Ongoing activities in other sectors

5.7. Several stakeholders briefed on ongoing activities related to circular economy. The United Nations Economic Commission for Europe (UNECE) briefed about its work on trade and circular economy, including a recent study on integrating circular economy considerations into studies on regulatory and procedural barriers to trade.<sup>10</sup> TESS presented on circular economy, trade and sustainable development in the textiles and clothing sector, highlighting sustainability challenges related to the fast fashion phenomenon, and pointing to trade-related issues and challenges arising from supply chain traceability, standards and regulations, trade in second-hand textiles, extended

<sup>10</sup> [https://unece.org/sites/default/files/2023-05/ECE\\_CTCS\\_2023\\_06E.pdf](https://unece.org/sites/default/files/2023-05/ECE_CTCS_2023_06E.pdf).



producer responsibility or eco-design policies. The United Nations Environment Programme (UNEP) briefed the group on a new project that would look at the export of used textiles from the European Union and other developed countries to developing countries. Silverado briefed Members about a recent workshop on trade and circular economy and recommendations identified in support of the circular economy. The Friedrich-Ebert Stiftung and CUTS International informed on a recent workshop on circular economy focusing on value chains and challenges for developing countries. Finally, the World Economic Forum (WEF) updated on its planned activities at the World Circular Economy Forum 2023 in Helsinki, Finland (30 May-2 June).

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