



## WTO TRADE AND ENVIRONMENTAL SUSTAINABILITY STRUCTURED DISCUSSIONS

MEETING HELD ON 7 FEBRUARY 2022

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

The sixth plenary meeting of the Trade and Environmental Sustainability Structured Discussions (TESSD) was held on 7 February 2022. The meeting was chaired by the TESSD Coordinators, Ambassador Stephen de Boer (Canada) and Ambassador Gloria Abraham Peralta (Costa Rica). The agenda for the meeting was contained in document INF/TE/SSD/CN/6/Rev.1. 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. The TESSD Coordinators recalled the successful launch of the TESSD Ministerial Statement in December 2022 that was supported by 71 Members. They highlighted the importance of continuing work and moving towards tangible outcomes at the intersection of trade and environmental sustainability. They also underlined the need to further increase the participation of developing countries in the discussions to incorporate their views and concerns in working towards solutions, which would also support achieving the Sustainable Development Goals. They noted that the objective of the meeting was to obtain an agreement on the format of discussions for 2022, as proposed in the draft TESSD Work Plan 2022 (INF/TE/SSD/W/17), which aimed to incorporate the elements contained in the TESSD Ministerial Statement (WTO/MIN(21)/6/Rev.2). The Coordinators said that the Work Plan would be further refined regarding specific lines of discussion that could be pursued, based on a number of comments that had already been received as well as on the discussion of this meeting.

### 2 PRESENTATION OF THE DRAFT TESSD WORK PLAN

2.1. The Coordinators introduced the Draft TESSD Work Plan for 2022 to Members following feedback received at an informal meeting of co-sponsors held on 25 January 2022. Formal meetings would cover six thematic areas in line with the TESSD Ministerial Statement: trade-related climate measures; environmental goods and services (EGS); circular economy; sustainable supply chains and sustainability standards; capacity building and technical assistance; and relevant subsidies.

2.2. Informal working groups would be created to allow for in-depth discussions and progress towards tangible outcomes. Coordinators said that recent feedback encouraged the creation of a fourth working group on subsidies, in addition to working groups on trade-related climate measures, EGS, and circular economy – circularity. Based on guiding questions indicated in the Work Plan, facilitators would lead working groups in an inclusive way and report back to formal TESSD meetings. Stakeholders would continue to be regularly invited to formal TESSD meetings and, if requested by co-sponsors, also to working group meetings to provide technical inputs as required.

2.3. A total of 21 Members took the floor to share their views on the Draft TESSD Work Plan. Members thanked the Coordinators for their leadership and efforts to accommodate the different views provided. Co-sponsors broadly supported the structure of the Work Plan and the creation of

---

<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.

informal working groups. Several Members also expressed explicit support for the creation of a working group on subsidies. A few Members cautioned against the duplication of efforts in other WTO bodies with regard to agricultural subsidies, and with regard to the Ministerial Statement on Fossil Fuel Subsidies (WT/MIN(21)/9/Rev.1).

2.4. To support the work on EGS, a Member proposed that the Secretariat could prepare a factual note for the next TESSD meeting, providing a summary of past experiences and current practices in EGS facilitation and promotion, as well as of relevant research of benefits and challenges to EGS. This request was supported by several Members and taken note of by the Coordinators. Several Members underlined that advancing work on EGS was a priority, providing suggestions regarding different approaches that could be taken, including regarding defining potential products or environmental objectives that could be achieved. Members also mentioned specific topics that could be addressed such as regulatory issues, non-tariff measures and how trade in EGS could contribute to environmental sustainability. A number of Members underlined the importance of having sufficient involvement of developing countries and LDCs in the discussions on EGS.

2.5. Several Members provided suggestions regarding how to advance discussions in the informal working group on trade-related climate measures. A Member suggested discussing the conformity of trade-related climate measures with WTO rules and principles, while another Member suggested that discussions should focus on the purpose, design and key elements of such measures. A few Members noted the central role of carbon leakage and how it could be addressed. Another Member suggested focusing discussions on challenges and opportunities faced by developing countries with regard to the formulation and implementation of their climate policies and ways in which cooperation could be fostered. Another Member reminded co-sponsors to avoid duplication of efforts in other fora.

2.6. To advance discussions in the proposed informal working group on subsidies, a Member suggested looking at the research available on subsidies that have an environmental impact, consideration of the gaps in information needed to fully assess these impacts, and the role of trade policy and the WTO in mitigating their harmful effects. Acknowledging that other WTO bodies also dealt with subsidy issues, the Member suggested that work in the TESSD offered the opportunity to discuss trade topics through an environmental lens.

2.7. Regarding the working group on circular economy – circularity, a Member underlined the importance of discussing different approaches of circularity to develop a holistic understanding, and suggested that discussions could explore tools to incentivize greater resource efficiency and measures that could help developing and LDC Members integrate into circular supply chains. Some Members suggested that discussions should focus on circular economy issues along the entire value chain rather than just specific segments thereof. A Member suggested that co-sponsors should also consider means to enhance technology and investments into circularity.

2.8. Several Members highlighted the importance of considering the needs, challenges and opportunities of developing countries in each of the four working groups. A Member suggested that deepening the understanding at the intersection of trade, environmental sustainability and aid for trade could help identify concrete actions. Another Member suggested that co-sponsors should also discuss ways in which the capacity of developing countries and LDCs could be improved regarding trade competitiveness or the implementation of environmental and sustainability standards.

2.9. Several Members welcomed the participation of stakeholders in TESSD, underlining the importance of their expertise for making progress across the different thematic areas outlined in the Ministerial Statement and in the informal working groups.

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

3.1. Stakeholders welcomed the Draft Work Plan and commended the Coordinators for an inclusive process. They shared their views on how they could contribute to the different thematic areas of the Work Plan, including through outreach and support to developing countries, private sector experience, as well as ongoing research and technical expertise.

3.2. Several stakeholders encouraged Members to maintain a focus on the needs and priorities of developing countries while working towards increasing the involvement of those that were not yet

co-sponsors. It was noted that collaboration and support to developing countries and LDCs could help increase their involvement in the TESSD. Several stakeholders provided examples of their ongoing work that could contribute to the TESSD, including in the areas of sustainable supply chains, environmental goods and services, circular economy – circularity, subsidies, and trade-related climate measures.

#### **4 PRESENTATION OF THE REPORT "THE CIRCULAR ECONOMY AND INTERNATIONAL TRADE: OPTIONS FOR THE WTO" BY THE INTERNATIONAL CHAMBER OF COMMERCE (ICC)**

4.1. The presentation by the International Chamber of Commerce (ICC) provided an overview of trade policy obstacles affecting a circular economy transition (e.g. standards and conformity assessment, export restrictions, subsidies, classification of end-of-life-products, tariff protection, quantitative restrictions) and pointed to challenges in measuring trade in secondary raw materials, second-hand goods and goods for remanufacturing due to the lack of specific HS codes. Regarding options for possible deliverables in the WTO, it was suggested that Members could include circular economy goods and services in possible revived EGS talks; revive and extend previous work on non-tariff measures on remanufactured goods; or work towards a set of common principles and sectoral best practices regarding trade-related circular economy measures.

4.2. Several Members welcomed the presentation by the ICC. It was noted that the presentation served as an example of the importance of stakeholder involvement in the TESSD, providing recommendations and options for Members' consideration. Another Member said that the role of trade and the facilitation of trade in the circular economy was of critical importance to developing countries, and that there was significant potential for synergies between the informal working groups on circular economy – circularity and EGS given common challenges and opportunities on issues such as classification. Another Member expressed interest in discussing circular business models and experiences in their deployment.

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

5.1. The TESSD Coordinators concluded the meeting by informing Members that they would shortly circulate a revised Work Plan and consult with delegations to identify facilitators for the informal working groups to enable work to begin as soon as possible.

5.2. Ambassador de Boer (Canada) welcomed the engagement of Members and stakeholders regarding the wide range of interests that they hoped to advance in the near term. He said that the revised Work Plan would include updates to the guiding questions for discussion. Coordinators would reach out to Members who had expressed an interest in taking on the role of facilitators, so that the working groups could begin their discussions.

5.3. Ambassador Abraham Peralta (Costa Rica) welcomed the feedback received and Members' discussion during the meeting as they provided important direction for the year ahead. She emphasized that the Coordinators' objective was to facilitate the participation of as many Members as possible in the discussions and to further increase the number of co-sponsors to obtain a wider diversity of views, including in the working groups. She was confident that the proposed structure of work could chart a path towards much-needed solutions and convergence that reflected the realities of the Membership. She concluded by saying the implementation of the revised work plan would begin in coordination with facilitators and carried out in a transparent way.

---