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Page: 1/4

**Trade and Environmental Sustainability Structured  
Discussions**

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**WTO TRADE AND ENVIRONMENTAL SUSTAINABILITY STRUCTURED DISCUSSIONS**

MEETING HELD ON 4 NOVEMBER 2021

*Informal summary by the Coordinators<sup>1</sup>*

The fifth plenary meeting of the Trade and Environmental Sustainability Structured Discussions (TESSD) was held on 4 November 2021. The meeting was chaired by the TESSD Coordinators (Canada and Costa Rica). The agenda for the meeting was contained in document INF/TE/SSD/CN/5. In keeping with TESSD's open, transparent and inclusive approach, all WTO Members had been invited to attend the meeting.

**1 INTRODUCTORY REMARKS BY THE COORDINATORS**

1.1. Ambassador Stephen de Boer (Canada) and Ambassador Gloria Abraham Peralta (Costa Rica) expressed appreciation for Members' engagement in discussions over the past year, as well as for the support provided to their work as Coordinators. China was welcomed as a new co-sponsor as it had announced on 22 October 2021 that it would join TESSD. The purpose of the meeting was to exchange views on the draft Ministerial Statement and provide an update on preparations for an event at the Twelfth WTO Ministerial Conference (MC12).

1.2. The Coordinators noted that several rounds of consultations with co-sponsors and non-co-sponsors had been held to arrive at a balanced Ministerial Statement that could attract broad support from Members. They believed that the Statement was in a good state, with robust and inclusive language that offered something for the entire Membership. They expected that a stabilized text could be shared in the coming days. They underlined that co-sponsors were in a good position to enhance their outreach to other Members to expand the number of signatories to the Statement.

1.3. Ambassador Stephen de Boer underscored that the Ministerial Statement would signal Members' commitment to engagement on environmental issues at the WTO and provide a strong foundation for post-MC12 work. Ambassador Gloria Abraham Peralta highlighted that the ongoing COP26 had made it clear that the time to act was now and that Members had a firm opportunity to make trade part of the solution to climate change. Members were facing a unique opportunity to recognize the role that trade and trade policy played in supporting environmental and climate goals, as well as in achieving the Sustainable Development Goals (SDGs).

**2 PRESENTATION OF DRAFT TESSD MINISTERIAL STATEMENT  
(INF/TE/SSD/W/14/REV.2) AND EXCHANGE OF VIEWS BY MEMBERS**

2.1. Ambassador Stephen de Boer (Canada) said that the revised draft TESSD Ministerial Statement (INF/TE/SSD/W/14/Rev.2) reflected comments from consultations with current as well as potential co-sponsors and aimed to find balanced language that could attract broad support from WTO Membership. He noted that, since the release of the second revision on 19 October, engagement with potential co-sponsors had continued. Based on the comments received, some adjustments had been made which would not unbalance the text. A new revision would be sent out in the very near

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<sup>1</sup> This summary, prepared and circulated under the Coordinators' responsibility, is being shared with a view to providing delegations with a record of the discussions and assisting them in reporting back to their capitals. It provides a non-exhaustive, illustrative review of the issues addressed by Members at the meeting.

term. The Coordinators noted their belief that the draft Statement strikes a balance between the interests of Members and provided a strong basis for engagement post-MC12.

2.2. A total of 19 Members took the floor to share their views on the draft Ministerial Statement. Members expressed appreciation for the leadership and work by the Coordinators in preparing the draft TESSD Ministerial Statement. The United States took the floor first and announced that it would join the TESSD Ministerial Statement as a co-sponsor, bringing the number of Members participating in TESSD to 56. Members welcomed China and the United States to TESSD. The European Union and Norway took the opportunity of the meeting to announce that they would join the Informal Dialogue on Plastics Pollution (IDP).

2.3. Members expressed broad support for the draft Ministerial Statement and considered it a balanced outcome reflecting the various views of Members, both of co-sponsors and the broader Membership. A number of Members underscored the need to finalize the text soon and only include minor changes. It was pointed out that the Statement formed an initial step on a longer journey towards making the WTO and the multilateral trading system more responsive to environmental challenges. The draft Ministerial Statement was considered to provide a strong foundation for taking forward TESSD's important work at the intersection of trade, environment and sustainability.

2.4. Against the background of the ongoing COP26, several Members highlighted that they should seize the opportunity to send a strong signal and demonstrate the WTO's ability to respond to the global challenges of climate change, biodiversity loss and environmental pollution. The WTO could show its relevance by actively seeking an answer to the question of how trade could be part of the solution to climate change. To respond to climate change and revive the world economy, the need to focus on concrete action and accelerate the green transition was underlined. Referring to the Statement, mention was made of environmental sustainability being a central issue for the WTO agenda and the importance of international trade and trade policy in supporting environmental and climate goals.

2.5. A number of Members said that they would have preferred different or more ambitious language, including with regard to trade in environmental goods and services. However, they noted that a process of this nature required compromise and flexibility, and underscored the importance of arriving at an inclusive Statement that better articulated the interests and concerns of a large number of Members, including developing Members. Members highlighted the importance of attracting new Members as co-sponsors, in particular developing countries, to send a strong political signal and facilitate an even richer dialogue. It was underlined that developing countries, by participating in TESSD, could steer the discussion to focus more on their challenges and priorities. It was also noted that the Statement did not commit Members to participate in any negotiations.

2.6. A few Members, recognizing improvements made, provided further editing suggestions. Suggestions, *inter alia*, included to add references that sustainability was composed of a balance of environmental, social and economic dimensions, and the need of trade and environmental agreements to be mutually supportive. A Member highlighted that any dedicated discussion on the interaction between climate change and trade should take into account the principles of Multilateral Environmental Agreements (MEAs) such as the UNFCCC principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), together with the relevant WTO rules related to preventing disguised restrictions on trade and taking measures in a least trade-restrictive way. Only by taking into account both, WTO principles and MEA principles, it would be possible to obtain a clear picture of the tools available to respond to climate change in a balanced way.

2.7. A Member underscored that TESSD was not a platform for negotiations; its aim was to provide a space for dialogue and discussion on trade and environmental sustainability, complementing work in the Committee on Trade and Environment. The Member suggested that in order to encourage more Members to join TESSD, the Statement could provide an explicit invitation in this respect as well as highlight the exploratory and collaborative nature of TESSD. These two elements were founding pillars of TESSD as they were included in the Communication on Trade and Environmental Sustainability (WT/CTE/W/249) that had launched TESSD in November 2020: "7. We encourage all WTO Members to join our open effort to enhance environmental sustainability in international trade and actively participate in this work. Nothing in this communication compels any supporter to join any environmental-sustainability initiative at the WTO". The Member reiterated its openness to engage and work closely with all WTO Members on how the WTO could contribute to the promotion of sustainable development.

2.8. Another Member emphasized that discussions on climate change mitigation and adaptation should be in the context of technological and innovative advancements, and should take into account Members' circumstances and priorities in their paths towards just transitions and making progress towards achieving the SDGs. The Member also requested to include a reference to circularity in the Statement, which provided a holistic and inclusive approach to both materials and emissions with a view to reduce waste and transform waste to value. The term circularity would encompass both the circular economy and the circular carbon economy. The Member further expressed its concern regarding references to green technology transfer and fossil fuel subsidy reform, and suggested to use the term market distortions in the context of impacts of subsidies.

### **3 STAKEHOLDER VIEWS AND PERSPECTIVES**

3.1. Stakeholder representatives commended the efforts of co-sponsors on arriving at a balanced Statement that found common understanding and pathways for future work on environmental sustainability. They welcomed the revised draft, which reflected different interests and would enable more environmentally sustainable trade that would have positive outcomes for livelihoods, the environment and economic development. Stakeholders expressed their appreciation for Members' consideration of their views and suggestions for the draft Ministerial Statement, as well as for the open and transparent approach taken by the TESSD initiative.

3.2. It was noted that the Statement could include: a greater focus on possible actions to reach biodiversity targets and support the sustainable use natural resources; more explicit commitments to support the implementation of MEAs and the SDGs while reflecting the challenges, opportunities and priorities of developing countries; and a recognition of the need to systematically consult with environmental ministries and stakeholders.

3.3. Stakeholders welcomed references to facilitating access to environmental goods and services, as well work to promote sustainability standards and sustainable supply chains. Examples of ongoing initiatives involving the private sector to incentivize the development of sustainability in supply chains and reduce commodity-driven deforestation were provided to illustrate the power of coalitions and engagement with stakeholders. A stakeholder highlighted the importance of redirecting funding from environmentally and socially harmful projects to green initiatives promoting climate change adaptation and mitigation. Trade was considered to be able to play a key role in reducing fossil fuel subsidies and helping to achieve a resource-efficient circular economy.

3.4. A number of stakeholders encouraged TESSD co-sponsors to continue their outreach efforts and add more developing Members, in particular countries in Africa, least developed countries (LDCs) and small island developing states (SIDS). It was considered important to attract a large number of co-sponsors, possibly 100, to reflect the diversity of the WTO's Membership, and to reflect developing countries' priorities and interests in TESSD's work. These stakeholders also suggested that participants in the Structured Discussions should view MC12 as a stepping stone with opportunities for co-sponsors to shape the direction and outcomes of future work.

### **4 UPDATE ON EVENT PLANNED FOR MC12**

4.1. The Coordinators informed Members that they were planning an event on the margins of MC12 to present the Statement. To ensure maximum impact, they had been working with the coordinators of IDP and Fossil Fuel Subsidy Reform to hold a single event for all three environmental initiatives. The aim would be to have participation from stakeholders who have been engaged in the three initiatives, as well as an opportunity to hear from Ministers. Once the date and time were confirmed, invitations would be sent out to co-sponsors with more details on the event.

### **5 CONCLUDING REMARKS BY THE COORDINATORS**

5.1. Ambassador Stephen de Boer (Canada) and Ambassador Gloria Abraham Peralta (Costa Rica) thanked Members for their engagement and welcomed China and the United States as the most recent TESSD co-sponsors. The Ambassadors reiterated their invitation to current non-cosponsors to join TESSD and contribute to its constructive future work.

5.2. Ambassador de Boer of Canada reiterated that the draft Ministerial Statement would serve as a solid foundation for Members' work in TESSD post-MC12. He noted that an intensification of efforts was needed for growing the number of co-sponsors. This would bring new voices into the

conversation and help strengthen TESSD as a place to generate ideas and solutions to address pressing environmental challenges facing the world.

5.3. Ambassador Abraham Peralta shared her own country's experience as a developing country in tackling interlinked environmental and economic challenges. She highlighted that the efforts of Costa Rica in addressing deforestation had provided opportunities for economic, social and environmental development, which could serve as an example for other developing countries. She further noted that developing countries could play an important role in TESSD by sharing experiences of nature-based solutions, environmental services and management of natural resources. She concluded by noting that the Ministerial Statement with stabilized text would be circulated shortly.

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