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TRADE AND ENVIRONMENTAL SUSTAINABILITY STRUCTURED DISCUSSIONS (TESSD)

STATEMENT BY THE TESSD CO-CONVENORS

The following statement, dated 30 November 2022, is being circulated at the request of the delegations of Canada and Costa Rica (TESSD Co-convenors).

1. The Co-convenors have taken note of the strong commitment of the TESSD Co-sponsors to advancing discussions on trade and environmental sustainability at the WTO and to the efforts made by Members to date to intensify work on areas of interest in line with WTO rules and principles. We also take note of the significance of the inclusion of references to the global environmental challenges of climate change and related natural disasters, loss of biodiversity and pollution in the MC12 Outcome Document, which serves to reinforce the importance of these issues.
2. The Co-sponsors have made significant progress in advancing their work in line with the Ministerial Statement on Trade and Environmental Sustainability (WT/MIN(21)/6/Rev.1), released in December 2021. Following the launch of the TESSD Work Plan (INF/TE/SSD/W/17/Rev.1), Members have held several meetings to advance discussions under four informal working groups to address their respective guiding questions. The content of these discussions has been summarized in document (INF/TE/SSD/R/14).
3. The Co-convenors recognize that these discussions will continue to mature and that the working groups would benefit from further time to respond to the guiding questions identified under the Work Plan. With this in mind, the Co-convenors will continue to facilitate the discussions on the basis of the existing work plan and will work with Co-sponsors to evaluate the work plan to determine if there are updates that would aid us in advancing our discussions.
4. Discussions to date have covered a wide range of issues falling under the issue areas identified in the Ministerial Statement and Work Plan and we recognize the value in pursuing more focussed discussions which would allow for in-depth analysis of individual issues. To this end, the working groups have identified a series of specific issues and/or sectors, which will form the focus of the next phase of work during 2023. We also recognize and value the complementarities of discussions in the different working groups, including with regard to the theme of trade and climate change. Moreover, the working groups will monitor developments in other WTO committees and international fora so that the different discussions can be mutually supportive.
5. We recognize the need for inclusive approaches that reflect the circumstances of the diversity of the WTO's membership and their specific development needs. The working groups will identify challenges and opportunities for sustainable trade, especially for developing and least developed Members, and MSMEs. Members will consider the types of capacity building and technical assistance that may aid in overcoming specific challenges.
6. The Working Group on Trade-related Climate Measures will seek to enhance its knowledge base by undertaking a review of the different forms of carbon measurement standards and measures intended to lead to a reduction in carbon emissions. The Working Group will consider these issues from a sectoral perspective. The Working Group will also hold exchanges on the development and implementation process of trade-related climate measures, especially on the trade considerations involved in their design and possible ways to enhance transparency.

7. The Working Group on Environmental Goods and Services will pursue an objective-based approach to its discussions, based on the selection of relevant environmental goals, the identification of sectors relevant to those goals, and an examination of the sector-specific issues involved in the promotion and facilitation of trade in environmental goods and services, including supply chain, technical and regulatory elements, among others. The first environmental goal that the Working Group will pursue is climate change mitigation and adaptation and the first sector is renewable energy.

8. The Working Group on Circular Economy – Circularity will undertake a mapping exercise to build a broader understanding of the aspects of trade and trade policy which are relevant to each part of the life cycle. Complementing the mapping exercise, the Working Group will also pursue sector-specific discussions, starting with the renewable energy and electronics, to analyse the specific trade issues associated with those sectors along the full life cycle of products.

9. The Working Group on Subsidies will continue its work on the potential positive and negative environmental effects of subsidies, as well as their trade impacts. The Working Group will share experiences in subsidy design and consider how to enhance transparency and data availability. To allow for more in-depth discussions, the Working Group will begin with a focus on: (1) agricultural subsidies; and (2) subsidies related to the transition to a low-carbon economy.

10. The Co-conveners are committed to an inclusive and transparent process and to that end, we will seek to expand the membership of TESSD to bring a broader range of Member perspectives and interests into the discussions. To ensure transparency for all WTO Members, we will continue to regularly report on our progress to the Committee on Trade and Environment and will seek opportunities to engage with other WTO bodies to share elements of our discussions which are relevant to the work of those committees.

11. We will also continue to encourage the active engagement of the TESSD stakeholders and will seek to make the most effective use possible of their expertise.

12. We look forward to continuing to engage with the Co-sponsors of the TESSD as we work to identify concrete actions that participating Members could take individually or collectively. The Co-conveners will continue to advocate for the identification, development and delivery of concrete outcomes.
