



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

### COMMUNICATION BY ICELAND

The following communication, dated 12 February 2021, is being circulated at the request of the delegation of Iceland.

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This communication outlines Iceland's priorities for the Trade and Environmental Sustainability Structured Discussions. It is intended to provide input into ongoing preparation for the future work of the TESSD.

### **1 TRADE AND ENVIRONMENTAL SUSTAINABILITY SHOULD BE ADDRESSED AT THE WTO**

1.1. The multilateral trading system - with the WTO at its core - has an important role to play in global efforts to combat climate change and biodiversity loss. Iceland is therefore in favour of further elevating environmental sustainability to be discussed in relation to international trade policy at the WTO.

### **2 TOPICS FOR DISCUSSION**

2.1. Iceland views the TESSD as a venue for WTO Members and relevant stakeholders to explore methods and best practices for realising environmental sustainability within a framework of international trade policy. Iceland favours a TESSD process that is well defined and focused on real challenges and actual results. Emphasis should be given to topics that fall within the mandate of the WTO and can be linked to actual trade policy tools.

2.2. Iceland supports negotiations of agreements to eliminate barriers to trade in environmental goods and services. Further liberalisation of goods and services with environmental benefits will support international commitments to combat climate change and contribute towards a more sustainable world economy.

2.3. Iceland supports addressing environmentally harmful subsidies in the TESSD. Environmentally harmful subsidies incentivise production and consumption of products and services that contribute directly to climate change and biodiversity loss. They also distort competition at the expense of more environmentally beneficial technologies and products. WTO Members can build on previous work and established trade rules regarding industrial subsidies to discipline subsidies of products that cause environmental harm.

### **3 STAKEHOLDER PARTICIPATION**

3.1. Iceland views the participation of competent outside stakeholders in the TESSD process as contributing added value compared to other WTO forums and initiatives. Competent NGOs, academic institutions, international organisations, private sector entities etc. possess valuable knowledge and expertise and have an important contribution to make towards positive and concrete results of the TESSD process. Restricting the discussion to WTO Members only may, on the other hand, prevent important views from being heard and therefore diminish the likelihood of a meaningful outcome.

3.2. The TESSD process should strive to include a broad and representative range of stakeholders covering different fields of expertise. Iceland views the establishment of an inclusive and transparent framework governing stakeholder selection and participation in the TESSD as essential for ensuring credibility and trust in this new and innovative approach to WTO discussions.

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