



Committee on Trade and Environment

REPORT OF THE MEETING HELD ON 14 AND 15 MARCH 2023

NOTE BY THE SECRETARIAT¹

The Committee on Trade and Environment (CTE Regular) met on 14 and 15 March 2023, chaired by H.E. Mr. Simon MANLEY (United Kingdom). The Committee adopted the Airgram [WTO/AIR/CTE/20](#), dated 27 February 2023. The Report of the last CTE meeting, held on 17 and 21 October 2022, is contained in [WT/CTE/M/76](#).

Contents

1 ADOPTION OF THE AGENDA	5
2 ENVIRONMENTAL MEASURES AND MARKET ACCESS, PARAGRAPH 32(I) OF THE DOHA MINISTERIAL DECLARATION – ITEM 6 OF THE CTE WORK PROGRAMME.....	5
2.1 EU Green Deal	5
2.2 Recent developments on fossil fuel subsidy reform (FFSR).....	18
2.3 Circular economy and plastics pollution.....	22
2.3.1 Update by the coordinators on the work of the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DDP).....	22
2.4 Other.....	27
2.4.1 India's concerns on the use of environment measures as non-tariff measures	27
2.4.2 Update by the United Kingdom on its due diligence legislation which seeks to make supply chains more sustainable.....	38
2.4.3 Update by the United Kingdom on global carbon leakage risks and policy approaches	39
3 SUSTAINABLE DEVELOPMENT IN WTO DISCUSSIONS	42
3.1 Presentation by Paraguay on environmental subsidies notified under paragraph 12 of Annex 2 of the Agreement on Agriculture	42
4 MULTILATERAL ENVIRONMENTAL AGREEMENTS AND WTO – CTE WORK PROGRAM ITEMS 1 AND 5.....	48
4.1 United Nations Framework Convention on Climate Change (UNFCCC)	48
4.1.1 Briefing by Egypt on COP27.....	48
4.1.2 UNFCCC Secretariat	53
4.1.3 Update by the United Kingdom on the Forest, Agriculture and Commodities Trade (FACT) Dialogue.....	54

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

4.1.4 Report on the negotiations towards the Agreement on Climate Change, Trade and Sustainability (ACCTS).....	55
4.1.5 Report by the WTO Secretariat on the "Trade Forum for Decarbonization Standards: Promoting Coherence and Transparency in the Steel Sector"	56
4.2 Convention on Biological Diversity (CBD)	57
4.2.1 Comments by the United Kingdom on the agreed outcomes of recent CBD COP15	57
4.2.2 Comments by the European Union on the agreed trade-related outcomes of CBD COP15 ..	58
4.2.3 Report by the CDB Secretariat on CBD COP15.....	59
4.2.4 Report by UNEP on the joint WTO-UNEP event "Nature-positive trade for sustainable development: How can trade-related policies and measures support the implementation of the Kunming-Montreal Global Biodiversity Framework?"	61
4.2.5 Report by the United Nations Division for Ocean Affairs and the Law of the Sea (UNDOALOS) on the recently agreed High Seas Treaty	65
5 TRANSPARENCY OF ENVIRONMENT-RELATED TRADE MEASURES – CTE WORK PROGRAMME ITEM 4	67
5.1 Presentation by the WTO Secretariat on the WTO Environmental Database (EDB)	67
6 MEMBERS' SUGGESTIONS AND PROPOSALS	73
6.1 Trade and Environmental Sustainability Structured Discussions (TESSD)	73
6.2 Discussion on possible CTE and environment-related outcomes at the WTO 13 th Ministerial Conference (MC13)	78
6.2.1 China's proposal on dedicated multilateral discussions on the trade aspects and implications of certain environmental measures	78
6.2.2 Presentation by Colombia on "The principles and Parameters that should guide and support policies and measures on Trade and the Environment"	80
6.2.3 Members' views and comments on the CTE and Paragraph 14 of the MC12 Outcome Document.....	82
7 RELATIONS WITH INTERGOVERNMENTAL AND NON-GOVERNMENTAL ORGANIZATIONS – CTE WORK PROGRAMME ITEM 10	94
7.1 Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) .	94
7.2 United Nations Economic Commission for Europe (UNECE).....	95
7.3 United Nations Environment Programme (UNEP)	96
7.4 Basel, Rotterdam and Stockholm (BRS) Conventions	97
8 OTHER BUSINESS.....	99
8.1 Comments by India on the request for Observer status from the International Solar Alliance (ISA)	99
8.2 Briefing by Kenya on the Coalition of Trade Ministers for Climate	99
9 DATE OF THE NEXT MEETING AND CHAIRMANSHIP CHANGE.....	100
ANNEX 1: ITEMS OF THE CTE WORK PROGRAMME (1994).....	101
ANNEX 2: DOHA MINISTERIAL DECLARATION PARAGRAPHS	102

ACRONYMS

ACCTS	Agreement on Climate Change, Trade and Sustainability
AFT	Aid for Trade
AoA	Agreement on Agriculture
APEC	Asia-Pacific Economic Cooperation
BRS (Conventions)	Basel, Rotterdam and Stockholm (Conventions)
CBAM	Carbon border adjustment mechanism
CBD	Convention on Biological Diversity
CBDR	Common but differentiated responsibilities
CE	Circular economy
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMA	Committee on Market Access
COP	Conference of the Parties
CTD	Committee on Trade and Development
CTE	Committee on Trade and Environment
CTG	Council for Trade in Goods
DPP	Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade
EDB	Environmental Database
ETS	Emissions trading scheme
FFS	Fossil fuel subsidies
FFSR	Fossil fuel subsidy reform
GHG	Greenhouse gas
HS	Harmonized System
DRS	Deposit return systems
DSI	Digital sequence information
EGS	Environmental goods and services
FACT	Forest, Agriculture and Commodities Trade
FTA	Free trade agreement
GATT	General Agreement on Tariffs and Trade 1994
GBF	Global Biodiversity Framework
IISD	International Institute for Sustainable Development
IMF	International Monetary Fund
INC	Intergovernmental Negotiating Committee
IPCC	Intergovernmental Panel on Climate Change
ISA	International Solar Alliance
ITC	International Trade Centre
L&D	Loss and damage
LDCs	Least developed countries
MC	Ministerial Conference
MDB	Multilateral development bank
MEAs	Multilateral environmental agreements
MSME	Micro, small and medium-sized enterprises
Nbs	Nature-based solutions
NDC	Nationally determined contribution
OECD	Organisation for Economic Co-operation and Development
PSE	Producer support estimate
SCM	Subsidies and countervailing measures
SDG	Sustainable Development Goal
SIDS	Small, Vulnerable Economies, Small Island Developing States
SMEs	Small and medium-sized enterprises
SPS Agreement	Agreement on the Application of Sanitary and Phytosanitary Measures
TBT	Technical barriers to trade
TBT Agreement	Agreement on Technical Barriers to Trade
TESSD	Trade and Environmental Sustainability Structured Discussions
TPRs	Trade policy reviews
TrCMs	Trade-related climate measures
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development

UNDP	United Nations Development Programme
UNDOALOS	United Nations Division for Ocean Affairs and the Law of the Sea
UNEA	United Nations Environment Assembly
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
US	United States
USD	US dollars
WCO	World Customs Organization

1 ADOPTION OF THE AGENDA

1.1. The Committee adopted the agenda contained in [WTO/AIR/CTE/20](#).

2 ENVIRONMENTAL MEASURES AND MARKET ACCESS, PARAGRAPH 32(I) OF THE DOHA MINISTERIAL DECLARATION – ITEM 6 OF THE CTE WORK PROGRAMME

"The effect of environmental measures on market access, especially in relation to developing countries, in particular the least-developed among them, and those situations in which the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and development".

2.1 EU Green Deal

2.1. The representatives of the European Union delivered the following statements:

2.2. Before our DG ENV colleagues get into a presentation of a proposal for a regulation on Packaging and Packaging Waste, let me provide you a short update on the two legislative proposals that have seen particular interest in the CTE: Carbon Border Adjustment Mechanism and Deforestation.

2.3. The co-legislators have reached a political agreement on CBAM in December. The CBAM is still subject to the EU's internal legislative process that will be finalized by May 2023. It will enter into force with a gradual phase-in over 9 years, from 2026 to 2034, when CBAM will be fully operational. As the measure applies to the carbon content of goods, any effort in terms of emission reduction will lead to a reduction in the level of the border adjustment.

2.4. As regards Deforestation, the political agreement has also been reached in December. The text is currently being reviewed by linguists and lawyers and the Regulation is expected to be published in the Official Journal of the EU and enter into force in May or June 2023. It will then enter into application 18 months later (i.e. end of 2024/January 2025; and 24 months later for small businesses (mid-2025)).

2.5. Given the particular interest from WTO Members, we are planning to organize an information session on each of the legislations during the WTO Trade and Environment week in June. Experts from Brussels will come to respond to any technical or implementation questions that you may have.

2.6. I also wanted to raise as a last point a brief reminder of the key building blocks of the EU's external strategy in respect of the design and implementation of the European Green Deal measures: first and foremost, transparency, which we have secured from the outset during the design stage but we will also continue in the implementation stage. For the design, key principles and building blocks have been an impact assessment and public consultations; a commitment to international standards and cooperation; a necessity test driven by urgent need to act for climate and environment; non-discrimination; avoiding any unnecessary burden and rather work on trade facilitation tools; and a reasonable transitional period so that operators can adapt. For the implementation, what we are trying to put in place now also for CBAM and Deforestation is outreach and engagement, so that everybody understands and is able to understand and implement the Regulation; work on trade facilitation tools; and technical assistance to help the implementation by developing countries where needed.

2.7. So with that, I would like to pass the floor to Wolfgang Trunk from DG ENV to present a proposal for a regulation on Packaging and Packaging Waste.

2.8. I am delighted to present on the European Commission's proposal for a Regulation of the Council and the European Parliament on Packaging and Packaging Waste. The new Regulation was adopted on 30 November. The problem we are facing here in Europe is that we are confronted with a soaring rise in packaging waste generation. From 2006 to 2018, this rose from 150kg per capita to 179kg per capita. If we do nothing, this trend will further continue and reach up to 210kg per capita by 2030. Paper and cardboard are the most important packaging materials in terms of volume in the EU.

2.9. Greenhouse gas emissions are shown on the slide as a blue line. The trend is that if we do nothing it would further increase from just packaging. The two orange dots are the impact of our preferred policy package that we have carved into this Commission proposal. Greenhouse gases would go down from roughly 60 million tonnes to 43 million tonnes in 2030 and at least bring us on track for carbon neutrality by 2050.

2.10. In order to achieve this, we are aware that we are confronted with a complete failure of the current Directive. Currently, this is governed by a 1994 Directive, which had the objective of packaging minimization and reduction, however, the EU has seen that the opposite has happened. Therefore, the EU has now come up with a strong, ambitious Regulation with many requirements directly put on the economic operators, who are the responsible subjects in waste generation and also on the consumers. This is a game changer. We are working with essential requirements under the current Directive with targets at the Member State level and also now with sustainability requirements at the product level.

2.11. But this is only one big objective of the proposal. The second one is that we have come up with a Regulation based on the internal market legal base but we also want to improve the business environment within the EU, so that economic operators are no longer confronted with 27 national systems for packaging and packaging management requirements. In the impact assessment, we have profoundly studied all these economic disadvantages due to these 27 national systems, but here in this forum I can also inform you that many third country companies and also official delegations gave us very positive feedback for these new rules.

2.12. I will now explain a bit what we do propose. We propose that we have one big intervention area, which is prevention and reuse. What are we doing to prevent packaging waste generation? On the one hand, we still work with these old kind of instruments like Member State level targets, so for the first time we have come up with waste prevention targets. For the time being, we just have waste recycling targets for different materials, but now for the first time we have come up with waste prevention targets but still at the Member State level. So at a very aggregated level, you can imagine that Member States do not have such strong powers to enforce these, but the reduction targets that we want to achieve by 2030 are minus 5% compared to 2018 and plus 5% five years later and 15% compared to 2018 by 2040.

2.13. Also we encourage Member States to come up with reuse and refill systems. We have established a new refill system, which is an innovation that is being rolled out more and more in our society. There are many start-ups going into this. Reuse measures are a key pillar for the reduction of waste reduction.

2.14. On top of this, we have EU-harmonized measures put on the economic operators. So, on the one hand, we have the requirement that each packaging must be minimized so the producer must have the technical documentation that he minimized the waste of packaging. We also came up with void space limits for online sales of 40% and we also banned double false bottoms or double packaging under Article 9 of the proposed Regulation. In Article 22, we have come up with a negative list of packaging uses that are unnecessary and therefore we ban them, as they all have good alternatives.

2.15. The reuse targets are sector selective. Here in a bit more detail we can see what is behind the packaging minimization. So, for instance, if I have a glass bottle for a whisky, what is ruled here in this Article is how minimization should take place – there are certain performance criteria of the packaging and these criteria have to be compliant and proven by the producer. I already mentioned the empty space limits for e-commerce: for transport and for cool packaging, there is a limit of 40% allowed as empty space.

2.16. Under prevention and reuse is the famous "negative list" in Annex V (unnecessary packaging), which is single-use plastic; group packaging, e.g. if you have 6 cans of beer and you group them together with plastic packaging, then we say this is not necessary; and also miniature packaging, e.g. small shampoo bottles in hotels. On the following slides, you can see the supporting articles, or accompanying text, that should enable or facilitate the establishment of best practices for well-functioning reuse systems.

2.17. Another big prevention area is recyclability. We want to have better recycling because a lot of packaging waste (e.g. plastic packaging) is downcycled in low grade applications after the recycling process. What we want to achieve is, first of all, full technical recyclability of packaging and, secondly, to ensure that in reality it can all be recycled at scale. Recycling at scale (i.e. all of the packaging can be recycled) should be ensured for each packaging format by 2035. This is all contained in the proposal under recyclability. A very big precondition for higher quality recycling is that the recycling can be done in a cost-efficient way. So recyclability efforts are one of the enablers of making a packaging value chain from production to end-of-life.

2.18. Another area is compostability requirements. Where there are biodegradable plastics or compostable plastics, there is still a lot of confusion in Europe about packaging's biodegradability and consumers do not always know where to put packaging – should it go in the organic waste bin or in the recycling bin? So we came up with four packaging formats that must be produced from compostable material, which means that all these products (fruits and vegetables; fruit and vegetable sticky labels; tea and coffee bags and single-serve units; and lightweight plastic carrier bags) must be produced from compostable plastic, so that a tea bag or a banana with its sticker on the peel can go directly into the organic waste stream. All other packaging should go into the material recycling stream. This is a clear system that we will establish in future because currently there is a lot of confusion and a 'grey zone' for these theoretically biodegradable packaging formats.

2.19. The third big intervention area is recycled content in plastic packaging. We are doing a lot in the proposal to reduce plastic packaging but also to make plastic packaging more circular. One of the main drivers for circularity is to get to a high quality 'closed loop' recycled content. Recycled content means that we come up with minimal inclusion rates for post-consumer recycled content in plastic packaging and these inclusion rates are product requirements. I mentioned already that the whole architecture of the proposal of the Regulation is that we will work in the future with product requirements, so these will be established for recyclability and recycled content etc. We will require the manufacturer or producer to ensure – for instance, if he places a plastic water bottle on EU market in 2030 – that 30% of this new plastic water bottle comes from recycled plastic. This is the product requirement imposed on the economic operator.

2.20. For other content-sensitive packaging, we differentiate between PET as a major component and other content-sensitive packaging, for instance, single-use content material. Therefore, for plastics other than PET, we only require 10% of recycled content because we still do not have the improved technology for plastic polymers other than PET. For non-content-sensitive packaging, we can come up with higher recycled content requirements because of course there are not such demanding requirements regarding safety or technology.

2.21. Following on from the main intervention areas to the more enabling measures, one of the biggest deliverables, which is very much appreciated by industry and third country companies, is EU-harmonized labels on packaging. On each packaging, we will come up with an EU-harmonized label as to the composition and especially the correct sorting and disposal of the specific packaging. The packaging will not only have a pictogram to facilitate consumer packaging, but also the receptacle, i.e. the waste bin or waste bag will have the same pictogram as the product so that the consumer will be able to easily sort packaging into the correct waste bin. Good waste sorting is the start for a recycling value chain.

2.22. We have also come up with other labelling rules. We have a harmonized label for packaging which is going into the deposit and return system; we have a harmonized label for reusable packaging; and we will come up with harmonized criteria to label the recycled content in plastic packaging to avoid greenwashing. We will also prohibit misleading and confusing labelling.

2.23. In order to ensure a good recovery of plastic bottles and aluminium cans, we have set up mandatory Deposit Return Systems (DRS). We know that, in some Member States, this is already mandatory and in those countries you can easily see DRS systems with a greater than 90% collection rate of such packaging items. This will improve the whole value chain because packaging recovered by DRS has a very good purity, so this is very much in the interests of the waste management industry. We also allow Member States to go beyond our scope if they want to establish DRS systems for single-use packaging or other multi-use DRS systems.

2.24. For some time now, we have established the 'polluter pays' principle so the user of the packaging must pay for the collection and the proper end-of-life treatment. In the proposal, we also propose the streamlining, simplification and alignment of national EPR systems in order to have economic benefits for all operators active in waste management.

2.25. Finally, when it comes to customs, as already mentioned, we have product requirements or sustainability requirements at product level, so in the EU market we came up with a compliance system or compliance check, which is a task for the Member States' market surveillance authorities. The companies have to have technical documentation that their packaging complies with our product rules. When it comes to imports, of course, the importer has the function of the responsible operator placing the product on the market and the importer has to ensure compliance with these requirements. Full digitalization is already in place in this respect for imports and the customs authorities are quite familiar with these internal market rules and enforcement at EU borders of these surveillance systems, which are covered by Regulation 2019/2010. We have just added packaging to the Annex to this framework legislation about market surveillance.

2.26. Following this presentation, some delegations had the following reactions.

2.27. The representative of the Russian Federation delivered the following statement:

2.28. Russia thanks the EU for its explanations on its new proposal on a regulation on packaging and packaging waste. We appreciate and support the efforts taken to protect environment.

2.29. However, at its current version this particular measure seems to be just another attempt of the European Commission to adapt currently applied private standards of the enterprises, which are major consumers of plastic packaging, rather than a sincere intention to contribute to the common challenge of plastic pollution. The draft measure raises a number of concerns, first of all, in terms of its consistency with the WTO rules and relevant international standards. A few examples.

2.30. First, the draft measure lacks scientific justification regarding the requirements to be imposed in respect of the products covered.

2.31. Second, the definitions used in the EU's proposal appear to be not compatible with the universally recognized ones fixed in the international standards. For instance, the EU's definition of "packaging" includes the material and additional elements from which the "packaging" has been produced. This approach contradicts with a number of ISO standards.

2.32. Third, certain provisions in the Regulation remain unclarified. For example, the term "high and medium quality recycling", which is neither revealed nor referred to any existing international technical documents.

2.33. Concluding my statement, I would like to stress that the relevant pieces of legislation developed for implementation of the Green Deal can and should be substantially discussed during the meetings of the specific Working Bodies of the WTO, which cover market access-related issues. So called, trade-related climate measures are still trade measures to be dealt with by relevant working bodies.

2.34. Transparency and openness are always appreciated and this Committee was established to promote discussions on how trade can contribute to environmental sustainability. However, when the Member refuses to respond to fair concerns on the Green Deal raised at the CTG or CMA, justifying this decision by the ongoing discussions at the CTE, one can conclude that this Member is pursuing the purpose of confusing others and avoiding direct comments related to the potential impact of these measures.

2.35. The representative of Thailand delivered the following statement:

2.36. Thailand wishes to thank the European Union for briefing us on the EU legislation on packaging and packaging waste. The presentation has helped us to understand more about the effort of the European Union to reduce the adverse impacts of packaging and packaging waste on the environment through reusability and recyclability of packaging. While we welcome the European

Union's objective to mitigate pollution caused by plastic waste, we have comments and concerns as to the implementation of the EU Regulation in the future.

2.37. First, from our point of view, it is important that the European Union might consider providing sufficient information with regard to the definition of "reusable" and "recyclable" packaging, the design for recycling guidelines and the mandatory recycled content targets for certain products as well as how the relevant certificates may be obtained if asked for. This will be useful for all exporters to the European Union to comply with the Regulation in the future.

2.38. Secondly, we believe that there are many food exporters from developing countries and LDCs and, in this regard, we would appreciate more information on the criteria of the reused plastics for food and consumption goods. Moreover, it might be useful for developing countries and LDCs to learn more from the European Union on the studies and the assessment of the impact of the reuse obligations on the environment, notably in relation to the collection, cleaning and transport of packaging, as well as technical performance, and on human health due to the decrease in hygiene standards, especially the reuse of food packaging.

2.39. Third, we know that many exporters or retailers operate across the market and source their products from different markets and product packaging as well may be sourced from various places. In this respect, we think that common rules of reusable and recyclable packaging should be clear and simple in order to avoid market distortions and unfair competitive advantage.

2.40. Lastly, my delegation wishes to thank the European Union once again for its presentation and looks forward to the discussion with the European Union once we receive more feedback from stakeholders in the future.

2.41. The representative of Congo, on behalf of the African Group, delivered the following statement:

2.42. This statement is made on behalf of the African Group. The African Group takes note of the presentation of the European Union on packaging and packaging waste, and will share its observations soon.

2.43. Regarding the EU's Green Deal, introducing a carbon border adjustment mechanism, the idea of which is to apply the CO₂ price set by the European carbon market to imported industrial products, the African Group wonders if this measure is effective for the protection of the environment?

2.44. It should be noted that, initially, the establishment of the carbon market consisted in freeing up resources to finance the development and ecological transition of developing countries whose contribution to global warming is insignificant. It is therefore a tool which aimed to implement the principles of polluter-pays and common but differentiated responsibility. Therefore, one of the questions that could be asked is whether the European measures would release resources to finance the ecological transition of Africa, whose share of pollution is the lowest in the world, or if they would be an additional technical barrier to market access.

2.45. Measures to combat climate change, including unilateral measures, must not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. In this context, the African Group calls on the European Union to respect the rules of the WTO.

2.46. The representative of Fiji delivered the following statement:

2.47. Fiji wishes to thank the European Union for its presentation and its leadership in this area. The EU is globally renowned as it consists of some of the world's most advanced economies with efficient and modern technologies, as we have noted today with the proposal for a Regulation on innovative packaging and packaging waste. It is critical that the EU continues to lead in sustainable and green technologies, including recycling and packaging, and contributing to saving our planet and sharing technologies with Members who would want to learn more from the EU's approach, including my delegation.

2.48. Fiji also wishes to align its statement with that to be delivered by Kenya on behalf of the ACP Group. The OECD projects that the world's greenhouse gas emissions will increase by 70% in

2050 and will continue to grow thereafter. This could lead to a rise in world temperatures of 4 degrees Celsius above pre-industrial levels and possibly 6 degrees Celsius by 2100. The social and human consequences will be unimaginable, including the immense economic costs. We have also seen reports suggesting that climate change might be occurring faster than ever thought and, most recently, as we have noticed in the case of Vanuatu, the country was hit by two tropical cyclones within 24 hours, which was unprecedented. There are various other examples and science available on the nexus between greenhouse gas emissions and the resultant repercussions on livelihood. It has also been noted that small island developing economies like Fiji and the Pacific islands are at the forefront of these climate extremes and will remain discriminatorily affected.

2.49. The UNCTAD reports, for instance in 2022, stated that in the 2000's SIDS endured fewer than 10 major natural disasters per year. Over the past two decades, 20 major natural disasters have struck SIDS each year, resulting in the loss of life, infrastructural damages, coastal erosion, flooding and permanent land submersion resulting from the rise in sea level or other losses that people have to bear. Indeed, there is a close nexus between development and climate extremes.

2.50. In this regard, we are calling on the European Union and all countries to remain committed to implementing robust CO2 emissions and climate ambition targets in all respects of its development and also to remain committed to climate finance.

2.51. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

2.52. I make this intervention on behalf of the ACP Group. The ACP Group appreciates the presentation from the European Union today on packaging and packaging waste. We will discuss it further internally and come back with observations.

2.53. Regarding the discussion on the EU Green Deal, we recognize that collectively 'business as usual' can no longer be the currency. However, there is a need to be realistic in terms of the effort that can be deployed by individual countries in achieving climate-related goals such as transitioning towards a net zero economies and the nexus with trade. This is not to say that only a few must shoulder the responsibility of steering the global economy towards a sustainable future. We must all act as stewards accountable to our own citizens to begin with. Nonetheless, we must bear in mind that economic realities on the ground significantly differ, especially against the backdrop of the COVID-19 pandemic. This reality impacts priorities and needs, in particular, Members of the ACP Group face the difficult task and challenge of rebuilding our economies, creating jobs, and servicing and lowering our debt burden.

2.54. The WTO provides a unique forum to provide global transparency to discuss and debate trade measures and promote cooperation. MC12 delivered not only an historic agreement pertaining to fisheries subsidies but also a commitment to foster dialogue within the CTE with a view to stimulate better understanding of the nexus between trade measures and environment measures. In this spirit, we would like to ask the European Union the following questions relating to the discussions in October last year.

2.55. Regarding the CBAM, will the European Union be presenting to this Committee the methodology that has informed the reporting of carbon emissions? Will all companies without any distinction be subject to reporting of those carbon emissions or will there be scope for flexibilities or assistance for small and medium-sized exporters?

2.56. With regard to the EU's initiative on Deforestation, we would like to find out what cooperation activities the European Union has undertaken with partner countries and how such activities can be extended to a wider group of Members. Has the European Union examined thoroughly which ACP States' exports to the European Union will be affected? If the mechanism initially applies to cement, iron and steel, aluminium fertilisers, electricity, and possibly electricity used to produce the product, what kind of support does the European Union have in mind for ACP countries, including LDCs? Lastly, like others, the ACP Group would urge the European Union to follow the requirements of the WTO rules.

2.57. The representative of Uganda, on behalf of the LDC Group, delivered the following statement:

2.58. I make this statement on behalf of the LDC Group. We want to thank the European Union for their presentation. We think that it is useful to exchange ideas and experiences on the issue of packaging and packaging waste.

2.59. Our view generally though concerning environmental protection measures is that we support protection of the environment, which of course is global and has a trade-related impact, however, measures must be consistent with WTO rules. Principally, measures must not be disguised restrictions on trade or implemented in an arbitrary or discriminatory manner. It might also be helpful in these discussions to remind ourselves of Article 3.5 of the UNFCCC, which states that "Measures to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction to international trade".

2.60. In addition, appropriate consultations should take place with LDCs on the impact on LDC trade and economic development. Climate change is intrinsically a major development issue posing systemic challenges to LDCs and any meaningful discussions must simultaneously address the double challenges arising from climate change to both the environment and development.

2.61. In this regard, we would like to refer to the discussion that took place at the October 2022 CTE. On our behalf, Bangladesh expressed the need to study these regulations and reserved the right to come back to them.

2.62. Initiatives to protect our environment are important. However, we seek clarifications from the European Union on its CBAM, deforestation and other planned regulations, whether major export products from LDCs are likely to be impacted in the short, medium and long term? We also ask all Members introducing low carbon emissions regulations if they have done assessments on the impact on LDC exports. Any measures need to be consistent with Members' commitments under the principles of the UNFCCC, as well as the WTO principles and obligations, reflecting the dimension of historical carbon leakage in their proposed schemes.

2.63. As provided in the UNCTAD LDC Report 2022, entitled "The Low-Carbon transition and its Daunting Implications for structural Transformation", in the years 1750 to 2019, LDCs accounted for only 3% of the world's greenhouse gas emissions. The principle of common but differentiated responsibility therefore must be adhered to in a trade-based organization such as the WTO.

2.64. We need to move forward in the spirit of the UNFCCC Conference in Bali 2007 where Members agreed to enable the full, effective and sustained implementation of the UNFCCC Convention through long-term cooperative action around a shared vision.

2.65. In many LDC countries experiencing climate change-induced severe drought, governments are being forced to reallocate funds budgeted for education and health just to distribute food relief and these trade-offs have an immediate and long-term impact on the lives, health and future of our people.

2.66. Against this backdrop, and looking at the future and nature of LDC exports, which are predominantly commodities, the impact of measures on LDCs stands to be crippling. At the same time, some of us are sources of rare earth minerals and others targeted for environment technologies. We are trying, in our development, to achieve the goal of diversification and moving up the value chain. Measures that act as barriers to LDC exports also create high costs for producers and make it difficult for us to adapt to these new realities.

2.67. We look forward therefore to discussions with our trading partners who are introducing measures so that we can better inform our capitals of the impact on our trade. As some delegations raised in October, already the impact of rejections of imports from developing countries are taking place. Impact on LDCs would have an even more severe impact. So if transition periods are provided to comply with standards that are consistent with the WTO rules contemplated, we need more information on how this will work for LDCs if our products are to be covered by any such measure.

2.68. Again I will refer back to the 2022 LDC Report, which notes that trade policy instruments targeting emissions reductions could have a devastating impact on the relative prices of LDC exports, even when our countries are exempted. Such policies, the Report adds, may exacerbate trade imbalances for LDCs by introducing cost disparities for exporters. So we urge that, instead of punitive

actions, what is needed is an incentive-based approach. A positive and offensive trade and environment agenda should focus on facilitating green technology transfers; expanding trade-climate finance; and providing adequate policy and fiscal space to developing and LDCs for designing their integrated trade and environment development strategies.

2.69. LDCs are endowed with vast tracts of land, diverse natural resources, untapped renewable energy potential, and youthful, dynamic populations that, properly deployed, could contribute significantly to global efforts to combat climate change while unlocking new economic opportunities.

2.70. To conclude, according to UNCTAD, climate vulnerable countries and LDCs pay nearly 10% more on overall interest costs for development finance as climate change effects are transmitted to sovereign credit profiles through weaker economic activity, damage to infrastructure, rising social costs associated with climate shocks (access to health and food), and population displacement.

2.71. We should therefore focus on working on the implementation of regulations with a positive spill over to cooperation and transitioning for everyone.

2.72. The representative of Korea delivered the following statement:

2.73. We thank the EU for its comprehensive presentation on packaging and packaging waste. There was a lot of content in the slides, so it will take some time to digest it and we will revert back after we have looked at it internally.

2.74. My delegation firmly believes that the EU's regulation on packaging and packaging waste, Carbon Border Adjustment Mechanism (CBAM) and other related measures included in the European Green Deal should be discussed thoroughly in a multilateral setting so that they will not act as unnecessary barriers to trade.

2.75. As for the CBAM, we have deep concerns over its design and structure that might not be in compatibility with WTO rules. For example, there are several requirements for foreign companies that do not exist in the EU-ETS, which do not conform to the national treatment principle, as well as the possibility of quantitative restrictions on imports.

2.76. As we have seen at the Trade Forum on the Steel Industry last Thursday, there were several concerns raised by industry representatives on this issue. There were concerns that the CBAM would drive up administrative costs and burdens that would delay investments and deployment of other decarbonization and environment-friendly efforts in the various sectors. Furthermore, there were also concerns that the CBAM would not take account of the various carbon reduction efforts made by other Members, and also would not recognize that these efforts are relative to the conditions and circumstances of each country. Finally, there is no single international standard for measuring embedded emissions, and this would have to be deliberated and predetermined in a multilateral fora beforehand to ensure that we all have an equal footing.

2.77. On a different note, continuous efforts should be made at this Committee to harmonize and proliferate best practices, as there is limitation on what a single country can achieve to combat climate change and other environmental challenges. We should also actively engage in concerted efforts with the UN and other international organizations in this global challenge.

2.78. The representative of Norway delivered the following statement:

2.79. Norway would like to thank the EU Commission for the presentation and we welcome and support the proposal for a regulation to ensure more consistency within EU Member States' policies and the increased efforts to address the environmental impacts of packaging and packaging waste today.

2.80. We note that the EU Commission has built, among other things, on the experience that Norway and other Nordic countries have with our Deposit Return Systems for beverage packaging, including harmonized symbols for all packaging and waste fractions. We believe these systems yield very good results. We will be willing to share relevant experiences as the EU now propose that deposit and return systems are set up in all EU Member States.

2.81. The representative of Argentina delivered the following statement:

2.82. As we have already expressed in other meetings of this Committee, Argentina considers that it is necessary for the new regulations derived from the European Green Deal to respect the EU's commitments before the WTO and be based on scientific evidence, in order to ensure that its measures do not constitute a means of arbitrary or unjustifiable discrimination, or a disguised restriction on international trade.

2.83. Argentina shares European concerns about climate change and especially shares the objective of producing food sustainably, taking into account the current challenges of safeguarding food security in changing climatic conditions. Within this framework, we are convinced that there is no single model to achieve environmental protection, and that environmental degradation, including climate change, must be combated while respecting the central principle of Common But Differentiated Responsibilities. Therefore, the solutions must be adapted to local realities, and the policies and initiatives that are proposed for the legitimate purpose of protecting the environment must be flexible, pragmatic, implementable and realistic, as well as the most effective to achieve the objective sought.

2.84. For Argentina, the fight against climate change is a commitment of all and the actions we undertake, as well as the instruments we use, must be respectful of international commitments and not restrict international trade more than is necessary to achieve legitimate objectives, nor constitute a disguised restriction on international trade. We will send our full intervention so that it is recorded in the minutes of the meeting.

2.85. The representative of Brazil delivered the following statement:

2.86. Brazil thanks the European Union for its helpful presentation on the EU Regulation on packaging and packaging waste, which we will study in detail. The European Union is not only a major trading partner for Brazil but also a Member with which we share perspectives on the importance of preserving the multilateral trading system and achieving a sustainable future and a decarbonized economy.

2.87. Brazil remains concerned about some aspects of the EU Green Deal, such as the CBAM, that involve unilateral trade measures resulting in unnecessary negative impacts on international trade and contrary to commitments made by Members in other fora. Historical responsibilities means that countries that industrialized first benefited from cheap more polluting energy sources should bear a larger brunt of the costs of emission reduction. In both the UNFCCC and the Paris Agreements, the EU has agreed to take into account the principle of common but differentiated responsibilities and respective capabilities. We call upon the European Union to fulfil that commitment and avoid measures that attempt to impose specific standards and decarbonization strategies on other economies.

2.88. Brazil remains committed to work together with the EU and other Members at the WTO and the UNFCCC to achieve our common goals of sustainable development and effective solutions to climate change.

2.89. The representative of Egypt delivered the following statement:

2.90. First, we thank the EU for their presentation on the EU proposal for a regulation on packaging and packaging waste. We are looking forward to holding discussions with the EU delegation to address some clarifications about the above-mentioned regulation. However, we reiterate our position that trade-related measures pertaining to environment and climate change and greenhouse gas emission goals should be consistent with WTO rules. They should be transparent and take the special needs of developing countries and LDCs into consideration and help them increase their share in international trade as recognized in paragraphs 1 and 2 of the Marrakesh Agreement.

2.91. Members shall avoid the adoption and application of unilateral measures that will create unnecessary or disguised barriers to trade and avoid those measures that might have a detrimental effect on trade flows, especially from developing countries and LDCs.

2.92. As for CBAM, according to studies that have been conducted by some research centres and international organizations like UNCTAD, Egypt will be among the top 20 countries most affected by CBAM with its real income falling per annum by 391 million dollars. Exports of energy products from Egypt to the EU are expected to decline by 8.7% and it may lead to an erosion to the preferences granted to the concerned Egyptian products within the framework of the EU-Egypt Association Agreement.

2.93. Egypt believes that, in order to preserve transparency and integrity within the multilateral trading system, all trade-related climate change measures, including the various forms of carbon pricing and associated taxes, should be subject to deep and comprehensive discussions and analysis within the WTO in order to adopt common understanding of the challenges posed and to collectively figure out the best possible approach to achieve sustainable development in all countries.

2.94. The representatives of the European Union responded:

2.95. Thank you for the pertinent questions and issues. For the responses related to packaging, let me recall again that we heard much about climate change and I can give you a bit more detail. The proposal on packaging will, instead of an increase from 59 million tonnes to 66 million tonnes of CO2 per year from the packaging sector, result in a decrease in CO2 equivalents by 23 million tonnes down to 43 million tonnes in 2030. This is one very positive impact of the proposal – the EU sector of packaging and packaging waste will decrease almost one-third of its emissions by 2030.

2.96. As for the Norwegian position, it shows that Norway is very like-minded, shares the same problem and how to address it. As for the comments from Thailand regarding recycled content requirements for plastic packaging, in our impact assessment, we had a very thorough analysis about how many recyclates are needed in order to ensure that the volume and quantities that we require in this proposal are available for plastic packaging producers. Our impact assessment even shows that we could go much higher in the inclusion rate percentages and still there would be enough recyclates for the market to cope. But, from the onset, we already exempted several areas where we say there might be, for other reasons such as regulatory reasons, a hinderance to incorporate recyclates – for instance, medical device packaging is exempted from the outset. On top of this, the Commission will very diligently observe the markets for these recyclates and if, for instance, for a certain food packaging application there is not enough recyclate available on the market we will of course exempt such plastic packaging from the recycled content requirement in order to avoid that there are any disruptions in supply chains.

2.97. Regarding the other concern from Thailand regarding hygiene and food safety issues, we have studied this and take this very seriously. All measures are fully checked against the very high EU food hygiene standards. It was very important for us in the elaboration of the proposal to address all these concerns properly with specific focus on the reusable and refillable packaging that we want to facilitate, and all of this is done against our baseline that food safety and hygiene should not be undermined.

2.98. We received your messages loud and clearly, which has motivated us to offer dedicated sessions on Deforestation and CBAM during Trade and Environment Week, during which we are happy to continue to engage with all these questions and I am sure that we can also look at bilaterals.

2.99. To react to the representatives of the African Group, if you look at our impact assessments, Africa is barely or not at all affected by CBAM so I think, from that perspective, we are OK to the extent that there is an impact, of course, and we are already in contact with our development programmes. We also fully agree that unilateral measures should not constitute an arbitrary measure or discrimination or a disguised barrier to trade and should comply with WTO rules. Responding to several interventions, we have really very carefully looked at all aspects of this and I believe that we have a non-discriminatory measure that is necessary and complies with WTO rules.

2.100. Thank you to Fiji for its intervention. We will remain committed to climate finance and development packages and as a matter of fact the EU and its Member States are the biggest donors with substantial support and finance. In response to Kenya, on behalf of the ACP Group, thank you for your intervention and, as I said, development should indeed be taken into account. It is a cause very dear to our heart. You asked, on CBAM, whether the EU would be presenting its methodologies. What I can inform you of is that we have an open expert group with Member States, business and

third countries as observers, but we will certainly at any stage – and we have done that already – be open to discussions here. If you look at our WTO Reform Paper, we even propose carbon emission methodologies as a possible topic for thematic discussions, so we are definitely very open and ready and very grateful that, in parallel to our internal exercise, there is a very lively international discussion. Of course, these two need to be aligned.

2.101. As for the question will all companies be subject to CBAM or is there flexibility for small and medium enterprises, by means of example there is already flexibility for the transitional periods, a difference of 18 and 24 months.

2.102. In response to the question regarding what deforestation cooperation activity the EU has undertaken, it exceeds a bit what I can expand on here but we are definitely looking into cooperation as an important part of our external strategy, not only because of the Deforestation Regulation but also more broadly with the Forestry Partnerships. Africa is a very important continent for this and we have a variety of tools – a cocoa initiative with a couple of countries in Africa, but also with others – and I believe that we also had a recent visit of timber mines. This is definitely being looked at now but will also be further developed.

2.103. I think that I responded to most of Korea's concerns. We have had several bilaterals with Korea so we have also had an opportunity to clarify that and, as I said, we are absolutely all in and will happily contribute and work internationally to stimulate best practices. We also agree that we need to align our efforts with other international organizations.

2.104. Thank you to Norway, Argentina, and Brazil, I take note of your statements. I note that, regarding the CBDR principles, I appreciate that that is your view, I can confirm that we are fully supportive of development but do see that there is a difference in the rationale of the way we look at things here in this setting in the WTO and under the Paris Agreement, which does not mean that we should not push development and support for implementing the measures.

2.105. Egypt, thank you and we also take note of your comment. In short, we look forward to continued engagement. Kristina (Grutschreiber) is here, so if you have any suggestions or expectations for our presentations in June, both on Deforestation and on CBAM, do pass it on to Kristina so that we can make the best presentation and interaction that you are looking for. We will set aside time and come with all the troops! We look forward to it.

2.106. The representative of Ukraine delivered the following statement:

2.107. I wanted to start by saying I am sorry that I could not join you today in person but I am happy to participate virtually. First of all, Ukraine thanks the European Union for another, informative update on its Green Deal initiative. We continue to follow closely the ongoing developments in the area of trade-related environmental measures and welcome the EU's and other Members' dedication to be transparent about their processes and being open for discussion.

2.108. During each CTE meeting now, more topics are brought under agenda item "Environmental Measures and Market Access" and an increased number of Members take the floor. Today, too, in addition to the EU's presentation, we are expecting to hear from New Zealand, the United Kingdom, and the co-sponsors of the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade on their work and initiatives to make trade more environmentally responsive. Ukraine firmly believes that it is a good tendency, as an alignment of trade and environmental policies is an important, complex issue that needs to be thoroughly examined and discussed.

2.109. Despite Russia's ongoing military aggression, Ukraine continues its work on addressing climate change through local and global initiatives, adopting in 2022 the law on waste management and joining in 2023 the Coalition of Trade Ministers on Climate.

2.110. Still, we reiterate our position that within these walls we should not only be discussing measures that aim to protect the environment but also looking into those that are deliberately harming other Members' environment and affecting trade, as well.

2.111. During the CTE and other WTO bodies' meetings, Ukraine has provided you with information on how Russia's invasion drastically affects environmental safety and international trade. Once

again, we underscore that Russia's disruption of trade routes and supply chains, shelling of Ukraine's NPPs, including the one in Zaporizhzhia, which is the largest one in Europe, destruction of infrastructure, residential buildings, fuel depots and gas lines, coke plants, factories, agricultural enterprises, oil refineries, and draining of Kakhovka Reservoir, that provided drinking water for hundreds of thousands of residents, irrigation for nearly half a million acres of farmland, and the cooling system for the Zaporizhzhia NPP, cause devastating damage to the environment, undermine global trade and aggravate already devastating food and energy crises. Most importantly, these negative repercussions of the war cannot be and are not contained within Ukrainian borders.

2.112. Negative influence of Russia's atrocities in Ukraine on the multilateral trading system, environmental safety and food availability, to name but a few, is obvious. It is crucial to prevent further aggravation of already devastating crises. Hence, we need to put an end to Russia's ability and desire to wage this war of aggression and to weaponize human suffering.

2.113. We would like to use this opportunity to commend our partners for their unwavering, much needed and appreciated help in mitigating the negative repercussions of Russia's war of aggression and restoration of Ukraine's environment. We call on other WTO Members for support to deprive Russia of its ability to finance the war, which brings death and suffering and undermines the multilateral trading system.

2.114. The representative of Canada delivered the following statement:

2.115. It has now been more than a year since Russia's illegal invasion of Ukraine, an event that has had catastrophic effects on Ukraine, its neighbours, and people around the world. For a year, Ukraine has endured staggering levels of human suffering and destruction, including to its natural environment, and its ability to participate in the global trading system has been severely impaired. We must stand united against this unprovoked and illegal invasion and these attempted annexations.

2.116. The representative of Australia delivered the following statement:

2.117. Australia too would like to join Canada and Ukraine in condemning Russia's illegal invasion of Ukraine. The costs of this, as already stated by my Canadian colleague, is truly shocking and unbearable and they extend beyond the human cost, they extend the costs of trade regime, the economic development of the world, the food security crisis the world is currently experiencing, and indeed environment, which has quite relevance to this Committee. We call on Russia to immediately end its war in Ukraine.

2.118. The representative of the United States delivered the following statement:

2.119. I would like to thank Ukraine for their comments this afternoon. The United States has made its position quite clear on numerous occasions regarding Russia's unwarranted and illegal war of aggression against Ukraine, we said this before, but we'll say it again, Russia's actions do contravene the principles and values of the WTO. Respect for WTO Members' sovereignty is crucial to maintain open and predictable market and facilitating international trade. We call upon all Members of this organization to condemn unequivocally Russia's war of aggression and its attempt to acquire territory by force.

2.120. The representative of Korea delivered the following statement:

2.121. The Korean government strongly condemns Russia's armed invasion against Ukraine, as a violation of the principles of the UN Charter and international law. As we have heard from our Ukrainian colleague, Russia's action would also have serious impact on the environment and sustainability goals, which are core objectives of this meeting and the WTO. Ukraine's sovereignty, territorial integrity and independence must be respected.

2.122. The representative of Norway delivered the following statement:

2.123. We would like to thank Ukraine for its powerful statement. Norway joins others in condemning in the strongest possible terms the unprecedented military aggression of the Russian Federation against Ukraine. Let me express Norway's concern for the severe destruction and human suffering this illegal act of aggression is causing. By its unprovoked, unjustified, and premeditated

military actions, and attempts to annex territory of another WTO Member, the Russian Federation is grossly violating international law, the core principles on which the international rule-based order is built, including the WTO, and the fundamental principles of the UN charter that has prevailed since the second World War. Let me conclude by reiterating that we stand in solidarity, as long as it takes, with Ukraine and the Ukrainian people.

2.124. The representative of the European Union delivered the following statement:

2.125. Let me too, thank Ukraine for its comments. The EU joins others in resolutely condemning Russia's continued aggression in Ukraine. The EU is deeply concerned about the global consequences of this war, including on the environment. Russia's war is causing widespread damage in Ukraine and beyond, and it is intensifying the triple planetary crisis. The EU urges Russia to stop its indiscriminate attacks and to immediately and unconditionally withdraw its troops and military equipment from the entire territory of Ukraine within its internationally recognized borders.

2.126. The representative of New Zealand delivered the following statement:

2.127. Like others who have spoken, New Zealand continues to strongly condemn Russia's illegal and unjustified aggression against Ukraine and to urge an end to this.

2.128. The representative of the United Kingdom delivered the following statement:

2.129. I would like to thank Ukraine for their intervention and their explanation of the horrific environmental cost as well as wider human costs of this illegal war. I think that they can put it more eloquently than we ever could in that respect. As others have said, the United Kingdom firmly stands with Ukraine and calls on Russia to end this war.

2.130. The representative of Japan delivered the following statement:

2.131. Japan would like to echo other speakers. Japan appreciates the statement made by the Ukrainian colleague who is suffering from the current situation of Russian aggression. It is a year since Russia began its aggression against Ukraine, which Japan strongly condemns. Russia must first and foremost cease its military aggression and withdraw its troops immediately and unconditionally.

2.132. The representative of Moldova delivered the following statement:

2.133. We would also like to update Ukraine for their update in this Committee. From the first day of the war, Moldova condemned Russia's aggression in Ukraine – a war that has caused destruction and suffering in our neighbouring country, in the region, and on the entire European continent. We would like to join other Members who have spoken before us and we would also like to reiterate our support to Ukraine and the Ukrainian people fleeing this war. We will continue to stand in solidarity with them as long as it takes and we call upon Russia to stop this war immediately and unconditionally.

2.134. The representative of Iceland delivered the following statement:

2.135. Let me join others in condemning in the strongest possible terms the ongoing illegal invasion of Russia in Ukraine. The ongoing Russian invasion has had a devastating effect on the environment, on sustainability and on trade in Ukraine and on a global scale. We continue to support Ukraine and once upon call on Russia to cease its aggression and immediately remove its forces from internationally recognized Ukrainian territory.

2.136. The representative of Switzerland delivered the following statement:

2.137. Switzerland condemns the military aggression against Ukraine in the strongest possible terms. It's a flagrant violation of the international law, particularly regarding resulting to use of force, and its attack on the territorial integrity of a state. Our organization strives to see that laws are complied with, and it does have an impact on our daily work. Switzerland is calling on Russia to comply with its international obligations and withdraw its troops and stop escalating the war militarily. There is also need to respect international humanitarian law.

2.138. The representative of the Russian Federation delivered the following statement:

2.139. The issue raised by the certain delegations is irrelevant to today's discussions and detracts other Members from working on mandated issues. I would like to urge Members to concentrate on the issues related to the agenda of this meeting.

2.2 Recent developments on fossil fuel subsidy reform (FFSR)

2.140. The representative of New Zealand delivered the following statement:

2.141. At the last meeting of the Committee on the Trade and Environment in October we were pleased to report on behalf of the group on the first WTO meeting on Fossil Fuel Subsidy Reform, convened pursuant to the joint high-level statement on the Fossil Fuel Subsidy Reform and its high-level workplan that we issued at the MC12. The second meeting of this initiative was held on 15 February, following the programme mapped out in high-level workplan, this meeting focused particularly on the social and development elements of the Fossil Fuel Subsidy Reform.

2.142. As of its first meeting last year, February's meeting was also very well attended by a cross sections of WTO Members, both co-sponsors of the joint statement and others. And at the meeting in February, we were very pleased to welcome Colombia joining the initiative as the 48th co-sponsor. The meeting opened with an update from the UNFCCC on development at COP27 in Sharm El-Sheikh. Briefing was also provided by Ecuador on launch and objectives of the Coalition of Trade Ministers on Climate. With reference to the social dimension theme, presentations included an outline of recent analysis of the social and economic distributional effects of fossil fuel subsidies from the International Institute for Sustainable Development, a presentation by the Clean Cooking Alliance on the work that it is doing to improve access to the clean cooking fuel for poor communities in developing countries and an explanation from the EU on its recently established Social Climate Fund.

2.143. Under the Development section of the agenda, the group benefited from presentation from Costa Rica on its National Decarbonization Plan and associated strategies to advance its climate objectives, as well as briefings from UNDP and UNCTAD examining most specifically the issues for developing countries arising from fossil fuel subsidies and particular challenges in undertaking the fossil fuel subsidy reform. Themes emerging from these sessions included: the need to assist the differing impacts of subsidies over time, for example to examine what subsidies are designed to provide short term boost to production or employment or temporary relief from price increases may entail over the longer term in increasing dependency on high carbon energy sources and hampering economic diversification. And as an additional theme, was the complex interplay between the objective and the design and the implementation of the fossil fuel subsidies, with the social impacts not always mirroring the intended objectives.

2.144. The usefulness of the phased approach to reform and undertaking subsidy reform as the part of the wider package of Energy Security Response measures and Green Growth Transition measures was underlined, as well as the value of complementary policies to mitigate adverse short term social or development effects of subsidy reform. Strategies to help developing countries address particular challenges in subsidy reform, as well as the importance of the reform as part of managing the risks from energy price fluctuations for developing countries, including fiscal and balance of payment risks were discussed. And several of the presentations outlined a range of support tools available to assist developing countries in designing, communicating, implementing, and monitoring subsidy reform programme.

2.145. In concluding, in February, Members discussed next steps. There was agreement to undertake further work in following three areas: information to understand the extent the temporary measures introduced in response to the current energy crisis and the approaches to help ensure that these are targeted, temporary and timebound. This could for example help inform best practice guidelines in this area. Preparation of an overview paper to provide a deeper understanding of the current landscape of existing fossil fuel subsidies, for example broken down by sector, purpose, and impact. Draw on the extensive body of work that has been produced in other relevant organizations and thirdly, promoting further transparency through the use of the existing WTO mechanisms, such as trade policy reviews, including by compiling existing questions and information provided under these mechanisms.

2.146. The important and timely nature of these more intensive discussions on fossil fuel subsidy reform was underlined by the issue last month by the International Energy Agency of its latest estimates on fossil fuel subsidies levels. These estimates indicate the 2022 fossil fuel subsidies jump to record highs with the overall total estimate exceeding USD one trillion for the first time ever, this is the double the level recorded in 2021, which was self already a high point in subsidies levels, reversing a period of reductions recorded in previous five years from 2015 to 2020.

2.147. We are looking as a group to host the next meeting on Fossil Fuel Subsidy Reform initiative in May-June and looking at that point and concentrating on taking stock of the work underway and then elaborating concrete options for drafting work on this issue towards MC13, as we envisaged in the June 2022 Ministerial Statement.

2.148. I would like to conclude by reiterating that the group continues to welcome new co-sponsors. It was very pleasing to have Colombia join last month, and we would like to encourage those who haven't yet done so to become part of this very important initiative.

2.149. Following this presentation, some delegations had the following reactions.

2.150. The representative of Colombia delivered the following statement:

2.151. Colombia is proud to be the 48th co-sponsor of the initiative. The elimination or halt of subsidies for fossil fuels and their redirection towards other social programs are priorities for the government. Colombia considers that the initiative is the ideal forum to examine the transition towards green energies. It is important that the resources available to developing Members to support it, as well as broader sustainable transformation efforts, are taken into account. In our commitment to promote sustainable development in the energy sector, we are proposing a series of measures that seek to promote the use of renewable energy and progressively reduce dependence on fossil fuels in our country.

2.152. Among the proposed initiatives, we are redoubling efforts to replace firewood, coal, and waste with clean energy for domestic use, by connecting users to public gas distribution networks and providing access to fuels such as biogas or other sources of energy transition. In addition, we are proposing the creation of a national registry for the reduction of greenhouse gas emissions, which will allow us to offer stimulus packages to private companies so that they invest in carbon neutral projects instead of fossil fuels.

2.153. We are convinced that these measures will lead us towards a more sustainable and fair energy transition, and that is why we are presenting them as part of our commitment to the environment

2.154. The representative of Chile delivered the following statement:

2.155. First of all, Chile would like to thank you for the comprehensive presentation on the initiative related to the reform of fossil fuel subsidies. Also, thank the coordination work of the second meeting on these matters that was held on 15 February.

2.156. As we all know, the reform of fossil fuel subsidies is a complex task and it was very useful to hear different visions, policies and good practices from a social dimension, looking at the effects that the reform can have, through the presentations they made. the exhibitors.

2.157. Added to the above is the importance of collecting and analysing information on subsidies and evidence of environmental damage, in order to have greater clarity on the types of subsidies and their impacts, particularly those that are inefficient. The objectives, cost-benefits, and social, economic, and environmental collateral impacts are some of the issues that surround the discussion of subsidies.

2.158. We appreciate the work carried out by New Zealand for this second meeting and we will continue to participate in this initiative that promotes a broad dialogue and allows the sharing of experiences.

2.159. The representative of the European Union delivered the following statement:

2.160. On behalf of the EU, I would like to thank New Zealand for the update and their work on taking this issue forward in the WTO. Needless to say that we also attach a lot of importance to it. The EU also welcomes that Colombia joined the Fossil Fuel Subsidies Reform initiative. We hope that more WTO Members will take this step in view of the importance of the issue.

2.161. The discussions on social and development aspects of fossil fuel subsidies showed the complexity of support for fossil fuel and highlighted that pathways of eliminating fossil fuel subsidies need to take into account other policy objectives.

2.162. At the last FFSR meeting, the EU presented its new Social Climate Fund, and we would encourage other WTO Members to bring their own experience and policy tools to the table in future exchanges on this topic. I would like to underline the importance of transparency and the ideas of compiling already available information as one of the first steps.

2.163. The representative of Japan delivered the following statement:

2.164. Japan thanks New Zealand for the comprehensive update. Regarding the Ministerial Statement on Fossil Fuel Subsidies adopted in December 2021, although Japan did not participate as a co-sponsoring country, we agreed that we will redouble our efforts toward tackling inefficient fossil fuel subsidies. Japan is also making every effort to become carbon neutral by 2050, and we are eager to participate in discussions at various fora.

2.165. On the other hand, as we have discussed in the past, it is "inefficient" fossil fuel subsidies that should be rationalized and eliminated. We do not believe that a one-size-fits-all approach is the way to proceed, but rather that effective measures need to be taken based on the circumstances of each country, and we do not believe that uniformly eliminating fossil fuel subsidies is the desirable approach.

2.166. The representative of the Kingdom of Saudi Arabia delivered the following statement:

2.167. Saudi Arabia would like to thank New Zealand for sharing the update on the programme of phasing out fossil fuel subsidies. While we encourage sharing information, the Kingdom would like to reiterate its position stated during previous meetings, namely, that this issue is under different forms of voluntary peer review of inefficient fossil fuel subsidies which encourage wasteful consumption among some G20 Members in accordance with national priorities and needs. We believe issues such as this one should not be addressed under the WTO.

2.168. The representative of the Bolivarian Republic of Venezuela delivered the following statement:

2.169. We thank New Zealand for informing this Committee about the recent progress of the Fossil Fuel Subsidies Reform (FFSR), in particular, the results of its second meeting, held on 15 February. However, we note that, although this initiative has grown in the number of co-sponsors, in reality it is only made up of 29% of the Members that make up the WTO, that is, 48 out of a total of 164.

2.170. Consequently, it is worrying that the WTO Secretariat is being asked to prepare a document to compile the available information on the current situation of fossil fuel subsidies, including their use by sector, their purpose, and their repercussions (both environmental and commercial), when this request does not have the necessary consensus of all Members.

2.171. We stress that the CTE is the appropriate forum in the WTO for dialogue among Members on the relationship between trade measures and environmental measures. However, we call attention to the fact that, within the Committee, it is not possible to continue advancing any initiative contrary to the mandate and spirit of this organization.

2.172. The position of the Bolivarian Republic of Venezuela, based on the 1999 National Constitution, is that we do not accept any type of evaluation, monitoring, report or review of our national energy measures and policies that affect our national sovereignty. Non-renewable resources such as oil are outside the scope of WTO provisions, in accordance with the exceptions in Article XX of the GATT 1994.

2.173. Consequently, we reiterate that we cannot support this initiative. Although we applaud that many countries have begun their transformations to clean energy sources, we regret that they are not accessible to developing countries due to their high cost, which is why fossil fuel continues to be the cheapest and most far-reaching source of energy for all. In this sense, we warn about the need to address this issue in the appropriate fora for it, from the perspective of financial and technological assistance, so that developing countries can implement the reform of subsidies and the need for governments to act based on in their respective capacities.

2.174. For all of the above, we maintain our position of not supporting this issue being addressed in the WTO.

2.175. The representative of Switzerland delivered the following statement:

2.176. We thank New Zealand for their update on the initiative. We had the pleasure of participating in the very productive second meeting on social and development issues that are central issues for fossil fuel subsidy reform.

2.177. This initiative is essential if we are to achieve the climate goals set by the international community. We must work collectively to avoid pressures to subsidize fossil fuels in the immediate term. Switzerland is a very active Member on this issue, we are part of the Friends of Fossil Fuel Subsidy Reform (FFSR) group and we are working on this issue within the framework of the Climate Change Agreement initiative, trade and sustainability (ACCTS). Discussing fossil fuel subsidy reform at the WTO is an important step towards progress. We reiterate that the WTO can play a central role in identifying the trade nexus needed for reform.

2.178. Switzerland remains committed to this initiative and we strongly encourage all other Members to join.

2.179. The representative of the Russian Federation delivered the following statement:

2.180. We thank New Zealand for the update. However, we would like to join concerns expressed by the delegation of Saudi Arabia. The fossil fuel subsidy reform is being dealt by its co-sponsors in a number of international fora, including G20 and APEC. This work is carried out in a voluntary format, by those who are in a position to do so.

2.181. We are sure that all WTO Members are united by the objective of creating a more climate-friendly world. Methods differ in different countries depending on geography and nature conditions, economic structures and available technologies. With that, our joint efforts here at the WTO should be built around those initiatives that benefit everyone. But not around individual approaches which take no account to the specific national circumstances of other Members.

2.182. The representative of Nigeria delivered the following statement:

2.183. Nigeria thanks New Zealand for their statement. Given that we are not a participant in the initiative on Fossil fuel subsidy reform (FFSR), we take note of the statement. We believe that our colleague from Venezuela has raised some pertinent issues. We are also not party to these trade and environment initiatives so we are wondering whether these initiatives have created fora for parties to these initiatives to make presentations and that what is discussed in those fora is dependent on those parties to that initiative.

2.184. We also wish to echo some of the other points raised by our colleagues from Saudi Arabia on this agenda item. Nigeria would like to take this opportunity to align itself with the statements delivered by the ACP and African Group on agenda item 2 on the issue of the EU Green Deal.

2.185. The Chair of the Committee noted:

2.186. Just to be clear, it is not the Secretariat creating the agenda item. This is a Member-driven organization, so this is New Zealand wishing to include this item and offering to brief us. If Nigeria would wish to brief us on any item, then they would be more than welcome as well.

2.187. The representative of New Zealand responded:

2.188. I would simply like to make the point that the Chair has just made – that, in providing this report, we are doing so for transparency purposes and because we wish to encourage dialogue across the membership on this important issue. This is an initiative under a joint statement with 48 co-sponsors – a substantial membership of the organization – and we would like to bring these reports back for the information of this Committee and to encourage such dialogue with all Members while being aware of the different circumstances in relation to this issue.

2.3 Circular economy and plastics pollution

2.3.1 Update by the coordinators on the work of the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DDP)

2.189. The representative of Australia, on behalf of the DPP coordinators, delivered the following statement:

2.190. The work of the Dialogue on Plastic Pollution has continued with fervour since the last meeting of the CTE. As you would recall the Dialogue is co-coordinated by Barbados, China, Ecuador, Fiji, Morocco and Australia and it is a pleasure to provide this report on behalf of the coordinators.

2.191. We have hosted a number of meetings since the last CTE. On 6 December, last year we co-hosted a workshop with UNCTAD on sustainable and effective substitutes and alternatives for plastics. On 7 December 2022, we hosted a plenary meeting, the last for 2022. And, in this year, our meetings have already begun. We hosted a pre-plenary meeting on 16 February followed by our first plenary of 2023 (yesterday on 13 March).

2.192. Since the last meeting our membership has also grown to 76 Members. The last Member to join the Initiative was the United States, which announced it would join the Dialogue at yesterday's plenary meeting, and was welcomed by the rest of the membership. The 76 Members of Dialogue are responsible for 85% of global plastic trade highlighting the Initiative's broad, diverse membership.

2.193. Given we have had a number of meetings since the last CTE, I will focus my report on the salient elements and the most recent meetings, but for a complete summary and review of the recent meetings, I would like to point Members to the meeting summaries, the presentations and a number of specific statements made, which are available on the WTO's website.

2.194. Starting with the workshop on 6 December, on that occasion, there was a fantastic discussion for the efforts of Members and interested stakeholders to bring together a common understanding of the necessary elements that make up 'sustainable and effective alternatives and substitutes'.

2.195. The workshop started with a discussion of various 'working definitions' of relevant terms for substitutes and alternatives and built a compilation of the various definitions. The workshop then undertook a Harmonized System Code identification exercise for trade-related measures that enable substitution of Single-Use Plastic Products and other "Problematic Goods by Sustainable Materials". There is a useful table in the summary document, which is table 3, which identifies the relevant HS codes and is available on the WTO website.

2.196. The third element of the workshop was an identification of an illustrative extended list of potential material substitutes – breaking down the substitutes for different types of plastics, and for plastic alternatives. The final element of the workshop discussions was looking at a minimum criteria for lifecycle analysis and affordability, accessibility and availability.

2.197. At the plenary meeting on 7 December last year, Members recalled the achievements in discussions over the year. There was also a briefing on the workshop held the day before. Discussions continued at that plenary on the three workstreams of the Dialogue, which include crosscutting issues and developing country concerns, circularity and reduction to tackle plastic pollution, and the third workstream on promoting trade to tackle plastic pollution.

2.198. At the first pre-plenary meeting of this year, on 16 February 2023, discussions continued on those workstreams. The Secretariat to the International Negotiating Committee () of the UNEA negotiations to end plastic pollution provided an update on the negotiations. The Centre for

International Environmental law (CIEL) presented preliminary analysis on the trade-related elements in Members' submissions to the to UNEA. The WTO Secretariat updated the Dialogue on updates for the AFT Needs Assessment survey, which the Dialogue is undertaking, and also on the trade-related measures survey.

2.199. The OECD briefed on the role of development assistance in tackling plastic pollution. On the reduction workstream, the WTO Secretariat updated Members on the Trade-related Plastic Measures survey, which now has over 280 measures notified by 64 Members. There was a series of other presentations including from the UNODC on waste trafficking; the WCO, which presented its Asia-Pacific Plastic Waste Border Management project; and a very insightful presentation by the Minderoo Foundation, which mapped Single-Use Plastics Value Chain. That presentation identified that more single-use plastic was being produced than ever before. In 2019, over 130 million tons of single-use plastic was being produced and, in 2021, that figure was up by an additional 6 million from fossil fuel-based plastics and only a few hundred thousand tons from recycled waste. In that sense, 15 times more single-use plastic was being produced from fossil fuels than recycled waste – i.e. more plastic is being produced at a rate much faster than plastic is being recycled.

2.200. The World Health organization presented on its work on different programme areas that contribute to addressing plastic pollution. On the promotion workstream, the BRS Secretariat briefed the Dialogue on the Plastic Waste Partnership, and QUNO presented their report on plastic package-less and reuse systems.

2.201. UNCTAD presented a follow-up to its workshop co-hosted with the WTO in December on Plastics Substitutes and Alternatives and updates to its evolving list of HS codes applicable to plastic substitutes. That list has now grown to 282 HS codes following the workshop and trade in those HS codes accounted for USD 388 billion or a quarter of the total value of plastics trade – indicating the potential size of the substitutes market. The presentation also highlighted that the applied tariffs on plastics and substitutes and revealed that substitutes faced much higher tariffs than plastics. UNCTAD made a number of recommendations and actions that the Dialogue could undertake. TESS presented its paper "The WTO Dialogue on Plastics Pollution: Overview and State of Play" and shared a series of recommendations for next steps.

2.202. In the Plenary session that was hosted yesterday, Members had a very valuable discussion on next steps for the Dialogue as it approached MC13. The coordinating Ambassadors from Ecuador, China and Australia recalled the conversations the Dialogue had held over a number of years that had identified the significant challenges of plastic pollution and had developed a significant evidence base and understanding of how trade can contribute to the reduction of plastic pollution. They also recalled the need for "concrete, pragmatic and effective outcomes" as highlighted in the Minister's statement which founded the Dialogue on plastic pollution.

2.203. The coordinators offered their preliminary views on a path towards MC13, which they thought could include a number of elements. At MC13, the Dialogue could look for opportunities to reflect the broad priorities of Members to enhance international cooperation and build on the MC12 Statement.

2.204. Members could:

- Identify shared priorities in the three workstreams, in line with the Statement, and focusing on actions of convergence and high potential impact.
- Reflect the ongoing commitment of the DPP Members to update it work, actions and Annexes to the Statement to reflect the evolution of the and discussions in other international processes (such as the WCO).
- Identify information needs related to shared priorities and call for expert input from stakeholders and environmental experts on specific priorities and recommendations.

2.205. At MC13, Members could – based on the discussions and on the Dialogue's shared ambitions – look for a series of trade-related actions that Members could take to address plastic pollution. Finally, Members could look to capture the work that has been undertaken by the Dialogue to support any actions that Members may take.

2.206. On next steps, the Dialogue is now working with the UN Environment Program to organize a workshop on the workstream on circularity and reduction, which will be hosted on 27 April and be open to all Members and stakeholders. That meeting will be followed by the next plenary meeting of the Dialogue on 25 May, which is also open to all Members.

2.207. A reminder that the Dialogue on Plastics is committed to openness, transparency, and inclusivity and that meetings of the DPP are open to all Members whether they are co-sponsors or not.

2.208. Finally, a reminder that the DPP has two surveys that are open to all Members to complete. These are on trade-related plastic measures and a needs assessment survey to identify developing country needs, but is also open for donors to complete with regards to the challenges to address plastic pollution.

2.209. The surveys are intended to inform our discussions going forward as we learn from countries practices. Both are available online in English, Spanish and French. We will need to close the surveys at the end of May so the Dialogue can work to draw some conclusions from the data, so we would encourage all Members to respond to these surveys in due course.

2.210. Finally, an open invitation to all Members that are not yet co-sponsors of the Dialogue to join. We encourage you to join and we are happy to discuss anything related to the Dialogue further with you.

2.211. Following this presentation, some delegations had the following reactions.

2.212. The representative of the United States delivered the following statement:

2.213. The United States is pleased to announce that we have formally joined the Dialogue on Plastics Pollution. We look forward to actively participating in this important Dialogue going forward. We do believe that the Dialogue provides an opportunity to ensure that a trade policy perspective is considered and well reflected in support of the various international efforts to address plastics pollution and we look forward to working with all of you going forward.

2.214. The representative of the Russian Federation delivered the following statement:

2.215. First of all, thank you to the coordinators for the update on the ongoing work of IDP. Russia remains committed to constructively engaging in joint efforts to tackle plastic pollution and promote circularity. We highly appreciate the progress achieved so far by the IDP and the way the work is organized.

2.216. We had quite intensive discussions regarding the potential ways of how to tackle this global challenge, although much work remains to be done. The range of policy tools Members apply to tackle plastic pollution is very wide. While some rely on restrictions to limit trade flows of "unnecessary" or "harmful" plastics (although there is no commonly agreed criteria for such products), others choose to focus on the root of the problem through the development of effective waste management systems, recycling and circularity.

2.217. We need to continue working towards a clear picture of all the variety of available policy tools and their cost-effectiveness. We need to clearly understand where our approaches are convergent and mature enough for further international cooperation, and where the views are too divergent and need to be further explored.

2.218. During the recent meetings, Russia proposed its ideas on how to better structure our joint work in the IPD with the aim of shaping concrete and tangible MC13 outcomes. I am sure that if cooperation within the IDP continues in the same positive spirit that we have now, we can count on visible and pragmatic results being reached at the MC13.

2.219. The representative of China delivered the following statement:

2.220. First of all, as one of the coordinators of the IDP, China would like to take this opportunity to thank Australia for its update on the progress of IDP and to welcome the United States to the Initiative.

2.221. According to the Ministerial Statement, the top priority of this year's discussion is to achieve concrete, pragmatic and effective outcomes by MC13. Concrete achievement needs concrete actions. From the perspective of a Facilitator of workstream 1 of the IDP, we would like to emphasize that we will enhance close interaction with the process of other international organizations, in particular, with negotiations to avoid overlaps and ensure complementarity and coherence.

2.222. As the representative of Australia mentioned, next month we will hold a workshop with UNEP on unnecessary and harmful plastics. We hope this will be a concrete step to discussions on this important issue. In the meantime, we will continue to strengthen our cooperation with the World Customs Organization (WCO), the Basel Rotterdam Stockholm Conventions (BRS), UNCTAD, and the International Bamboo and Rattan organization (INBAR) etc.

2.223. Second, we continue to call all interested WTO Members to actively participate in this Dialogue. To date, the IDP is co-sponsored by 76 Members. The number of co-sponsors are less than half of the number of WTO Members but, as mentioned, co-sponsors already cover more than 85% of the global plastics trade. It means that many small economies, especially LDCs and Small Island Developing States (SIDS) who are suffering a lot from plastics pollution, are not able to share their opinions efficiently.

2.224. The IDP is always open, transparent and inclusive. We encourage all Members, especially LDCs and Small Island Developing States (SIDS), to actively participate in the Dialogue, to share information on the impact that plastic pollution has on your economies and the environment, to inform the Dialogue about the challenges that you are facing, to notify the needs of trade-related capacity building and technical assistance, to jointly discuss what priorities and collective actions could be taken by all of us, and how to provide new opportunities for developing Members, and opportunities for MSMEs in your country or region. We look forward to more Members participating in this Dialogue.

2.225. The representative of the European Union delivered the following statement:

2.226. The European Union would like to thank the coordinators for their update and for the meeting this week. We would certainly join China in welcoming the United States in the plastics fold. We would like to restate the EU's interest in working with the Members of the Dialogue and indeed all WTO Members to ensure that trade policy and measures are supportive of circular plastics value chains, contributing to sustainable consumption and production.

2.227. Changing the way plastics is designed, produced, and used can greatly contribute to reducing plastic pollution and marine litter, by preventing waste or turning used plastics into secondary resources. The EU believes that the Dialogue can provide important contributions to the UNEA negotiations on a global plastics agreement and for the negotiators engaging in the Intergovernmental Negotiating Committee.

2.228. Of course, we need to align the two processes in a way that outcomes achieved within the Dialogue do not prejudice a high level of environmental ambition for the outcome of the negotiations on such a global plastics agreement, but rather support a high level of ambition. The EU is looking forward to further discussions exploring the possible elements for a Ministerial Statement at MC13.

2.229. The representative of Ecuador delivered the following statement:

2.230. Ecuador would like to start by thanking China's delegation on behalf of the co-sponsors of this initiative, which has introduced the work carried out in this CTE. My delegation would like to draw the meeting's attention to the different points mentioned and the working plan, the sort of interactive dialogue of cooperation, and the objective of creating a platform to discuss the topic which has global repercussions. Ecuador would be in favour of working with other countries as part of the initiative and with other WTO Members, at the right time, and contribute to the discussion with a view to the next Ministerial Conference. My delegation would like to join the warm words expressed to welcome the US delegation that has joined the initiative. We are confident that other

countries will join this working platform to enrich our discussion and enable us to move, make progress in a sustained way to make sure that we manage to incorporate our work into the broader program of work in this area. So, I would like to thank you for your introduction and welcome and congratulate you on the discussions carried out here and the usefulness and on the future of our work in the context of the IDP.

2.231. The representative of Chile delivered the following statement:

2.232. Chile would like to thank Australia for the report on the work carried out in the context of the Informal Dialogue on Plastics Pollution. In this regard, we would like to mention that, on the occasion of 17 February and at yesterday's session, we were provided very useful information for discussion on plastics. The discussion was fruitful; we were able to discuss the different areas of plastics pollution and the trade in sustainable plastics. Our country has participated in the meetings and has answered the requests for information and mentioned our work to reduce plastics pollution in our country. We hope to continue contributing to the dialogue, to contribute to fighting plastics pollution globally.

2.233. The representative of Japan delivered the following statement:

2.234. Japan would like to thank Australia for the comprehensive report on the work of the DPP. Japan has placed a high priority on plastic pollution countermeasures and has actively led efforts to combat plastic pollution to date, including advocating the "Osaka Blue Ocean Vision" at the 2019 Osaka G20 Summit, which aims to reduce new pollution from marine plastic waste to zero by 2050

2.235. We recognize the importance of the Convention for an international legally binding instrument on plastic pollution, including in the marine environment, which was launched in November last year. It will be an effective and progressive framework involving all countries, including large consumers and emitters of plastic materials.

2.236. Japan will lead the negotiations, including the 2 process, with the aim of setting common global targets and developing national action plans based on a lifecycle approach, while recognizing the usefulness of plastics.

2.237. In addition, this Convention should make it an obligation for society as a whole to establish mechanisms to promote the circular economy of plastics and to control their release into the environment. We also believe that measures related to production and use should not be uniform one-size-fits-all regulations, and that such measures must take into account the circumstances of each country and their socioeconomic impact.

2.238. The representative of the United Kingdom delivered the following statement:

2.239. The UK would like to thank Australia for the update. The UK welcomes engagement from all Members in the work of the Dialogue on Plastics, and as a reminder, and this is an area we can facilitate, there are important links between the ongoing international negotiation committee process at UNEA and the work of the dialogue. I think some Members hopefully will have heard more on that at lunchtime. The aim is to improve our collective understanding of the trade-relevant aspects of plastics pollution and work towards more sustainable plastics trade.

2.240. Another area that the UK has been keen to see more of, and we hope to expand in the future, is the link to the coming Montreal Global Biodiversity Framework, which is Target 7, which includes a commitment to reduce plastic pollution risks and the negative impact of pollution from all sources by 2030, including preventing, reducing, and working towards eliminating plastic pollution. So, we welcome involvement from all Members, whether they co-sponsored the dialogue or not, and there are a number of areas that Members are pursuing ahead of MC13, from promoting sustainable and affordable plastic alternatives and substitutes, in line with the Basel Convention, to policies that tackle single-use plastics to using aid for trade to support action against plastic pollution. We will continue to support these discussions.

2.4 Other

2.4.1 India's concerns on the use of environment measures as non-tariff measures²

2.241. The representative of India delivered the following statement:

2.242. We introduce our paper [JOB/TE/78](#), which was circulated to the membership on 10 February 2023. Sustainable development includes environmental protection and, achieving this in a manner consistent with the respective needs and concerns of countries at different levels of economic development, is critical. There are however serious concerns regarding the increasing use of unilateral measures impacting trade, which are sought to be justified as environmental measures. Such measures may not only violate the rules of the WTO, but also have systemic implications for international law as a whole, since any unilateral action undermines multilaterally negotiated rights and obligations of countries.

2.243. Most WTO Members are represented at the United Nations Framework Convention on Climate Change (UNFCCC) and participate in its negotiated outcomes. The principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), in the light of different national circumstances, and the Nationally Determined Contributions (NDCs) made by the parties to the UNFCCC, are the foundational principles of the UNFCCC.

2.244. It is also important to underscore that the principles of "respective capabilities" recognize the different socioeconomic status of countries. The Preamble to the Marrakesh Agreement establishing the WTO also recognizes this concept when it notes that the expansion of trade in goods and services in accordance with the objective of sustainable development would require protection and preservation of the environment and the means of doing so, in a manner consistent with the respective needs and concerns of countries at different levels of economic development.

2.245. Our paper highlights the following areas of concerns, where we believe that these principles are not being followed in letter or spirit or both:

- Carbon Border Measures
- Environment-based management of Minimum Residual Limits (MRLs) in agriculture trade
- Deforestation-related trade measures
- Tariff Rate Quotas being allocated based on "green content" of commodities

2.246. We welcome the recent statements by various Members seeking to reinvigorate the trade and environment discussions in this CTE. We, as Members of the WTO, should ensure that our resource and energies are not dissipated in discussing avoidable unilateral measures; instead, let us agree to address climate change at the multilateral level; the simple underlying principle being that trade measures should not become a tool to undermine multilateral environmental agreements and commitments under those agreements. Like we are often worried about overstepping by other organizations in WTO-related matters, we should be equally careful in not knowingly or unknowingly undermining the commitments made by Members in other multilateral organizations.

2.247. We urge WTO Members to ensure that any environment and climate-related trade measures do not constitute arbitrary or disguised restrictions or unjustifiable discrimination in international trade. Members need to ensure that they are not shifting the responsibility of meeting their own NDCs to other Members, an approach which also prevents other Members from following the NDC trajectory they have drawn based on own prioritization.

2.248. Following this presentation, some delegations had the following reactions.

2.249. The representative of Colombia delivered the following statement:

2.250. Colombia would like to thank India for the document and for its presentation. We are of the view that this is an important step in important analysis of the use of hidden barriers to trade. Any legislation or standards on this point must be consistent with international obligations and

² See document [JOB/TE/78](#).

environmental standards worldwide. Now, there are two things here. Firstly, you have international law, and the WTO has complied with this. If you look at the Gasoline issue, you also have to take account of the various needs and concerns of Member States in their economic development. We are therefore of the view that you have a legitimate objective under this organization, and it is also important to consider it in the standards which govern it. You have the Rio de Janeiro Declaration on Development and Environment and the UN Climate Change Convention. This is noted in India's document and what Colombia is proposing is we need to have a discussion on these such important issues and their relationship with the main international standards in trade law.

2.251. The representative of Congo, on behalf of the African Group, delivered the following statement:

2.252. The African Group commends India for this proposal document and shares the concerns expressed that environmental measures applied unilaterally contribute to increasing trade costs for exporters from developing countries and LDCs.

2.253. The best way to advance discussions on sustainable development within the WTO is to fully respect not only the rules of this organization but also the concepts of principles and commitments that have been agreed in other fora.

2.254. This is why the African Group considers that this document rightly underlines the fundamental principles of respective capacities and Common But Differentiated Responsibilities, principles for which our Group has always drawn the attention of the Members of this Committee for their application. The Group considers that the document is very useful for the discussions within this Committee.

2.255. The representative of Uruguay delivered the following statement:

2.256. Uruguay wishes to thank the Indian delegation for presenting this document, which we consider to be of great importance for discussions at the CTE.

2.257. Our delegation shares the concern and the systemic interest that the measures adopted by Members in pursuit of their legitimate objectives of protecting the environment are compatible with the rules of the WTO and that they do not become disguised barriers to trade.

2.258. In this sense, it is necessary to remember that the measures must be non-discriminatory and their distorting effects on trade less than that of alternative measures, as has been established at the level of the Dispute Settlement Body.

2.259. The representative of China delivered the following statement:

2.260. China would like to thank India for their proposal. We share the same view that the global climate and environment challenge needs global efforts. We should uphold multilateralism, build synergy in governance, and address global challenges through global cooperation.

2.261. China believes that Members should firmly adhere to three principles when formulating environment-related trade measures or as some Members prefer to call trade-related environment measures. First, support trade and investment liberalization and facilitation measures, while opposing green trade barriers. Second, support international cooperation, while opposing unilateralism and protectionism. Third, the fundamental principles of CBDR and NDCs under the UNFCCC should be fully respected during our discussions here in the WTO.

2.262. With the increasing use of environment-related trade measures, such as carbon border measures and also the EU presentation today on the proposed regulation on packaging and packaging waste, and Members have expressed their concerns. China also shares Members' concern that some measures may constitute *de facto* "low-carbon" or green barriers to international trade, especially when they are not consistent with WTO rules or commitments under other international frameworks.

2.263. Nowadays, the discussions on trade impacts of environment and climate measures become more urgent, as we see more such measures coming into force and even more under consideration.

We appreciate the current information sharing exercise here in CTE, and believe this could be better utilized if it is well designed. To this end, China submitted a proposal and suggest more structured multilateral dedicated discussion on the trade impacts of certain environmental measures, which are of high interest and concerns to Members and may have significant impact on trade. Our colleagues in capital colleagues will elaborate more on this proposal under agenda item 6.

2.264. The representative of Paraguay delivered the following statement:

2.265. Paraguay would like to thank India for the document and we fully share its considerations. Trade objectives with environmental ends must conform with WTO rules and obligations. Countries have different objectives related to the environment-based on their own scientific research, so it's not a level playing field and we know that trade is necessary to our attaining common objectives. So, developing countries such as Paraguay need to move forward in attaining these objectives and together with our partners.

2.266. The representative of Fiji delivered the following statement:

2.267. Fiji would like to thank India for its paper which outlines some universal methods imposed by countries under a pretext of sustainable environmental methods. While we understand that greenhouse gas emissions impact our environment and will result in trade policy methods, which may undermine a Member, this must be done so within the limit of international trade norms. And this is for countries who will be used as a reference point before any measures are taken that could have implications on trade.

2.268. It is also important that a balanced approach is taken that ensures environmental measures do not impinge on the right of Members to trade and development and any measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination and soon be appropriately dealt with, in line with trade agreements and the policies between the countries concerned.

2.269. As a small island nation like Fiji, it will be a challenge when unilateral measures are imposed on us in relation to some of our commodities, which are mostly agriculture-based, despite the fact that we may have met certain requirements of standards. The means of its cost through the tribunal is also equally challenging in our case it is important that the issue is addressed, particularly in this agenda. The paper therefore is now reviewed, useful, and Fiji hopes that it will be taken constructively.

2.270. In addition, we would also like to hear views from Members who may have imposed such measures to also hear their opinions of their views on this. Finally, if you may just give me a minute, if I just say a few remarks on item number three and my apologies, this is in relation to the agenda on circular economy and plastics pollution, Fiji would also like to convey its gratitude to Australia for the great work it has been doing in this initiative and the presentations it has done on behalf of the fora which is greatly appreciated.

2.271. We also thank the United States for joining the initiatives and, of course the US is a very important player, and we hope that more Members also will be joining the queue. And we also echo the sentiments by a colleague from China to also call on Members to join the initiative and of course to help save the environment.

2.272. The representative of the Russian Federation delivered the following statement:

2.273. Russia would like to support the position of the delegation of India and the words regarding the negative tendency of implementation of non-tariff measures under the pretext of combatting climate change.

2.274. The Indian paper in major concentrates on the CBAM and deforestation-free regulations. In our view, the topics raised deserve further attention as the problem is even deeper. There is a growing trend to use the climate agenda as a pretext for promoting purely economic interests through protectionist and competition-distorting measures and NTMs is one but not the only example. Certain elements of the European Green Deal including CBAM or the Inflation Reduction Act perfectly illustrate this dangerous tendency.

2.275. In addition, several measures, such as CBAM, change the concept of products from the commodity or the subject of consumption to the result of specific production activities. While I'm not talking about inconsistency of this measure with MFN or national treatment now, but my point is that there is a lack of infrastructure and technical and legal frameworks to efficiently implement such measures avoiding trade disruption, while I would like to remind everyone here CBAM enters into force this October.

2.276. The situation is aggravated by attempts of some Members to conclude deals with a view to provide exemptions and concessions from such measures to be challenged. The WTO consistency of such trade deals is highly questionable. To conclude, we should continue to explore these challenges and ways to address them. Tackling this issue through the NTMs' perspective could be a good start but is not a final point.

2.277. The representative of Nicaragua delivered the following statement:

2.278. Nicaragua would like to thank India for bringing this item before the Committee. Nicaragua shares the concern relating to the increasing trend to use measures under sustainable development objectives, reducing greenhouse gas emissions, or climate change adjustments as hidden restrictions on international trade which belittle the WTO's multilateral provisions and the MEAs.

2.279. We note with concern that various Members have adopted protectionist measures which adversely affect Nicaragua's exports. For example, some Members have adopted norms which prescribe maximum residue limits under the umbrella of attaining an environmental goal, which could be considered incompatible with international phytosanitary standards. Such measures are applied to various exports from Nicaragua, such as coffee and cocoa, thereby significantly affecting small Nicaraguan farmers producing these crops in the more vulnerable parts of the country. For the most, those measures we have seen belittle the rights achieved by Nicaragua through trade negotiation and contravene the fundamental principles of the WTO and the obligations under the MEAs.

2.280. It is important to note that Nicaragua is not questioning the legitimate objectives but the effectiveness of such kinds of measures, which negatively affect exports of developing countries but do not have a significant effect on environmental sustainability. We are of the view that those environmental goals are legitimate policy options which all Members must take into consideration and should therefore be implemented in all countries with a view to sustainable development. Nevertheless, it is necessary that those measures be based on a risk assessment taking into account the differences between climate conditions and the economic situations, which differ throughout the world, so as to avoid them being transformed into hidden restrictions on international trade. We agree with India that environmental measures that may be adopted must be compatible with the needs and concerns of countries in accordance with their various levels of development and in order to effect genuine change, they must be in line with the commitments under the multilateral agreements.

2.281. Lastly, we would like to take this opportunity to share with Members of the Committee that in accordance with the national plan to fight against poverty and for human development running from 2022 to 2026, Nicaragua has adopted guidelines to reduce environmental impact and continue promoting sustainable development in all fields and with consensus, which would favour effective and efficient provision of goods and services from our agro-forest and forest ecosystems. Our country is considered as the sixth most vulnerable one to the consequences of climate change in accordance with the Global Climate Risk Index of 2019. However, we are responsible for 0.02% of greenhouse gas emissions according to the database for this in 2018. Therefore, we urge Members to consider the principle of Common But Differentiated Responsibilities as regards to be measures adopted.

2.282. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

2.283. The ACP Group welcomes the submission by India and sees value in highlighting and recalling core principles in the context of overarching environmental standards such as Common But Differentiated Responsibilities. We share the concerns expressed by India in that environment measures unilaterally contribute towards increasing trade costs for developing countries and LDC exporters. The paper by UNCTAD, which has been cited by India, is especially insightful in terms of

the negative impact of the carbon border adjustment measures on intraregional trade especially with respect to developing countries in sectors involving steel, cement, chemicals, or petroleum. We will be reviewing India's submission more in detail and we will refer with a concrete response. We do regard the submission to be a useful contribution to our discussions in this body.

2.284. The representative of Argentina delivered the following statement:

2.285. I refer to the use of environmental standards as hidden barriers to trade. There must be concerns consistent with WTO rules and not be discriminatory measures to restrict trade. Any measure must be backed up by scientific evidence and take into account the capacities and needs of developing countries. The initiative must involve a process of consultation with all Member States including those, obviously, which would be affected. Any unilateral measure would not be acceptable. So, we should avoid the application of unilateral measures which are not differentiated, and which do not take into account the various level of development of our countries and do not reflect the realities of our respective countries.

2.286. Encouragement should be given to recognizing the equivalences of various environmental programs. All efforts and actions need to be taken in order to harness any outstanding mechanisms relating to transfer of technology and monetary resources from the developed countries in order to have adequate access on the part of developing countries to such measures of sustainable development. It is also important to promote efforts for the WTO to continue being an international organization, a collective one avoiding the use unilateral measures.

2.287. The representative of Japan delivered the following statement:

2.288. Revitalising the CTE is important from the perspective of strengthening the deliberative function of the WTO and addressing trade and environmental sustainability issues, and we welcome the India Paper, as a constructive effort, together with the EU Paper, with a view to strengthening the deliberation of the CTE. The India Paper's awareness of issues related to the impact of one Member's trade-related measures on trade relations with other Members is understandable, and it would be useful to discuss the consistency of WTO agreements, coherence of the objectives and of trade measures, and the design of measures to minimize adverse effects on trade, among others.

2.289. If this proposal implies that Members should not adopt any policies to cover the carbon component and other additional costs of climate change measures, as well as sustainability measures, until a multilateral agreement is reached, we are afraid that this would mean that no domestic measures can be considered pending such a multilateral agreement. We would like to continue our technical scrutiny on the interpretation of the relationship with commitments under the UNFCCC. We look forward to further clarification on the structure and content of the specific discussions envisaged by India in the future.

2.290. Finally, we would like to point out that we are concerned that there is a large gap between the CTE agenda setting, such as technology transfer, fund creation, proposed by the India Paper in Section 3, "Institutional Mechanisms within the WTO." While India points out that the relevant measures are effectively nullifying negotiated balance of rights and obligations under the Multilateral Environmental Agreement (MEAs) or the principle of special and differential treatment to developing countries under the WTO agreement, have not been addressed.

2.291. The representative of Türkiye delivered the following statement:

2.292. Türkiye thanks India for tabling this document. We see that through this document India is participating to the debate regarding the ways to improve the relevance and reactivity of the CTE from their point of view and we also wanted to include our voice on some of the issues highlighted in this paper.

2.293. Alongside India, we also would like to recall that the MC Outcome Document states the importance of the contribution of the multilateral trading system to promote sustainability in its economic, social, and environmental dimensions.

2.294. In that sense, we also believe that the concept of development and principles we agreed under MEAs should be taken into account in our discussions at the CTE on the relationship between trade and environmental measures.

2.295. Common but differentiated responsibilities and respective capabilities alongside international cooperation are two of these very significant principles in that regard which will prevent the occurrence of new trade barriers and contribute to fighting climate change globally.

2.296. We should also strive to ensure that our trade-related climate measures do not constitute arbitrary or disguised restrictions or unjustifiable discrimination in international trade.

2.297. The representative of Korea delivered the following statement:

2.298. I would first like to thank India for its comprehensive proposal. While we are further scrutinizing this paper by India, my delegation can agree with the notion that each Member's environmental measures should comply with WTO rules and should not act as a disguised restriction to trade. I would also like to reiterate that principles and methodologies for calculating embedded emissions for environmental measures should be deliberated in a dedicated session in a multilateral forum like the WTO, the CTE, to ensure we all have a level playing field.

2.299. The representative of Nigeria, on behalf of the LDC Group, delivered the following statement:

2.300. We thank India for its paper, and we share the concerns expressed by India. That paper we consider with the statement delivered by the African group and the ACP on this agenda item. India's reminder of the principle of Common But Differentiated Responsibilities under the UNFCCC as well as the principle of polluter pays with the Rio Declaration on Environment and Development of 1992. We are concerned that Members continue to adopt unilateral protectionist measures that continue to undermine the conformance of our producers under the guise of environmental sustainability. These measures are not based on risk assessments or scientific evidence. Some measures should not consider the means of arbitrary or unjustifiable discrimination or prescribe restriction to international trade. We therefore call on Members to refrain from adopting unilateral environmental measures that are not consistent with WTO agreements.

2.301. The representative of the European Union delivered the following statement:

2.302. The European Union thanks India for the interesting paper. I have to admit that in some respects I am somewhat confused about the framing because I sense a repeat of an item that we have done under quite an extensive first agenda item which was to engage in a discussion and provide transparency on the EU measures. That said, this makes that I am going to make again with joy, an intervention.

2.303. Climate change is a global emergency that goes beyond national borders. It is an issue that requires international cooperation and coordinated solutions at all levels. We have set ambitious targets in international agreements. While the Paris Agreement provides for differentiated asymmetries in implementing that Agreement, we should not forget the common goal that it sets to all of us – to substantially reduce global greenhouse gas emissions to limit the global temperature increase in this century to 2 degrees Celsius while pursuing efforts to limit the increase even further to 1.5 degrees.

2.304. The EU is doing its part in setting its climate ambition high – we are aiming to reduce EU greenhouse gas emissions by 55% in 2030 and produce no net emissions by 2050. This has translated into the European Green Deal. The measures and policies we are putting in place under the EGD are designed to deal with a world in which different parties, under the CBDR principle, have taken on different levels of ambition, including through their NDCs in the Paris Agreement.

2.305. One of those responsibilities is to make sure that we do not increase global emissions while we are reducing the greenhouse gas emission in the EU. As you know, the EU has its Emission Trading System in place to address its own emissions for certain industries. The Carbon Border Adjustment Mechanism is being put in place to avoid the carbon leakage that may emerge from this. The CBAM is designed in a way to be WTO compatible (there is no discrimination; no unnecessary restrictions) and it is compatible with the EU's international commitments, including the Paris

agreement; it foresees in tools to facilitate the implementation by operators; it gives a generous transitional period for adjustments to the new requirements; and the EU development package is also adjusted to this.

2.306. The CBAM fully deducts the carbon price paid in a third country from the CBAM charge as well as looks at the actual embedded emissions of the products. Hence the greener a product is, the less CBAM charge will be paid at the border.

2.307. The EU is also directly helping LDCs to face the immediate and future detrimental effects of climate change through a broad range of support action focusing on climate adaptation while supporting mitigation worldwide.

2.308. We also continue to support partner countries in their green transition. In December 2021, the EU launched the Global Gateway, a new strategy to mobilize investments totalling EUR 300 billion over the period 2021-27. In line with the EU's geopolitical ambitions and commitment to the 2030 Agenda, the Global Gateway strategy aims to boost smart, clean and secure investments in digital, energy and transport, and to strengthen health, education and research systems across the world to underpin a lasting global recovery while promoting universal values and high standards, good governance and transparency.

2.309. Concerning aspects related to deforestation-free supply chains, we would like to clarify that the European Commission proposal for related EU legislation does not impose any ban on any product or any commodity. Once adopted, the regulation will translate the political commitment undertaken by WTO Members to halt and reverse deforestation and forest degradation in practice.

2.310. The aim of the regulation is not to inform consumer choice, but to minimize the EU's contribution to deforestation and forest degradation worldwide and, by so doing, increase EU demand for and trade in legal and 'deforestation-free' commodities and products. The definition of deforestation in the regulation does not specifically target the destruction of primary forest of any forest within the meaning of the FAO definition.

2.311. The regulation sets out requirements to placing relevant commodities and products on the EU internal market, regardless of whether they are produced domestically or in third countries. It is important to note that the obligations will apply irrespectively of whether commodities and products are domestically produced in the EU or imported, thereby ensuring they are treated equally in line with the principle of non-discrimination. Indeed, transparency and consistency with international commitments, such as halting deforestation under the SDGs, are other key principles enshrined in the Regulation.

2.312. Finally, let me stress that we are dealing with unprecedented climate and environment challenges. We have set our self-targets in the Paris agreement and have made a significant commitment this December in the Global Biodiversity Framework that loss of biodiversity must be stopped and reversed through high-ambition changes to society's relationship with nature and the way our global economy operates.

2.313. This requires all of us to step up efforts, internationally and through autonomous measures. The question is not if but how we design and implement these measures. We need to develop them in a way that achieves environmental objectives and minimizes impact on trade. That can only be done through transparency and dialogue with stakeholders and partner countries affected.

2.314. Conscious about the potential relevance for the EU's trading partners and the need to comply with trade rules, the EU has designed all its Green Deal measures very carefully. The aim has been to meet key criteria relevant from an external perspective, these include:

- measures are evidence-based and are underpinned by a proper impact assessment;
- measures are based on objective grounds and are non-discriminatory and not more burdensome than necessary;
- where relevant, trade facilitation tools are developed; and
- measures are also accompanied by cooperation and technical assistance programmes to help, in particular, developing countries impacted.

2.315. It is also important to note that the EU has been a role model for transparency of its European Green Deal measures (through public consultations and outreach from an early stage on in different fora, within the EU and outside), in the WTO and bilaterally, even from the early drafting stages.

2.316. Now we have to fill this in for implementation. The key components of our actions are to engage with partners on the following: outreach and communication; facilitating the implementation of the regulation/trade; and capacity building.

2.317. We look forward to engaging with WTO Members in that regard by increased transparency and cooperation in the CTE that has a mandate to "identify relationships between environmental policies relevant to trade and environmental measures with significant trade effects and the provisions of the multilateral trading system".

2.318. The representative of the United Kingdom delivered the following statement:

2.319. I would like to start by thanking India for their paper. I think this is one thing we can take away from this is, is that open and transparent discussion is the only way we are going to address the planetary crisis and environmental threats that we face while also upholding the rules and principles of the multilateral trading system. The CTE has an important role to play in this kind of open exchange. As mentioned already, tackling environmental challenges, including climate change, is something enshrined throughout the WTO's mandate. The UK is committed as a priority to ensuring our trade and environmental policies are mutually supportive and in line with the 2030 Sustainable Development Goals. We value the input of Members in designing and implementing these policies fairly.

2.320. We must remember that the WTO is founded on the principle that Members have the authority to create regulations and taxes to meet legitimate policy objectives provided they do not unjustifiably or arbitrarily discriminate against other Members or constitute disguised restrictions on trade. Environmental and climate objectives have long been pursued as legitimate public policy objectives and they are ever-growing in importance, given the existential threats posed by climate change and biodiversity loss. Members may choose to take unilateral policy decisions; this does not make their policies inherently protectionist. But they must be designed collaboratively, transparently, and consistent with WTO rules. I note Japan's point about not being able to necessarily wait for some things multilaterally doesn't mean things can't be done unilaterally and still be in line with those principles.

2.321. And with regards to the Paris Agreement, parties need to pursue efforts to limit the temperature increase to 1.5 degrees centigrade above pre-industrial levels, as the EU has just said, and therefore should set the most ambitious targets and policies possible informed by the best available science and the principle of common but differentiated responsibilities and respective capabilities in light of different national circumstances.

2.322. Along the way, key questions for policy makers will be: How do we ensure the impacts of measures are equitable, non-discriminatory, and ensuring that developing countries have the financial and technical assistance they need? This is something the UK is determined to get right, as we legislate to protect against environmental degradation and achieve global emissions reduction. We welcome India's three suggestions of work for the CTE. We would be interested hearing more in detail on what these might look like in practice.

2.323. The representative of South Africa delivered the following statement:

2.324. South Africa thanks India for this timely submission which raises pertinent issues. We also associate ourselves with the statement by the African Group. For us, the links between trade and environment are multiple, complex, and important, and we share the same concerns outlined in India's submission.

2.325. While interactions between trade and environment are complex, a core dilemma is ensuring stricter environmental rules are not unilateral and do not create competitive disadvantages or negatively affect countries. Growing pressure for new rules and agreements that meaningfully consider sustainable development and trade is challenging multilateralism at the WTO.

2.326. We note that some Members are adopting unilateral trade measures under the guise of addressing environmental concerns. A number of such measures are highlighted in India's submission. The climate change agenda should not be used to advance protectionist economic interests nor limit foreign competition. Unilateral trade measures undermine the basic principles of Common But Differentiated Responsibilities and equity. Unilateral trade measures can also have distortive effects on international trade and restrict the market access of developing countries and LDCs in developed countries. Unilateral measures can also have an adverse impact on economic and social development and poverty eradication in developing countries. So, efforts to address environmental change through unilateral measures leads to tit for tat trade restrictions and may lead to justified WTO legal retaliation by affected countries. The use of WTO-incompatible trade measures diminishes the prospects for development of developing countries. In addition, unilateral trade measures will simply lead to a change in trade patterns with no significant reduction on emissions and such actions will neither lead to the success enforcing or encouraging other countries to adopt equivalent environmental policies.

2.327. Given the importance of global environmental challenges, this is an opportune time for the CTE to invigorate the necessary political will to discuss these more difficult environmental issues and concerns raised by India, and in a manner that fits countries' needs and priorities. This includes discussions taking place within a sustainable development framework that better suits the long term interests and needs of developing countries. We look forward to further engaging on India's submission.

2.328. The representative of the United States delivered the following statement:

2.329. The United States thanks India for its paper and its presentation. As a global community, it is essential to take immediate and urgent action to continue on a decarbonization pathway that maintains a viable future. WTO rules account for such action, including in the form of various exceptions such as GATT Article 20.

2.330. The United States does not support efforts to bring the concept of Common But Differentiated Responsibilities, which is a concept negotiated in the context of the UNFCCC, into the WTO. Multilaterally negotiated solutions depend on good faith efforts by those participating countries to meet obligations under those respective agreements, including those negotiated under the Paris Agreement.

2.331. Trade has a role to play in addressing climate change, including by facilitating and promoting trade in environmental goods and services and incentivizing decarbonization in energy-intensive traded commodities. Addressing climate change is a global challenge and one that requires all tools be brought to bear to address sources of greenhouse gas emissions. Assessing the embodied carbon content of traded commodities through trade-oriented incentives is another potential tool to assess decarbonization in energy-intensive traded goods.

2.332. Two other points I would like to highlight in India's paper. The US does not support an obligation to transfer technology. It is important not only that technology transfer be voluntary and not forced in nature, but also that the terms of the transfer are mutually agreed upon by all parties involved and therefore not coerced. Finally, the US also does not support the establishment of another fund to sustainable technology transfer. There are mechanisms and commitments in other relevant fora that enable engagement on these particular issues and we therefore do not see this as under the purview of the WTO.

2.333. The representative of Singapore delivered the following statement:

2.334. Singapore thanks India for its paper in sharing its concerns. This is a concrete step forward in reinvigorating the deliberations at the CTE. We share the views of other Members that, while each Member should be afforded the autonomy to determine its path towards reaching its climate goals, it is important to ensure that any measure implemented should be consistent with international rules and commitments including WTO rules, FTA commitments, and the principles of the UNFCCC and Paris Agreement. Measures should also be consistent with international standards and should not inevitably create barriers in our efforts to promote green trade. In addition, the needs and different national circumstances of Members should also be taken into account in the implementation of these measures. We look forward to further discussions on the measures highlighted by India in this paper.

2.335. The representative of Jamaica delivered the following statement:

2.336. Jamaica supports initiatives by Members in conscientious international efforts to address the impact of not only climate change but also the impact of natural disasters. Urgent initiatives are needed to address the global climate challenge we now face. Those initiatives must be compatible with WTO rules and not unnecessarily impinge on opportunities for developing countries and do not constitute disguised restrictions on trade. As a small island developing state, Jamaica is a victim of the impact of climate change. The nexus between trade and development and trade and the environment is critical in this regard. The WTO has a role to play and should constitute as much as possible within its mandate. Jamaica believes that the discussions on trade and the environment should be multilaterally pursued, Member-driven, and compliant with the principle of decision-making by consensus.

2.337. That said, we share the concerns written in the Indian submission. We believe that the paper is substantive to the discussion on the nexus between trade and the environment in the WTO. It is comprehensive and we believe it can form a basis for a wider discussion on trade and environment, including the context of WTO reform. We therefore commend India in this regard. We are studying the paper and will engage on it in whichever WTO body it is tabled in. We take note of the issues raised and will factor those in our considerations. We would also like to associate ourselves with the statement delivered by Kenya on behalf of the ACP Group.

2.338. The representative of Norway delivered the following statement:

2.339. Norway would also like to thank India for introducing the document TE/78. The issue of environmental measures as non-tariff trade measures is an important one but also a complicated one. The key concerns described in the document could be discussed individually at length, however, we will limit our comments to a couple of general points.

2.340. Firstly, we agree with the general notion that environmental measures should not be used as disguised protectionism. At the same time, Members have the right to regulate and to introduce such measures as long as they are consistent with WTO rules. As was said yesterday in this discussion, we cannot always wait for new international negotiations to be fully negotiated.

2.341. Secondly, the principles of common but differentiated responsibilities and respective capabilities (CBDR-RC) is an important part of the argument in the document. Norway fully supports these principles in the climate agreements, the same way we support special and differential treatment here at the WTO, however, we have a minor issue with how this is described in the document. The balance struck in the Paris Agreement is, in our view, not properly reflected. The Paris Agreement was a new agreement, although agreed by the UNFCCC parties. Furthermore, the Paris Agreement brought a nuanced interpretation of CBDR-RC in light of different national circumstances that is framed in a broader context of overarching common goals and other principles like progression and highest possible ambition. Although this is not a central point for the discussion on environmental measures and protectionism, the balance struck in the Paris Agreement should still be reflected when referring to the principle of CBDR.

2.342. Having said this, Norway looks forward to continued discussion on how it can ensure that trade-related environmental measures provide efficient action for the environment while being consistent with WTO rules.

2.343. The representative of Peru delivered the following statement:

2.344. Firstly, let me congratulate India on its document which has broadened the discussion on an important issue to Peru as well. Peru is one of the most vulnerable countries relating to climate change. We have joined in with all the global initiatives in order to combat and take up this challenge. We obviously don't agree with unilateral measures. Our contributions to the issue should be distinct and based on the many capacities and features of each country.

2.345. As regards individual contributions, they should reflect our diversity and also refer to commitments on our part and not restrictions for the others. The fight against climate change has many aspects. If you opt for trade restrictions in order to attain environmental aims, that is not good because they adversely affect the development opportunities of our countries.

2.346. The representative of Malaysia delivered the following statement:

2.347. This intervention addresses Agenda items 2.1 and 2.4. Malaysia attaches great importance to efforts aimed at protecting the environment and reducing global carbon emissions. However, Malaysia is of the view that such action should be based on international standards in accordance with WTO's rules. On the technical aspects, Malaysia inquires detailed explanations from the EU regarding its proposed mechanism for carbon border adjustment mechanism and deforestation, mainly on the matters and plan and implementation method which Malaysia views as difficult to comprehend. We believe the same expression among many other Members delivered as we heard yesterday.

2.348. Malaysia would also like to inquire whether there will be a review process in terms of the conformity of these measures to WTO rules. We foresee that the imposition of the CBAM and deforestation will have detrimental impacts towards developing countries' efforts to integrate into international trade. In the long run, this would hamper economic development, a fundamental wish the WTO was established for. On Agenda 2.4, Malaysia appreciates India's proposal and shares the same concerns. We wish that WTO Members ensure that any environment and climate-related trade measures take into account CBDR-RC of all Members.

2.349. The representative of the Philippines delivered the following statement:

2.350. The Philippines thanks India for tabling this paper and for the delegates that have commented on it yesterday and this morning.

2.351. We see that the immense challenge of climate change demands collective action through individual contributions. That is why we have a respective nationally determined contribution under the Paris Agreement with some of the WTO Members pursuing complementary policies and measures to meet their ambitious targets. We see value in India's communication and that of other papers that have been tabled discussion today, in that they highlight the importance of equity. Existing and prospective trade-related environment measures must be framed in a manner that addresses the needs and capacities of developing Members and their private sectors in meeting additional compliance and administrative requirements, and we have discussed things like certification and verification.

2.352. Furthermore, revenues derived from developing Members in implementing these measures should be directed back to developing countries through development assistance and in supporting the diffusion of technologies that will enable our just energy transitions. This is particularly salient given the consistent shortfall in the yearly international agreement commitment of 100 billion USD for climate finance for developing countries.

2.353. The representative of Australia delivered the following statement:

2.354. Australia would like to thank India for its presentation and its paper. The CTE is the key multilateral body focused on trade and environment and we welcome the recent reform papers which aim to reinvigorate discussions in the CTE, including from India, the EU, and China. We also see plurilateral discussions as a helpful way to advance common understanding and develop responses to the important issues of climate change. And these discussions are particularly valuable in the Trade and Environmental Sustainability Structured Discussions.

2.355. Australia is committed to tackling climate change, and we firmly believe that trade and the multilateral trading system must be a part of the solution to environmental problems, including climate change. The WTO can and must play a role in tackling these problems. It won't be easy, but it's our responsibility to ensure that there is maximum consistency about trade and environment policies. Transparency and dialogue will be important to help us get there particularly here in the CTE.

2.356. One issue that we obviously need to address is carbon leakage. We are conscious of the importance of tackling leakage and understand why Members are pursuing policies to combat the issue. We are committed to exploring multilateral and plurilateral solutions to carbon leakage, but we have to recognize that climate measures are imperative, and we understand why Members are taking action now. Of course, any measures that Members design should be WTO-consistent. We

welcome to consultative approach that Members are taking in relation to their climate-related measures, and we encourage all Members to continue such a consultative approach. Australia is committed to working with all Members on these important issues where trade can assist in advancing our climate, environment, and sustainability objectives.

2.357. On the topic of environmental measures, Australia also notes that in line with our WTO obligations, non-tariff measures should be based on science, proportionate to the risk posed, supported by evidence, and should be no more trade-restrictive than necessary to achieve a legitimate policy objective. Australia is committed to these principles and is concerned by the growth of non-tariff barriers, particularly the emergence of import conditions that are more restrictive than necessary and are based on achieving environmental objectives. Such issues have also been raised in the WTO TBT Committee and the SPS Committee.

2.358. Once again, we welcome the contribution to the debate from India and all Members seeking to engage in the question of how this house can best address climate change in a manner that is consistent with WTO rules. We welcome deepening the conversation with all Members.

2.359. The representative of the Bolivarian Republic of Venezuela delivered the following statement:

2.360. We want to thank India for including this item on the agenda of this meeting. We subscribe to the concerns expressed in document [JOB/TE/78](#) regarding the proliferation of the use of measures that are presented as environmental but that are actually disguised restrictions on international trade, in violation of the rules of the Multilateral Trade System and the MEAS.

2.361. We agree with India that it is essential to ensure that environmental protection is carried out in a way that is compatible with the needs and concerns of countries at different levels of development, without undermining the rights and obligations of countries that are already agreed at the multilateral level.

2.362. In this sense, we endorse the statement contained in the aforementioned document that only through mutual support and the harmonized application of international instruments within the framework of the MEAs and the WTO agreements can a significant level of development be achieved.

2.363. The WTO must remain an international organization that promotes effective collective action and not unilateral action. The best fora for addressing environmental and climate change issues are specialized MEAs, which operate on the principle of global collective action to solve global problems, based on a simple basic principle: that trade measures should not undermine multilateral environmental agreements or the commitments made under those agreements.

2.364. Finally, we join all Members who have called for trade measures related to the environment and sustainable development to be based on the principles of Common But Differentiated Responsibilities and the respective capacities of all Members. All such measures should respect the social and economic development needs of WTO Members. These proposals must not constitute arbitrary or disguised restrictions or unjustifiable discrimination of international trade.

2.365. The representative of India delivered the following statement:

2.366. This discussion involved a wide set of WTO Members, so I just want to take a minute to thank everyone who has intervened on this paper. We stand ready to engage bilaterally and we will be reaching out to those who have made their interventions to take this discussion forward.

2.4.2 Update by the United Kingdom on its due diligence legislation which seeks to make supply chains more sustainable

2.367. The representative of the United Kingdom delivered the following statement:

2.368. As this Committee is aware, the United Kingdom has introduced provisions through its Environment Act 2021, enabling the UK government to make new regulations for forest risk commodities. The forthcoming regulations will make it illegal for larger businesses operating in the UK to use key forest risk commodities produced on land used illegally in violation of respective national laws. The emphasis of UK's aim is to work with and support the legal frameworks of

respective countries not impose UK standards on others.

2.369. As set out in our update on this matter in November 2021, we ran a consultation from 3 December 2021 to 11 March 2022 to seek views on the side of the regulations. The consultations sought views on which commodities should be in scope of the regulations, which businesses should be subject to the regulations, what those businesses will be required to do as part of their due diligence exercise, and, finally, how the requirements will be enforced. On 1 June 2022, we published a summary of responses to this consultation, which is available online. We thank all the respondents from across the world, which ranged from individuals to government bodies and small to large-sized businesses. We are continuing to consider these responses as we work on the regulations' final design and implementation.

2.370. We do not currently have a specific timeline to share but are committed to bringing new due diligence provisions in at the earliest possible opportunity. We would very much like to reiterate that the core of the UK approach is that of partnership. Our aim is to work with other governments and to support to their efforts to uphold their domestic laws and strengthen environmental protection. The introduction of UK due diligence measures to tackle illegal deforestation in our supply chains will compliment worldwide national and local efforts to protect forests and other ecosystems. And in doing so, we will support delivery of our collective commitment to halt and reverse forest loss and land degradation by 2030, made at COP26.

2.371. As we finalize the new UK regulations and progress their implementation, we will continue to ensure compliance with our international trade obligations. We will also continue to encourage discussions internationally, such as here, including through the Forest, Agriculture, and Commodities Trade Dialogue (FACT), which we will hear a little bit about later on. And we will work with countries towards a collective understanding of how global markets can incentivize and support trade in legally and sustainably produced commodities.

2.372. Following this presentation, one delegation had the following reaction.

2.373. The representative of the [Paraguay](#) delivered the following statement:

2.374. Paraguay would like to thank the UK for the update. We strongly believe that the idea of partnership and not imposing standards to other countries is the way forward. We are still a little bit concerned about the extra costs that these type of regulations might imply, but we look forward to continuing working with the UK and have more updates on this. But I wanted to thank the presentation and, again, say that we strongly believe this is the way forward, not imposing one's standards.

2.4.3 Update by the United Kingdom on global carbon leakage risks and policy approaches

2.375. The representative of the [United Kingdom](#) delivered the following statement:

2.376. The United Kingdom is pleased to be giving this update today on the UK's approach to carbon leakage risks. I will start by saying that climate change represents an urgent and shared global challenge. The UK is strongly committed to decarbonizing our economy, consistent with our climate targets and the objective to limit global warming to 1.5 degrees Celsius. We recognize that there will be a variety of approaches to the transition to net zero and that countries moving at different paces present an increased risk of carbon leakage, which could undermine our common climate goals.

2.377. We are therefore committed to working with our international partners to develop a common global approach to carbon leakage. For example, we are committed to reducing the cost of technology needed for the transition through the Breakthrough Agenda, agreed at COP26, and stimulating global demand for low-carbon industrial materials through the Industrial Deep Decarbonization Initiative (IDDI), jointly led with India. We are clear that international solutions to carbon leakage are the most desirable. These take time to develop and so while working on them with international partners, the UK is also considering the immediate steps that are needed to ensure that our decarbonization contributes to a reduction in global emissions.

2.378. A key priority is to build evidence, improve data gathering and knowledge sharing to further understand and mitigate the risk, therefore, the UK is preparing to launch a consultation this spring which explores a range of possible policy options to mitigate against carbon leakage risk. This includes policies such as voluntary and mandatory product standards, labelling and procurement

measures, and potential carbon border adjustment mechanisms. The consultation is seeking views and does not lock in one or any of these policies. We are clear that any policy options to be taken forward would need to reflect the UK's staunch commitment to free and open trade and be compliant with WTO rules while taking into consideration countries' unique national circumstances, including differing levels of development. The objective of the consultation is to gather further evidence and gain a deeper understanding of a range of stakeholder views. We are fully committed to this being a fair and transparent process and therefore this consultation will be open to international partners to provide views. We invite you to participate and contribute to it and strongly welcome your engagement.

2.379. Another important area of international progress, evidence gathering, and knowledge sharing will be the development of comparable methodologies and standards to measure emissions intensity data for industrial products. The UK wants to see progress on this agenda. Actions at the WTO will be crucial to achieving this to help avoid a patchwork of measures that subsequently create challenges for business and trade. The UK has used its previous presidency of COP26 and G7, in addition to wider diplomatic efforts to work with different countries in tackling industrial decarbonization, and we recognize that this is an issue for all Members and want to again reiterate the UK's strong commitment to inclusive international solutions to carbon leakage. It is vital that we ensure there continues to be an open, transparent, and fact-based discussion around the challenges that we collectively face, which focuses on how we can continue to move forward with global solutions to carbon leakage mitigation.

2.380. Following this presentation, some delegations had the following reactions.

2.381. The representative of China delivered the following statement:

2.382. China would like to thank the UK for their presentation. I think this presentation is very valuable. As the concept of carbon leakage is still questionable from both theoretical and practical points of view, I believe some Members also share the same view, we very much welcome such information sharing and also analysis on carbon leakage. We also welcome the consultation by the UK government on this carbon leakage.

2.383. We agree with the UK to build evidence and improve data gathering and knowledge to further understand carbon leakage. We hope such kind of information sharing could answer questions or at least enhance Members' understanding on questions such as how to determine whether there is carbon leakage or not, whether this carbon leakage is actually taking place, what are the scientific bases for the environmental impacts of carbon leakage, and how to respond to carbon leakage collectively based on the principles of CBDR and NDCs. We totally agree with the UK that climate change represents an urgent and shared global challenge, and we would like to reiterate that we need collective action and international cooperation and solutions to carbon leakage risks.

2.384. The representative of Japan delivered the following statement:

2.385. Japan thanks the UK for your update and also appreciates the UK taking the initiative on this important matter, global carbon leakage risk and the policy approaches. We believe that the main premise for trade-related climate measures aimed at preventing carbon leakage is that they should be designed in a manner consistent with WTO rules. We would also like to reiterate the point that climate policies should be designed with great care to achieve their objectives and to avoid unnecessary trade distortions.

2.386. Having said that, in principle, the focus should be on carbon intensity as a result of such reduction efforts, given that each country has accumulated reduction efforts in the past according to their respective circumstances, such as energy source constraints and industrial structure. On that basis, measures to prevent carbon leakage should focus on the difference between domestic and international levels of carbon intensity. This is because this difference will reflect the sum of various government measures and corporate efforts. Such an approach is what is needed to address the risk of carbon leakage while minimizing negative impacts on trade. Japan looks forward to engaging with this discussion.

2.387. The representative of India delivered the following statement:

2.388. India thanks the UK for taking the initiative on providing updates on the concept of global carbon leakage. We have already expressed our concerns on measures that are based on ideas like

"leakage." These measures do not take into account social, economic, geographic, and climatic circumstances of trading partners and often take a "one-shoe-fits-all" approach.

2.389. In effect by forcing harmonization of production processes, these policy approaches seek to offer protection to domestic industry rather than solving common global problems. Today we are talking about carbon leakage. Tomorrow some Members may talk about ideas like wage differentials or welfare leakage. These ideas essentially seek to impose domestic Member policies extra-territorially and, in the process, protect uncompetitive domestic industries, seeking to control the production methodologies and cost and configurations of input supply chains. (from statement)

2.390. Any discussion on carbon leakage will remain non-serious until it is conducted in isolation without considering the commitments made in UNFCCC on technology transfer, climate finance and without respecting the principles of Common but Differentiated Responsibilities and Respective Capacities (CBDR-RC) and Nationally Determined Contributions (NDCs).

2.391. If multiple Members design multiple leakage-based measures, it would have an adverse impact on Global South which would get excluded from the benefits of global trade. My delegation again urges the WTO membership to avoid fragmentation of trade architecture. We welcome the UK's position that the different circumstances and levels of development is a critical input into this discussion.

2.392. The representative of the Philippines delivered the following statement:

2.393. Just a point of clarification, I may not have caught it from the UK's statement, but when will the process be initiated and are these domestic consultations that will be conducted in the UK or do you intend to create a space for discussions on carbon leakage here in the WTO?

2.394. The representative of the European Union delivered the following statement:

2.395. The European Union wanted to thank the UK for their useful debrief. I think this shows a useful contribution to transparency of this Committee of the measures taken by the Members. This is a proposal that you have put in the deliberation function for the EU reform, so we very much welcome this as a useful start of this and increasing transparency beyond only the EU.

2.396. The representative of Brazil delivered the following statement:

2.397. I just wanted to very quickly thank the UK both for the presentation and what appears to be a very helpful approach to these discussions about carbon leakage. This is an evidence and fact-based discussion that might help de-dramatize that concept and also bear light on some of the murkiness that remains on whether it is appropriate and how and what is the exact environmental impact of that. We also appreciate the emphasis on inclusiveness and the effort to reflect on how different levels of development might be reflected on any policy that is implemented in that framework.

2.398. The representative of the Kingdom of Saudi Arabia delivered the following statement:

2.399. I would like to thank the UK for the update on global carbon leakage risks and policy approaches. We believe that carbon leakage should be understood as investments leakage due to the fact that there are very strict environmental regulations by host countries, hence the flow out of such countries as they become more expensive for these industries operating under such restrictions. This is one of the top-down policy approaches which is discriminatory and a disguised restrictive tool on international trade. So, we do not see the value to discuss such issue in this Committee.

2.400. The representative of the United Kingdom delivered the following statement:

2.401. Thank you to all the delegates who came in with questions and, again, our approach is based on wanting input and engagement from all Members and hearing the concerns from Members across the spectrum. In response to the question from the Philippines on timelines, we do not have an exact date yet, but the UK government has publicly committed to launch this consultation in spring 2023. We will of course do our best to provide information on how you can access this consultation and how you can contribute to it. Please do get in touch with our Mission and we will be looking at

ways to also engage and facilitate information exchange on this at the WTO too so I hope that answers the question.

3 SUSTAINABLE DEVELOPMENT IN WTO DISCUSSIONS

3.1 Presentation by Paraguay on environmental subsidies notified under paragraph 12 of Annex 2 of the Agreement on Agriculture

3.1. The representative of Paraguay delivered the following statement:

3.2. Thank you for the opportunity to present this topic in the CTE. I am Diego Franco, delegate of the Mission of Paraguay in charge, among other things, of trade and environment folder.

3.3. As some of you know, Paraguay is an agro-exporting country with a little more than 7 million inhabitants that produces food for 11 times its population and does so without any subsidies or market support. The agro-food industry represents about 23.5% of our GDP and around 65% of our exports and provides employment for 1 out of 4 people in the economy. This high dependence on agricultural commodities in general terms is what guides Paraguay's actions in this organization and in our bilateral trade relations. Since our economy and a significant part of subsistence of our population depend on the exports of agricultural products.

3.4. Agriculture is both a cause and a victim of climate change, but this affects different countries in different ways. For Paraguay, bearing in mind that we represent only 0.02% of global emissions, climate change is a situation where we are more victims rather than the cause. But we are committed to continuing to produce food sustainably and to improving our production systems to help achieve our common climate goals, such as the SDGs and of course complying with the Paris Agreement.

3.5. On the subject of this presentation, we recognize the importance of discussing environmental sustainability in agriculture. We see that a great part of the conversations on assistance to agriculture and the damage to the environment through agricultural subsidies revolves around "repurposing", which represents a danger for developing countries and LDCs with high dependence on this type of repurposing. This could lead to greenwashing in order to avoid fulfilling the reduction commitments. We would like to remind you that some subsidies are available only to some countries.

3.6. We would also like to mention the need for more tools and greater flexibility in order to address sustainability in agriculture. However, we consider that the Agreement already provides the necessary tools and possibly too much flexibility. Paragraph 12 of Annex 2 of the Agreement on Agriculture is the main but not the only tool.

3.7. Moving on to the methodology, our intent is to start a discussion on the environmental components of the programmes notified under this paragraph to see what type of programmes are being notified and the expenses and rules on the Agreement on Agriculture that need to be classified as environmental programmes. Subsequently, we will conduct a detailed analysis on the programmes and the possible trade-offs in terms of environmental objectives. Of course, we need to identify good practices or guidelines that the programmes must contain in order to be considered as "double green", that is to say positive effects on the environment but non-distortional as regards trade.

3.8. To present such a snapshot on the use of the tool, we have identified all of the environmental programmes and all of the programmes notified in the last notification, which was DS1, by each Member up to 24.08.2022 (and then we have the Corrigenda for the notifications which are available up to that date). In order to make it comparable in terms of expenditure, we have converted the expenditures into US dollars using the average IFS exchange rate for the period.

3.9. For the purposes of clustering our analysis, we have identified a number of keywords in the notifications and we have analysed a number of questions put by the Committee on Agriculture over the last 10 years.

3.10. Here we have the Members who use the programmes, up to 24.08.2022, you can see that there are 29 Members that have notified at least once. We have 25 Members that have notified programmes under paragraph 12. This graph gives us an interesting overview. You can see that we

have 12 Member countries that notified us of programmes that are developing countries, 10 developed countries, and 3 LDCs that are notifying as well.

3.11. When you look at expenditures, we see that 40% of Members using these programmes represent 52,38% of the expenditure and, as you can see in the graph, the LDCs have dropped out of the picture and the developing countries have a lower level of participation as well.

3.12. On this graph, we can see the expenditures on a per Member basis. We see on the top 10 the most developed economies, which are China, the EU, US and Japan, followed by Switzerland, Norway, UK, Korea, Chinese Taipei and Australia. The top 5 represent 95% of the expenditure. So without going into details, I just wanted to show you how the tool is very concentrated in terms of expenditure.

3.13. As regards keywords that I have identified, for the purposes of the discussion, we have grouped the programmes notified on the basis of keywords that arise. The intent is to create groups to facilitate presentation and analysis so we have not put them into categories on the basis of environmental objectives. Sometimes, these are impossible to identify. Let me mention a problem that we had and that is that we frequently saw that many cases that were impossible to identify the objective or what the practices that were entailed for a particular programme.

3.14. Here you can see the keywords we have identified. It is a rather long list – natural resources, management, conservation, restoration of soil/water/air/forests, genetic resources, prairie lands, mangroves, agricultural land etc. We also have adaptation, animal wellbeing, biodiversity, extensive agriculture, landscaping, organic certification and production, rural heritage, productivity, contamination/pollution, prevention and reduction, plus a general category of environmental programmes. Generally speaking, we are including here all of those where – for lack of information either in the DS1 notifications or even in the DS2 notifications – there is not sufficient information in order to be able to put them in a given category. These measures could benefit from voluntary transparency exercises in terms of environmental objectives.

3.15. Here we have the most frequent group of subjects including natural resources. The data is not absolute, however, and sometimes we have excessive grouping of programmes which sometimes do not allow for differentiation of expenditures. One thing that strikes our attention is that some programmes that could be categorized as organic production or rural heritage, that would require detailed analysis on a case-by-case basis for whatever practices are involved in order to obtain positive results for the environment.

3.16. Some production methods are ordered by these programmes and they could have positive effects on the reduction of pollution but at the same time affect the capacity of the soil to capture carbon or to retain water. Some of these programmes receive more support than biodiversity programmes in order to reduce pollution or to face major environmental challenges. We also need to look at what means of support or agricultural landscapes, which are non-environmentally positive and prevent regeneration, and also the subject of animal wellbeing, the objective of which we cannot identify and we fail to understand then why they receive so much support.

3.17. As I said, I do not want to jump the gun or unilaterally judge the justification of a programme or a measure nor its environmental objectives, so we will be working with other environmental initiatives in order to move forward on this discussion.

3.18. But why do these notifications and programmes have relevance to our discussions on trade and environment? In light of the fact that we are reaching an Agreement on Agriculture and the monitoring of which takes place in the framework of the regular Committee meetings. The answer is because the AoA does not include among the requirements for the programmes to have environmental results and as you can see the AoA focuses on the fact that the programmes should not be restrictive on trade and only requires, in Annex 2 in general and paragraph 12 in particular, that the assistance be provided by means of a governmental programme and that it does not have a price-distorting effect and, in paragraph 12, that the governmental programme and the payment be devoted to extraordinary expenses.

3.19. There is not sufficient information in the notifications, not even in order to actually check on these elements, but this is a discussion that has to be conducted in the Committee on Agriculture.

What we wish is to have, in the discussions on agriculture and environment, discussions on the sustainability of agriculture and also to be able to identify double green measures, which is not really the remit of the Committee on Agriculture.

3.20. Even without the necessary tools in the Committee on Agriculture, the environmental aspect brings about environmental concerns on behalf of the Members and more than 100 questions were asked over the past 10 years. Several Members, both developed and developing, put questions to 19 out of the 25 other Members that do have programmes under paragraph 12. Some of the issues brought up sit within the context of the AoA, for example, the level of assistance, the number of beneficiaries, the coverage of the products, and others are notified with the environmental aspect of the measures, for example, the criteria, the objective etc.

3.21. We see that there is interest in this type of measures although again the Committee on Agriculture is not the adequate venue for this type of discussion.

3.22. As I said, this presentation does not aim at producing results nor does it aim at pointing at specific problems arising from the measures, we are just trying to stimulate a discussion on the environmental aspects of the programmes as notified in the AoA. Some of the subjects that we are suggesting could continue within the framework of this Committee or under the environmental initiatives.

3.23. How do these environmental programmes contribute to the environmental objectives and what are the challenges that we are trying to respond to? How can we measure the way that the compensation takes place between the different environmental objectives so that the net result is of a positive level. How can we identify best practices for the design of environmental subsidies in order to ensure that they comply with the "double green" criteria? How can we have a level playing field when the environmental measures that some Members provide subsidy support for become mandatory for third countries that want to trade with these countries, without having the necessary support? What type of trade facilitation measures could be applied to these third countries bearing in mind the WTO rules, the needs of sustainable development, and the environmental principles that are enshrined in the international instruments such as Common and Differentiated Responsibility or Special and Differentiated Treatment.

3.24. Part of the conversation could arrive from better notifications within the framework of the Committee on Agriculture and also within this Committee and its initiatives. We see that we are working on subjects both in our discussions and in our initiatives but we do need more information on measures adopted in order to close the information gap.

3.25. Therefore, we believe that we could work on producing a questionnaire similar to the one that we have in the Plastics initiative where Members can provide more information on the measures and on the environmental objectives and also identify synergies between environmental objectives and provide information on the results of these measures.

3.26. This information can then go into a Q&A process on environmental measures and, as we said, this should take place within the framework of this Committee or in the environmental initiatives. To conclude, the AoA provides tools for environmental sustainability. Paragraph 12, Annex 2, is the main but not the only tool in this regard. The way in which Members presently use these tools should be an important element for us to bear in mind in the search for common ground in order to make progress on environmental sustainability in agriculture. In light of the present gaps in the AoA, there are not sufficient elements in order to discuss the environmental elements of these programmes within the Committee on Agriculture.

3.27. The discussions on trade and environment at WTO could help fill in these gaps and be useful discussions. We would like for all Members to have the necessary tools in order to address environmental sustainability in agriculture. We would like to ensure that these tools are properly used and not for box ticking or box shifting in order to avoid reduction obligations.

3.28. Since the programmes of the green box of the AoA do not have any limits, this is of concern for developing countries and we want to ensure that they are properly used. We all hope to reach a definition of "double green". I think it is an ambition that no one would actually turn their backs on

and we need to find a way of moving forward in the discussions and to exchange information in order to make this objective possible.

3.29. Following this presentation, some delegations had the following reactions.

3.30. The representative of Colombia delivered the following statement:

3.31. First of all, I would like to thank Paraguay for the presentation it shared with us on paragraph 12 of Annex II on the green box. We are impressed by the work done and it can rely on our support. Just an additional comment – Colombia, together with Argentina, is working on "double green" and the green box and there is a lack of information on environmental programmes so a comparison is needed between the identified programmes under DS1 and DS2 and agricultural notifications.

3.32. During this research, which we are carrying out jointly with Argentina, we have taken on board the launch pad provided by Paraguay and are considering the normative processes. We realize that some programmes notified under environmental issues should not be part of environmental issues. I refer to payments for animal wellbeing and countryside issues, which in principle should not be under that category.

3.33. Thanks to what Paraguay has said we are moving forward on this and I would like to thank Paraguay for sharing its experience with us on this and we hope to continue working on those points in order to move forward on such an important issue.

3.34. The representative of Uruguay delivered the following statement:

3.35. We would like to thank most particularly Paraguay and recognize the excellent work it has been doing with regards to environmental issues. Relying on such information is a fundamental point in order to be well informed of the issue. As my delegation has stated on many occasions, the AoA is one of the most important pillars of this organization. We all have in mind the agricultural subsidies, which countries give to inefficient producers. The fact that there is an exception within Paragraph 12 of Annex 2 – an exception which means that countries which are not "green" are painted or depicted as "green" – that reinforces our conviction that we need to continue discussions and pay close attention to this study being carried out by Colombia and Argentina.

3.36. The representative of Brazil delivered the following statement:

3.37. Brazil thanks Paraguay for the important effort made in doing this work and the link between agriculture and sustainability. In our view, agriculture reform is part of our pathway to sustainability. Agricultural subsidies have a negative impact on the environment, both by artificial increase in output and by altering its mix in favour of carbon-intensive products. The most distorting forms of support, such as market price support and payments associated with the volume of production, are also the most harmful to the environment and often have a negative impact on indicators of technical efficiency and total productivity of factories. We therefore welcome Paraguay's call to have a more focused dialogue on environmental subsidies at the CTE and also achieve a better understanding of greenwashing practices.

3.38. The representative of Japan delivered the following statement:

3.39. Japan would like to thank Paraguay for the presentation regarding environmental subsidies notified under Paragraph 12 of Annex 2 of the AoA.

3.40. While reducing the negative environmental impacts of agricultural subsidies is important for achieving the SDGs and a sustainable food system, simply eliminating or reducing subsidies may have the opposite effect, causing production to decline and prices to rise. Since the environmental impact of subsidies varies depending on the natural conditions and environmental requirements of each country, it is important to respect a non-uniform approach that takes into account each country's circumstances.

3.41. The representative of Argentina delivered the following statement:

3.42. Argentina would like to thank Paraguay for the huge amount of work being done by such a small Mission, like most of the developing countries. We associate ourselves with the work done between Argentina and Colombia. Argentina is of the view that the study on environmental impact of agricultural subsidies needs to be deepened. Those subsidies have been depicted as sustainable and have an impact on the environment. We will speak more on this during the discussion on biodiversity.

3.43. The representative of New Zealand delivered the following statement:

3.44. New Zealand wished to thank Paraguay for the thoughtful presentation. There is obviously a huge amount of analysis and work that has gone into this, so we will look forward to studying this paper in detail.

3.45. In general, we certainly regard as helpful the information that Members can provide on what the environmental objectives they are pursuing in their programmes are and how they are measuring the success of these environmental programmes. We see that as very important to understanding not only how the trade rules are being respected but also what the environmental outcomes are and how they are being measured on a robust basis.

3.46. We thank Paraguay for their work and look forward to reading in more detail the information that they have presented.

3.47. The representative of Nigeria delivered the following statement:

3.48. Nigeria wishes to thank Paraguay for its presentation. The presentation shed light on some of the issues, such as domestic support, that are of interest to Nigeria and indeed Members of the African Group. Currently, developing countries are suffering from the imbalance that is contained in the AoA. What I mean is that some Members have access to some tools that are not available to others and this imbalance affects mainly developing countries. These tools enable us to continue to undermine the competitiveness of developing countries and their producers.

3.49. For us, we have been engaged in the negotiations trying to achieve the outcomes that are needed to level the playing field and foster a fair, global agriculture market. What I would say now is that we are seeing some kind of box shifting where Members who benefit from the rules are trying to undertake some kind of box shifting to legitimize those kinds of subsidies that are trade distortive. They are taking advantage of the provisions of paragraph 12 to repurpose such subsidies.

3.50. We have raised concerns on this issue again and again and we are happy that Paraguay's presentation has shed light on this issue. We would be happy to engage with Paraguay and other Members in order to understand the rationale for what they are proposing and the issue of box shifting that I was just talking about.

3.51. For us, repurposing existing domestic support for the development and adoption of green innovations will further reinforce and expand current imbalances in the AoA. Developed countries will be able to justify unlimited market price support in the name of environmental sustainability.

3.52. We have made it clear in some fora in the past that, for us, sustainability in the context of WTO agricultural reform must also include domestic food security and food security for the vast majority of people who are dependent on agriculture. Any efforts to further expand the existing imbalances in the agricultural sector are a cause for concern. We would be interested in making sure that we do not end up with a lopsided system that will continue to undermine production in developing countries in Africa.

3.53. The representative of Australia delivered the following statement:

3.54. Let me thank Paraguay for the enormous amount of work that has gone into this research, which I think is a useful contribution to the discussion on how the WTO can make a positive contribution through existing tools to environmental sustainability.

3.55. I think that we often give ourselves a hard time in this organization for our lack of response to the environmental challenges that are before us – it took us over 20 years to reach the historic

Fisheries Agreement. But here our founding fathers (or founding mothers, as they were) with some prescience at the foundation of the AoA, instilled in it a contribution, a possible area, where Members could make a contribution to environmental sustainability, through Paragraph 12 of Annex 2 of the AoA. They created a place where Members could subsidize programmes that had an environmental effect, assuming that they were not trade distorting.

3.56. But Paraguay's analysis shows us that, while our founding fathers may have had wonderful intentions, the technical basis upon which the granularity that would be needed in that paragraph to ensure that the measures we were taking *did* have that positive contribution to the environment was not appropriately put in place. That has led us to the situation we are in today where, despite Paraguay's enormous amount of effort and work in trying to understand and figure out how Members are positively contributing to the environment through their agricultural subsidies, we are none the wiser as to how that effort is being held.

3.57. We often think of transparency in this organization as a means to check each other's practices or behaviours but there is another very important element of transparency that I think is sometimes overlooked and that is that transparency allows us to learn from one another. Transparency allows us to see each other's practices and how we most effectively support trade and how we most effectively support the environment and duplicate those practices. But, if the analysis that Paraguay has produced shows that we are not able to learn from each other's practices through that element of transparency, then something clearly needs to be done to enable us to learn from one another.

3.58. I take the point of my learned colleague from Japan that countries have very different contexts in their agricultural production and that a subsidy in one country or a production method in one country may mean a very different thing to a subsidy or production method in another country. To my mind, that only underscores the importance of greater clarity and greater transparency when it comes to these projects because it will enable us to understand the specific circumstances under which those countries are applying like subsidies but in very different contexts, which may have very different impacts.

3.59. Greater transparency in this light will help us to understand one another and help us to duplicate each other's practices where they are best practices and will, of course, also help us to check and understand the environmental impacts of each other's subsidies under Paragraph 12 of Annex 2.

3.60. Once again, let me reiterate the comments of many today by thanking Paraguay for its work and to underscore our commitment to continuing these conversations, particularly in this house and this forum of the WTO, which has a significant relevance to this discussion because it is ultimately about the environmental impact of an element of the AoA. So we welcome the discussion and we are looking forward to engaging further with Members.

3.61. The representative of the [European Union](#) delivered the following statement:

3.62. The European Union thanks Paraguay for the insightful presentation that we will share with other agriculture colleagues.

3.63. The EU considers transparency on agricultural subsidies as crucial to assess the policy's tangible results and impacts, both on trade and production and on the environment. Discussions are also needed in relation to the indicators on the environmental impact as this is an area where we need more work multilaterally. Building resilience of agriculture productions and policies should be our goal. Our call is therefore for reforms of agricultural policies towards less trade distortion, which is also friendlier for the environment and for the food security challenges.

3.64. Indeed, paragraph 12 of the Annex 2 of the Agreement on Agriculture provides rules related to measures explicitly meant for environmental protection. The EU has support notified under this paragraph in our notifications. It has been an important element of the reforms of the CAP which have increased the environmental focus. In our case, this support has been related to spending under rural development. The cost incurred income foregone requirement for such measures is an important characteristic which creates a responsibility of the farmer for the land which is valuable for any policy-led transformation towards more environmentally friendly practices. We certainly encourage such measures, which are usually effective in their goal of environmental protection.

3.65. The representative of China delivered the following statement:

3.66. China would like to express our thanks to our Paraguayan colleagues for their outstanding work on environmental subsidy notifications under the "green box" of the AoA. China believes that such technical discussions on certain aspects of agricultural subsidies is a helpful way for Members to understand each other's policies to achieve a certain development and to maintain their environmental landscape and agricultural development. We think that Paraguay looking at the agricultural policies of Members' practices is the best way to encourage us to exchange Members' views and the best way to promote sustainability.

3.67. On agricultural subsidies, China believes that the starting point of agricultural subsidy reform should start with the most distortive subsidies in order to level the playing field and allow all Members to develop in a sustainable way. The "green box" subsidies should be maintained as an important way to encourage Members to undertake agricultural policy reform and promote development, which we think is definitely good for the environment. However, China welcomes some kind of information exchanges and express our willingness to work with Members to engage in such kinds of discussions to achieve a common development.

The representative of Paraguay delivered the following statement:

3.68. Thank you and I would like to thank all of the delegations who have made comments. There is an important element coming out of various comments, which refers to the difficulties in being transparent. It is a rather complicated matter. We are a small Mission and we obviously had contacts with many colleagues relating to DS1, but the information notified sometimes was not enough, for example, for those who wanted to move to DS2 sometimes it was not clear or was not possible to link the programmes under DS1 to those in DS2.

3.69. I would like to thank one and all and say that the intention is there – that is, to work together and discuss environmental issues that impact on these programmes in environmental fora and to notify various practices. It is not a negative issue, and it is not about controlling anything, but you need transparent thinking in order to meet the ambition which we have all identified.

4 MULTILATERAL ENVIRONMENTAL AGREEMENTS AND WTO – CTE WORK PROGRAM ITEMS 1 AND 5

4.1 United Nations Framework Convention on Climate Change (UNFCCC)

4.1.1 Briefing by Egypt on COP27

4.1. The Permanent Representative of Egypt, Ambassador Dr Ahmed Ihab Gamaleldin, delivered the following statement:

4.2. Ambassador Manley and distinguished colleagues, allow me first to highlight the global scene in which COP27 was held. As COP Presidency, Egypt was faced by many challenges, such as:

- The geopolitical tensions due to the conflict in Ukraine.
- A challenging multilateral system and international cooperation.
- A global economy in decline, due to food and energy crises, increasing interest rates, disrupted international trade and supply chains, COVID-19 repercussions as well as high debt levels and reversing development gains in developing countries.
- An increasing number and magnitude of climate-induced disasters and high cost of loss and damage (L&D).
- The world was off-track in achieving climate action (mitigation, adaptation and finance), according to the IPCC, UNEP and UNFCCC reports.
- Limited delivery on Glasgow calls for mitigation and Glasgow pledges and commitments on climate finance.
- No movement on L&D discussions.
- Unsatisfactory outcomes on the Global Goal on Adaptation.

4.3. Egypt was conscious of all these challenges and, in spite of them, worked hard to build trust between all parties and to ensure a conducive environment for discussions and negotiations.

4.4. Let me now turn to the COP27 Vision, Objectives and Priorities. The COP27 Presidency aimed at having an "implementation COP", guided by scientific findings from relevant international institutions and focused on shifting from pledges and commitments to delivery and action. Our aim was to advance on all climate action tracks (mitigation, adaptation, and finance) in a balanced manner while ensuring just transition as a core principle.

4.5. Our priority was to ensure that all stakeholders are engaged and well represented in COP, because everyone has a role to address climate change: governments, private sector, international organizations, financial, scientific and academic institutions as well as civil society, all of them have an important role to advance climate action and explore untraditional solutions through a cooperative manner. Our role as COP27 Presidency was to ensure the widest multi-stakeholder engagement.

4.6. In the lead up to COP27, we were engaged in several meetings at all levels, including meetings with UK as COP26 Presidency, Ministerial meetings at the international and regional level, technical workshops and expert meetings with HoDs negotiators, as well as regular monthly meetings with civil society.

4.7. Regarding the level of participation in COP27, Sharm El-Sheikh hosted over 48,000 participants and around 120 Heads of State and Governments, in addition to the heads of UN organizations, heads of MDBs and IFIs and private sector CEOs. More than 10,000 representatives from NGOs, representing 1,649 organizations also participated in the COP.

4.8. All this made COP27 one of the biggest multilateral events to date and one of the most attended COPs in history. The COP27 Presidency facilitated a one-time accreditation for 57 African NGOs. We held the first ever youth-led climate forum, and a children and youth pavilion. We also appointed for the first time a COP Presidency Youth Envoy.

4.9. Turning to the COP27 outcomes, we had the Sharm El-Sheikh Climate Implementation Summit, where six high-level roundtables were held to cover six main topics, which were: Just transition; Investing in the future of Energy: Green Hydrogen; Innovative finance; Food security; Water security; and Impacts of climate change on vulnerable communities. A Climate Implementation Summit Declaration was adopted, which stressed the following points:

- First, the need for mobilizing support for "just transition pathways", which is a transition that goes beyond the aspect of ambition in mitigation, confirming that it should take into account the socioeconomic impact and national circumstances.
- Second, the importance of decarbonizing the hard-to-abate industries and sectors.
- Third, the importance of innovative financial mechanisms, such as debt swaps, concessional loans, and debt reduction frameworks.
- Fourth, the need for multi-stakeholder cross-sectoral at all levels to protect and manage water resources and food systems to maximize the benefits and avoid causing adverse socio-economic impacts.
- Fifth, the role of hydrogen as a source of energy. In this regard, the Multi-stakeholder Global Renewable Hydrogen Forum (GRHF) was launched. This is a multi-stakeholder platform designed to facilitate large-scale deployment of renewable hydrogen in emerging market economies to foster decarbonization of local industries, accelerate just transition and unlock the environmental and socioeconomic benefits of the global hydrogen economy through hydrogen trade between the emerging market economies and the developed countries.

4.10. Regarding the major achievements in the negotiating track, COP27 adopted the Sharm El-Sheikh Implementation Plan (SHIP). This decision ensured the balance between ambition and implementation, as well as between mitigation and adaptation. It also stressed on the importance of science for effective climate action and focused on the synergies between climate change and biodiversity. The decision referred for the first time to the right to clean, healthy and sustainable environment, climate justice, food security, water security and the need to foster early warning systems. In addition, allow me to shed light on the following main outcomes:

4.11. On Loss and Damage: COP27 was the first COP ever to enlist funding L&D on its agenda after 30 years of disagreement among States Parties. We have, of course, the historic adoption of new funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change in responding to L&D, including establishing a fund for responding

to L&D; as well as the operationalization of the Santiago Network on Loss and Damage, which aims at providing capacity building to developing countries on the issue of Loss and Damage.

4.12. On mitigation: COP27 adopted the landmark mitigation work program until 2026; it also maintained the Glasgow language on keeping the goal of 1.5 alive and recalling the call for review of ambition in NDCs; and it focused on low-emission and renewable energy, through a call to enhancing clean energy in national and global energy mix, in line with national circumstances while recognizing the need for support towards just transitions.

4.13. On Adaptation: COP27 gave a remarkable push to transformative adaptation action, either at the level of Global Goal on Adaptation in the formal process, or at Sharm El-Sheikh Adaptation Agenda, which is a joint initiative between the COP27 Presidency and the UN High-Level Champion, and I will get back to this later in my presentation. COP27 also established the Sharm El-Sheikh four-year joint work on implementation of climate action on agriculture and food security and Sharm El-Sheikh online portal to advance climate action on agriculture and food security.

4.14. On Finance: COP27 called on the shareholders of multilateral development banks (MDBs) and international financial institutions to reform their practices and priorities, align them with climate goals and scale up funding. It also launched the Sharm El-Sheikh dialogue on making finance flows consistent with a pathway toward low greenhouse gas emissions and climate-resilient development. In addition, it established a reporting process on Glasgow request to double adaptation finance by 2025 and clearly requested to increase Green Climate Fund replenishment due this year as per Article 9 of the Paris Agreement. In the final analysis, developing countries should not be left to take on more loans at very high interest rates, during a period of limited fiscal space, in order to contribute to the global efforts to preserve the 1.5 degree target, while they do not hold the historic responsibility for the current state of affairs.

4.15. On Just transition: COP27 launched the first "Work Programme on Just Transition".

4.16. Regarding the major achievements in the non-state actors track, allow me to highlight just three of them. First, the Sharm El-Sheikh Adaptation Agenda, which is a flagship collaboration between the COP27 Presidency, the High Level Champions and the Marrakech Partnership. It is the first comprehensive global plan to rally both States and non-State actors behind a shared set of 30 adaptation outcomes that are required by 2030 across food and agriculture, water and nature, oceans and coastal, human settlements and infrastructure systems as well as delivery across key enablers of planning and finance in order to enhance resilience for 4 billion people living in the most climate vulnerable communities. The Agenda aims to focus on urgent adaptation solutions with an intention that it will be integrated as part of future COPs.

4.17. Second, COP27 Presidency, the UN Regional Economic Commissions and the Climate Champions co-hosted series of Regional Finance Fora in the lead up to COP27. In these fora, over 100 projects were presented requiring financing of approximately USD 120 billion, with this selection of projects having been derived from a list of over 450 projects. These fora will now be hosted annually alongside the UN Commissions.

4.18. Third, the launch of the Africa Carbon Markets Initiative (ACMI) by the Global Energy Alliance for People and Planet, Sustainable Energy for ALL, and UNECA. This initiative aims at expanding Africa's participation in Voluntary Carbon Markets by setting an ambition for the continent and developing a roadmap of action programs that will be implemented over the next few years to meet that ambition.

4.19. On another note, I would like to shed the light on the COP27 Thematic days: Egypt organized 11 thematic days on the margin of the COP, to focus on important topics highly relevant to climate action. These are as follow: finance day, decarbonization day, adaptation and agriculture day, energy day, science day, water day, gender day, civil society day, youth and future generations day, solutions day and biodiversity day. It is worth noting that Africa was a crosscutting theme at each thematic day.

4.20. COP27 Presidency launched 14 initiatives during these thematic days, in partnership with UN organizations, including five initiatives focusing on Africa. We also launched the Africa Carbon

Market Initiative, in cooperation with UNECA and the Global Energy Alliance as I previously stated. This initiative aims at raising Africa carbon credits.

4.21. I would like to touch upon the WTO participation in COP27. Building on her outstanding participation in Glasgow, the COP27 Presidency invited the WTO Director-General to participate as a panellist in the Food Security High-Level Roundtable during the Sharm El-Sheikh Implementation Summit. The DG's contribution was highly appreciated and welcomed, as she brought a unique perspective of this important issue during the discussion.

4.22. In addition, the WTO Secretariat launched its 2022 World Trade Report on the margin of the Sharm El-Sheikh Implementation Summit, during a high level event organized in the UK Pavilion. This report focused on the link between climate change and international trade.

4.23. In conclusion, I would like to highlight that we very much look forward to working with the UAE to implement the outcomes of COP27 and to push the climate agenda forward. We are in close coordination with them at all levels, including here in Geneva. I want to highlight that the next step will be the Copenhagen Climate Ministerial which will be held on 20-21 March co-led by the COP27 Presidency and the incoming COP28 Presidency with the participation of close to 50 Ministers.

4.24. We also believe that today's briefing could be useful to inform discussions in the CTE with regard to how to ensure strong links and synergy between what is discussed in the WTO and what is discussed in UNFCCC, in order to ensure coherence, while also respecting the distinct mandates of both fora, and building on the core principles of equity and Common But Differentiated Responsibilities, in the course of addressing the climate emergency.

4.25. Allow me, before ending my presentation, to acknowledge the current momentum on the link between trade and climate change. We witnessed many initiatives in this regard, including the recent launch of a "coalition of trade ministers on climate" in Davos last January. We are following closely these initiatives, and we believe that there is a need to ensure an inclusive representation of all countries from different level of development and should address the concerns and fears of developing countries on how to move forward on this issue. There is also a need to acknowledge that trade alone cannot solve the climate crisis, but could, if certain conditions are met, provide an important input to the global efforts to address climate change, without creating harmful trade distorting impact on developing countries. I am sure that this debate is still starting and I would like to emphasize that all of us should create the conducive environment and safeguards for it to succeed.

4.26. Following this presentation, some delegations had the following reactions.

4.27. The representative of the United Kingdom delivered the following statement:

4.28. The United Kingdom welcomes the landmark agreement reached on L&D at COP27 and progress made on mitigation and adaptation, finance, Article 6 and other issues. However, it is clear that much more remains to be done to deliver on the Paris Agreement and particular to keep 1.5 alive. We need to see significant amounts of political leadership in the year ahead to build on the outcomes of COP27 and ensure ambitious progress is made on the road to COP28. As outlined in the World Trade Report 2022, which was launched at the UN Pavilion at COP27, climate change will massively disrupt trade.

4.29. A rise of 1% reducing the annual growth of developing countries' exports by between 2 and 5.7 percentage points, yet trade has the power to be a force multiplier to help adapt and mitigate its effects but only with global coordination. So we welcome the conversation here.

4.30. As we look to COP28, the UK looks forward to the incoming Presidency and other parties to secure ambitious outcomes for this critical decade that will keep 1.5 within reach while supporting those most vulnerable to the impacts of climate change. We must build momentum to the global stocktake at COP28, its outcomes must enable parties to meaningfully shift gears to deliver across the goals of the Paris Agreement through commitments to media action.

4.31. More broadly, we need to see progress made on the mitigation work programme towards keeping 1.5 alive, parties must deliver on the 100 billion commitment, as well as doubling adaptation finance. In addition, we must move forward on a new collective, quantified goal. We will be seeking

an outcome on L&D under the process established at COP27 and a conclusion under the adaptation framework.

4.32. The representative of Japan delivered the following statement:

4.33. Japan would like to express its sincere appreciation for the comprehensive brief just made by the Ambassador of Egypt as well as the colleague from UNFCCC.

4.34. Climate change is a challenge common to all humankind and an important issue that the entire international community should work together to address. Japan will continue to address climate change issues based on the results of COP27, and will call for further action by all parties, including efforts to reduce emissions in line with the 1.5 degree target.

4.35. Japan launched the "Paris Agreement Article 6 Implementation Partnership" at COP27 last November to provide international support for capacity building on Article 6 of the Paris Agreement. As a related initiative, following the adoption of the Implementation Guidelines for Article 6 of the Paris Agreement at COP26, Japan would like to create opportunities to reduce GHGs by expanding private financing through the early utilization of a high quality carbon market.

4.36. The representative of Switzerland delivered the following statement:

4.37. Switzerland thanks Egypt and the UNFCCC for the update. The first Global Stocktake of the implementation of the Paris Agreement will conclude at COP28. The stocktake happens every five years, with the aim of assessing the world's collective progress towards achieving its climate goals. For Switzerland, it is of utmost importance that we do it right for the following Stocktakes to come and especially this year when the IPCC releases its much awaited 6th Assessment Synthesis Report and Summary for the Policy Makers. The negotiations this week are taking place in Interlaken in Switzerland by the way.

4.38. The Glasgow Climate Pact, that emerged out of COP26 in 2021, called upon parties to "accelerate efforts towards the phase-down of unabated coal power and inefficient fossil fuel subsidies, recognizing the need for support towards a just transition". Switzerland looks forward to seeing this call put into practice and that UNFCCC COP28 will be an opportunity to monitor the progress made so far and the challenges still ahead.

4.39. The representative of Uganda, on behalf of the LDC Group, delivered the following statement:

4.40. Speaking on behalf of the LDC Group, we thank the distinguished Ambassador of Egypt for his briefing and the UNFCCC for its report. We join others in welcoming the progress highlighted, especially with L&D, mitigation, and other issues. We also want to highlight that, this past week, LDC 5 was concluded in Doha and we were pleased to note that one of the six themes included tackling climate change, COVID-19 and building resilience.

4.41. As we look forward to COP28, we hope that climate finance again will remain key on the agenda because it is important in achieving the ambitions set out in the Paris Agreement as well as in fulfilling the climate actions that developing countries and LDCs have proposed to implement in their Nationally Determined Contributions (NDCs), the key vehicles for implementing the agreement reached in Paris in 2015.

4.42. However, we are concerned that the current flow of finance is inadequate to meet the expectations surrounding both the NDCs and the Paris Agreement. As we highlighted yesterday, increasingly, climate financing is being provided in the form of loans (both concessional and non-concessional), which portends rising debt challenges for many developing countries and LDCs.

4.43. We are also concerned that LDCs are not currently eligible for compensation for climate damage under the UNFCCC, even though they account for almost 22% of all countries with the most recurring appeals (on average over 10 each) against extreme weather crises. With this, we look forward to further engagement as we prepare for COP28.

4.44. The representative of Argentina delivered the following statement:

4.45. Thank you to the UNFCCC and Egypt for their reports. On this subject, Argentina would like to point to the decision for a joint lever for climate change in the area of food security. This was a decision by the 77 plus China, establishing a platform for the implementation of action on climate

and agriculture. Its purpose is to provide a holistic approach on the subject and to take into account local, national and regional circumstances in order to produce as relevant the necessary adaptation measures in order to ensure food security and nutrition. Likewise, synergy is promoted and commitments between Members of the Convention and other stakeholders in order to improve the implementation of action related to agriculture and food security.

4.46. This joint lever will also provide technical advice to the parties and the financial contributors and, ultimately, we hope to have communications from the Members before 27 March on the various additional elements and the more specific ones that should be part of the joint undertaking.

4.47. For Argentina, the value of this undertaking is in the recognition of agriculture as part of the solution to problems that arise from climate change and the food security crisis and also based on the need to leverage agricultural development in developing countries and to do so through new technologies that can respond to present day challenges in an effective and efficient way that will allow for production to be increased and productivity to be increased in a sustainable and resilient manner.

4.1.2 UNFCCC Secretariat

4.48. The representative of the UNFCCC delivered the following statement:

4.49. Thank you for giving us the opportunity to provide a briefing on the work of the UNFCCC. The very successful COP27, an "implementation COP", was an important milestone in the UNFCCC process. Despite the difficult geopolitical background of last year, COP27 delivered a package of good decisions, including the "Sharm El-Sheikh Implementation Plan", that reaffirmed Parties' commitment to full implementation of the Paris Agreement.

4.50. Some specific outcomes stand out as landmark achievements, such as the decision to create a Loss and Damage Fund or a call for reforming international financial institutions. In particular, the decision on L&D fund represents a significant step toward addressing the pressing concerns about L&D, which is key for SIDS, but not only for them.

4.51. As we look ahead to 2023 and COP28, we will be building on the outcomes of COP26 (Glasgow) and COP27 (Sharm El-Sheikh), COP28 in the UAE this year should become a turning point in scaling up the implementation of climate action. Comprehensive and impactful outcomes are needed: we are now in the critical decade for moving to a path consistent with the goals of the Paris Agreement and we are far from where we need to be:

- There is a well-known big mitigation gap, with the trajectory of global emissions not being consistent with the 1.5 C goal.
- The current levels of adaptation to climate change are not the levels needed.
- The response to L&D is still delayed, and the recent decision on the establishment of the dedicated fund needs to be followed up urgently to make the fund operational.
- And there is a growing gap between the needs of developing countries and the support provided and mobilized for them.

4.52. Against this worrying, pressing background, COP28 needs to deliver and, indeed, there is an opportunity to deliver. The issues of the global stocktake (GST), L&D, adaptation, mitigation, and finance are expected to be most important for COP28, along with the anticipated decision on the work programme on just transition, which was established at COP27. COP28 is also an opportunity to innovate the UNFCCC process – through engagement, inclusivity, accountability, and transparency.

4.53. The conclusion of the first global stocktake at COP28 is a major opportunity for "correcting the course" and for scaling up climate action, taking onboard the outcomes of the technical part of the stocktake, which will conclude in June. This opportunity must not be missed. The political outcome from the stocktake needs to send political signals on enhancing action across all areas – mitigation, adaptation, L&D, means of implementation including finance, and action by non-Party stakeholders. These political signals need to be complemented by specific milestones for going forward and recommendations on making climate action more ambitious and effective. Work on laying ground for achieving such outcomes started earlier this year, in close collaboration with the incoming Presidency, and it is a key piece of the UNFCCC work in 2023.

4.54. The COP27 decision on the fund to address L&D must be followed by COP28 with an agreement on operating provisions and modalities of the fund, making it fully operational. Along with the completion of operational arrangements for the Santiago Network on L&D, this would make the international climate change regime fully "fit for purpose" for addressing L&D.

4.55. At COP28, the work on the global goal on adaptation, launched in 2021 in Glasgow, should be completed. The resulting decisions at COP28 must strengthen adaptation efforts at all levels – local, national and regional – and underpin the planning and implementation of adaptation actions through national adaptation plans and NDCs. Assessment of progress to the goal of doubling adaptation finance and strengthening of the implementation of national adaptation plans will be also part of COP28.

4.56. On mitigation, the ongoing mitigation work programme will need to be looked at and assessed at COP28, with the view to making the programme more efficient and more impactful, in the light of the urgent need to address the emissions gap, as highlighted also by our flagship NDC synthesis reports.

4.57. Finance: the long-outstanding goal on mobilizing USD 100 billion of climate finance annually should be achieved by 2023. While full finance data for 2023 would not be available by the time of COP28, a credible indication of progress would send a strong positive message – and vice versa. Similarly, an indication of a strong, ambitious replenishment of the Green Climate Fund would create a positive momentum for the COP. We will also see at COP28 how the important dialogue on making financial flows consistent with the objectives of the Paris Agreement evolves and how the international financial system responds to the call for reform, which was among the most important outcomes from COP27.

4.58. COP27 formally decided to establish a work programme on just transition, however, its substantive content, such as scope, modalities, timelines etc., still needs to be developed. The growing importance of just transition reflects the understanding that it is critical to engage the whole of society in climate action and that no one should be "left behind" in this process. It is time to move the deliberations on just transition to a different level in the UNFCCC process, with a view to facilitating the whole transition process to a low-emission and climate-resilient world. COP28 should deliver on this with a clear, tangible outcome.

4.59. Finally, on accountability and transparency: COP27 invited the Secretariat to ensure greater accountability of voluntary initiatives from non-Party stakeholders. COP28 will be a first check point on that important task. For Parties, the accountability for climate action and support is provided through the enhanced transparency framework under the Paris Agreement. In 2023, such technical and organizational work needs to be completed on transparency matters in order to prepare, during the year and at COP28, for the start of the reporting and review processes under that framework in 2024 – through the delivery of technical tools and the related training, as well as through the relevant negotiations at COP28.

4.1.3 Update by the United Kingdom on the Forest, Agriculture and Commodities Trade (FACT) Dialogue

4.60. The representative of the United Kingdom delivered the following statement:

4.61. The United Kingdom would like to provide a further update to the CTE on the work of the Forest, Agriculture and Commodity Trade Dialogue, or 'FACT Dialogue'. This is a government-to-government dialogue, co-chaired by the UK and Indonesia, which brings together 28 countries with significant trade of agricultural commodities. Its purpose is to protect forests and other vital ecosystems while promoting sustainable trade and development. Work is guided by a roadmap of actions, organized into four thematic areas.

4.62. The UK last updated the CTE on the work of the FACT Dialogue in June 2022, focusing on the thematic area of "Trade and Market Development". FACT participants are looking to reach collective understanding of how global markets can incentivize sustainability, including how demand and supply side policies can be mutually supportive. Progress is being made through a central discussion platform – the Trade and Markets Forum – as well as two smaller action groups, which discuss specific issues, namely, what is meant by sustainable production; and how we can increase the recognition of national approaches, such as national sustainability standards and certification

schemes, in the international market. At the moment, private schemes often receive the greatest recognition.

4.63. Since June 2022, the action group looking at sustainable production is now undertaking an assessment of existing definitions of sustainable productions and initiatives to identify areas where there is broad agreement, as well as areas of divergence. The aim is to use this to build mutual understanding of what sustainable production is, and perhaps to move towards a shared set of principles of sustainable production.

4.64. The action group looking at national approaches has considered several exploratory ideas and agreed there is a need to consider this work further, including in a way that acknowledges the efforts of producer countries and that supports smallholder farmers.

4.65. With respect to the FACT Dialogue more widely, a new, independent Secretariat has now been secured: the non-profit research institution: The Center for International Forestry Research (CIFOR) and World Agroforestry (ICRAF), head quartered in Indonesia and Kenya. This Secretariat is already in place and servicing FACT.

4.66. An independent report has also been circulated, considering how the FACT Dialogue can support other processes and fora that address issues of sustainability in relation to trade and markets. This was commissioned by the co-chairs, recognizing that the FACT Dialogue is not a decision-making space, and that the outputs of FACT's work will need to be taken up in other fora to make lasting change.

4.67. A full progress report of the FACT Dialogue for 2022 can be found online in various languages at www.factdialogue.org/.

4.68. Turning to the plan for this year, FACT Dialogue participants are being convened for the first in-person meetings in the UK at the end of this month. The UK will continue to provide updates to the CTE as the dialogue continues over the next 3-5 years.

4.69. Following this presentation, one delegation had the following reaction.

4.70. The representative of Japan delivered the following statement:

4.71. Japan would like to thank the United Kingdom for its update on the FACT Dialogue. Forests play an essential role in the agricultural supply chain through their multifunctional role in the natural environment, and Japan considers it important to take due diligence measures to establish a sustainable food supply chain that separates agricultural production from deforestation and forest degradation.

4.72. On the other hand, it is difficult to set uniform regulations that focus only on "no deforestation," given the different circumstances in each country, such as environmental conditions and geographical industrial conditions. It is necessary to pursue and promote a market-oriented approach that also takes into account the circumstances of exporting countries, and that takes into account the importance of sustainable agricultural and food supply chains and sustainable forest management.

4.1.4 Report on the negotiations towards the Agreement on Climate Change, Trade and Sustainability (ACCTS)

4.73. The representative of New Zealand, on behalf of participants of negotiations towards the ACCTS, delivered the following statement:

4.74. New Zealand is delivering this statement on behalf of the participants of the Agreement on Climate Change, Trade and Sustainability (ACCTS). The ACCTS initiative is a practical example of how economies can leverage trade rules and policies in pursuit of climate and broader sustainable development objectives. Since our update to this Committee, in October 2022, ACCTS partners have held two rounds of negotiations. Parties also met in the margins of COP27 with climate Ministers issuing a new statement in support of the negotiations underscoring the ACCTS ability to make a meaningful contribution to the Paris Agreement's goals. The most recent round, Round 12, is taking place between 16 February-26 March, with some of the working groups meeting in person for the

very first time. Meeting face to face has helped to accelerate progress across all chapters.

4.75. We thought that it may be of interest to this Committee to talk a little bit more about one of our chapters, which will establish best practice guidelines for voluntary eco-labelling. This is a topic that, to our knowledge, has never been included in an FTA before and so is particularly innovative in both its substance and form.

4.76. The aim of this chapter is to develop best practice guidelines for voluntary eco-labelling, noting that mandatory eco-labelling is already covered by the WTO TBT Agreement. First, I would like to clear up a common misconception and set out what the eco-labelling chapter will *not* do: the ACCTS will not endorse specific eco-labels; and it will not say that this is an eco-label and this is not. So what will it do? Instead, the ACCTS will help support the development of high integrity eco-labels that are transparent in their criteria and meaningful to consumers, businesses and other stakeholders and deliver their intended environmental objectives. It is about helping the private sector to design and implement eco-labels so that they can deliver on the environmental promise and actually provide meaningful, truthful and transparent information to consumers that helps them to make more environmentally friendly choices.

4.77. It also aims to ensure that eco-labels do not inadvertently become unjustified barriers to trade. We think that such guidelines can be helpful in promoting good environmental performance throughout the supply chain by facilitating demand for sustainable goods and services and empowering consumers, businesses, investors and other stakeholders to make more sustainable choices based on reliable information about the environmental performance of goods and services.

4.78. The guidelines will be supported by appropriate institutional mechanisms including national contact points. On form, we also note that, while it will be included in the treaty text, it is a soft law – guidelines, not hard obligations. We think this is appropriate to the topic.

4.79. The recent progress made across the text has been very encouraging. ACCTS participants aim to build on this momentum in further rounds scheduled for later this year. As instructed by ACCTS Trade and Climate Ministers in their statements issued during MC12 and COP27 respectively, we are working to conclude negotiations as soon as possible and we are striving to do this this year if possible.

4.80. As you will have heard, ACCTS is intended to be an open plurilateral agreement and, upon conclusion, it will be open to those willing to meet the established standard. We welcome and encourage WTO Members interested in the Agreement as we will all look to transition to greener and more sustainable economies.

4.1.5 Report by the WTO Secretariat on the "Trade Forum for Decarbonization Standards: Promoting Coherence and Transparency in the Steel Sector"

4.81. The WTO Secretariat (DDG Paugam) delivered the following statement:

4.82. I would like to thank Ambassador Manley and the CTE for inviting me to report on the Trade Forum for Decarbonization Standards event, which was organized by the Secretariat on 9 March.

4.83. Many WTO Members joined our event last week and I am here to share what we learned, which I believe is of interest to all Members in the CTE. The event brought together Members with the private sector, industry associations, think tanks, and other international organizations to discuss the connections between trade and decarbonization standards in the steel sector. We had more than 500 participants in person and online from all over the world in three panel conversations with 19 speakers examining three action areas.

4.84. I will try to focus my report on the "3 Rs" as my main takeaways from the event: real problems, real needs, and real opportunities.

4.85. Let me begin with the real problems. For some years, Members have raised concern in different WTO bodies about the growing number of different decarbonization standards, about potential incompatibility, and trade fragmentation. At the Secretariat, we have been trying to understand this challenge in terms of the real problems facing businesses to better assist our Members.

4.86. So, we looked at the steel sector as a case study. The sector is responsible for 8% of global greenhouse gas emissions and has a large and growing number of standards. Our Information Note published last December mapped out at least 20 different standards (and growing) with different underlying methodologies, scope, and boundaries.

4.87. Our event brought some of the world's largest iron and steel companies. We witnessed their first-hand experience in how incompatible carbon standards create real problems for them. The industry's key message is that the uncertainty and the confusion that is coming from the diversity and growth of different standards and methodologies is costing them time and money, increasing their production costs, and putting their investments to decarbonize at risk. While there may be a need for co-existence of different standards in different regions and for different purposes, we need to make sure that, at the very least, these are transparent and comparable.

4.88. As Members continue to push for the decarbonization of their economies and industries like steel, they may use a variety of policy tools including regulation to shape markets. Regulatory approaches will naturally rely on standards and definitions for green steel. Today's fragmented standards landscape could quickly become entrenched in a fragmented regulatory landscape.

4.89. Let me now turn to real needs. At the event, we heard real needs from steel companies, industry associations, and standard-setting bodies, and other stakeholders. Take the World Steel Association as an example. The Association is one of the world's largest industry associations, with Members in every major steel-producing country. Their Members will increasingly depend on standards that are well enough aligned to operate successfully in an open trading environment in the future.

4.90. The Association's Director-General said that the industry depends on a regulatory environment that is at least synchronous between countries. He said that he saw no institution other than the WTO to keep tradable markets equitable and on a level playing field.

4.91. The broader industry called for more coherence, equivalence, and mutual recognition in decarbonization standards to manage costs and provide certainty for green investment. From what we heard, they see the WTO's role as vital so that they can continue to trade and to decarbonize, whether in developed or developing markets.

4.92. Let me now close with real opportunities. One of the WTO's core functions is to reduce trade frictions arising from standards and regulations by promoting transparency, coherence, and inclusiveness. The six principles guidance from the TBT Committee helps ensure that standards are transparent, coherent, non-discriminatory, technology-neutral, and inclusive of developing countries and the challenges they face. The opportunity in this sense is a more coherent and transparent approach to carbon measurement based on international standards, as opposed to fragmented unilateral approaches.

4.93. All the information on the event is available on our website, including a full recording, and I encourage you to take a look when you have time.

4.94. Finally, on a personal note, today is Ambassador Manley's last CTE as Chair, so let me pass on a big thank you for all your passion and dedication in keeping the CTE moving forward. As you know, this Committee is very dear to me too. Thank you also for playing an essential role in our event last week. Finally, I would like to pay tribute to your admirable mastering of the three official languages of the organization by saying thank you Ambassador Manley, merci beaucoup and muchísimas gracias.

4.2 Convention on Biological Diversity (CBD)

4.2.1 Comments by the United Kingdom on the agreed outcomes of recent CBD COP15

4.95. The representative of United Kingdom delivered the following statement:

4.96. I will not try to pre-empt what the CBD Secretariat might say after lunch, we look forward to that, but the UK just wanted to make a brief statement in support of the adoption of the package of

outcomes at COP15, particularly the Kunming-Montreal Global Biodiversity Framework. We want to thank China and Canada for hosting this important conference.

4.97. The ambition of Members signed up to the framework is clear, but to realise our goals for 2050, we must act now on the 23 targets. The actions set out in those targets need to be initiated immediately and completed by 2030. This isn't the UK's interpretation; this is the wording of the agreement itself. Meeting these targets will only happen if we work in partnership to make this a decade of action together. To that end, we would encourage all delegations signed up to the framework to look at its goals and targets and to consider where the WTO could support them. Members may also decide to seek the Secretariat's support in this task.

4.98. Meeting many of the framework's targets will require a huge range of goods and services, from technologies to sustainable agriculture to services that reduce pollution. Access to these goods and services will often be improved or made possible through international trade. In these cases, the WTO's role in ensuring trade flows as smoothly, predictably, and freely as possible will be critical. Other targets, such as the target to half global food waste by 2030, may also benefit from the WTO's input, for example, in facilitating the trade of perishable goods and supporting efficient border processes. And, as shown through its agreement on fisheries subsidies, the WTO can have a role in the framework's target to identify, eliminate, phase out, and reform incentives including subsidies harmful to biodiversity.

4.99. These are just a few initial suggestions where the WTO could be part of the solution and we really welcome ideas and suggestions from others. So, just to wrap up, the loss of biodiversity threatens societies, economies, and trade flows of all WTO Members but we firmly believe that this organization and the trade expertise that lies within this can come together and be part of the solution.

4.2.2 Comments by the European Union on the agreed trade-related outcomes of CBD COP15

4.100. The representative of the European Union delivered the following statement:

4.101. The Kunming-Montreal Global Biodiversity Framework (GBF) is a very significant breakthrough for biodiversity conservation, restoration and sustainable use. It reflects never before seen recognition from all parties that loss of biodiversity must be stopped and reversed through high-ambition changes to society's relationship with nature and the way our global economy operates.

4.102. We see the Global Biodiversity Framework as the necessary complement to the Paris Agreement and it is at the same political level of importance. Jointly, they represent a clear global roadmap towards a truly sustainable economy and truly sustainable development and will require transformative change within very short time.

4.103. The successful implementation of the Framework requires the active engagement of all government, all society and all economy and will need constant effort and leadership. It also implies to adapt our institutions and administrations to foster transdisciplinary and participatory decision-making.

4.104. The EU would like to highlight the importance of mainstreaming biodiversity across all policies and sectors, including trade. We think actions should contribute to enhancing ecosystem services and reduce the ecological footprint of production and consumption. Even if no numerical value was agreed in relation to the ecological footprint, the ambition has been expressed. Moreover, it is the first time that the necessity of significantly reducing overconsumption has been agreed at multilateral level.

4.105. We welcome that an unprecedented number of progressive companies have attended COP15 and helped make it a success by supporting transparency and reporting on biodiversity impacts. The GBF asks parties to ensure that all large businesses and financial institutions are required to assess and disclose risks and impacts on nature. The result will be stronger accountability and better informed decisions by investors, governments, consumers and businesses themselves ensuring that companies are transparent with regulators, investors and the public on their biodiversity footprint.

This is a key step that should encourage the finance industry to disclose their reliance and impacts on natural resources.

4.106. The GBF calls for eliminating, minimizing, reducing and or mitigating the impacts of invasive alien species on biodiversity and ecosystem services by identifying and managing pathways of the introduction of alien species, notably by reducing the rates of introduction and establishment of known or potential invasive alien species by at least 50% by 2030.

4.107. The GBF also calls for the identification by 2025, and elimination, phasing out or reforming incentives, including subsidies harmful for biodiversity, in a proportionate, just, fair, effective and equitable way, while substantially and progressively reducing them by at least USD 500 billion per year by 2030, starting with the most harmful incentives, and scale up positive incentives for the conservation and sustainable use of biodiversity.

4.108. The EU is looking forward in working with WTO Members to make sure that trade and trade policy contributes to protecting biodiversity.

4.2.3 Report by the CDB Secretariat on CBD COP15

4.109. The representative of the CBD Secretariat delivered the following statement:

4.110. Thank you, Excellency, and good afternoon, ladies and gentlemen, dear colleagues, and good time of the day to those who joined online. It is my pleasure to brief you on the outcomes of the 50th meeting of the COP and, of course, in particular on the Kunming-Montreal Biodiversity Framework that has been adopted by COP15.

4.111. What I am planning to do is to give you a very quick concise overview of the Kunming Montreal Framework itself and then talk a bit about some trade linkages. Of course, you may appreciate many of these goals and targets are interconnected, so you might have a direct relationship with trade but also what are the targets with indirect relationships. Now, in general terms, the Framework builds on the Strategic Plan for Biodiversity we had in the last decade. It is of course a response of the global community to the continued alarming loss of biodiversity and the threat that it poses to nature and human wellbeing.

4.112. In terms of the overall architecture of the framework, I gave you an overview here on this slide. I'm going to talk a bit more about the mission and vision in a moment, but then at its core it's really the global goals that are for 2050, in fact, and then the 23 global targets that are for this decade.

4.113. Now, in terms of the vision, this is basically a vision from the strategic plan that has been maintained, so, what the framework ultimately tries to achieve is that by 2050, biodiversity is valued, conserved, restored, and wisely used, maintaining ecosystem services, sustaining a healthy planet, and delivering benefits that are essential for all people. We have these four goals I mentioned which are largely structured along the three objectives of the Convention, conservation of biodiversity, that's basically what Goal A talks to, then Goal B is essentially on sustainable use, Goal C on the fair and equitable sharing of benefits arising out of the utilization of genetic resources. Then, we have an additional goal speaking specifically towards the means of implementation, in particular, it talks about the global biodiversity financing gap which has been identified around at 700 billion USD. That goal, that funding gap shall be closed by ensuring adequate means of implementation.

4.114. The mission of the framework is to take urgent action to halt and reverse biodiversity loss and to put nature on the path to recovery. This is basically the mission for this decade. We need to bend the curve at this stage in order to achieve the overall goals by 2050.

4.115. Now, let's talk in a bit more detail on the global targets for 2030. We have three types of targets. The first kind of section or subsection of the targets talks about reducing the various threats to biodiversity, that's Target 1 to 8, then Targets 9 to 13 talk basically about sustainable use and benefit sharing. The third section of Targets 14 to 23 are really talking about specific implementation measures and tools and solutions to implement the framework and to mainstream biodiversity.

4.116. Now, let's have a look in a bit more detail at the trade linkages. I wanted to first point to the general clauses that we find in the early sections, in the introduction sections of the framework. In Section B on the purpose of the framework, the framework establishes that it shall promote coherence, complementarity, and cooperation with other relevant multilateral agreements and international institutions, respecting their mandates. We have also then similar language in paragraph 7Q of Section C. In Section C, which is called "Considerations," but the intent is really to provide basic principles, perhaps, that would apply horizontally throughout the framework. It first establishes that the framework shall be implemented by parties in accordance with national circumstances, priorities, and capabilities, and then also that the framework needs to be implemented in accordance with relevant obligations. Nothing in this framework should be interpreted as an agreement to modify the rights and obligations of the parties or any other international agreement. These are the general clauses that establish linkages to other relevant multilateral agreements, including, of course, the trade-related agreements.

4.117. If you look at a couple of specific targets and their potential linkages to trade or trade policies, I should mention that in most cases, trade is not explicitly highlighted. So, it's basically we have to look at indirect references. Now, I have here first Target 14, which establishes in a sense the general mainstreaming target of that section. It talks about the full integration of biodiversity and its values into policies and regulations across all sectors, in particular those with a significant impact on biodiversity.

4.118. Then, one paragraph which I thought would also be important to highlight to you is Target 18 on the elimination, phase out, or reform of harmful incentives, including harmful subsidies. That paragraph also talks about scaling up positive incentives for conservation and sustainable use. We definitely look from the CBD perspective, with some enthusiasm, I should say, to the established fisheries subsidies agreement that has been adopted by the WTO just last year.

4.119. If you look at the first section of targets on reducing threats, here we find two targets which I wanted to point to you in particular. There is first a target on trade of wildlife, ensuring that the trade of wild species is sustainable, safe, and legal. This is of course a polite nod to our sister Convention, CITES, that basically addresses this issue.

4.120. Then we have quite an ambitious target on invasive alien species, namely, to eliminate, minimize, and mitigate the impact of invasives by doing various things: identifying, managing pathways, preventing the introduction and establishment of priority invasives, and then importantly, a quantitative target here, reducing the rates of introduction and establishment by at least 50% by 2030.

4.121. I also wanted to point in this context to Target 17 on establishing biosafety measures and measures for the handling of biotechnology and the distribution of its benefits. Technically that target is under the other section that I mentioned on support, tools, and solutions for implementation in mainstreaming, but that's because that target is a bit of mixed bag. Of course, biosafety measures are also to address threats to biodiversity.

4.122. So, that's perhaps my quick snapshot of the framework and a few key linkages to trade and trade policies. In closing, I also wanted to quickly point to a range of other important decisions and let me highlight two that are particularly important in the context of the Global Biodiversity Framework. Of course, the others are equally important, I mean, particularly the ones on resource mobilization, but I wanted to highlight first the decision on the monitoring framework.

4.123. We are going to have a fairly sophisticated monitoring framework identifying global headline indicators and then in some additional granularity, further indicators for the individual targets. The monitoring framework has been adopted but only understanding that it will be further developed in this inter-session period, so there will be a technical expert group and the further developed framework will then be considered by the subsidiary bodies and ultimately by COP16.

4.124. I also wanted to quickly highlight the decision on digital sequence information of genetic resources. That issue has been under discussion in the Convention for a number of years. It has been a controversial issue and it remains controversial. However, we had at this COP some form of a breakthrough in that there was agreement now to establish a multilateral mechanism on the sharing of benefits associated with digital sequence information on genetic resources, including the

establishment of a fund. There is therefore a linkage to the decision on resource mobilization. On digital sequence information, the decision spells out a number of criteria for which a solution to such a global benefit sharing mechanism should respond. The decision also sets in place an intersessional process which comes in the form of an open-ended intersessional working group, open-ended meaning that all parties will be represented there. This open-ended intersessional working group is tasked to develop, operationalize further this global mechanism in accordance with the criteria that has been spelled out in the decision.

4.125. So, that is, in a nutshell, a quick overview. Of course, I stand ready to provide answers to any questions you might have.

4.2.4 Report by UNEP on the joint WTO-UNEP event "Nature-positive trade for sustainable development: How can trade-related policies and measures support the implementation of the Kunming-Montreal Global Biodiversity Framework?"

4.126. The representative of UNEP delivered the following statement:

4.127. UNEP will make a briefing on a joint WTO-UNEP event scheduled to take place on 14 March on "Nature-positive trade for sustainable development: How can trade-related policies and measures support the implementation of the Kunming-Montreal Global Biodiversity Framework?"

4.128. UNEP is delighted to be present at this meeting of the CTE, and we are pleased to hear the updates today. To start, we would like to congratulate Members on the continuous commitment of the trade community in the global fight against the climate, nature, and pollution crises. UNEP, including our administered Multilateral Environmental Agreements (MEAs), remains at hand to support WTO Members in deliberating these issues.

4.129. We would like to now update the CTE on the informal roundtable that the WTO and UNEP held on 14 March in the margins of the Committee, on "Nature-positive trade for sustainable development: How can trade-related policies and measures support the implementation of the Kunming-Montreal Global Biodiversity Framework?":

4.130. First, we would like to thank Director Aik Hoe Lim and the WTO Trade and Environment Division for this collaboration with UNEP. As the CBD briefed Members, the Kunming-Montreal Global Biodiversity Framework was adopted at the 15th Convention of Parties (COP15) in December 2022 and includes four goals and 23 targets to be achieved by 2030.

4.131. Trade policy action and cooperation will be essential to achieve most of these targets including those related to wildlife trade; the reduction of subsidies harmful to biodiversity; conservation and management of the world's lands and waters; reduction of waste generation and the negative impact of pollution; sustainable agriculture and fisheries; private sector engagement and policy coherence.

4.132. Therefore, the Global Biodiversity Framework provides an opportunity to re-examine how international cooperation on trade and trade policies could support the global biodiversity agenda.

4.133. Opportunities to consider the intersection of trade, biodiversity and sustainable development could emerge in the context of discussions underway as part of Member-led initiatives such as the Trade and Environmental Sustainability Structured Discussions (TESSD), the WTO Dialogue on Plastics Pollution (DPP) and the Fossil Fuel Subsidy Reform (FFSR).

4.134. As a contribution to this, the WTO and UNEP, in collaboration with the Secretariat of the Convention on Biological Diversity (CBD) and the Forum for Trade, Development and the SDGs, held a roundtable on 14 March that convened WTO Members, private sector and civil society representatives to discuss and explore opportunities and possible next steps for trade policy and trade cooperation to support the implementation of the Kunming-Montreal Global Biodiversity Framework, and jointly move forward the global biodiversity agenda.

4.135. We thank H.E. Mr Ronald Saborio Soto, Ambassador and Permanent Representative of Costa Rica to the WTO, and Ms Rebecca Barton, Counsellor of the Permanent Mission of Australia to the

WTO, for their insightful interventions that highlighted the importance of addressing the nature loss crisis and the role of trade to be part of the solution.

4.136. UNEP also welcomes the remarks from WTO Members participating in this roundtable of the importance to strengthen multilateral dialogue, trade-related policy coherence and action to build a mutually supportive vision for trade, biodiversity, and sustainable development.

4.137. Lastly, to conclude, international cooperation is vital to promote trade and environment policies that help solve global challenges in biodiversity and assist the Kunming-Montreal Global Biodiversity Framework. UNEP supports this through the Trade, Development and Environment Hub project, funded by the UK Global Challenges Research Fund, to develop policy solutions that promote trade of agricultural commodities supportive of biodiversity and sustainable socioeconomic development. This week UNEP published a policy paper, produced in collaboration with the Forum on Trade, Development and the SDGs (TESS), which seeks to present synergies between sustainable trade, biodiversity and development, with the WTO's multilateral trade framework as its backdrop.

4.138. UNEP and the WTO have a strong partnership on environment and trade, which can bring our respective constituencies together to build collaboration between trade, environment, and sustainable development. We look forward to furthering this cooperation with the WTO and assisting Members and their efforts to move these important agendas forward.

4.139. Following these presentations, some delegations had the following reactions.

4.140. The representative of Argentina delivered the following statement:

4.141. Argentina thanks the United Kingdom for presenting the results of COP15 and highlights the balance of the Framework for developed and developing countries.

4.142. Based on the need to stop and reverse the loss of biodiversity, the Framework established the objective of protecting 30% of the planet's surface, which to some extent could imply an additional obligation for developing countries, insofar as they house ecosystems remaining, but at the same time it raises the goal of restoring 30% of degraded ecosystems, which implies a relative burden on developed countries, as their development processes implied massive deforestation processes that we can still observe today.

4.143. On the other hand, the Global Framework recognized the value of the diversity of sustainable agricultural practices. The Global Framework not only recognized that there is no single recipe for all Members, but also gave explicit recognition that sustainable intensification and other innovative approaches should be promoted as being biodiversity friendly.

4.144. In another part of this organization, the reduction of the risk derived from pesticides was foreseen, indicating that such a decision must be based on science and taking into account food safety and the social effects of the measure. In this target, we observe the consistency of the Framework with the SPS Agreement, in that the measures must have a scientific basis and evaluate the socioeconomic impact, mainly in developing countries.

4.145. Likewise, for the first time, the negative effects of biotechnology are not mentioned, but rather the Framework commits to strengthening the capacities of Members in the management of biotechnology in general and of genetically modified organisms in particular.

4.146. Likewise, in the Global Framework, Members committed to eliminate, reduce or reform the most harmful incentives for biodiversity, including subsidies, in a substantial, progressive and proportional manner, adopting the language of Article 20 of the Agreement on Agriculture.

4.147. The framework is ambitious, but acknowledges historical responsibilities for biodiversity degradation. It does so by establishing an obligation to provide 30 billion dollars a year for implementation in developing countries by 2030.

4.148. The Global Framework was adopted in a package that included four additional decisions:

-
- A planning, monitoring, reporting and review mechanism. The Monitoring Mechanism calls on Parties to reflect the Global Framework in National Biodiversity Strategies that must identify contributions to the Framework's objectives and targets.
 - A Monitoring Framework, which establishes initial indicators for the implementation report and which will be finalized at COP16.
 - A resource mobilization strategy, which establishes a new Special Trust Fund within the GEF framework for the implementation of the Global Framework.
 - The determination that the benefits derived from the use of digital sequence information of genetic resources (DSI) must be distributed fairly and equitably, establishing a multilateral mechanism for distribution of benefits with modalities to be negotiated.

4.149. In addition, in response to the different level of development of the Members, numerous flexibilities were adopted for the implementation of the Framework, including longer deadlines to present the National Strategies, the possibility of not implementing indicators of the monitoring framework in light of the circumstances and the emphasis on the need to report on the mobilization of resources, among other.

4.150. The representative of Paraguay delivered the following statement:

4.151. Thank you to the other delegations who took the floor before me. Like them, I would like to give thanks for the presentation, as well as highlight some of the elements that could or should continue to move forward within this house.

4.152. There are a lot of very interesting trade-related issues included in the framework. Some of them relating, for example with agriculture, and this is something that was also discussed yesterday in the round table, but we see that some Members that agree on these ambitious targets are not as interested in the same goals in this house. As a possible cause for this, yesterday's silos were mentioned. Even Director Hoe in his closing remarks mentioned that, as an example with the Fisheries Agreement, that perhaps a specific commitment and specific language could help as it did with the Fisheries Agreement. Then we see, for instance, Target 18, which is very specific and even borrows some words from the AoA itself. Hopefully we can push that forward.

4.153. Other targets that are very important targets for us, for instance, Target 7, when we talk about science-based, taking into account food security and livelihoods, reminds me of certain discussions we are having in SPS and TBT that could also move forward.

4.154. Target 10, sustainable intensification, here we see also in this house a push against it. In some cases when some major importers push against these, favouring other types of production, this has the potential of changing production systems all over. So, this is something that we should also continue to discuss in here.

4.155. Target 17, the use of biotech with agreements having been made can not only not harm the biodiversity but support other targets, as food security. Target 18, of course, subsidies with a great reduction commitment. And we agree with what other Members have mentioned about the danger of possible greenwashing or box painting in agriculture, specifically considering the gaps in the AoA that we mentioned today and yesterday and was also mentioned by I think it was Rebecca.

4.156. Target 20, of course, technology transfer capacity to developing countries. That, we should continue discussing in this house how to implement them. Hopefully, we can move this discussion forward. Silos were mentioned, as I said, but I am afraid that perhaps the real reason behind this is not the possible silos but, it was also mentioned yesterday, perhaps it is easier to pledge something but then we need to see how to follow through on these pledges.

4.157. So, Paraguay is happy to continue discussions moving this topic forward in the WTO.

4.158. The representative of China delivered the following statement:

4.159. China is the presidency of COP15. I am glad to share with you the outcomes of COP15 and global biodiversity conservation efforts. As we know, the second phase of the COP15 was successfully held in Canada last December. Through joint efforts of parties, international organizations, including the WTO, and stakeholders, China and Canada are very pleased to witness such a success reaching the historic Kunming-Montreal Global Biodiversity Framework. The success of this conference will surely promote the recovery of global biodiversity and the benefit of all humanity. To ensure a successful COP15, China as the presidency maintained close communication with all parties at multiple levels and received their strong support.

4.160. All parties played an important role in achieving those historic outcomes. For example, the UK-led 10 Point Plan for Financing Biodiversity builds up people's confidence in addressing problems in funding for biodiversity conservation. Therefore, on behalf of the presidency of COP15, China, I would like to take this opportunity to once again thank all parties for their support. We believe that all men can enjoy the benefits of biodiversity for alleviating poverty, protecting the environment, and promoting sustainable development. In the next two years, China will continue to serve as the presidency of COP15 and work closely with the CBD Secretariat. With the support and help of all parties, China will: fulfil responsibilities of the presidency, work with parties and stakeholders, and the international organizations, including the WTO, promote the implementation of the framework and other outcomes, improve global biodiversity conservation, develop a global sustainable supply chain, and build a clean and beautiful world together.

4.161. The representative of Japan delivered the following statement:

4.162. Japan thanks the CBD Secretariat for the useful presentation. At the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity (CBD) last December, the "Kunming-Montreal Biodiversity Framework" was adopted as a global goal for biodiversity conservation by 2030. We commend the adoption of the framework, which includes the 30by30 target (to protect or conserve 30% of the world's land and oceans), which Japan also attaches importance to, the use of nature-based solutions (NbS), and measures to combat invasive alien species.

4.163. Japan is already in the process of revising its National Biodiversity Strategy based on the Kunming-Montreal Biodiversity Framework, which is scheduled to be revised by the end of March. We would like to lead global efforts toward the steady implementation of this framework.

4.164. The representative of Australia delivered the following statement:

4.165. Australia would like to join others in welcoming the historic outcome at the Kunming-Montreal Agreement on COP15 of the CBD, which has widespread implications for trade across biodiversity, from issues as diverse supply chains to pollution issues to SPS measures to deal with invasive alien species. The trade world has a significant role to play in meeting the targets set out in the Kunming-Montreal Agreement.

4.166. We would also like to note particularly Target 18 of the Global Biodiversity Framework as a significant and meaningful implication for reform in this house. Target 18 specifically requires countries to identify by 2025 and eliminate, phase out, or reform incentives, including subsidies, harmful for biodiversity in a proportionate, just, fair, effective, and equitable way, while substantially and progressively reducing them by at least 500 billion USD per year by 2030, starting with the most harmful incentives and scaling up positive incentives to the conservation and sustainable use of biodiversity.

4.167. We note that meeting this target will require countries to measure trends towards reform, including the value of subsidies and other incentives that are harmful to biodiversity that are redirected, repurposed, or eliminated and positive incentives in place to promote biodiversity, conservation, and sustainable use.

4.168. We note that the indicators required to achieve this will require us to monitor trends and potentially environmentally harmful elements of government support to agriculture, which are often measured through the OECD's producer support estimate (PSE) database. We note that the OECD will play a key role in tracking progress towards the targets set in the CBD. Most recent PSE analysis from the OECD shows that over half of annual farm support, USD 508 billion of the USD 934 billion,

in gross support is environmentally harmful. Australia is interested in discussing how it can better align the Agreement on Agriculture and reform in this house to advance those targets.

4.2.5 Report by the United Nations Division for Ocean Affairs and the Law of the Sea (UNDOALOS) on the recently agreed High Seas Treaty

4.169. The representative of UNDOALOS delivered the following statement:

4.170. Thank you very much for inviting the Division for Ocean Affairs and the Law of the Sea, or UNDOALOS, of the Office of Legal Affairs of the United Nations to make this presentation.

4.171. UNDOALOS, among other things, acts as the secretariat of UNCLOS, which has 168 parties including the EU. It is commonly referred to as the Constitution for the Ocean, as it addresses every aspect of the uses of the ocean and its resources. The drafters of the Convention recognize that all problems concerning ocean space are closely interrelated and should be considered as a whole. Until now, there are two implementing agreements under the UNCLOS. The first implementing agreement is the 1994 Agreement Relating to the Implementation on Part 11 of UNCLOS, which is in relation to international seabed area. It provides that the provisions of that agreement and part 11 of UNCLOS should be interpreted and applied together as a single instrument.

4.172. The second implemented agreement is the 1995 United Nations Fish Stocks Agreement, for which UNDOALOS also acts as the secretariat. This agreement establishes a comprehensive legal regime for the conservation and sustainable use of straddling and highly migratory fish stocks.

4.173. The BBNJ Agreement this presentation will focus on will be the third implementing agreement under the UNCLOS. It may be useful to recall that under UNCLOS, ocean space is divided into various maritime zones. Beyond national jurisdiction, are the high seas and the international seabed area, also known as the area. By the area of coverage, nearly two-thirds of the ocean are areas beyond national jurisdiction. In this area, main global and international organizations have competence for a number of sectoral activities but there's no overall cross-sectoral management mechanism. The UNGA provides overall cross-sectoral political guidance, but it's not a management body. Moreover, in areas beyond national jurisdiction, different regimes apply: the freedom of the high seas, or the high seas, and the regime of common heritage or humankind for the area and its resources.

4.174. As part of a long cumulative and iterative process that started in 2004, which was just mentioned by the Chair, the UNGA convened an intergovernmental conference to elaborate an international legally binding instrument on the UNCLOS, on BBNJ. The first three sessions of the conference took place on 2018 and 2019. The fourth session, which was postponed owing to the COVID-19 pandemic was convened in March 2022. The fifth session met in August 2022 and made unprecedented strides towards bridging remaining gaps, yet delegations, having run out of time, agreed that more time was needed to finalize the agreement. Most recently, the resumed session from 20 February to 3rd March 2023. As just mentioned, a major milestone has been reached during this resumed fifth session. On 4th March, 2023, Saturday, after two weeks of intensive negotiations, including negotiations of more than 36 hours straight on the final day, delegations concluded the elaboration of and agreed on the text of the draft BBNJ Agreement. As announced by the president of the conference, Mrs. Rena Lee, at the closing plenary, a ship has finally reached the shore.

4.175. In line with the mandate of the conference pursuant to GA resolution 72/249, this draft agreement addresses a package of issues, namely the conservation and sustainable use of ABNJ. In particular, together and as a whole, marine genetic resources, it included questions on the sharing of benefits, measures such as area-based management tools, including marine protected areas, environmental impact assessments, as well as capacity building and the transfer of marine technology. In addition, a number of crosscutting issues are also addressed.

4.176. Given the time limit, I will highlight some aspects of the draft agreement which might be of interest to this Committee, noting that this is not intended to be a comprehensive introduction to the whole agreement or any part of it.

4.177. The GA resolution 72/249 recognizes that the work and results of the conference should be fully consistent with the provisions of UNCLOS. It also recognizes that the process and its results should not undermine existing relevant legal instruments and frameworks and relevant global,

regional and sectoral bodies, or relevant IFBs as they are referred to in the negotiations. The draft agreement includes general provisions to that effect.

4.178. Also, among its general provisions, the draft agreement a suite of 14 general principles and approaches, including the principles of the common heritage of humankind and the freedom of marine scientific research, together with other freedoms of the high seas.

4.179. The draft agreement also provides that parties should cooperate including through strengthening and cooperation with and among relevant IFBs. It also provides that parties should endeavour to promote appropriate objectives of the agreement in decision-making under other relevant IFBs.

4.180. The draft agreement provides for a notifications system on activities with respect to marine genetic resources of areas beyond national jurisdiction and digital sequence information, or DSI, on such resources. It also provides for obligations to share monetary and non-monetary benefits arising from this activity. Non-monetary benefits are to be shared in the form of access to samples and DSI, open access to scientific data, capacity building, and transfer of marine technology, increased technical and scientific cooperation, etc. Monetary benefits will be shared through payments to a special fund, which is established as part of the funding mechanism of the agreement to fund capacity building for developing state parties and to assist them to implement the agreement. In this regard, the draft agreement includes a commitment by developed state parties to provide an additional 50% of their assessed annual contribution for such payments.

4.181. Until the future Conference of the Parties to the agreement decides on other modalities, it is worth noting that this part includes a provision to carve out, from the scope of its application, fishing and fishing-related activities, as well as fish as other living marine resources, known to have been taken in such activities from ABNJ, except where they are regulated as utilization under this part.

4.182. As to area-based management tools, including marine protected areas, the draft agreement includes provisions on proposals by parties on the establishment of such measures, as well as processes for publicity, preliminary review, consultations on, and assessment of such proposals. It provides that the COP should take decisions under the establishment of such measures and as a general rule by consensus. But such decisions can also be taken by a three-fourths majority vote after a two-thirds majority vote deciding that every effort to reach consensus has been exhausted. This part of the agreement also includes provisions on the decision by the COP to adopt emergency measures and that ABMTs established under this part should not include any areas within national jurisdiction and should not be relied upon as a basis for asserting or denying claims in related disputes.

4.183. The draft agreement requires environmental impact assessments for activities to be carried out in areas beyond national jurisdiction. The decision on whether planned activities are allowed to proceed will be taken by the party that has jurisdiction or control over that activity. Parties also have the obligation to monitor and report on the impact of any activities in areas beyond national jurisdiction which they permit or engage in. At the same time, the draft agreement provides for a so called call-in mechanism to allow other parties to reflect their concerns to an authorized activity with the party that authorized it, and with the scientific and technical body established under the agreement, which may make recommendations. Furthermore, the draft agreement also includes provisions on the conduct of structured environment assessments.

4.184. The draft agreement requires parties to cooperate in capacity building and the development and transfer of marine technology, or CB and TMT. It provides for the modalities for such activities, including that parties shall provide, within their capabilities, resources to support capacity building and transfer of marine technology. CB and TMT should be a country-driven, transparent, respective, and iterative process that is participatory, crosscutting, and gender-responsive. It also includes an indicative and non-exhaustive list of types of CB and TMT which should be reviewed, assessed, and further developed by the COP periodically as necessary.

4.185. In relation to institutional arrangements, the draft agreement establishes a Conference of the Parties, a scientific and technical body, and other specialized subsidiary bodies of the COP. It also establishes a secretariat, the seat of which will be decided by the COP at its first meeting, as well as a clear in-house mechanism to be managed by the secretariat.

4.186. The draft agreement establishes the funding mechanism which includes a voluntary trust fund established by the COP to facilitate participation of representatives from developing states' parties in the meetings under the agreement, a special fund that I mentioned earlier and the Global Environment Facility Trust Fund. It was also great that the COP may consider the possibility to establish additional funds to finance rehabilitation and ecological restoration, and that financial resources mobilized in support of the implementation of the agreement may include funding provided through public and private sources. Furthermore, recognizing the urgency to address the conservation and sustainable use of BBNJ, the COP should determine an initial resource mobilization goal through to 2030 for the special fund from other sources. Other provisions which I will not go into detail can be found in the parts listed on this slide.

4.187. So, what's next? On 4th of March, the conference decided to establish an open-ended informal working group tasked with ensuring the uniformity of terminology throughout the draft text of the agreement and harmonizing the versions in the six official languages of the UN, with an agreement that there will be no real opening of discussions of substance in the informal working group. The conference also decided to resume the sixth session on dates to be determined in order to formally adopt the agreement in all six official languages. This concludes my presentation. Thank you for your attention and I'm happy to answer any questions.

5 TRANSPARENCY OF ENVIRONMENT-RELATED TRADE MEASURES – CTE WORK PROGRAMME ITEM 4

5.1 Presentation by the WTO Secretariat on the WTO Environmental Database (EDB)

5.1. The WTO Secretariat delivered the following statement:

5.2. As you know, in October 2022, we did present the EDB 2021 data at the CTE meeting and the point of today's presentation is to focus on the WTO EDB Report for 2021, which has been circulated in document [WT/CTE/EDB/21](#), with a topic-specific focus on biodiversity which of course has been covered in much greater detail this afternoon.

5.3. A couple of points before I dive into my presentation. First, to acknowledge that Members provided very valuable feedback, including at the October CTE meeting itself, specifically Paraguay on agricultural subsidies because that of course was also the focus of today's presentation from the distinguished delegate of Paraguay. Based on this feedback, in fact, we have cleaned up some of our data, specifically the section on notifications pursuant to the agricultural entries in the EDB. Thank you to Paraguay for pointing that out and of course we will continue to work together with them and other delegations.

5.4. The second point that I wished to make as well is that since the October meeting, the WTO Secretariat has received further feedback, for example on SPS notifications and entries and we have met with Members both individually and as a group as well. We met a group of Members that we have called "Friends of the EDB" who have made many constructive suggestions and would like to work with the Secretariat to further improve the EDB and make it even more useful for the membership. This interest in the EDB is most welcome.

5.5. I should also report that WTO Members who have been interested in the EDB, more specifically the Friends of EDB, will be reverting to us with a list of issues and improvements that they are trying to seek in the EDB in the coming days and weeks. We, of course, will consult with them and other Members regarding this list and evaluate what can be done, perhaps most importantly in the shorter term, so called "quick wins", e.g. including information on outlays on subsidies, which is something that has been raised, or dealing with the implementation period and showing that more prominently in the dataset. Also, within existing resources, other items that may be longer term and which may require more discussion, time or even more resources to do, will be taken up item by item, e.g. how we should deal with TPR information – should we look at questions on TPRs, should we look at questions on agriculture and so on and so forth.

5.6. WTO Members are always welcome to come forward to the Secretariat if they see any errors or omissions on our part, because of course nothing is perfect, including the EDB, and we would be open to that.

5.7. With that I will turn to my presentation. This slide is quite familiar to all of you in this room as it is not the first time that I am presenting something like this. Of course, many Members came back to me to say that often they have not looked beyond this as far as the EDB is concerned – they only look at the headline numbers and that is what they take out of the EDB. But, of course, the EDB is much more than that, it has 20 plus years' of data – the data from 2009 onwards is now online. It has information from the notifications under WTO agreements, TPRs of Members and of course the most recent update is the EDB 2021 data.

5.8. The headline numbers are essentially a record of the EDB: in the EDB as of today, we have almost 16,854 records, some of them are over the years so you can have entries which have been made in 2009 and similar entries also made in 2021. But that if you download the whole dataset, you will get 16,854 records. Also, similarly, we have information from the TPRs and that is also a rich form of information. I should also say that the headline numbers probably take away from what the EDB really is purported to be. The qualitative nature of the data, the granular form of the data, is perhaps more illustrative. We saw a very good illustration of that this morning in the Paraguay presentation where they just looked at 25 notifications from 2022 and were able to draw out many inferences and lessons or best practices from that.

5.9. As mentioned, I am presenting the EDB Report 2021, which was circulated in document [WT/CTE/EDB/21](#). The structure of this report is familiar to many of you because a similar structure has been followed in previous years – Section 1 is on notifications and Section 2 on TPRs – and since 2019 there is also a topic-specific section, in which we have covered topics such as climate change and sustainable fisheries. This year, we have looked at biodiversity so that is the focus of this year's report, given of course developments outside the WTO also on the topic of biodiversity.

5.10. I do not wish to go into Sections 1 and 2 in great detail simply because we covered this at the CTE in October 2022. I want to mainly focus on Section 3 today, which is biodiversity. However, I wanted to make one point – when you look at the headline numbers and the data itself, we are not trying to present any narrative or any issue here, what we are presenting essentially is what we are being mandated to do and what are we finding in the data.

5.11. So what is interesting is that you have ups and downs in the data. One year, you may have the number of measures going up, the next year it may go down, and this little secret I might share with you is that this often matches the subsidy notifications, which is once every two years. So in the years when we have the subsidy notifications being presented to the SCM Committee, we often see a spike in numbers. The year 2021 was one such year, where from just 15 notifications on subsidies we had almost 800 subsidy measures that were environment-related. Next year, I suspect that the numbers will go down because the subsidy notifications will not be as many as this year. So just to say that each notification has one or more measure, if it is SPS or TBT, then one notification is one measure; if it is Agriculture, we may have multiple measures even under environmental programmes. This is chart 1.3 in the report.

5.12. Focusing on the topic-specific analysis, which is biodiversity, we have been trying to share with Members how this data can be used and I think Members have already drawn on this and looked at data on agriculture and other sectors. What we have done for this report was look at biodiversity and we have done so in two different ways – one of them is to look at Annex 3 of the EDB Report, you have a list of the harmonized categories of environment-related objectives, types of sectors and types of measures. So for environment-related objectives, there are 25 in all and of these we have looked at four of them, which we considered to be biodiversity-related and drawn data from those for the notifications. In addition to that, for the TPRs section of the topic-specific analysis, we have done some free text searches or we have used keywords, which are in Annex 1 of the EDB Report.

5.13. You can see that in aggregate numbers we are measuring stocks not flows, so we can see that it is up and down. But in the dataset that we have in the EDB, which is made up of your notifications, we have almost 4,000 biodiversity measures in the dataset.

5.14. Looking at our methodology more carefully, these are the four environment-related objectives that we have looked at for the purpose of this analysis. We can of course look at other things like fisheries and forestry etc., we were debated among ourselves what we should and should not include, and we chose to look at animal protection, biodiversity and ecosystem, natural resource conservation and plant protection, which are four harmonized categories listed in Annex 3 of the EDB Report.

5.15. Even one measure can actually have multiple harmonized objectives. So a measure pursuant to CITES, for example, could be pursuant to plant protection *and* animal protection and biodiversity even. That is why you can see that, for 2021, we have identified 422 measures. Each measure may have more than one "tag" to it as far as objectives are concerned.

5.16. Moving from the objectives to the Members – 114 Members have notified since 2009 from all levels of development. About 40% of the notified measures as far as biodiversity is concerned come from developing or least developed countries.

5.17. What we have found, not surprisingly, for those of you who have tracked and looked at the granularity of the data itself, is that most of our measures are either regulatory or they are support measures, so technical regulations or grants and non-monetary support and loans and financing appear in the top 10, but you also have regulatory measures including technical regulations, conformity assessment procedures, export and import licencing and so on.

5.18. Moving from the notifications to TPRs, again, a very rich source of information. We have been hearing in other groups that, in addition to the TPR Government and Secretariat reports, there is a lot of information in the questions that Members pose, as well as in the Committee on Agriculture, but here we are focusing on the TPR Government and Secretariat reports. There have been 215 reports up to the end of 2021; every year there are about 15-20 TPRs, so therefore about twice that when counting both Government and Secretariat reports, i.e. 30-40 reports that we looked through. We have about 1,060 TPR entries that are biodiversity-related.

5.19. Giving some specific examples of EDB data to see what biodiversity-related data there is. For instance, we have a TBT notification from Chile establishing emissions standards for light pollution with regards to street lighting in order to protect and control artificial light and protect the quality of the night sky and biodiversity. Notifications come from all continents and all levels of development. Burundi, for example, notified certain customs valuation measures for endangered species of wild flora and fauna, pursuant to CITES. Apart from regulatory measures, we have licencing regimes, quantitative restrictions, which are notified to the Committees on Import Licencing and Market Access, and these relate to furs, ivory, plant protection etc. Plant protection, animal protection, biodiversity and ecosystems and natural resource conservation were the four criteria that we looked at. It could be forestry or fisheries, biodiversity is a very broad topic.

5.20. Moving from regulatory to support measures, we tried to capture a few examples from different continents relating to forestry and wildlife to fisheries... You can see that Thailand filed a subsidy notification to the SCM Committee last year which is essentially about ecological fishery resource management and the ecosystems approach to conserve and restore coastal resources and maintain balance in local, coastal ecosystems.

5.21. In conclusion, the beauty of the EDB is that it has the potential to be used as Members would see fit. I will stop there and see if there are any questions from Members.

5.22. Following this presentation, some delegations had the following reactions.

5.23. The representative of Paraguay delivered the following statement:

5.24. Paraguay is part of the Friends of EDB, so we have some comments. First of all, we are fully aware of the amount of work that goes into keeping such a database. We used it for the paragraph 12 analysis that we did and even for just a few notifications it required a lot of work. What we are worried about is that in our opinion no Member is using the database and taking full advantage of the huge amount of work that is going into this. We have identified some elements that we are already working to solve but I am afraid that the value of the EDB is in the details and, as it is now, no one in the WTO is using it. This may be for various reasons, one of them being, for instance, that the notifications included in the EDB are only from two years ago and this is something that we need to look at for the future – how can we, as Members, look into the mandate of the EDB from 1996 and lift some of the extra work from the Secretariat so that we can have it more updated.

5.25. I may be jumping a few agenda items ahead but this is also relevant for agenda item 6.2 because what we see that the EDB could be useful for is to have a more interesting exchange in the CTE regarding the environment-related measures that Members are notifying. As mentioned, with

data only from two years ago, it is not possible. If we find a way of having it more updated, it could fuel discussions in the experience exchange item of the agenda and maybe lift or change the workload from Members presenting their own measures to other Members being able to comment on all measures notified and not only the ones that are presented in the CTE. That is something that we could look at for the future.

5.26. For the moment, as I mentioned, we are already working with other Members and the Secretariat to see how we can improve the EDB. I think that what it included in the headlines could lead to misleading interpretations – 16,854 environment-related measures – and we hear this number used quite a lot not only by Members but also by the Secretariat and this is also used by other stakeholders outside the Members. As we see it, that number could be misleading because it includes measures from all years, so it's an accumulation, and we see that some of those measures are repeated for the 12th, 13th, or 20th time, so it is counted 20 times, not only because they are included in each year's notification but also because some of the measures are notified under two different transparency obligations like our typical example of agricultural measures, which are notified under DS2 and also already under DS1. So the same measure in one year could be included two time and in subsequent years could lead to a lot of repetition. This is not true only for agriculture but also for other measures, for instance, the QR notifications and the import licencing and things like that may lead to duplications and repetitions in the database.

5.27. We have found other issues that could be worrisome in the database that we are already working with the Secretariat to find ways of fixing. For instance, something that is of concern for us is the inclusion of measures that are not considered to have environmental-related objectives by the notifying Members. We still need to find a way forward for this – maybe we can have a period of time for Members to analyse their own measures. We understand that this is going to require more work for smaller delegations but at least we would be assured that notifications and measures that are included are not included despite of the Member notifying. We have some examples of that.

5.28. In general, I wanted to encourage Members to use the database more. Beyond that headline number that we believe is overestimated and could be misleading if not used with the proper caveat, the real value of the EDB is in the details and we can take advantage of this if we manage to update it and make it more useful for our daily job in the CTE. Therefore, there are two major different sets of concerns: the concerns we have found in what is already there, which we are working on with the Secretariat and a few other Members to find possible solutions, and this is open for everyone to comment; and also the way forward, as we think that this Committee should look into the mandate and find ways to take part of the workload from the Secretariat so that we could have at least the substantial part of the EDB, like the new measures notified each year, for a transparency exchange during CTE meetings each year.

5.29. Thank you to the Secretariat and we will continue working with you. We would like to hear other Members' opinions on the mandate and how we can improve the EDB to make it more useful for Members.

5.30. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

5.31. The ACP Group welcomes the report by the WTO Secretariat on environmental measures notified to the various WTO bodies, which fulfils a pivotal role of promoting transparency. This is particularly insightful in terms of the areas that we need to monitor, especially agriculture that accounted for 31.2% of all notified measures, and represents an important sector for many of our economies in terms of exports, jobs and livelihoods.

5.32. We note as well that many ACP Members have raised concerns in other bodies regarding environmental measures and their impact on trade. We also take note of the WTO Secretariat's remark that "a wide array of trade policy instruments" have been used by WTO Members to promote biodiversity, which include among others technical regulations; grants and direct payments; import licenses; bans/prohibitions. Trade can and must foster conservation and promotion of biodiversity as we know that healthy ecosystems can significantly support us in achieving our sustainability goals.

5.33. The representative of Uganda, on behalf of the LDC Group, delivered the following statement:

5.34. The LDC Group also welcomes the Secretariat's presentation on the WTO EDB Report 2021. The document is comprehensive and useful in tracking the notifications and issues raised across WTO bodies concerning environment-related measures affecting trade. We note that some LDCs are counted as having raised concerns and some of our Group also have put in place environment-related measures that apply to everyone both domestic and foreign, for example, on plastics. We hope that tracking these notifications and measures will lead us to better exchange of information to reduce any impact on LDCs.

5.35. The representative of the Philippines delivered the following statement:

5.36. The Philippines thanks the WTO Secretariat for the report on the EDB for 2021 and providing us with a useful snapshot of the entries, either through the various notifications or TPRs, as well as the focus on biodiversity-related measures for 2021.

5.37. Having said that, I note the intervention of Paraguay and I think that it rightly touches on the core issue, which is what is the value added of the EDB. I think that Members should have a conversation on this topic. We would be happy to engage and join the Friends of EDB.

5.38. Just to touch on some of the points that Paraguay mentioned, I think it would be useful to examine whether it is feasible to convert the EDB into a live database so that when notifications come in they can be linked to the EDB and updated. What we also need to have a look at is, in terms of the report that you produce based on the notifications, how to support the Secretariat in doing a bit more analytical work. I think it is an aspect of reform that we are also discussing and we note that as Kenya and Uganda mentioned, they have several measures on plastics, and other Members also have trade-related measures that may not be reflected in notifications related to TBT or SCM. These could be investment-related or changes on applied tariffs that the Secretariat could look at in terms of an "EDB plus" report, as it were. In that respect, we would encourage a conversation among Members to determine a thematic focus where the Secretariat could do a deeper dive in terms of looking at the notifications and the policy landscape. From our perspective, for example, clean technologies would be an interesting space to look at. Members should have that conversation so that we really utilize the EDB and make it more effective.

5.39. The representative of India delivered the following statement:

5.40. India thanks the WTO Secretariat for its work and the detailed presentation on the Environment Database. We would also like to thank the delegation of Paraguay for demystifying the database for the WTO membership.

5.41. This database is an important initiative, which is relied upon globally by academics, researchers and think tanks to study the links between Trade and Environment. Hence, it is important to ensure that this database reflects the correct picture of such measures, provides deduplicated information on measures undertaken by Members and reflects nothing else except Members' own views about their measures.

5.42. In several informal meetings held over the last few months between some Members and the Secretariat, certain issues have been identified with this database, which may be contrary to the principles mentioned above. Specifically, we share some concerns with Paraguay about the headline figure of almost 17,000 environmental measures being enacted. In the light of various issues highlighted to the Secretariat, we will request that this aggregate number is not quoted by the WTO Secretariat until the Member concerns have been resolved in their entirety.

5.43. The representative of Brazil delivered the following statement:

5.44. Brazil wanted to thank the Secretariat for the presentation and the very important work they are doing on maintaining and updating the EDB. I believe that Paraguay has raised some important points for reflection on how we can improve the EDB and make it fit for purpose as an indispensable resource for a fact-based exchange at the CTE and other fora that come up on environment-related discussions. We look forward to continuing our work together with the Secretariat and other interested Members in this regard.

5.45. The representatives of the WTO Secretariat responded:

5.46. Thank you, Paraguay, Kenya, Uganda, Philippines, India, and Brazil, for your very constructive and useful comments and reflections. I also must thank Paraguay, of course, for diving deeper beyond the first page and the headline numbers and demystifying the EDB for the CTE as well because we have been trying, maybe more unsuccessfully over the last several years to do the same. You've done a far better job than I could have. Thank you for that. I think the comments of course are well-taken. Some of them need to be further discussed and looked at. We shall of course be available to our Members, for the Friends of the EDB vehicle which has been talked about, it's an open group and we will be meeting in the coming days and weeks and of course it can be open to all Members.

5.47. There are some specific comments which have come from Philippines, for example, on making the EDB into a more of a live database and basically how this sort of data feed can be made more real time, because I share your frustration that sometimes I'm reporting on 2021 data in 2023 or end 2022. The reason is that we are looking at data year-on-year as our mandate, we are looking at it on an annual basis. We wait for the whole year to finish before we start looking at it. If there are better ways of doing it, artificial intelligence, IT tools, or even Members themselves, if they can tag their notifications, because we are looking at Members information. If they can tag their information and say this is environmentally related or not, at a measure-based level, not just the notifications because, as I discussed with you, agriculture or subsidies have a lot of granular data so a Member may say that this is not an environmentally related notification per-se, an agriculture one, but some programs in that are environment-related. So, we need to think about how it can be done on a live basis because that would of course sort out some of my headaches and I'm sure some of Hoe's headaches as well, because I've been always badgering him for more and more time because we need more time and resources to do this dataset well.

5.48. The real time thing is one thing, and there's the analytical information which Philippines also talked about. This is a start, we are looking at only EDB data here, but I take your point that there's tariffs and investments and other things. Some of that information does come in the TPRs of Members but of course it has a certain periodicity to it as well. It's not perfect but we do capture some of it in the TPRs. I take your point that there's scope for further research and deeper dives looking at topics like plastics or green technology and so on and so forth. We welcome Members' suggestions as to what could be topics of interests to the CTE that we can dive into in future reports of the EDB as well.

5.49. There were of course some very other specific comments specifically from Diego and Paraguay. There are issues of specific points that we can take up individually point-by-point and sort them out. The quick wins, almost as quickly, I have already talked to IT colleagues so we can of course see what is doable as far as IT solutions are concerned. Some things require more time and more resources and more investment, which we looked at. As I just said, to ease our mandate by looking only at some things other than other things, this is an open discussion that perhaps we should take as we go forwards. I thank all of you Members for your interest and support for this exercise. It is generally a lot of work and I am glad it is being used.

5.50. As Director, I will say a few words as I wanted to help Sajal out a bit. Thank you all very much for all your comments and the interest in the EDB, in particularly in improving it. Certainly, in the Secretariat we have been more than willing to improve the EDB and very much would like to. Getting your input on how to do it would be fantastic. I'm glad to know that there is an engaged group of Members who is interested in doing it.

5.51. At the same time, the EDB has had such a long history and of course any database has to evolve over time, but the initial beginnings of the EDB is perhaps rather different from some of the things that you are saying today. That's very much a structural fact that the EDB was not conceived of as a real time alert system of the type that you are talking about. Maybe it should be. I don't know, but that's something for you to discuss and see where you want to go.

5.52. There is however a significant resource implication if this is to be converted into a real time alert system of some sort, feeding into a discussion at the Committee. It would significantly change what the EDB is today, which is more of a repository of information that can be obtained and providing the repository to allow whichever function that people want to make of it, be it from research analysis to deeper dives on the theme. I thought it was important to at least bring to mind the resource consideration that would need to be looked at in order to make this feasible because I would hate for you to have an expectation that we in the Secretariat cannot fulfil. On this point, just

to be very transparent, that when I talk about resources, you are looking at him here on the podium and I would hate Sajal to be the first ever EDB casualty if he were to try to undertake everything: provide a repository of all information and to provide a real time alert system. I would encourage you as you ponder about how to use the EDB and to get more value added to it to also think a bit about what you could possibly help us with. I know, it is not a plea for resources, it is just to put it into consideration.

6 MEMBERS' SUGGESTIONS AND PROPOSALS

6.1 Trade and Environmental Sustainability Structured Discussions (TESSD)

6.1. The representative of Costa Rica, on behalf of the TESSD Co-convenors, provided an update on the TESSD discussions:

6.2. As part of our transparency practice, on behalf of Canada and Costa Rica, as co-convenors of TESSD, I am pleased to convey an outlook of how the Structured Discussions wrapped 2022 as well as the perspectives for 2023 towards MC13.

6.3. In 2022, TESSD held four plenary meetings on 7 February, 31 March and 11 April, 19-20 July and 11 November, as well as two clusters of informal working group meetings on 19-20 July and 4-5 October. To close the year, in December, the co-convenors organized a high level event moderated by the Director of the Trade and Environment Division, Mr. Aik Hoe Lim, with the participation of the WTO Director-General, Dr. Ngozi Okonjo-Iweala, Deputy Secretary General of UNCTAD, Mr. Pedro Moreno, and the Executive Director of ITC, Ms. Pamela Coke-Hamilton as well as a distinguished panel of Ambassadors representing New Zealand, Chile, the Gambia, and Norway.

6.4. This event served as a stocktaking exercise to review the progress made in 2022 in the four technical working groups, and summed up as follows:

6.5. For trade-related climate measures (TrCMs), the priorities for discussion highlighted the importance of international cooperation on TRCMs, including regarding design and implementation. Also the discussion of the trade aspects of different types of measures, including carbon pricing, carbon standards and other non-price measures, as well as approaches to address carbon leakage, including border carbon adjustments. The need to discuss challenges and impacts faced by MSMEs and developing countries, including ways to enhance cooperation on TRCM in a manner consistent with the respective needs and concerns of Members at different levels of economic development, as well as related technical assistance and capacity building needs were also underlined.

6.6. More specific elements of interest mentioned by individual Members or groups of Members included: definitions and principles for TRCMs, their compatibility with WTO rules and principles, their compatibility with MEAs, best practices regarding design and implementation of TRCMs, the comparability and compatibility of carbon pricing and non-pricing measures, methodologies for the measurement of embedded emissions of traded goods, trade facilitation concerning technology and innovation, and the importance of considering different national circumstances relating to carbon pricing.

6.7. Based on overall interests manifested by Members, the group will focus on 2023 in, among others, a review of carbon measurement standards and measures intended to lead to a reduction in carbon emissions at the sectoral level; and the exchange of views on the development and the implementation process of TrCMs, including on the trade considerations involved in their design and possible ways to enhance transparency.

6.8. On environmental goods and services (EGS), it was broadly agreed that discussions on environmental goods and services should have a broad scope. There is interest to discuss non-tariff measures, regulatory cooperation, good regulatory practices, technology transfer, capacity building, biotrade, bottlenecks to the deployment of new technologies throughout the supply chain, and to take into account the entire lifecycle for the determination of environmental goods.

6.9. Regarding possible priorities or outcomes going forward, the views are varied, ranging from interest in further building a common understanding of the challenges hindering the dissemination of EGS, to interest in designing a framework for negotiations in view of a specific environmental

objective or challenge. The discussions, additionally, should include considerations of challenges for developing countries, including the importance of capacity building, aid for trade, and facilitating trade and investment in technologically advanced products was recognized.

6.10. Moreover, Members broadly agreed to continue with an objective based approach focusing on climate adaptation and mitigation as the first objective, and renewable energy as the first sector to be covered under this objective. We will also discuss the sector-specific issues involved in the promotion and facilitation of trade in EGS, including supply chain, non-tariff measures, technical and regulatory elements, among others.

6.11. In circular economy – circularity, throughout the year, Members expressed interest in a number of trade-related aspects of the circular economy such as: trade facilitation for goods and technologies that could contribute to the circular economy, including for reverse-supply chains; trade-related aspects of a climate aligned circular economy; value-retention processes such as remanufacturing, refurbishment, repair, and reuse, and linkages with circular design; interplay between trade and waste rules, including exploring the possibility of fast-track procedures for shipments of used materials to facilities for high quality recycling; opportunities and challenges related to technical regulations and standards to promote the circular economy; and the lack of data on circular economy related trade flows and internationally accepted definitions.

6.12. Members also underlined the importance of considering the interests of developing countries and LDCs in the discussions, including technical assistance capacity building needs and challenges related to waste management. Interest was expressed to discuss circular economy and the bioeconomy, means to enhance technology and investments into circularity, the promotion of technology transfer and innovation for the circular use of material flows and the extension of material lifetimes; tools to incentivize greater resource efficiency; as well as opportunities for circular economy and value chain integration.

6.13. Regarding the scope of the discussions, Members indicated different priorities in terms of specific segments and issues along the lifecycle. At the same time, it was broadly recognized that discussions should cover the entire lifecycle from upstream processes such as design through the end-of-life and waste disposal.

6.14. In terms of future work, Members broadly welcomed the suggestion of an initial mapping exercise to build a broader understanding of the trade aspects of the circular economy which are relevant to each part of the lifecycle, and help Members identify priority areas for future work. Also to expand on the discussion of trade issues associated with specific sectors such as renewable energy and electronics along the full life cycle of products.

6.15. Finally, on subsidies, throughout the year, Members displayed a broad scope of interests for discussions in this group, including agricultural subsidies, fossil fuel subsidies, industrial subsidies, and green subsidies. Some Members noted the high rate of emissions from the agricultural sector and the impact of subsidies on greenhouse gas emissions could warrant further discussion. Similarly, fossil fuel subsidies and industrial subsidies were also noted by some Members as potential topics of discussion due to high emissions from these sectors.

6.16. A number of Members expressed interest in continuing to discuss the environmental effects of agricultural subsidies highlighting the contribution of reducing agricultural subsidies on carbon emissions, as well as the links between agricultural support and environmental impacts such as deforestation, biodiversity degradation, or overconsumption of water which could be relevant elements to discuss in TESSD.

6.17. Regarding fossil fuel subsidies, the importance of phasing out inefficient subsidies that encouraged wasteful consumption was recognized by a range of Members. Several Members noted that the work of TESSD on subsidies could offer guidance for the reform of fossil fuel subsidies and for improving transparency and identifying information gaps, in complement to the ongoing FFSR statement initiative and build understanding in TESSD on the scale and impacts of fossil fuel subsidies.

6.18. Several Members also encouraged the inclusion of industrial subsidies in the discussion. It was noted that emissions from metal industries alone accounted for 10% of global greenhouse gas

emissions, and that industrial subsidies that led to overcapacity had a large effect on trade and the environment, particularly in emissions-intensive sectors such as steel.

6.19. It was also suggested that discussions could cover "green" or environmentally positive subsidies in order to contribute to the transition towards sustainable production processes and energy sources. Discussions on this topic could build experience within the WTO on the trade impacts of environmentally positive subsidies to complement the existing knowledge on trade impacts of subsidies.

6.20. Regarding possible future work, the importance of transparency and availability of quality data was underlined as a priority. Avenues for future work could also include exploring the disclosure of planned measures, as well as obtaining data from relevant international organizations to build a common evidence-based understanding. There was support for focusing discussions on the environmental effects of agricultural subsidies as well as subsidies related to the transition to a low carbon economy. There is also interest in sharing experiences on subsidy design, including how to design green subsidies while minimizing trade distortions. It was suggested that having a broad scope in terms of subsidy discussions could also provide opportunities to enhance transparency and share experiences to explore effective means to improve design or to rationalize, gradually phase out or abolish subsidies, where relevant, based on national circumstances.

6.21. The Structured Discussions will resume the technical work as of tomorrow with the working groups meeting on Thursday and Friday of this week in Rooms D and S1, respectively. As you can see, we are focused on delivering targeted and concrete elements for the Ministerial Conference in Abu Dhabi.

6.22. Ours is a Member-driven process. We welcome the participation of Members in these discussions and will continue cheering for new co-sponsors to join this process, to collectively build and engineer an agenda that reflects the interests and needs of all its Members. The dates for this year's meetings is available in document [INF/TE/SSD/W/22/Rev.1](#), for everyone's access.

6.23. To conclude, I take this opportunity to thank the Swedish Mission for hosting a Swedish Fika tomorrow from 9-10am outside Room D as a preamble to our two days of substance-filled meetings, and invite all participants to attend.

6.24. Following this presentation, some delegations had the following reactions.

6.25. The representative of the United Kingdom delivered the following statement:

6.26. The TESSD meetings are some of the most interesting for capital-based colleagues to come to Geneva and participate in. The UK would like to thank the TESSD coordinators and working group facilitators for convening, organizing and helping drive forward pioneering discussions on trade and environmental sustainability. The UK has been an active contributor to these discussions – we believe that through open, honest and rigorous engagement on these issues, including at a technical level, we can improve our collective understanding of the barriers to more sustainable trade, as well as the potential solutions.

6.27. We would like to draw Members' attention to a short non-paper that the United Kingdom has tabled at the TESSD, as well as a presentation that we intend to deliver at Friday's working group session on EGS. This non-paper contains a summary of some analytical work that the UK has undertaken, with some ideas on how the TESSD working group on EGS can be organized to help build our shared evidence base, based on agreed environmental objectives.

6.28. Through our analysis of publicly available information, we have compiled value chain diagrams of key renewable energy technologies, starting with solar energy. We believe these diagrams will help us better understand: which goods will be most important to help us achieve environmental objectives and what services enable them; what barriers are limiting trade in these goods; and what steps can be taken to alleviate these barriers.

6.29. These diagrams may also help us better understand the links between goods and services, to identify relevant standards, and consider ways that developing countries can participate more fully in these value chains.

6.30. We will circulate a technical paper soon after the TESSD meeting, which outlines these concepts in more detail, alongside annotated diagrams to help unpick some of the issues mentioned above. We invite delegates to share these papers with relevant experts in capitals, including climate experts, industrial policymakers, trade officials and stakeholders. We would also welcome any Member who wishes to discuss these ideas in greater depth. Please do reach out.

6.31. The representative of China delivered the following statement:

6.32. China appreciates the efforts of the co-conveners and co-facilitators to lead the evidence-based discussions in TESSD. We welcome the progress made so far. We commend the high-level event held last year and the work plan for this year.

6.33. Here in this room, Members all agree that the WTO is an indispensable part of the global solution to environment and climate change challenges. The question is how? At least we can do two things here. One is to liberalize and facilitate trade to spread low-carbon goods, services and technology; the other is to well utilize the WTO monitoring and deliberative function as well as dispute settlement mechanism to ensure measures taken for the purpose of environment protection will not be used as an excuse for unilateralism, protectionism and trade discrimination.

6.34. TESSD is making contributions from both of the two perspectives. We see valuable discussions in the four technical working groups and note with pleasure that some of the issues discussed under TESSD have been brought to multilateral levels, such as the standard issue. By the way, we welcome the Trade Forum for Decarbonization Standards and believe here in the WTO we can strengthen cooperation and coordination among Members in terms of the harmonization and mutual recognition of standards.

6.35. China looks forward to this year's more structured, focused and sector-specific discussions and hopes TESSD can continue its contribution to the multilateral discussions. Our capital colleagues will participate in the TESSD meeting in person for the next two days and two Chinese companies will make presentations respectively in the working groups of EGS and circular economy.

6.36. The representative of the Russian Federation delivered the following statement:

6.37. Russia remains of the view that TESSD can be a valuable tool for shaping possible pathways through which the WTO can contribute to preserving the environment and tackling climate change. But there are several conditions to be fulfilled if we want to achieve success here.

6.38. There is a variety of available tools applied by Members to achieve the common goal of combatting climate change, while neither distorting trade nor forcing others to take on approaches that are inappropriate due to their geographic and economic factors. Take liberalization of environmental goods or services as an example. From our perspective, the TESSD should focus on how to supplement the list of such "trade-friendly", but not "trade-restricting", elements of the environment-related agenda. Continued sharing of views and experiences is an important part of this work.

6.39. This leads me to my second point. If these discussions truly aim to "explore opportunities and possible approaches for promoting and facilitating environmentally sustainable trade in an inclusive and transparent way", as declared by the Ministerial Statement on TESSD from December 2021, there is no place for a selective attitude to the participants of the TESSD.

6.40. We thank coordinators for the provided update on the TESSD discussions. But unfortunately, such information sharing is not enough to remedy the absence of transparency and inclusiveness my delegation is facing in respect to the TESSD.

6.41. Studying the published presentations or the formal reports of the informal consultations cannot provide a co-sponsor, whose participation has been limited, a complete understanding of the content of the informal meetings.

6.42. Trying to solve this problem, the Russian Federation submitted written questions to the TESSD facilitators regarding substantive elements of the informal meeting that took place on 4-5 October

2022. As of now, we have not received the answers to those questions however, which illustrates the lack of transparency I have described.

6.43. Despite the attempts of coordinators to somehow improve the situation, this gesture is insufficient and makes discussions pointless, because it does not allow all interested Members to be involved in the discussions. We hope Members will abstain from such practice this year. For its part, Russia is ready to engage in the TESSD constructively.

6.44. The representative of Chile delivered the following statement:

6.45. Chile thanks the TESSD coordinators for their report on the work being done in the framework of these structured discussions. In this regard, we would like to indicate that the work undertaken have been very useful for exchanging experiences on very diverse and important subjects.

6.46. We believe that we have made progress under the informal working groups, advancing the Work Plan that informs this structured debate. Given that this Committee has a defined role in trade and environment, we find it extremely valuable to report on the collaborative work that has been taking place in this initiative – an initiative that Chile has always participated in and will continue to contribute to.

6.47. The representative of Japan delivered the following statement:

6.48. Japan highly appreciates that the TESSD work has made much progress since the adoption of the TESSD Ministerial Statement in December 2021. As a co-host country of the Circular Economy WG together with Chile, we hope to be able to produce concrete results by MC13.

6.49. With regard to subsidies, Japan has repeatedly emphasized its interest in the industrial sector, which is a major source of greenhouse gas emissions. Industrial subsidies that lead to overcapacity can have significant trade and environmental impacts, especially in sectors with high carbon emissions such as steel and aluminium. In this respect, we consider it important to ask how industrial subsidies can maximize positive environmental impacts and by doing so it would be one possible idea to consider not only the negative impacts of industrial subsidies but also the positive impacts.

6.50. Also, as previously mentioned, it is important to respect the approach of each Member country, given that the environmental impacts of agricultural subsidies vary according to natural conditions or environmental requirements for provision of subsidies.

6.51. While we agree that transparency and access to data should be improved, we should be wary of a one-size-fits-all approach that simply categorizes the environmental impact of subsidies by determining a "good subsidy" or "bad subsidy" type.

6.52. The representative of Korea delivered the following statement:

6.53. We would like to thank Costa Rica for providing an update on the TESSD discussions. We welcome that we will be focusing on main relevant topics at the working groups this year after extensive discussions on various issues in 2022. We expect to reach compromise on the main issues which would contribute to meaningful outcomes for MC13.

6.54. On TrCMs, we would like to hear more on each Members' trade-related climate measures and reflect upon the views of other Members on those measures. This exercise will help us extract best practices and benchmarks, which could later be shared at the CTE to be proliferated among all Members.

6.55. As for discussions on the liberalization of environmental goods and services (EGS), we believe this could be a topic which can effectively contribute to strengthening the nexus between trade and the environment. As a rules-based trade organization, we could begin to build up a basis for negotiations on a trade agreement on EGS. When sufficient momentum is generated in the working group, we could bring the discussions to the CTE to be reviewed by all Members.

6.56. The representative of Australia delivered the following statement:

6.57. Let me first welcome the report from Costa Rica on behalf of the TESSD coordinators, Canada and Costa Rica. TESSD is an incredibly important forum at the WTO for interested Members to progress discussions on key issues related to trade and environment. We welcome the work of the coordinators and facilitators in each workstream and we are extremely happy with the progress that has been made in the discussions so far. We encourage the coordinators to look towards the MC13 and beyond, for tangible contributions that TESSD can make as we progress the discussions. We would also encourage all Members that are not yet part of TESSD to join the discussion and encourage your engagement, whether or not, you are co-sponsors.

6.58. On the direction of TESSD work, we look forward to seeing how Members can come together to develop shared understanding through the discussions. We would like to see how far we can take the discussions. We would certainly welcome effort to establish at a minimum best practice guidelines in a variety of areas across the workstream discussions. We particularly welcome the discussions so far on climate-related trade measures, as we look forward towards sharing and building mutual understandings on how Members can best adopt climate-related trade measures.

6.59. We welcome the ongoing discussions on environmental goods and services, promotion of key goods, services and technologies, facilitation technology transfer or ensuring that goods and services are available to all Members, this is an important part of our transition towards net zero. And of course, workstream on subsidies, is in particular interest to us, we know the cost of harmful agricultural support which has been a theme of the discussions today, whether it has been the lack of transparency in certain subsidies, to the nature of the reform of agricultural subsidies to reach targets set by other fora, including CBD Target 18. We do know that there are over USD 800 billion worth of agricultural support per year and 87% of that, according to United Nations Environment Programme and FAO, are harmful to the environment, human health or are trade distorting. It is a must, we address this, if we are to achieve our goals of the net zero transition. So, we would welcome of course continued discussions on subsidies.

6.60. Once again, Australia thanks the coordinators for their update and encourage all Members to continue to participate in the discussions.

6.61. The representative of Switzerland delivered the following statement:

6.62. Switzerland warmly thanks Costa Rica for its update. Switzerland is an active Member of the TESSD initiative and strongly believes that TESSD complements and strengthens the work of this Committee. Indeed, there have been high quality discussions between Members and stakeholders that provide a better understanding of the issues and how trade should and can contribute to the solution. We are ready to engage constructively for the next Ministerial Conference and to have concrete results. We strongly encourage all Members to join this initiative.

6.2 Discussion on possible CTE and environment-related outcomes at the WTO 13th Ministerial Conference (MC13)

6.2.1 China's proposal on dedicated multilateral discussions on the trade aspects and implications of certain environmental measures

6.63. The representative of China delivered the following statement:

6.64. China would like to take this opportunity to present China's Proposal for Dedicated Multilateral Discussions on the Trade Aspects and Implications of Certain Environmental Measures, the main idea of which is reflected in document [WT/CTE/W/251](#).

6.65. The idea of setting up such dedicated multilateral discussions emerged as we witness the rise of trade policies as a tool to implement environmental objectives. The trade aspects of certain environmental measures have given rise to controversies. Some of these measures were subject to the WTO dispute settlement mechanism, while others were the usual subjects of relevant WTO Committee meetings and trade policy reviews.

6.66. The WTO is an important forum for trade policy deliberations, the basis of which are the WTO rules. Trade policies designed to achieve environmental objectives should be consistent with the fundamental principles and basic rules of the WTO, strike a balance between environmental

considerations and trade considerations, and do not constitute protectionist measures or green trade barriers.

6.67. Paragraph 14 of the MC12 Outcome Document notes, among others, "the role of the CTE as a standing forum dedicated to dialogue among Members on the relationship between trade measures and environmental measures". WTO Members looked forward to further strengthening the role of the CTE. India, the European Union and Columbia, respectively, have put forward proposals in this regard. At the CTE meeting last October, many Members made statements that advocated strengthening the functions of the CTE.

6.68. Confronting the challenges of our times, the WTO should play a greater role in promoting environmental sustainability through trade policies, fostering multilateral deliberations and preventing trade frictions. A constructive dedicated multilateral discussion is the first step towards advancing multilateral cooperation.

6.69. In this context, China proposes to use the CTE as a platform for multilateral dedicated discussions on the trade aspects and implications of certain environmental measures.

6.70. The subject of the proposed multilateral dedicated discussions should be the trade aspects of environmental measures which have wide ramifications, are of high interest and concerns to Members and may have significant impact on trade. There are many examples, such as those raised regularly at the committee meetings of the WTO.

6.71. In contrast to, and in addition to, the discussions in regular committee meetings, engagement in the proposed dedicated multilateral discussions should facilitate deep, detailed and constructive exchange of views, instead of simple information sharing or general exchange of positions.

6.72. As part of the multilateral dedicated discussions, the Member implementing the measure may submit a written report regarding policy objectives and ways of implementation and make a presentation. Members affected by the measure could submit written comments and suggestions. Ensuing discussions could be held around specific aspects of the relevant measures, including the following elements:

- i. the domestic legal basis and international legal basis of the relevant measures
- ii. the means of implementation of the relevant measures, including the major steps of administrative procedures, applicable standards and certification requirements, information reporting requirements, and compliance requirements
- iii. the nexus between the relevant measures and the intended environmental objectives
- iv. the potential impact of the relevant measures on international trade
- v. the consistency of the relevant measures with the WTO rules
- vi. the inclusiveness of the relevant measures, including how to take into account different regulatory approaches of different Members, and, last but not least
- vii. how to reduce the adverse impact on trade of developing Members

6.73. Such deep, detailed and constructive dedicated multilateral discussions are intended to enhance mutual understanding and uncover potential issue of the measures; to enhance inclusiveness; and to enhance coherence and the harmonization of trade and environmental goals.

6.74. We take note of the proposals of other Members to start multilateral discussions. And we note that the EU has proposed to hold a dedicated session during environmental week in June on CBAM. We appreciate the voluntary information sharing by the EU. It is opportune to take the EU's initiative and other Members' proposal one step further.

6.75. China would like to suggest that a pilot multilateral dedicated discussion be held on the CBAM in the June CTE week. According to previous records of discussions at the WTO, the Carbon Border

Adjustment Mechanism and its acronym CBAM appeared 58 times in the minutes of the October 2022 CTE meeting. CBAM is mentioned in the communication submitted by India to the CTE and the proposal submitted by the EU to the General Council. This demonstrated a high level of interest among Members.

6.76. By June, the CBAM legislation is expected to be enacted. We expect that the EU could include elements in its dedicated session, for example, the international legal basis of the CBAM, the practical contribution of the CBAM to its intended environmental objectives, the potential impact of the implementation of the CBAM on international trade, procedural and technical aspects of the implementation of the CBAM, the consistency of the CBAM with WTO rules, whether the CBAM can be implemented in a more inclusive and non-discriminatory manner, and whether the CBAM can be implemented in a manner consistent with the basic principles and rules of the UNFCCC.

6.77. We expect the session to be an interactive one, one that is informed, one that provides opportunities for useful information and for meaningful exchanges of views, one that is conducted in a truly constructive manner. To facilitate such discussions, China is willing to provide further written submissions, and work with interested Members to organize and contribute to such discussions.

6.78. Following this presentation, one delegation had the following reaction.

6.79. The representative of the European Union delivered the following statement:

6.80. Apologies for taking the floor again. The EU of course welcomes China's paper as a constructive one for these discussions. We are still analysing the proposals.

6.81. In the proposals that we heard today we were invited to submit ourselves to scrutiny by WTO Members, and I think we have been doing that for two and a half years. We have been presenting our measures in detail, we have been responding to questions and we have had experts here in this room three times on the proposal that has not been yet adopted. So we are going to present the proposal that we now have a political agreement on, we will have the legal text in May and we are going to have the information sessions where every single WTO Member can ask any technical question on implementation of the regulation. I would like to remind that CBAM is designed in a matter that is compatible with WTO rules because the EU is respecting its international commitments to the WTO and to the UNFCCC and the Paris Agreement.

6.82. I would also like to caution turning the CTE into an informal dispute settlement body as suggested by China's proposal.

6.2.2 Presentation by Colombia on "The principles and Parameters that should guide and support policies and measures on Trade and the Environment"

6.83. The representative of Colombia delivered the following statement:

6.84. I do not wish to repeat what is already in the document, but I will just say that, in the document, we underscore the need for greater participation by developing countries in the proceedings of this Committee, as well as in other discussions which are conducted in this organization. The document provides a holistic description of the discussions, where you have principles and general parameters in order to address trade and environment issues and also number of important principles are addressed.

6.85. From Colombia's perspective, some of these principles can include, among others, the principle of international cooperation, the principle of responsibilities and the principle of non-discrimination among many others. The question that Colombia would have for other Members, which is also spelled out in the document, is how should these principles, environmental principles and international trade principles, be reflected in the designing of measures that are related to the environment. In the same document, Members of the Committee are invited to attend the informal special session in order to discuss these principles and to establish a specific action plan that will be realistic, in order to advance the discussion and implementation of these concepts. A lot of these principles arise from international treaties such as the Rio Convention, all of us are signatory to that.

From our delegation we hope an agreement can be reached and this will allow for further dialogue on the relevant subjects.

6.86. Following this presentation, some delegations had the following reactions.

6.87. The representative of Türkiye delivered the following statement:

6.88. We would like to thank Colombia for tabling this proposal to the agenda, the document is under consideration in Ankara, but we can share with the Committee that at the initial stands, we believe that the document serves to open a much needed discussion on issue of principles and parameters. This has been an area where Türkiye has also emphasized consistently in our discussions in relation of trade and environmental measures, from the very beginning we have also underlined that as the trade-related environmental measures or environment-related trade measures are hybrid in nature, they must borrow the principles from international trade and environmental law, which are both driving their resources from international law.

6.89. It is important that we agree around the principles and parameters that should form the basis upon which our measures must be built, so that we can check our measure against these and act in an international cooperation and prevent fragmentation. These principles then would then become the benchmark against which we can see if our measures meet the criteria of international law. We believe there will be value in this work. We take note of principles outlined in Colombia's document and stand ready to discuss them and other proposals that may be submitted in the process following a special and informal sessions on this topic as suggested by Colombia, or maybe more informal sessions as we can decide in an action plan.

6.90. Finally, we also believe it is important to include in our debates key stakeholders and experts of international trade and environment law, to develop our understanding and base our discussions on an enhanced knowledgebase.

6.91. The representative of Argentina delivered the following statement:

6.92. Argentina would like to thank Colombia for presenting this document as a way of starting a discussion on principles and parameters that should orient our discussion on trade and environment at the WTO. The document underscores the specific needs of developing countries. Argentina shares the concerns expressed by Colombia. And as much as we also see that there is a partial and unilateral approach to these challenges in regard to finding solutions, Argentina considers that the discussions held so far at the WTO do not holistically reflect the trade concerns neither do they address the Members concerns. Most of the discussions so far have been dominated by the concerns and interests of a limited number of countries and by the way of contrast, there has not been as much attention to the interests of the developing countries.

6.93. In light of the measures of environmental nature in the trade area, they seem to be exclusively based on principles which run to the detriment of other dimensions such as for example economic development and against trade, as an instrument of development. So, I think that the discussion suggested by Colombia is urgent and necessary. In Argentina's view the discussion shall take place bearing in mind agreement already reached at the WTO with special reference to principles in Rio Declaration and also, respecting the work of other competent entities such as international commission.

6.94. The representative of Uruguay delivered the following statement:

6.95. Thank you very much to the Colombian delegation for presenting this document. In our view, it is a fundamental subject because these are principles and parameters that should orient our discussions here at the CTE.

6.96. As many other Members, we consider that this is the natural forum for this discussion to take place. However, due to different reasons, this Committee has worked more as an information point from which the developed Member countries provide information without actually providing background information on the principles that are being looked at in the capitals. We understand that this discussion would be worth having here in order to establish new priorities in our work here at the CTE.

6.97. The representative of [Paraguay](#) delivered the following statement:

6.98. I would just like to thank Colombia for presenting this document. I would like to say that in general terms we agree on the need to bear in mind these principles. But just like we have the framework targets that we looked at previously, there is a certain disconnection between what was agreed between the Members and what is accepted in international environmental law and the environmental measures and their impact in the area of trade. Although the area of trade is the area of competence here, it is in these types of measures where we can see the translation into practice by law the commitments undertaken Members. That said, we wish to continue with the discussion and see how we can better take into account these principles in the measures we adopt.

6.99. The representative of [India](#) delivered the following statement:

6.100. We thank Colombia for their paper [RD/CTE/221](#). Coherence between international trade law and international environment law is important. The paper brings out this need. We look forward to further engagement with Colombia on this paper

6.101. The representative of [Costa Rica](#) delivered the following statement:

6.102. Costa Rica wanted to express our gratitude for the record and thank the delegation of Colombia for its statement because we believe that it is a very important contribution that provides a lot of hope. This is also present in the statements made by other delegations throughout the proceedings of this Committee.

6.103. We consider that those statements provide value and substance to the work we are doing here at the CTE and we hope that we can build on the basis of these contributions we have heard in order to strengthen the functioning of this body.

6.104. The representative of the [European Union](#) delivered the following statement:

6.105. The European Union welcomes the presentation by Colombia. Unfortunately, we are keeping reservations on it, but welcome any contribution by Members to the discussion.

6.106. The representative of [Peru](#) delivered the following statement:

6.107. Peru would just like to add our voice to the responses to Colombia for the presentation of this document. In our capital, it is still being studied but I would just like to underscore the recommendations made by the document concerning special decisions or informal meetings in order to strengthen the discussions that we have in this Committee. I also think it is very important that we include other interested parties and stakeholders because it will enrich any discussion we could have in this forum. I am convinced that all of the Members would agree on that.

6.2.3 Members' views and comments on the CTE and Paragraph 14 of the MC12 Outcome Document

6.108. The representative of the [European Union](#) delivered the following statement:

6.109. The European Union recently presented its ideas for improving deliberating function of the WTO as part of the ongoing WTO reform discussions. The paper is the recognition that the WTO's effectiveness has been eroded over the past decade across its three pillars, with a paralysed dispute settlement system, limited progress in multilateral rulemaking, and a deliberating function that is not being used to its full potential to address the pressing global trade challenges.

6.110. The EU paper therefore focuses on the deliberative function as the third essential pillar of WTO reform. If the organization is to maintain relevance, it needs to re-establish itself as a forum for more meaningful deliberation in areas that impact global trade policymaking.

6.111. The European Union proposes reinforced deliberation in the following three areas of systemic importance: (1) trade policy and state intervention in support of industrial sectors; (2) global environmental challenges; and (3) trade and inclusiveness.

6.112. Focusing on environment that is of importance to this Committee, there is an increasing interest among Members for environment and climate to figure more prominently on the WTO agenda given the urgency of the climate and environmental challenges. The European Union proposes to reinforce deliberations on trade and global environmental challenges in the Committee on Trade and Environment (CTE).

6.113. In view of the scarce resources in many delegations we need to make sure that the Committee work is useful and brings added value for delegation to take part in it. We believe that transparency provided by the EU has been increasing the interest by the Members, you can see that our proposals goes in line with what we see got traction.

6.114. The proposals outlined in the EU submission are fully in line with the CTE mandate to identify relationship between environmental policies relevant to trade and environmental measures with significant trade effects and the provisions of the multilateral trading system,

6.115. The objectives would be enhanced transparency, coordination, and policy dialogue on trade-related environmental measures. We suggest early information exchanges on measures and discussions on the design of measures that maximize climate and environmental benefits while minimizing trade-restrictive impacts. We also suggest the discussions should continue once measure entered into force and also look in ways to facilitate trade.

6.116. More thematic discussions in the CTE could also be considered. The paper makes some suggestions, but the list is by no means exhaustive, and it will be up to Members of the CTE to agree on the topics. From the current debates we see an interest for Members to discuss methodologies to calculate embedded emissions in the internationally traded goods. We could start with that topic in the CTE, based on some useful work already done in the TESSD initiative, but also globally in other fora's.

6.117. Given the interlinkage between development and environmental challenges, it would also be important to reinforce the capacity of developing countries in terms of their participation but also identify means to support them in the challenges they face in complying with trade-related climate and environmental measures.

6.118. We also see room for closer committee coordination between the CTE and other relevant bodies (e.g., TBT, SPS, SCM, and Agriculture). We see that climate is discussed everywhere – (only last week we have TBT Committee informal session on climate and plastics as well as decarbonization event organized by WTO Secretariat).

6.119. While we fully appreciate the complex nature of these debates, we believe it is a discussion that the WTO cannot avoid. In line with the outcome of the recent General Council meeting where the EU submission was discussed, we intend to reach out to Members on the best way forward to continue discussions and enhance deliberation in the CTE in line with our submission. We are open to hearing the views of others on the overall focal role of the CTE and on how to take this conversation further in a structured manner, including by identifying concrete issues for discussion in addition to those that we have suggested.

6.120. The representative of Congo, on behalf of the African Group, delivered the following statement:

6.121. Regarding the discussion on possible environment-related outcomes in the CTE and at MC13, the African Group would like to remind the Committee that paragraph 14 of the Outcome Document of the 12th Ministerial Conference notes, *inter alia*, the importance of the contribution of the multilateral trading system to the promotion of the SDGs in its economic, social and environmental dimensions and the role of the CTE as a permanent forum dedicated to dialogue among Members on the relationship between trade measures and environmental measures.

6.122. As such, the results of our work should not obscure those carried out in other international organizations, respect, or if necessary supplement, the commitments made by certain developed countries in the context of environmental protection and climate change in others fora and not modify their substance or annihilate them.

6.123. They should also facilitate and promote technology transfer including special and differential treatment. Our discussions must fully integrate the principle of common and differentiated responsibility and the primary responsibility of developed countries in the current environmental crisis.

6.124. Similarly, the conclusions of the work should not result in new and binding rules and, even less constitute an additional technical barrier to trade for market access for African goods and products.

6.125. The representative of the Maldives delivered the following statement:

6.126. At the outset, may I take this opportunity to commend Ambassador Simon Manley for his leadership enabling steering the work of CTE, in good cheer, I might add, and enabling valuable and productive outcomes over the last year.

6.127. As it has been agreed by the WTO Members to hold the 13th Ministerial Conference from the week of 26 February 2024 in Abu Dhabi, it is pertinent, I believe, to start the discussion now on concrete, pragmatic and effective outcomes on matters relating to trade and environment. From this perspective, I would like to focus my comments on the blue economy.

6.128. Maldives is inextricably tied with the ocean, and effectively protected ocean is essential for the health of Planet Earth and all its inhabitants. In this regard, the Maldives welcomes the recent landmark agreement on a text for a legally binding treaty to protect marine biodiversity in areas beyond national jurisdiction. This historic achievement will no doubt reinforce efforts to protect marine resources in line with the 2030 Agenda for Sustainable Development. The Maldives being a large ocean state has implemented several measures to safeguard our island ecosystems and instituted measures for the sustainable use of environmental and marine resources. To ensure sustainable use of our natural resources, the Government of Maldives plans to declare 20% of Maldivian seas protected by 2030. This plan is in line with the worldwide initiative of the Global Ocean Alliance to protect at least 30% of the global ocean as marine protected areas by 2030.

6.129. To ensure environmental protection, including the preservation of marine life as well as guaranteeing that the areas are utilized in a sustainable manner, three atolls in the Maldives has been declared as biosphere reserves. Additionally, protected status has been granted to 103 species of birds, 14 marine species and black turtles, as well as dive sites, mangroves and other ecologically significant islands. We believe trade can play a synergistic role in the sustainable use of environmental resources, including marine resources, on which a large proportion of our people depend for their livelihoods.

6.130. Maldives is one of the few nations that has a strict policy on preventing all forms of net fishing and is committed to more sustainable methods based on pole and line fishing, for which we have become renowned and have been practising for centuries. It is imperative that global trade practices within the rules-based system incentivize sustainably sourced marine products in order to protect the environment, prevent biodiversity loss and promote economic growth.

6.131. Before I conclude, may I once again thank the Chair for initiating dialogue on outcomes for MC13 related to trade and environment. The Maldives stands ready to work with WTO colleagues to further the trade and environment agenda, and in particular, in finding ways to incentivize goods that are sustainably sourced and promote inclusiveness in trade, leaving no one behind.

6.132. The representative of Paraguay delivered the following statement:

6.133. I will make some comments on the EU's statement but also more broadly on agenda item 6.2 and your question in particular at the end of the agenda.

6.134. As regards the document provided by the EU, we believe a greater level of understanding is necessary among Members in order to identify good practices and to develop non-binding instruments and to reach convergence on various subjects. Ultimately, this should lead to the reduction of unilateral measures imposed by some Members, because these have an impact on trade.

6.135. As regards the trade policy and state intervention in the industrial sector, I would like to note that the least regulated sector is the agricultural sector, and that the Agreement on Agriculture was something that was considered on an incremental basis.

6.136. As regards environmental agreements and trade, we agree with the thematic deliberations, for example, on subjects such as the negative effects of industrial subsidies or agricultural subsidies.

6.137. As regards the exchange of information within the framework of this Committee and tied with the development of our Members, we would like to see here at the CTE a better process that would allow Members to ask questions on matters notified by Members rather than just listening to the descriptions of what Members are doing. We believe that these presentations generate a very heavy workload and also make it more difficult for the developing countries.

6.138. Our presentation today is precisely one of the ideas relating to information exchange and we believe that the tool suggested could be a very useful one. We do not think it should be an instrument for declaring an alert in any extent, and that is why our intent was to initiate a discussion on fulfilling the mandate and maybe lightening up the workload as well. We nevertheless believe that this Q&A process could be installed so that we can achieve an updated EDB by the end of the year.

6.139. The representative of Japan delivered the following statement:

6.140. Japan would like to comment on the EU's paper. The EU's proposal to address today's trade challenges through reform of the WTO's deliberative function is an interesting approach and worth considering.

6.141. With regard to trade and environmental issues, we believe that early and voluntary exchange of information on national measures could help prevent trade frictions, provided that the information shared is sufficiently transparent. Thematic deliberations would stimulate discussion among Members and facilitate the WTO's contribution to solving specific issues. In addition, as pointed out by the EU, development and environmental issues are closely related, and it is important to further promote developing countries' participation in discussions at the CTE to enhance its inclusiveness.

6.142. Japan's view is that it is desirable to discuss and prepare for these points so that possible elements can be implemented even before MC13 and thematic sessions can be held before the end of the year.

6.143. The representative of the United Kingdom delivered the following statement:

6.144. We thought that we would share a few thoughts on the EU's paper and some other proposals we've heard so far. Overall, the UK is in broad agreement with many of the EU's proposals from their paper. We are particularly supportive of the ambition for increasing transparency, dialogue and enhanced cooperation, as well as the need to increase awareness about how domestic measures are used to respond to climate and other global environmental challenges, how they are designed and their impact on trade.

6.145. We have heard a number of proposals from Members this week on the need to improve the deliberative functions of the CTE. We were looking forward to hearing from China; we had a few thoughts on their proposals. Apologies to Colombia, we received the document late so we have not had as much time to digest.

6.146. But, in general, there are some common themes across the proposals, so perhaps the idea of thematic sessions is one example, alongside early and effective voluntary information exchange. We need to make sure we do this in a streamlined way without overloading the agenda, so some creative thinking will be needed to avoid duplicating work that's already underway to avoid repetition of statements and perhaps having a broad policy theme with Members coming forward to present, as opposed to going measure by measure, something like the TBT thematic sessions, that could work – we are still considering this further. We should make sure that we're approaching topics in an evidence-led way, ensuring that we're being clear and precise in our language and targeted in our discussions.

6.147. The UK thanks Members for all these ideas this week. These contributions reflect our shared desire to make progress in this Committee and demonstrate that the WTO is capable of responding to the biggest issues of our time and ensure we are delivering on the environment paragraph in the MC12 declaration as well.

6.148. The representative of Australia delivered the following statement:

6.149. Australia, you will be proud to hear, shares your aspirations for concrete outcomes at MC13 that we can then go on to deliver on as we should be delivering on the MC12 paragraph as well.

6.150. Australia is committed to a reinvigorated WTO deliberative function that could focus more on the intersection between trade policy and the environment, and in particular, climate change. We firmly believe that trade and the multilateral trading system must be a part of the solution to environmental problems, including climate change. We do need to reinforce and reinvigorate the deliberative function of the CTE, and we need to attract deeper engagement through information sharing and thematic discussions. We welcome all contributions in that light to this discussion, including the EU's paper, India's paper, China, and Colombia's paper as well.

6.151. We support the idea of greater thematic discussions, which we think would enable a greater, deeper dive into particular issues relevant to Members and could support Members ability to target discussions into particular areas of interests, which support more informal sessions to support those discussions. And we also support greater collaboration between the Committee on Trade and Environment and other bodies of the WTO for issues that cut across the various regular body. That could be, for instance, the TBT, the thematic sessions of the TBT which were held last week on climate change and plastics have great relevance to this Committee, and we think there was an opportunity there to share those thematic sessions, convening notices with environment delegates to promote greater collaboration between the CTE and the TBT Committee as well. But it may not just be the TBT Committee. There's a significant amount of overlap in other areas of the WTO, particularly the development dimension, so the CTD and the subsidiary bodies of the CTD could be engaged in thematic crosscutting conversations.

6.152. We think that there's a need for greater transparency, but more than simply greater transparency, we think there's a need for effective transparency, so transparency that enables Members to engage with the trade-related elements of different policies and approaches that Members are taking in a time effective and efficient way. We have heard some of the rationale for that today, particularly raised by a number of developing countries, but I can assure you that it doesn't just affect developing countries. We're all time poor here and the significant load of presentations that we are receiving means that a more efficient and effective transparency that enables us to cut to the core of the trade-related elements of the different policies that Members are taking will enable a fuller and more effective conversation on how trade can contribute to environmental challenges.

6.153. We have also heard the perspectives raised by Columbia on how we can take a greater approach to understanding the principles that underpin the discussions here and we will reflect on those comments in that perspective.

6.154. We would also like to welcome further contributions to the analytical discussions that have been occurring and we would be particularly interested in discussing with other Members how we can capture from those analytical discussions options for the WTO to move forward. An example is the very useful dialogue, the Secretariat hosted last week on carbon in the steel sector, but we also welcome work in in other areas of this vein. An area for potential growth would be in the hydrogen sector, which will be a key technology in the transition to net zero, and more work is certainly required to understand how trade can facilitate the transition to net zero, including through the support of the growth of the hydrogen sector and any growing or appearing barriers to trade in hydrogen.

6.155. In addition to the work of the CTE Chair, the environment issues discussed here are broader than those discussed just in the CTE, and Australia is pleased with the growing momentum in the TESSD and the Dialogue on Plastics Pollution, and we would welcome views from other Members on what can be drawn from those substantive discussions for outcomes at the WTO's 13th Ministerial

Conference. Australia would certainly support an attempt to gather best practice guidelines from the discussions that have occurred in the TESSD and the Dialogue on Plastic Pollution.

6.156. The representative of New Zealand delivered the following statement:

6.157. New Zealand would also like to offer some comments more broadly across the question that you've posed, on ideas and ways to improve the current output of the Committee.

6.158. We would first of all like to thank all of those that have made presentations and specific proposals and put forward papers. It's very useful in helping us to look at ways that that we can strengthen the work that we undertake in this Committee. In particular, we see merit in the suggestions around thematic discussions. We think that that would be an efficient way to enable information exchange on policy areas of particular interest to all of us and to be able to benefit from understanding the approaches that a range of countries are taking in these areas, so we see thematic discussions as a helpful suggestion. We also very much support the notion of closer coordination with other bodies within the WTO and particularly areas like TBT, the Agriculture Committee, but also benefiting from the discussions that are underway in TESSD and in other dialogue and other environment-related initiative under the WTO.

6.159. In regard to the way that we go about this, we agree with the comments that it's going to be important that if we are focusing in more thematic discussions that we look for subjects and topics that have real practical value added for us in relation to the trade intersect with environment and climate change, and that we strive to make these discussions as relevant and inclusive as possible, including to stakeholders that domestically will have an interest.

6.160. So we are very much interested in engaging and continuing to engage with other delegations on how we look to strengthen the work in the Committee.

6.161. The representative of Chile delivered the following statement:

6.162. During MC12, the role of this Committee as a forum for permanent dialogue on trade and environment matters was noted. Along these lines, we would like to suggest that a work schedule be established for the Committee that considers sessions that allow this dialogue to be deepened, so that it is possible to identify those environmental challenges where trade can make a contribution to address them. Dialogue on possible areas of work, the challenges we face and how trade can contribute, will open the necessary spaces for collaboration that are indicated in the recently adopted ministerial declaration.

6.163. The representative of Switzerland delivered the following statement:

6.164. Switzerland's comments refer to all of the other folks in general and all of the proposals submitted by Members. We'd also like to thank all Members for their presentations in this regard.

6.165. With regard to possible outcomes multilaterally, as indicated at the last meeting, thanks to the mandate from MC12, climate change is now fully recognized as part of the WTO agenda and numerous discussions have already taken place within various initiatives within the WTO. We agree that climate change, the loss of biodiversity, and pollution should not only be recognized as a global challenge, but we should also engage to address them at the next Ministerial Conference, which would be an important next step.

6.166. First of all, we believe that trade policy can make an important contribution to resolving climate and environmental challenges and to addressing the sustainable development of all Members. Secondly, climate change is a threat for development, peace and future prosperity, which must be addressed urgently by the whole of the community of Members. In other words, this requires a global and urgent response, and therefore a multilateral response. Thirdly, if trade alone cannot solve the threats of climate change, economically viable and effective solutions require a strong global governance of trade and the environment. Therefore, with multiple proposals on the table in this Committee, we can also already see progress and will on the part of the Members to improve the functioning of the CTE to bring concrete solutions to the table.

6.167. We have also heard the request to have a discussion on principles on issues relating to trade and environmental sustainability. Switzerland stands ready to examine them all and to discuss them in depth. We support a constructive, structured discussions of how the multilateral trading system can contribute to the solution. The proposal to have thematic sessions in this Committee, for example, would be a good start.

6.168. This Committee must build trust among Members and improve transparency, which goes beyond an ordinary meeting, a regular meeting of this Committee. It goes without saying that, given environmental sustainability can touch upon other technical bodies of the WTO, better synergies could be explored, and I won't reiterate what other delegates have already said on thematic sessions, for example, what was done with the TBT session.

6.169. Finally, just a small logistical remark. In view of the numerous proposals that have been submitted by Members, and in view of the many delegations who have not been able to see certain proposals, it would be welcome if the Secretariat could send out an e-mail to all of the Members with all of the proposals.

6.170. The representative of Türkiye delivered the following statement:

6.171. My statement will also be in relation to the broader discussion in relation to improving the relevance and reactivity of the CTE and will naturally address some ideas raised in EU's paper as well.

6.172. First of all, we would like to emphasize the significant work undertaken in the CTE Committee. In this regard, we recognize particularly the growing importance of the mandate of the Committee in providing transparency and understanding of issues at the nexus of trade and environment. We believe that this work is of immense importance given the increasing number and diversity of TrCMs.

6.173. The work of the CTE Committee is also very significant in terms of ensuring inclusivity in this new area of measures, not only by encouraging transparency but also by its potential to serve as a forum where the important principle of international cooperation in fight with climate change can be taken into life.

6.174. In this regard, we would like to thank all Members who have contributed to this discussion through their proposals we have been hearing today and yesterday. We find them helpful and relevant in many aspects and hope that we can soon arrive at agreed course of action for the Committee work.

6.175. In this sense, as briefly mentioned in our previous interventions in other items, we believe that the Committee can increase its contribution in the nexus of trade and environmental measures through increased voluntary transparency, more focused discussions – be it through informal sessions or dedicated discussions and always keeping in mind the all the dimensions of sustainability giving particular importance to the respective needs and concerns of Members at different levels of economic development as referred to in paragraph 14 of the Outcome Document.

6.176. We also believe that strengthening cooperation among different organs of the WTO such as the Committees mentioned by my colleagues before me and the TESSD might also be of help to understand all facets of this issue we have at hand and to enforce the discussions' knowledge base.

6.177. The representative of Norway delivered the following statement:

6.178. Norway would like to thank other Members for their written submissions that are relevant for this discussion, notably the EU document on the deliberative function of the WTO that was tabled at the General Council – as well as the submissions by China and Colombia, to which we must come back at the next meetings.

6.179. Norway is pleased that the contribution of trade to climate and environmental policies has been lifted on the WTO's agenda over the last few years. Paragraph 14 of the MC12 Outcome Document contained a timely recognition of the link between the Multilateral Trading System and the SDGs.

6.180. In Norway's view, MC13 should deliver further progress on the WTO's contribution to solving our common environmental challenges. They are crosscutting global issues, also for trade and the WTO. It comes into our work on subsidies, on market access, on least trade-restrictive measures (TBT and SPS), on technology transfer, trade and development, and more. The whole membership needs to work on green solutions and find their respective comparative advantages, including through WTO negotiations.

6.181. The CTE is the central forum to deliberate on trade and global environmental challenges, and Norway would support efforts to reinvigorate this work through ways of working that can enhance transparency, information exchange and policy dialogue. Outreach to and coordination with other relevant WTO bodies could be one measure, several delegations have mentioned last week's TBT sessions as an example, and such work could perhaps be done more systematically. Thematic discussions could be another way of digging deeper into issues that are of a complex nature or that span the responsibilities of other committees.

6.182. Contributions from the three initiatives – TESSD, DPP plastics pollution, and FFSR – would also be welcome. Having said this, we do understand that there are also capacity constraints that put limitations on the ability of many Members to attend ever more meetings. With many ideas on the table, it would be recommendable that we find the small steps, but the right steps, that can create value for the whole membership in the important work of the CTE.

6.183. The representative of the Philippines delivered the following statement:

6.184. I wanted to react to the statements and comments that have been made on this topic. We thank Colombia and China for their papers and I think it is very useful in helping us develop a positive agenda as we move forward to MC13. Of course, we also have the EU's paper on strengthening the deliberative functions of the WTO, which does highlight some suggestions on the CTE and its work.

6.185. We are broadly supportive of the EU's suggestions to convene thematic sessions, to streamline the agenda, and I have heard others mentioning crosscutting collaboration with other Committees and the TBT session on plastics and climate change was very useful. It was very heavy as well because there were a lot of presentations and I would say limited chance for engagement between delegations. One other aspect that we would find valuable is to allow for open dialogue in these thematic sessions which is sometimes missing when we have been organizing some of these activities.

6.186. We do support as others have mentioned continued work on transparency. We value stakeholder engagement and I think this has been valuable in the context of the DPP in which the Philippines is engaged. One thing that could also be looked at is periodically that the mandate of the CTE has itself been updated so that could be examined by Members.

6.187. Lastly, I would draw attention to the fact that, at this meeting, we have heard some discussions on the issues of labelling. That is a mandated issue of the CTE, but we have not really done much work on it for many years. Given the discussions on this topic, I would imagine there would be more resonance on it moving forward.

6.188. The representative of Brazil delivered the following statement:

6.189. Reflecting on possible outcomes for MC13 on trade and sustainability, Brazil believes that the priorities believe in a robust commitment to both the multilateral trading system and the MEAs, as well as to the mutually supportive and harmonious rapport between these two regimes.

6.190. Trade is an underlying force on global efforts to mitigate climate change. Unfortunately, that also means that unilateral measures can hamper our progress and lead to the fragmentation of both trade and climate frameworks. In order to reduce emissions and to adapt to climate change, the world will need more trade and more development, not less. We share the sense of urgency to rein in emissions and guarantee a sustainable future for the coming generations. In our view, that political will should be channelled into stronger national pledges under the UNFCCC, not to mention a more complete fulfilment of the commitments that we have already made in terms of financing, for instance.

6.191. In that regard, the attempts to shift the burden and impose specific decarbonization strategies on other economies using trade-restrictive measures as a way to renegotiate or backtrack on agreed commitments will only undermine the MEAs, bringing about waves of measures and countermeasures and move us further away from a decarbonized economy.

6.192. A global challenge such as climate change, requires a global response. It requires firm decisions within each society and the will to take economies through deep structural transformation. It takes trust and a shared political conviction that cannot be achieved if the world is fragmented between carbon clubs. Multilateralism may involve compromises, but it is also the only way to deliver legitimate, effective solutions. In our view, sustainable development in its three dimensions must be organized in principle for outcomes on the trade and environment agenda at MC13.

6.193. The WTO has a key role to play on facilitating trade in low carbon products, lowering carbon-related trade barriers and promoting investment and transfer of technologies that Members need to fight climate change. Developing countries will not accept to be relegated to the roles of mere suppliers of raw material. In that sense, we welcome proposals such as that made by Colombia, that contribute with principles and concepts for an adequate multilateral treatment of trade and environmental matters.

6.194. We look forward to hear the Chinese proposal in detail. From what we have heard it should consider a very helpful input in terms of process for these discussions, and potentially could be tied up with the Colombian paper in the sense that the second one could contribute with principles to guide the specific proposal being advanced by the first one. So we see a lot of value in in this exchange and we look forward to continue engaging.

6.195. The representative of the United States delivered the following statement:

6.196. Like others, I am also offering comments more broadly, but very much appreciate everyone who has presented today. Likewise, we would also appreciate an e-mail with all of the papers, noting that there are several floating around out there.

6.197. The United States shares an interest in reinvigorating the role of the CTE as the venue for engagement among WTO Members on trade and environmental issues. That said, we think it's premature to start talking about concrete outcomes for MC13 at this time. MC13 is less than a year away and we already have a full scope of work based on Ministers' instructions we received at MC12. Rather, in the CTE, we believe we should focus on doing the work to revitalise this Committee and engage on the important discussion of how to move forward rather than focusing on deliverables for MC13.

6.198. Attention on the relationship between trade and environment has grown significantly, and WTO Members have been engaging in discussions in a variety of configurations regarding the role for the WTO on these issues. We are open to considering how Members can work to reduce the silos between the regular committees at the WTO and ensure that our work across the organization is coherent and informed by discussions that are happening throughout the organization.

6.199. One option that we've heard for increasing the CTE's relevance and functioning would be to utilize Committee meetings to identify and discuss environmental measures pursued by Members to address particular trade and environment challenges. We could, as others have noted, identify thematic areas of particular measures, for example, deforestation and climate change, and Members could then share respective approaches that they've taken to address these concerns and challenges.

6.200. The United States supports finding a pathway forward to making the work of the CTE more relevant to addressing and discussing current trade and environmental challenges, rather than only serving as a forum for reporting, which appears to have been what we have been focused on recently.

6.201. Revitalising the CTE is an outcome that we strongly support and one that we're prepared to work together with other WTO Members to deliver.

6.202. The representative of Singapore delivered the following statement:

6.203. I will address item 6.2 in general in my statement. Given the growing salience of climate change issues and greater recognition of the role that trade can play in tackling climate change, it is crucial that we reinvigorate discussions at the CTE in order for the WTO to remain relevant. In this regard, we thank China, Colombia, India and the EU for their papers and suggestions. These have presented us with valuable ideas which we are studying.

6.204. Preliminarily, we see value in having Members continue sharing about any new environmental measures implemented which have broader trade implications. This will enhance transparency and provide Members with the opportunity to assuage any concerns of other Members on these measures. However, as Japan had mentioned earlier, this will also only be effective if Members are sufficiently transparent in their sharing.

6.205. As many other Members have also mentioned, it would be useful to have thematic discussions at the CTE to focus our work. One particular area of discussion could be on how we can support developing and LDC Members in their efforts to achieve sustainable development, as later in paragraph 14 of the MC12 Outcome Document. For example, Members who are able to can conduct targeted technical assistance and capacity building programmes for developing and LDC Members. At the same time, it will also be helpful if developing and LDC Members could articulate the areas in which such assistance would be useful in the context of environmental sustainability and trade.

6.206. In addition to the ideas presented, we would also like to highlight that other environmental initiatives such as the FFSR, TESSD and DPP are also useful ways to contribute to our discussions here at the CTE as they allow us to explore specific issues in greater depth. As such, it will be useful for us to continue receiving regular updates on these initiatives at the CTE.

6.207. Lastly, we should ensure that our discussions here complement rather than duplicate discussions taking place in other international organizations. Singapore will continue to participate actively in these discussions at the CTE as we work towards delivering concrete outcomes at MC13.

6.208. The representative of India delivered the following statement:

6.209. I will be addressing all items under agenda item 6.2 in this intervention. India thanks the EU for its paper on which we had commented at the General Council as well. We thank China for its paper, leveraging CTE as the multilateral forum for discussing relevant issues on trade and the environment, in line with the MC12 mandate contained in paragraph 14 of the Outcome Document. Our capital is currently studying this paper and we may revert with more substantive comments in the coming days.

6.210. India believes that WTO Members should not rush into rulemaking on the topic of environment and any MC13-related discussions should be based on this understanding. In this regard, we also note the statements made by some Members in the last Trade Negotiations Committee that advise caution on pursuing specific MC13 outcomes on environment.

6.211. Reflecting on the Decarbonization Standards event held last week and carefully analysing the statements made by some participants, including the Ambassadors, who spoke at the event, it appears that there is a need to first clarify what role the WTO can and should play in the discussions on environment.

6.212. The representative of Uganda, on behalf of the LDC Group, delivered the following statement:

6.213. We do not have a statement as such but let me say, on behalf of the LDC Group, on the question of the CTE and environment-related outcomes at MC13, we wish to discuss this further and reserve at this moment in time. We take note of the comments made by the delegate from Singapore and also thank those that have made proposals already. We look forward to constructive engagement in the lead up to MC13.

6.214. The representative of Indonesia delivered the following statement:

6.215. Since this is the first time Indonesia is taking the floor in this Committee allow me to convey Indonesia's appreciation for the updates from Members on several initiatives presented yesterday and today, including from the Secretariat on the Environmental Database.

6.216. Indonesia shares the same views that environment is one of the urgent issues that we have to resolve together. We also recognize that we need to address trade and environment-related measures that fall under the purview of the WTO.

6.217. In this connection, we appreciate the submission by India yesterday and from Colombia as well as China today. These submissions are useful in generating more balanced perspectives on the interlinkage of trade and environment in the WTO.

6.218. In line with the MC12 outcome, we would like to underline the important role of CTE as a standing forum dedicated to dialogue related to trade and environment measures. Indeed, Indonesia is of the view that WTO's relevance will depend on its ability to deliver concrete solutions as a response to global challenges, including those related to trade and environment.

6.219. Moreover, we share the same concerns regarding the use of environment measures as non-tariff measures by certain Members. Environmental measures should not be used as a disguised protectionism measures that bring detrimental impacts to developing country and LDCs. We should not neglect their need to use trade as a way to promote economic growth and bring welfare to its people, especially the small scale producers.

6.220. In line with paragraph 14 of the MC12 Outcome Document, we need to carefully identify issues that are acceptable to all to be followed up given the principles we have mentioned, with a view to promote the UN 2030 Agenda and the SDGs. At the same time, differences in the level of economic development should also be taken into account.

6.221. With these considerations in mind, on environment-related outcomes at MC13, Indonesia has three main points to convey: First, we need to ensure that trade environment-related outcomes should be consistent and relevant with the fundamental principles of the WTO. Second, WTO should focus on trade and we should not be side-tracked to other agendas that are already undertaken extensively under other frameworks, while WTO's primary agendas remain unresolved. Third, we should be mindful and ensure that discussions on these issues under the WTO would not disrupt the carefully balanced commitments achieved under other international fora, such as in the UNFCCC.

6.222. Indonesia understands the views to consider environment factor as part of consideration in the implementation of trade measures. However, we would like to underline that such measures should respect the basic principles of "Common But Differentiated Responsibilities" and "respective capabilities".

6.223. More importantly, trade measures related to environment and climate change must not be counter-productive with the goals of achieving the SDGs in all of its three main pillars namely economic, environment, and social.

6.224. The representative of Thailand delivered the following statement:

6.225. I would like to step in because we have a very constructive discussion today and I would like to share our preliminary view based on the papers mentioned in this meeting today and what we see it would be beneficial to the CTE work in the upcoming MC13. We would like to also thank India, China, Colombia and EU for their submission and their presentations which we are still reviewing and will provide feedback at a later stage.

6.226. In general, we welcome the idea to have the space for the discussions at the multilateral setting, taking into account emerging global environmental challenges that have a significant implications for Members, trade and policy making. We also share the observation made by prior interventions that the proposals have some common aspects that are worth for Members' consideration and could be material used to prioritize the area of discussion, delve into details, and promote understanding, among others.

6.227. Lastly, we also agree that the CTE is the primary standing forum for Members to have a dialogue on the specific aspect on trade and environmental linkage. And we underscore the importance of the evidence-based approach to support our discussions, information sharing, thematic sessions, and collaboration with other WTO committees as well as the contribution from other informal dialogues or relevant stakeholder would be beneficial complements for improving the output of the CTE. And lastly, we look forward to the discussion and are happy to engage in any form of the configurations.

6.228. The representative of Korea delivered the following statement:

6.229. Like others, we would like to comment on agenda item 6.2 in general. We thank all Members who have submitted proposals on this topic.

6.230. Given the fact that the United Arab Emirates will be hosting COP28 later this year and the MC-13 successively in February 2023, it will be timely to make joint efforts to achieve meaningful outcome in the area of environment-based on the 2021 Ministerial Statement and the MC12 Outcome Document.

6.231. We recognize that multilateral discussions on the impact for environmental measures are necessary as trade-related environmental measures are on the rise and may act as unnecessary barriers to trade. In this vein, we believe that we should revitalise the CTE to act as a standing forum for discussing trade-related environmental measures and that we should review utilizing existing fora to address this issue.

6.232. As for the follow-up actions to para 14 on the MC12 Outcome Document, we acknowledge that there have been active discussions on TrCMs among others, but we should also continue review on whether the CTE is playing a constructive role in the actual implementation of each Members' environmental measures and conduct further in depth discussions.

6.233. The representative of the United Kingdom delivered the following statement:

6.234. For MC13 to be a success, it must have meaningful outcomes on the most important issue of our time: the existential threats of climate change, biodiversity loss and pollution.

6.235. There are three broad categories of work that fall under this:

- i. Improving transparency in trade-related environmental measures, and improved deliberative functions to create certainty for businesses and facilitate communication and informational sharing between the right decision-makers in the trade, finance, industry and environment space.
- ii. Converging around best practices and methodologies – creative thinking is needed to ensure that the emerging policy tools, which will be vital for achieving our green transition, are designed to be as consistent as possible, and in accordance with WTO rules. The WTO can play a role in convening the relevant experts and supporting and endorsing progress being made in other fora.
- iii. Using trade policy to advance environmental objectives – we should aim to explore what commitments we can make to remove barriers and facilitate the uptake of critical goods, services and technologies that we need for the low carbon and nature-positive transition. We know not all Members might be ready to participate immediately, but a group of willing Members could lead from the front in the hope that this will set a strong foundation that expands to include the whole WTO membership. We are open-minded about the sorts of commitments – voluntary or otherwise – that this might include.

6.236. Throughout, we need to ensure as a priority that developing country voices are adequately represented, and their unique needs addressed. This might involve looking more closely at climate adaptation and resilience or thinking more creatively about differentiated commitments, capacity building, or how aid for trade can be used for climate goals.

6.237. These are just some high-level ideas, but we look forward to further discussion with Members on what a good outcome at MC13 might look like.

7 RELATIONS WITH INTERGOVERNMENTAL AND NON-GOVERNMENTAL ORGANIZATIONS – CTE WORK PROGRAMME ITEM 10

7.1 Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

7.1. The representative of CITES delivered the following statement:

7.2. CITES is an international agreement between 184 Parties (183 countries and one regional economic integration organization). It aims to ensure that international trade in specimens of wild animals and plants does not threaten the survival of the species in the wild. The Convention was adopted in 1973 and entered into force in 1975. Over 38,000 species of wild fauna and flora are included in one of three appendixes to the Convention (Appendix I, Appendix II or Appendix III).

7.3. The Conference of the Parties (COP) is the ultimate decision-making body of CITES; it convenes every three years to review the implementation of the Convention and take decisions on: Amendments to Appendices I & II; Resolutions (incl. budget and costed programme of work for the Secretariat); and Decisions (the decisions constitute the work programme of the Convention).

7.4. The COP makes every effort to decide by consensus. When no consensus is emerging, the COP moves to a vote: it requires two-thirds of Parties present and voting for a decision to pass.

7.5. The 19th meeting of the COP (CoP19) was held in Panama City from 14-25 November 2022. It was attended by 164 Parties and hundreds of observer organizations. The Conference adopted a total of 367 Decisions, 45 proposals to amend the Appendices and five new Resolutions.

7.6. The vast majority of the 52 proposals submitted to the Conference by 49 Parties aimed at increasing the protection of the species by including new species in Appendix II. A total of about 500 new species were included in Appendix II. This includes the following:

- 104 species of sharks and rays; requiem sharks (including blue shark) and hammerhead sharks; freshwater stingrays and guitar fishes;
- more than 150 species of trees: African Mahogany (*Khaya* spp.), African rosewood (*Pterocarpus* spp.) and *Azelia* (African populations); Trumpet trees (*Tabebuia*) and Dipteryx;
- 160 species of amphibians, including tropical frogs;
- 50 species of reptiles; and
- 1 bird species: white-rumped shama.

7.7. The new listings entered into force on 23 February 2023 except for *Dipteryx* spp and Trumpet trees (*Handroanthus* spp. *Roseodendron* spp. *Tabebuia* spp.); for these species it was agreed that the entry into force will be delayed until 25 November 2024. The Appendices as revised by the Conference of the Parties are available on the CITES website.³

Decisions of relevance to the WTO

7.8. The CoP also adopted a wide range of decisions⁴, which are directed the work of the Convention bodies, the Secretariat and the Parties in the intersessional period until CoP20 in 2025:

- Decision 19.30-31 on the World Wildlife Trade report: At CoP19, the Secretariat and a number of partners, including the WTO released the first ever report on Wildlife Trade. The Conference requested the Standing Committee to consider the value of a regular World Wildlife Trade Report – and options for the collection of data.
- Decisions 19.150-152 on Electronic systems and information technologies: Continue work with UN/CEFACT, UNCTAD, UNECE, ITC, the World Bank, WCO, WTO, IPPC, and other relevant

³ <https://cites.org/eng/app/appendices.php>

⁴ All valid Decisions are available here: <https://cites.org/eng/dec/index.php>

partners on standards and implementation of electronic licencing or permitting systems, including the use of two-dimensional barcodes.

- Decisions 18.31 – 18.35 (Rev. CoP19): The Standing Committee is requested to consider how to effectively engage Indigenous People and Local Communities in CITES processes. Parties are requested to collect/develop case studies on sustainable use of CITES listed species (livelihoods)
- Decisions 19.15- 19.19: Role of CITES in reducing risk of future zoonotic disease emergence associated with international wildlife trade: Gather information on measures and identify opportunities for additional practical collaboration.
- Decisions 19.158-159: Transport of live specimens: Promote the use of the International Air Transport Association (IATA) Live Animals and Perishable Goods Regulations.

7.9. The online Introductory Course to CITES has been updated after the 19th meeting of the Conference of the Parties and is available on the InforMEA website.⁵ The next meeting of the Conference of the Parties (CoP20) will take place in 2025; the venue will be decided by the CITES Standing Committee.

7.2 United Nations Economic Commission for Europe (UNECE)

7.10. The representative of UNECE delivered the following statement:

7.11. Let me start by thanking the Committee on behalf of the Economic Cooperation and Trade Division of the UNECE and its Director, Ms. Elisabeth Türk, for insightful discussions during the last two days and, given the limited time, I would like to use this opportunity to only briefly share some details on the upcoming UNECE's activities of relevance to the WTO CTE.

7.12. There is little doubt that in a world of increasingly scarce resources, moving toward sustainable practices and, most notably circular economy has become a new imperative. Recognizing this, and following the 69th UNECE Commission session, the UNECE, already since 2021, has been taking steps to integrate circular economy aspects in the scope of its relevant activity streams, which include:

- i. sustainable and innovation-enhancing procurement;
- ii. financing for the circular economy transition;
- iii. traceability of value chains;
- iv. reducing food loss and waste; and
- v. standards and regulatory frameworks, more specifically, through the UNECE's analytical work under the flagship Studies on Regulatory and Procedural Barriers to Trade.

7.13. Taking the green agenda further, UNECE Member States decided that a crosscutting theme of the upcoming 70th session of UNECE, which will take place already next month, on 18-19 April 2023, will be on 'Digital and green transformations for sustainable development in the UNECE region'.

7.14. As part of the Commission's Session, the Economic Cooperation and Trade Division will contribute to the discussion on how digital tools may be used to support the green transformation and enhance trust and transparency.

7.15. Furthermore, ahead of this main Commission session, UNECE is also hosting virtual side events from 3 to 5 April 2023. Three thematic areas will be explored during these three days, which include promoting circularity through transparency in value chains, leveraging digital solutions for the circular economy, and ways of developing 'future-proof' circular norms and conventions. We look forward to seeing many of you at these events.

⁵ <https://elearning.informea.org/>

7.16. As it has been iterated many times during this event, countries pursue a range of different policy and regulatory approaches to meet shared environmental goals. This has put international trade before a double challenge of promoting higher environmental ambition while at the same time minimizing unnecessary or unfair barriers to trade. UNECE has been actively elaborating on means of how to ensure that green regulations do not turn into market access barriers for their Member States and, in particular, transition and developing economies, which remain the most vulnerable. UNECE is doing so by integrating green and circular economy dimensions into its Studies on Regulatory and Procedural barriers to trade.

7.17. In this context, I am delighted to invite you to the UNECE Steering Committee on Trade and Capacity and Standards (SCTCS) which will take place on 26th and 27th June, where we, together with our high level speakers and Member States, will discuss the topic of circular economy, also in the context the non-tariff trade measures, and other topical issues in depth.

7.18. Let me conclude by once again thanking the CTE for its vital contribution in support of a global trading system that protects and preserves the environment and promotes a circular economy.

7.19. As I said, the switch to sustainable trade practices is a new global imperative. My plea to you, therefore, is to continue with your strong leadership in promoting and facilitating trade that supports environmental objectives, including the circular economy transition, and sustainable supply chains, while recognizing the social and economic needs of the more vulnerable. This combination of environmental, social and economic considerations is at the core of the United Nations Sustainable Development Goals, SDGs, and at UNECE we look forward to working on this important agenda together.

7.3 United Nations Environment Programme (UNEP)

7.20. The representative of UNEP delivered the following statement:

7.21. First, UNEP will start a project spanning from 2023 to 2027 working with three beneficiary countries in Latin America and the Caribbean region: Brazil, Costa Rica and Colombia or Argentina, on repurposing agricultural subsidies to finance NbS for sustainable recovery. The project will provide technical assistance, analytical guidance, and support the capacity of target countries to implement policies geared towards scaling up finance for nature through the use of public finance instruments, with a focus on agricultural subsidies reform, contributing to strengthening the enabling policy environment for more sustainable, inclusive and resilient food, forest and land-use systems.

7.22. The approach will be shaped around two main types of activities: The first approach is the development of national toolkits, analysing existing fiscal environment and financial tools for financing nature-based solutions (NbS), and identifying actionable and contextualized priority reform plans to accelerate the alignment of the fiscal policy environment and green finance instruments with targets for nature-based solutions across food, forest and land-use systems. The toolkits will be developed in close collaboration with national stakeholders and disseminated to targeted decision-makers. Spatial prioritization tools will be used to identify areas that can support multiple benefits for people and nature and ensure more targeted impact.

7.23. The second approach is technical workshops with relevant stakeholders on the use of public finance for NbS at national level, and of policy dialogues at regional level, building on existing networks and coalitions to facilitate country dialogue and sharing of good practices, guidance, and tools.

7.24. The expected impact in the target countries include the following: a reduction in potentially environmentally harmful elements of government support to agriculture; and an increase in finance from public and private sources invested in protecting and restoring nature.

7.25. The first regional consultation will be in collaboration with the International Trade Centre, focused on promoting a nature-positive trade for sustainable agricultural supply chains.

7.26. The consultation will take place on 27-28 of March in Sao Paulo, Brazil and online, and will convene stakeholders from public sector, private sector – smallholders, MSMEs, trading cooperatives, commodity associations, policymakers, civil society, research and financial

institutions – to discuss priorities, challenges and opportunities in the region, and together produce recommendations for actionable solutions towards a sustainable, fair and inclusive nature-positive trade that supports countries to: achieve sustainable and resilient agricultural supply chains; facilitate a market access that is inclusive of all stakeholders; and advance national plans for sustainable socioeconomic development.

7.27. The second update is UNEP's partnership in the Trade, Development and Environment Hub project, which is funded by the UK Global Challenges Research Fund. The project aims to promote policy solutions that promote the trade of agricultural commodities supportive of biodiversity and sustainable socioeconomic development. As part of this, in 2023 UNEP will host three regional stakeholders consultations, one in Asia, in Africa and Latin America and the Caribbean.

7.28. The next regional stakeholders consultation will be in Africa, hosted in Yaoundé, Cameroon on 17 and 18 May in hybrid format; and the third consultation will be in Asia in Q3 of this year.

7.29. In the context of this project, this week UNEP published a policy paper produced in collaboration with the Forum on Trade, Development and the SDGs (TESS), which seeks to present synergies between sustainable trade, biodiversity and development, with the WTO's multilateral trade framework as its backdrop. Key insights of this paper were presented yesterday at the roundtable hosted by WTO and UNEP, with the participation of the Secretariat of the Convention of Biological Diversity (CBD).

7.30. UNEP and the WTO have a strong partnership on environment and trade, which can bring our respective constituencies together to build collaboration between trade, environment, and sustainable development.

7.31. We look forward to continuing our partnership with the WTO and to supporting Members with environmental science, data, and outcomes from UNEP's initiatives and work to move these important agendas forward.

7.4 Basel, Rotterdam and Stockholm (BRS) Conventions

7.32. The representative of the BRS Secretariat delivered the following statement:

7.33. Thank you for providing us an opportunity to brief the CTE on some of the developments under the Basel, Rotterdam and Stockholm Convention which have impacts on international trade and international trade measures.

7.34. First of all, under the Basel Convention, following the 2019 amendments on plastic waste and the 2022 amendments on electronic and electrical waste which will enter into force in 2025, the implementation of these amendments by Parties is now in full swing. The amendments have direct impacts on transboundary movements of these two waste streams making them more transparent and predictable. The concrete impact of the amendments is that the competent authorities to the Basel Conventions are involved in the national decision-making process for the import, transit and export of the wastes. This serves to protect countries that are not in a position to manage imported wastes in an environmentally sound manner and provides the legal basis for preventing and combatting illegal traffic. Some of the efforts to support Parties with the implementation of the amendments include the updating of legislation and training customs. The Secretariat is planning to raise awareness and support Parties to prepare for the entry into force of the e-waste amendments with the generous support by the Government of Switzerland.

7.35. Also under the Basel Convention, there is ongoing work related to electronic approaches to the notification and movement documents going to the heart of the Prior Informed Consent Procedure. A report with recommendations was developed while Parties and stakeholders have been encouraged to implement pilot projects on electronic approaches to the notification and movement documents, taking into account the experiences and the work carried out by international organizations and others.

7.36. This work had now been complemented by a new track of work to improve the functioning of the Prior Informed Consent procedure which serves as a backbone of the trade control regime under the Basel Convention. So far, the Secretariat has collected information from Parties and observers

on challenges in the implementation of the prior informed consent procedure and on best practices, possible approaches, initiatives and views to improve the functioning of the procedure. The upcoming Conference of the Parties will consider how to take this work forward, and it can be expected that a small intersessional working group would be established.

7.37. A few more updates related to plastic wastes:

- The technical guidelines on the environmentally sound management of plastic wastes are being updated. Parties are working hard to advance with work its prior to the COP under the leadership of Governments of China, Japan and the United Kingdom of Great Britain and Northern Ireland.
- The Secretariat submitted to WCO for consideration by HS Review Committee a proposal for amendments to HS for plastic waste alongside with waste mineral oils unfit and waste/articles containing PCBs, PCNs, PBB and waste pneumatic tyres.
- As part of its technical assistance and capacity building the Secretariat runs several programmes and projects thanks to the financial support from the governments of Canada, France, Germany, Japan, Netherlands, Norway, Sweden and Switzerland, the European Union, the Norwegian Agency for Development Cooperation and the Norwegian Retailers Environment Fund. This includes 16 projects being implemented by the Basel and Stockholm Convention regional centres under the Small Grants Programme on plastic waste, projects implemented by the Secretariat in cooperation with the governments of Ghana, Sri Lanka, Malawi and Zimbabwe, and activities on plastic waste in remote and mountainous areas. Various new projects are being prepared, covering Cambodia, Lesotho, Mauritius, Nepal, North Macedonia, Peru, Rwanda and Zambia.
- The Partnership on Plastic Waste continues its work aiming to improve and promote the environmentally sound management of plastic waste at the global, regional and national levels as well as prevent and minimize their generation so as to reduce significantly and, in the long term, eliminate the discharge of plastic waste and microplastics into the environment, in particular the marine environment. On the issue of trade and transboundary movements, the partnership has been looking into the relevant customs codes on plastics and plastic waste and their relation to the amendments and into collecting information on actions taken by countries to implement the amendments and on their interpretation (e. g. "almost free from contamination") and challenges experienced in their implementation. Moreover, 16 pilot projects are being launched under the Plastic Waste Partnership.
- Finally, the Secretariat has been participating in the Intergovernmental Negotiating Committee developing a new treaty on plastics as requested by Parties. There is a need to ensure that the international legally binding instrument is fully coherent with and complementary to the Basel, Rotterdam and the Stockholm conventions, that it avoids the duplication of actions set out in the relevant provisions of those conventions, and that it promotes cooperation and coordination with those conventions.

7.38. Now, on the work related to chemicals, Parties to the Stockholm Convention will consider three new candidate POPs for listing in Annex A of the Convention: methoxychlor, dechlorane plus, and UV-328 in the upcoming COP. With UV-328, this will be the first time the Conference of the Parties will consider listing a non-halogenated compound heralding a whole new scope of the Convention. UV-328 is widely used as an additive in plastic products.

7.39. Parties to the Rotterdam Convention will consider listing in Annex III two new chemicals, namely, iprodione and terbufos, both under the pesticide category. The Parties will also have in front of them recommendations for listing five chemicals that were already considered by the previous meetings of the Conference of the Parties. Very importantly, the Parties to the Rotterdam Convention will consider proposals to amend the Convention, including a new proposal on how to proceed with chemicals recommended by the Chemical Review Committee for listing, for which the Conference of the Parties cannot reach consensus on listing.

7.40. It is important to note that listing chemicals under the annexes of the Rotterdam and Stockholm conventions does not mean that their international trade is banned, however specific trade control procedures will apply in order to better protect human health and the environment.

7.41. The issues mentioned above will, among others, be addressed by the upcoming meetings of Conferences of the Parties taking place in Geneva from 1 to 12 May. The Regional Preparatory meetings taking place in Thailand, Senegal, Panama and Croatia between this week and the end of March will give regions the possibility to consult each other in advance of the COPs.

7.42. Finally, subject to the final confirmation in upcoming dates, the WTO-UNCTAD in cooperation with the Secretariat would lead a side-event on plastic waste amendments at the COPs.

8 OTHER BUSINESS

8.1 Comments by India on the request for Observer status from the International Solar Alliance (ISA)⁶

8.1. The representative of India delivered the following statement:

8.2. The International Solar Alliance (ISA) has communicated its intent to seek an observer status in the CTE. My delegation speaks in support of this request.

8.3. Through its letter of October 2022, the International Solar Alliance communicated that it is an international intergovernmental organization having 114 Signatories of its Framework Agreement including 92 full-fledged Members. The ISA aims to mobilize USD 1 trillion investment in solar by the year 2030. ISA works with and in its Member countries, in areas of programmatic support, capacity building and analytics and advocacy.

8.4. The ISA was conceived as a joint effort by India and France to mobilize efforts against climate change through deployment of solar energy solutions. It was conceptualized on the side-lines of the 21st Conference of Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Paris in 2015. With the amendment of its Framework Agreement in 2020, all Member States of the United Nations are now eligible to join the ISA.

8.5. The ISA is working in an area which can immensely benefit the world in reducing greenhouse gas emissions. This gain from ISA's initiatives will automatically be reflected in Trade as well.

8.6. In just a few years of its formation, ISA initiatives like scaling solar applications for agriculture use, scaling solar mini-grids, rooftops, e-mobility and storage, solarizing heating and cooling systems and solar for waste management and green hydrogen are already being discussed with various Members. There has also been specific country focus in these activities. For example, during 2019 before the pandemic, the ISA secretariat concluded country missions to eight countries: Benin, DR Congo, Guinea, Malawi, Mali, Niger, Togo, and Uganda to strengthen the 'buy-in' for ISA's programmes and to understand the ground level challenges and issues.

8.7. By having an observer status to the CTE, the ISA will benefit from the deliberations of the CTE as well as by engaging with the WTO Members. The observer status will enable ISA with improved visibility on both resource mobilization and program design.

8.8. We seek the support of the CTE in welcoming an Environment-focused, action-oriented, collaborative platform to the WTO.

8.2 Briefing by Kenya on the Coalition of Trade Ministers for Climate

8.9. The representative of Kenya, on behalf of the Coalition of Trade Ministers for Climate, delivered the following statement:

8.10. On 19 January 2023, the Coalition of Trade Ministers on Climate was launched at an inaugural meeting held on the margins of the World Economic Forum (WEF) in Davos. Led by Ecuador, the

⁶ See document [WT/CTE/COM/17](#).

European Union, Kenya and New Zealand, the Coalition brings together 56 Ministers from a diversity of countries from all regions and levels of development to provide high level leadership and guidance on the nexus of climate, trade, and sustainable development.

8.11. Ministers that were present or represented highlighted the importance of the Coalition to explore new and innovative approaches for cooperation and collective action by providing a space, at the political level, to discuss and coordinate efforts to tackle climate challenges through trade policy. They also reiterated their attachment to the key principles of inclusivity and diversity enshrined in the launch statement.

8.12. The Ministerial segment of the launch was followed by stakeholder roundtable, which brought together the co-leads and Members of the Coalition for an exchange with representatives of international organizations, business, NGOs, and academia. All speakers present warmly welcomed the Coalition as an excellent and timely initiative.

8.13. We have prepared a summary of the launch, which we will share with the Secretariat for circulation to all Members. On behalf of the Members of the Coalition, I take this opportunity to invite all the other WTO Members to join the coalition.

9 DATE OF THE NEXT MEETING AND CHAIRMANSHIP CHANGE

9.1. The next meeting of the CTE is scheduled to take place during the week of 12 June 2023 back-to-back with the WTO Trade and Environment Week.

ANNEX 1: ITEMS OF THE CTE WORK PROGRAMME (1994)

- Item 1: The relationship between the provisions of the multilateral trading system and trade measures for environmental purposes, including those pursuant to multilateral environmental agreements.
- Item 2: The relationship between environmental policies relevant to trade and environmental measures with significant trade effects and the provisions of the multilateral trading system.
- Item 3(a): The relationship between the provisions of the multilateral trading system and charges and taxes for environmental purposes.
- Item 3(b): The relationship between the provisions of the multilateral trading system and requirements for environmental purposes relating to products, including standards and technical regulations, packaging, labelling and recycling.
- Item 4: The provisions of the multilateral trading system with respect to the transparency of trade measures used for environmental purposes and environmental measures and requirements which have significant trade effects.
- Item 5: The relationship between the dispute settlement mechanisms in the multilateral trading system and those found in multilateral environmental agreements.
- Item 6: The effect of environmental measures on market access, especially in relation to developing countries, in particular to the least developed among them, and environmental benefits of removing trade restrictions and distortions.
- Item 7: The issue of exports of domestically prohibited goods.
- Item 8: The relevant provisions of the Agreement on Trade-related Aspects of Intellectual Property Rights.
- Item 9: The work programme envisaged in the Decision on Trade in Services and the Environment.
- Item 10: Input to the relevant bodies in respect of appropriate arrangements for relations with intergovernmental and non-governmental organizations referred to in Article V of the WTO.
-

ANNEX 2: DOHA MINISTERIAL DECLARATION PARAGRAPHS

32. We instruct the CTE, in pursuing work on all items on its agenda within its current terms of reference, to give particular attention to:

(i) the effect of environmental measures on market access, especially in relation to developing countries, in particular the least developed among them, and those situations in which the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and development;

(ii) the relevant provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights; and

(iii) labelling requirements for environmental purposes.

Work on these issues should include the identification of any need to clarify relevant WTO rules. The Committee shall report to the Fifth Session of the Ministerial Conference, and make recommendations, where appropriate, with respect to future action, including the desirability of negotiations. The outcome of this work as well as the negotiations carried out under paragraph 31 (i) and (ii) shall be compatible with the open and non-discriminatory nature of the multilateral trading system, shall not add to or diminish the rights and obligations of Members under existing WTO agreements, in particular the Agreement on the Application of Sanitary and Phytosanitary Measures, nor alter the balance of these rights and obligations, and will take into account the needs of developing and least developed countries.

33. We recognize the importance of technical assistance and capacity building in the field of trade and environment to developing countries, in particular the least developed among them. We also encourage that expertise and experience be shared with Members wishing to perform environmental reviews at the national level. A report shall be prepared on these activities for the Fifth Session.

51. The Committee on Trade and Development and the CTE shall, within their respective mandates, each act as a forum to identify and debate developmental and environmental aspects of the negotiations, in order to help achieve the objective of having sustainable development appropriately reflected.
