



## TRADE AND ENVIRONMENTAL SUSTAINABILITY STRUCTURED DISCUSSIONS

### PLENARY MEETING HELD ON 25 JANUARY 2024

#### *Informal summary by the Co-Convenors<sup>1</sup>*

The plenary meeting of the Trade and Environmental Sustainability Structured Discussions (TESSD), held on 25 January 2024, was chaired by the TESSD Co-convenors, Ambassador Nadia Theodore (Canada) and Ambassador Ronald Saborío (Costa Rica). The meeting offered an opportunity for Members to exchange views on the TESSD package of deliverables for MC13, which included the Co-convenor Statement, the updated Work Plan, and the outcome documents of each of the four Informal Working Groups. Members also received an update on the progress made in the four Informal Working Groups since the last plenary meeting held in July. Around 120 participants joined the discussions in hybrid format.

### 1 INTRODUCTORY REMARKS BY THE CO-CONVENORS

1.1. In their introductory remarks, the Co-convenors said that Members had collectively risen to the challenge of the ambitious 2021 Ministerial mandate of TESSD. Members could be proud of the progress that had been made over the past year and the body of work that TESSD would present at MC13. They also welcomed Peru as the 76th co-sponsor of TESSD. On the invitation of the Co-convenors, the Director of the Trade and Environment Division provided introductory remarks, highlighting opportunities for TESSD to use the progress made to inform a broader audience outside WTO as well as to support multilateral work in the CTE and other WTO bodies.

### 2 MC13 OUTCOMES AND WAY FORWARD

2.1. The Co-convenors provided an overview of the MC13 outcomes, in particular, the Statement by the Co-convenors ([INF/TE/SSD/W/32](#)) and the Update of the TESSD Work Plan ([INF/TE/SSD/W/31](#)), thanking Members for their inputs and suggestions shared during the consultations and Working Group meetings. The Co-convenors' Statement is organized along three broad elements – the foundations and objectives guiding the work of TESSD so far, the progress made since MC12, including the achievements of the four IWGs in terms of outcome documents, as well as the way forward towards MC14. As for the update of the Work Plan, Co-convenors outlined key features such as maintaining the structure of four Working Groups while adding flexibility to the format and frequency of meetings to suit the needs of each group; strengthening efforts to support multilateral work in the Committee on Trade and Environment (CTE) and other WTO bodies; drawing out common themes across Working Groups to foster complementarities; particular attention to ensure inclusivity in the discussions; and, finally, leveraging discussions in a more targeted manner to strive towards concrete actions or recommendations by MC14.

2.2. The Co-facilitators<sup>2</sup> of the Working Groups provided a brief overview of the outcome documents of their groups: (i) Analytical Summary in the Working Group on Environmental Goods and Services

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<sup>1</sup> This summary, prepared and circulated under the Co-convenors' responsibility, provides a non-exhaustive, illustrative review of the issues addressed by Members and stakeholders at the meeting.

<sup>2</sup> The Co-facilitators are Jean-Marie Meraldi (Switzerland) and Ariel Marie Quek (Singapore) for the Working Group on Trade-related Climate Measures; Carlos Guevara (Ecuador) and Ben Rake (United Kingdom) for the Working Group on Environmental Goods and Services; Olivia Cook (Chile) Kazunari Morii (Japan) for the Working Group on Circular Economy – Circularity; and Tiffany Smith (Israel) for the Working Group on Subsidies.

(EGS) ([INF/TE/SSD/W/24/Rev.4](#)); (ii) Best Practices in the Development of Trade-related Climate Measures (TrCMs) ([INF/TE/SSD/W/25/Rev.3](#)); (iii) Mapping Exercise: Trade and trade policy aspects along the lifecycle of products in the Working Group on Circular Economy – Circularity ([INF/TE/SSD/W/27/Rev.2](#)); and (iv) Compilation of experiences and considerations regarding subsidy design in the Working Group on Subsidies ([INF/TE/SSD/W/29/Rev.2](#)).

2.3. Some 12 Members intervened<sup>3</sup> and broadly expressed support for the TESSD package of documents for MC13. Regarding the outcome document of the Working Group on TrCMs, two Members suggested to replace "Best practices" in the title with "Member practices" as this was a more suitable reflection of the nature of discussions and was also used in previous versions of the document. Several Members encouraged introducing certain topics to the CTE and other WTO bodies to support multilateral work and facilitate positive outcomes beyond TESSD. In doing so, a few Members also cautioned against duplication of efforts and called for alignment with the CTE revitalization process as appropriate. Suggestions also included sharing TESSD work with the wider Membership through *inter alia*, presentation of the outcomes of the Working Groups in the CTE and other regular committees as well as ensuring cross-cutting information flows with ongoing efforts in other WTO bodies. A few members provided specific comments while a few others re-iterated the importance of outreach to developing and LDC Members, encouraged TESSD to remain ambitious and work towards reaching consensus on solutions wherever possible.

2.4. Regarding the updated Work Plan, several Members appreciated the more flexible approach in the organization of meetings in line with the different needs of the Working Groups, and a few Members indicated the need for fewer plenary meetings. To facilitate in-person participation by capital officials, some Members recommended grouping environment-related meetings. Several Members supported the efforts to create synergies and draw out common elements across Working Groups and have agendas with thematic/sectoral focus. Additionally, one Member suggested considering the framing of Working Groups towards specific objectives such as investigating specific problems or working towards trade policy solutions.

2.5. Members also provided some more specific views on the way forward in the different working groups. Regarding the Working Group on EGS, it was suggested working towards more concrete actions such as agreeing on indicative non-binding lists of goods and services which would send positive signals to businesses and other stakeholders, while other Members suggested expanding the scope of discussions beyond the renewable energy sector. Regarding the Working Group on TrCMs a number of Members supported experience sharing and technical work, including on carbon leakage and methodologies for embedded emissions in sectors covered in 2023. Regarding the Working Group on Subsidies, a number of Members expressed interest in discussing different types of subsidies including agricultural subsidies, industrial subsidies and support for sustainable aviation fuels. One Member also cautioned against the introduction of the concept of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) into the WTO.

2.6. A representative from UNEP offered remarks on the way forward for each Working Group. For instance, for the Working Groups on TrCMs and EGS, the need for integrating developing country perspectives was highlighted; for the Working Group on Subsidies, UNEP stressed the importance of data as well as capacity and technical expertise for reporting on subsidies at the national and sub-national levels; and, with regards to the Working Group on Circular Economy – Circularity, UNEP welcomed the sectoral approach and signaled its willingness to support Members through its ongoing projects. The representative from UNEP also invited Members to UNEA-6 (26 February-1 March) and to attend two UNEP co-hosted sessions at MC13 on deforestation-free global value chains as well as trade and industrial policy options on climate. The Forum on Trade, Environment and the SDGs (TESS), *inter alia*, encouraged Members to adopt a solution-oriented approach in their work, called for greater attention to clean energy access and efficiency under sectoral discussions, suggested another stocktaking event before MC14, and encouraged TESSD to find ways to socialize its valuable contributions beyond the WTO.

### 3 SUMMARY REPORT 2023 AND REPORTING ON INFORMAL WORKING GROUPS

3.1. The Co-convenors presented the Summary Report for 2023 ([INF/TE/SSD/R/21](#)), highlighting that it is non-exhaustive and is based on the summaries of each of the meetings held in 2023 and

<sup>3</sup> Australia, Brazil, China, European Union, Israel, Japan, Norway, Russian Federation, Singapore, Switzerland, United Kingdom and the United States.

aims to capture the essence of the rich discussions had over the course of the year. Co-facilitators of each of the Working Groups then provided a brief report on the meetings held on 19-20 September ([INF/TE/SSD/R/19](#)) and 21-22 November ([INF/TE/SSD/R/20](#)).

3.2. The co-facilitators of the Working Group on TrCMs reported that the September meeting had covered the decarbonization and carbon measurement standards in the aluminum sector, while the November meeting had focused on decarbonization of hydrogen production and development of green hydrogen markets. Discussions had also included an exchange on principles and good practices for the development of TrCMs in September, perspectives of small businesses in developing countries in November, and the draft outcome document in both meetings.

3.3. The co-facilitators of the Working Group on EGS noted that the September meeting had focused on the opportunities and approaches to promote and facilitate trade in goods and services to foster renewable energy as well as developing country perspectives, whereas in the November meeting, discussions had covered the green hydrogen and biofuels sectors. In both meetings, Members had also discussed the Analytical Summary, which is the Working Group's living outcome document.

3.4. The co-facilitators of the Working Group on Circular Economy – Circularity reported that the meetings held in September and November had addressed the electronics sector and the textiles sector, respectively. Additionally, discussions had also covered developing country and private sector perspectives as well as the importance of transparency and traceability. Valuable feedback on the Mapping Exercise was also received in these meetings.

3.5. The facilitator of the Working Group on Subsidies reported that the September meeting had focused on the environmental effects and transparency of agricultural subsidies whereas the November meeting had covered green hydrogen and renewable energy subsidies. Both meetings had included rich experience sharing by Members as well as substantive discussions on the outcome document of the group, which would remain a living document.

#### **4 UPDATE ON PLANS FOR MC13**

4.1. The Co-convenors recalled that this was the last plenary meeting before MC13. They believed that the outcome documents were comprehensive and reflected not only the progress, but also the direction Members would like to take with TESSD. They informed that TESSD would follow the same model as in the previous Ministerial Conference and present the progress made through a press briefing at MC13, tentatively scheduled for the morning of 27 February. The press briefing would be provided by the Ministers of Canada and Costa Rica, and Ministers from the most recent co-sponsors would be invited to join the podium for interventions.

#### **5 OTHER BUSINESS**

5.1. The Co-convenors indicated their intention to make publicly available videos of the presentations delivered in future Working Group meetings to enhance transparency and knowledge dissemination. They clarified that only videos of the presentations would be made available, while the discussion among Members would remain in the room.

#### **6 CONCLUDING REMARKS BY THE COORDINATORS AND NEXT STEPS**

6.1. In their concluding remarks, the Co-convenors Ambassador Nadia Theodore (Canada) and Ambassador Ronald Saborío (Costa Rica) emphasized the shared conviction of Members participating in TESSD that the trade and environmental sustainability agendas could be mutually supportive. The deep and substantive discussions in TESSD since MC12 had been contributing to a clearer picture on how trade could make a positive contribution in addressing the climate crisis. The Co-convenors felt encouraged to take the next step together with co-sponsors and stakeholders in their work on how trade can be a catalyst for positive change, including by boosting collaboration as well as experience sharing among Members and exploiting synergies among the working groups.

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