



Committee on Trade and Environment

REPORT OF THE MEETING HELD ON 12 JUNE 2023

NOTE BY THE SECRETARIAT¹

The Committee on Trade and Environment (CTE Regular) met on 12 June 2023, chaired by H.E. Mr. José VALENCIA (Ecuador). The Committee adopted the Airgram [WTO/AIR/CTE/21](#), dated 24 May 2023. The Report of the last CTE meeting, held on 14 and 15 March 2023, is contained in [WT/CTE/M/77](#).

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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.

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ACRONYMS

ACCTS	Agreement on Climate Change, Trade and Sustainability
ACP	African, Caribbean and Pacific countries
AFT	Aid-for-Trade
APEC	Asia-Pacific Economic Cooperation
BRS (Conventions)	Basel, Rotterdam and Stockholm (Conventions)
CBAM	Carbon border adjustment mechanism
CBDR	Common But Differentiated Responsibilities
CBDR-RC	Common but Differentiated Responsibilities and Respective Capabilities
CDRI	Coalition for Disaster Resilient Infrastructure
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COP	Conference of the Parties
CRTA	Committee on Regional Trade Agreements
CTE	Committee on Trade and Environment
CTG	Council for Trade in Goods
DPP	Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade
EGS	Environmental goods and services
ETS	Emissions trading scheme
EU	European Union
EUR	Euros
FAO	Food and Agriculture Organization of the United Nations
FFS	Fossil fuel subsidies
FFSR	Fossil fuel subsidy reform
GEA	Green Economy Agreement
GHG	Greenhouse gas
GST	Global stocktake
HPP	Hydroelectric Power Plant
HS	Harmonized System
IEA	International Energy Agency
IFCMA	Inclusive Forum on Carbon Mitigation Approaches
IISD	International Institute for Sustainable Development
IMF	International Monetary Fund
INBAR	International Bamboo and Rattan Organization
INC	Intergovernmental Negotiating Committee
IPCC	Intergovernmental Panel on Climate Change
IPEN	International Pollutants Elimination Network
ISA	International Solar Alliance
ITC	International Trade Centre
LDCs	Least developed countries
M&E	Monitoring and evaluation
MC	Ministerial Conference
MEAs	Multilateral environmental agreements
MMT	Million metric tons
MSME	Micro, small and medium-sized enterprise
NDC	Nationally determined contribution
OECD	Organisation for Economic Co-operation and Development
SCM	Subsidies and countervailing measures
SCM Agreement	Agreement on Subsidies and Countervailing Measures
SDG	Sustainable development goal
SGD	Singapore dollar
SIDS	Small island developing states
SMEs	Small and medium-sized enterprises
SPS	Sanitary and phytosanitary measures
SPS Agreement	Agreement on the Application of Sanitary and Phytosanitary Measures
TBT	Technical barriers to trade
TBT Agreement	Agreement on Technical Barriers to Trade
TESS	Forum on Trade, Environment and the SDGs
TESSD	Trade and Environmental Sustainability Structured Discussions
TPRs	Trade policy reviews

TrPMs	Trade-related plastic measures
UAE	United Arab Emirates
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNEA	United Nations Environment Assembly
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
US	United States
USD	US dollars
WCO	World Customs Organization
WEF	World Economic Forum

1 ADOPTION OF THE AGENDA

1.1. The Committee adopted the agenda contained in [WTO/AIR/CTE/21](#).

1.2. The representative of Ukraine delivered the following statement:

1.3. Let me start by welcoming you as Chair of this Committee. Before getting to the substance of our adopted agenda items, I would like to provide the following statement on behalf of Ukraine. During this week, we are going to discuss lots of acute issues such as energy transition, trade and sustainability, circular economy, trade-related environmental measures (TrCMs) and sustainable agriculture. We would assume that the key note of all the sessions will be environmental preservation – finding ways to make trade both beneficial for climate and ensure that environmental measures will not create new barriers to trade.

1.4. For Ukraine, these topics are important as well, yet we are of the view that we should not only be discussing measures aimed to protect the environment but deliberately harming the environment of other Members that affects trade as well. All of us express the desire to protect the environment and make trade assist in climate change mitigation during CTE meetings, but what happens to these commitments outside the WTO walls? For 17 months in a row, Ukraine has been fighting against the Russian aggression. The war launched by one of the WTO Members has already led to the loss of thousands of lives, destruction of critical civil infrastructure, disruption of trade rules and supply chains and of course environmental crimes with the most recent one being the blowing up of the Kakhovka hydropower plant just after World Environment Day, which resulted in the biggest ecological and humanitarian disaster in Europe. The key objectives of the Kakhovka Hydroelectric Power Plant (HPP) were hydroelectric power generation, irrigation and navigation. It also supplied a canal that brings water to the Russian occupied Crimean peninsula. This terrorist act has resulted in the flooding of multiple settlements in the Kherson region of Ukraine and its impact goes far beyond Ukraine and affects the eco-system of the entire Black Sea area.

1.5. The man-made ecological disaster caused by Russia's destruction of the Kakhovka HPP will also severely affect irrigation systems of thousands of regions in Ukraine, which will be another tangible blow to global food security. It also poses a potential threat to the Zaporizhzhia nuclear power plant due to the uncontrolled decrease in the water level, which was used to cool the nuclear reactors. The detonation of the Kakhovka HPP by the Russian occupiers is another heinous war crime of ecocide and environmental weapon of mass destruction. More than 80,000 settlements are within the flood zone, more than 400,000 people are at risk of flooding. The Ukrainian authorities are evacuating more than 70,000 people but unfortunately more than 25,000 civilians still living in the temporarily occupied territory are deprived of being moved to a safer place. Flooding of settlements and agricultural land will inevitably lead to the leaching of oil products and agricultural chemicals into the water. All of this water will be carried to the Black Sea by the Dnipro river bed which may pose a threat to the health of citizens and leads to eco-system poisoning and irreparable consequences.

1.6. Once again, we emphasize that negative repercussions of the war cannot be, and are not, contained within Ukrainian borders as adverse effects of Russia's atrocities in Ukraine on multilateral trading systems, environmental safety, energy and food security to name just a few are apparent and undisputed. It is crucial to put a swift end to Russia's stability to wage war of aggression and to weaponize human suffering across the world. Joint economic responses to the aggressor's crimes can help us stabilize international trade and prevent greater environmental catastrophes, yet it requires our unity. We would like to commend our partners for their unwavering, much needed and appreciated support in mitigating negative repercussions of Russia's war of aggression and devastation of Ukraine's environment and ask other WTO Members for support to deprive Russia of its ability to finance a war that brings death and suffering, creates new environmental challenges and undermines the world's eco-system and the multilateral trading system.

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

1.8. We would like to first congratulate you on your Chairmanship but, more importantly, we would like to voice our support for the Ukrainian delegation. As my delegation has said on numerous occasions, we continue to condemn Russia's illegal, unjustifiable and unprovoked war, disregard for the UN Charter, and indifference to the impacts that its war is having on people worldwide.

1.9. Russia's actions also contravene the principles and values that are the foundation of the WTO, including other Members' shared notions of fairness and openness. We call upon all Members of this Organization to condemn unequivocally Putin's war of aggression, his reliance on force and indiscriminate violence to illegally seize the territory of another Member of this Organization and his contempt for the rule of law and humanitarian norms.

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

1.11. Just to echo our support based on the intervention of Ukraine and from the United States. The UK stands with all Members in condemning Russia's assault as an unprovoked, premeditated and barbaric attack against a sovereign democratic state.

1.12. The representative of Australia delivered the following statement:

1.13. Let me begin by congratulating you, Chair, on your appointment. We are looking forward to working with you throughout the year on trade and environment issues. I think that beyond that we would just like to echo our support for the statement by Ukraine. For 17 months a war has raged in Europe that has had untold costs on humanity, on loss of life, on economic circumstances and indeed the environment and it is fitting that in this Trade and Environment Week we pause at the beginning of it to take note of that cost and to call on Russia to end its act of aggression against Ukraine in defiance of the UN Charter, in defiance of the principles of international law, of decency, of humanity and of the principles of the multilateral system that we all espouse, which is multilateral cooperation in respect and understanding of one another and adherence to the agreed principles of international law.

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

1.15. We would like to join others in congratulating you on assuming the Chair and we look forward to a full and interesting Trade and Environment Week this week. We would also like to join others in expressing our support for Ukraine and reiterating our condemnation in the strongest possible terms of Russia's war of aggression against Ukraine and to call on Russia to cease.

1.16. The representative of Switzerland delivered the following statement:

1.17. Switzerland also would like to congratulate you on your election to this post. Unfortunately, we will be adding our voice to other delegations to firmly condemn the military aggression of Russia against Ukraine. This is a flagrant violation of international law, especially the prohibition of the use of force and the principle of territorial integrity of states.

1.18. Switzerland would like to call upon Russia to comply with its international obligations and to pull back from these acts, remove their troops and stop this escalation. Switzerland also would like to call upon all of the actors to comply with international law, especially international humanitarian law.

1.19. The representative of Japan delivered the following statement:

1.20. First of all, Japan would like to congratulate the Chair on leading this important Committee. Japan would like to echo the statement by Ukraine. Japan strongly condemns Russia's aggression against Ukraine for both the humanitarian and environmental aspects, as pointed out by Ukraine. Japan, as the only country to have ever suffered atomic bombing during wartime, absolutely cannot accept Russia's nuclear threat and its use of nuclear weapons under any circumstances. Japan strongly urges Russia once again to stop this aggression and to withdraw its forces from Ukrainian territory to within internationally recognized borders immediately.

1.21. The representative of Norway delivered the following statement:

1.22. First of all, Norway would like to congratulate you on your election to the Chair of this important Committee and wish you full success in our endeavour. 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. Norway remains committed to supporting Ukraine as long as it takes.

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

1.24. First of all, let me also congratulate you on your Chairmanship. I wish you all the best for this post. I am sure that under your Presidency we will be able to achieve concrete and pragmatic outcomes.

1.25. As some delegations have raised this issue, which is far beyond the mandate and the competence of this Organization, I am forced to respond. We regret that the regular work of this Committee has become a hostage due to the confrontational rhetoric of certain countries acting as a group in order to promote their biased views on various political issues. Such unfortunate developments affect our practical activities aimed at exploration and finding the way how trade may contribute to the current global challenges faced.

1.26. I would like to remind everyone that we do not refrain from deliberations on this particular situation, but they have to be conducted in the international organizations and forums whose competence allows scrutinizing the issues of this kind. The politicization of the WTO work is inappropriate and harmful if we want to achieve concrete and pragmatic results in future. Therefore, I urge that group of Members not to detract others from the ongoing work and to concentrate on matters relevant to it.

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

1.28. I would like to congratulate you on your appointment but I would also like to support Ukraine and others statements. The EU resolutely condemns Russia and its continued aggression in Ukraine and that Russia would like Ukraine to become a hostage of Russia. The EU is deeply concerned about the global consequences of this war including, but not limited to, the most recent explosion of Ukraine's dam. Russia's war is causing widespread damage, not only humanitarian but also environmental and climate-related in Ukraine and beyond, which is intensifying the triple planetary crisis. The EU urges Russia to stop with 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.

1.29. The representative of Republic of Moldova delivered the following statement:

1.30. The Republic of Moldova would like to add our voice and support to Ukraine and voice our strong condemnation of Russia's aggression against Ukraine. Referring to the recent unfortunate news related to the Kakhovka Dam, we would like to also strongly condemn the deliberate destruction of this dam in the Kherson region, which endangers not only civilians but also imposes challenges to the entire region, and especially huge environmental risks. Russia must be held accountable for these barbaric attacks. We stand with Ukraine and are ready to provide the necessary assistance.

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 statement:

2.2. The European Union will provide an update on trade-relevant aspects of the European Green Deal and present the key features of two European Green Deal proposals for empowering consumers

for the green transition.² The first proposal aims to protect consumers and companies from the misleading practice of unclear or poorly substantiated environmental claims (greenwashing). The second proposal is pursuing the objective of promoting the repair and sustainable consumption of goods.³

2.3. As announced in the annotated agenda today we will present two European Green Deal proposals with relevance to our trading partners. The two presentations today will focus on the consumer protection aspects of empowering consumers for the green transition:

- i. proposal on common criteria against greenwashing and misleading environmental claims; and
- ii. proposal for common rules promoting the repair of goods.

2.4. Before moving to these two initiatives, please let me provide you with a short update on other legislative and policy developments.

2.5. First, the two legislative proposals that have seen particular interest in the CTE: the Carbon Border Adjustment Mechanism and Deforestation.

2.6. With their recent publication in the Official Journal of the European Union, the Carbon Border Adjustment Mechanism (CBAM) and Deforestation regulations have now entered or are about to enter into force. The CBAM will enter into application in its transitional phase on 1 October 2023, and will be gradually phased in over a period of nine years, from 2026 to 2034, at which point 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.

2.7. The Regulation on Deforestation-free products was published in the Official Journal of the European Union on 9 June and will enter into force on 29 June. It will then enter into application 18 months later in December 2024. For small businesses, it will enter into application 24 months later (in June 2025). Given the particular interest from WTO Members, we are organizing information sessions on each of these laws on Wednesday, where we will bring our experts to respond to technical or implementation questions you may have.

2.8. Second, I would like to bring your attention to the selected pieces of trade-relevant Green Deal legislation and communications that the Commission proposed in 2023. These include the presentation of the Green Deal Industrial Plan, which together with the proposed Net Zero Industry Act and the Critical Raw Materials Act sets out how the EU will continue to lead the path to climate neutrality by investing in clean technology, including renewable hydrogen. We will aim to present some of these in more detail during the next CTE meeting.

2.9. Finally, before passing the floor to colleagues for the two presentations, I would like to underline the EU's continuous efforts to engage with partner countries on legislative developments. We are conscious of the great interest Members have in the Green Deal, as also demonstrated by the recent EU Trade Policy Review. Indeed, we try to walk the talk when we call for transparency, inclusiveness, and commitment to international rules. In the light of this, the EU has been trying to pursue a strategy that factors the external dimension into EU legislation in respect of the design and implementation of European Green Deal measures.

2.10. The EU has designed all of its European Green Deal measures very carefully with the aim of ensuring that the voices of stakeholders in and outside the EU are heard (*inter alia* with public consultations and early engagement before adoption of legislation) and we have ensured that international commitments are respected.

2.11. As more measures are moving to the implementation stage, we are keen to listen to partners and therefore continue to engage with trading partners across the following areas: outreach and

² The presentation can be found in document [RD/CTE/230](#).

³ Please consult on: (1) Proposal for a Green Claims Directive: [General information](#); [Text of the proposal](#); [Press release](#); [Factsheet](#); [Impact assessment](#); and [Questions and answers](#); and (2) Proposal for a Directive on common rules promoting the repair of goods: [General information](#); [Text of the proposal](#); [Press release](#); [Impact assessment](#); [Summary of the impact assessment](#); and [Questions and answers](#).

awareness-raising to clarify the content of the proposals, tools to facilitate the implementation of the initiatives, and capacity building and technical assistance where needed and possible.

2.12. Examples of actions across these areas are dedicated information sessions, including those organized later this week, information platforms, FAQs, guidelines, databases and more.

2.13. I will now pass the floor to my colleagues, Malgorzata Golebiewska from DG ENV and Ada Preziosi from DG JUST, to present the proposals for a Directive on substantiation of environmental claims and the proposal for a Directive promoting repair and reuse.

Presentation of the Proposal promoting repair and reuse

2.14. I would like to present briefly on the proposal for common rules promoting the repair of goods, which the Commission adopted earlier this year. The Commission has been working on a number of initiatives that aim at promoting sustainability and repair. We are trying to have a holistic approach to this issue and this is why one of the first elements that we are tackling is to make products repairable by design. This is why the Commission published last year a proposal for the Regulation on the eco-design of sustainable products, the objective for which is to impose repairability requirements on a wide range of different products as well as to make spare parts available.

2.15. The next stage is the Proposal on Empowering consumers for the green transition ensures that consumers obtain better information on the durability and repairability of products at the point of sale. At the last stage, is the reuse stage and that is what the initiative on the Promoting Repair and Reuse is trying to tackle.

2.16. What we are trying to do is encourage consumers to repair products instead of replacing them when they break. More repair is good for us all – citizens, businesses and the environment. It reduces waste, greenhouse gas emissions and demand for valuable resources; it saves consumers time and money on looking for replacement of broken goods; and it provides opportunities for the repair market to grow.

2.17. The core the Proposal is the obligation to repair. This means that producers that place on the EU market those goods for which repairability requirements exist will now be required also to repair these goods. We are talking about goods such as fridges, dishwashers and smart phones or tablets. They will also be required to inform consumers about this right. Another element is the European Repair Information Form, which will be a document that consumers will be able to ask any repairer before they get their broken product repaired. The annex to the Proposal already provides a template of this repair form and this will stimulate more transparency under the repair market in the EU.

2.18. The obligation to repair applies to producers placing on the EU market goods covered by repairability requirements and this also extends to producers that are established outside the EU. In particular, the Proposal specifies that, for producers from outside the EU, the obligation to repair and to inform will have to be carried out by the authorized representative in the EU, if they exist, and if that is not the case then it will be up to the importer of the goods and, if neither of these, then the distributor of the goods will have to carry out this obligation.

2.19. What is important to note here is that this obligation to repair will cover a wide variety of defects, including defects that are caused by consumers themselves.

Presentation of the Green Claims Directive

2.20. I will present the Commission's proposal on the substantiation and communication of explicit environmental claims, which was adopted in March this year. The key objectives of our Proposal are to protect consumers from greenwashing – unsubstantiated, vague or unfounded environmental information that is provided on a voluntary basis by companies to consumers in business-to-consumer relations.

2.21. Our evidence to underpin this proposal proved that over half (53.3%) of green claims on products and services that were made by companies in 2020 across different sectors of the economy (such as textiles and garments, cosmetics, food products, etc.) provided vague, misleading or information that was not substantiated. So in order to enable consumers to make informed

purchasing decisions based on credible environmental claims and labels, and to improve legal certainty and the function of the single market, we are proposing new rules on how the claims made to consumers in business-to-consumer communications should be substantiated.

2.22. The key elements of the Proposal are the rules on substantiation of environmental claims – the claims should be backed by scientific evidence and should look at the environmental impact from a lifecycle perspective and also should ensure that there is transparency on the use of offsets when it comes to claims made in relation to climate and greenhouse gas reduction.

2.23. The Proposal also sets out rules on communication. The claims that are made should be based on the substantiation assessment, and the information on the substantiation should be made available to consumers in a clear and transparent manner so that everyone can check the details behind the environmental claims.

2.24. The Proposal also sets out rules on labelling schemes. All environmental labels that are put on the EU market should be based on third party certification schemes with a robust governance. The Proposal is also aiming to stop the proliferation of environmental labels that we see on the market. Currently, there are more than 200 environmental labels. So in order to control the set-up of new labels, all new schemes should provide added value in terms of environmental ambition or coverage of product groups before they are put on the market. This concerns both EU-based schemes and also those coming from outside of the EU.

2.25. The real novelty of this Proposal is that we are proposing an ex-ante verification, so verification of the substantiation before the claim is made to consumers. This ex-ante verification will be done by independent and accredited verifiers that will be appointed by national accreditation bodies and these verifiers will be entitled to issue certain certificates of conformity of the claims with the Green Claims Directive and these certificates will be recognized across the EU. The certificates will be issued only once in one EU member State and then can be displayed across the EU.

2.26. Finally, the proposal also foresees rules on enforcement, empowering competent authorities to enforce the rules, and also including by issuing penalties. It also foresees rules on regular monitoring – annual monitoring will be done where the problems continue to exist and where further priorities for further action at the EU level may lie.

2.27. The Proposal, which was adopted in March, is currently open for public feedback until 21 July. In addition, the draft was notified for comment under the Technical Barriers to Trade (TBT) notification procedure with a deadline of 30 August. The European Parliament, as well as the Council of the EU, are starting their discussions on the draft legislation.

2.28. Following these presentations, some delegations made the following comments.

2.29. The representative of Switzerland delivered the following statement:

2.30. Switzerland thanks the EU for the very interesting statement on greenwashing. We consider the EU's effort to address the greenwashing challenge to be positive, although many questions remain unanswered regarding the practical implementation of the future regulations.

2.31. For a policy framework to be as operational as possible against greenwashing, we need clear regulations, easily accessible means to complain and a real potential for sanctions.

2.32. In general, lifecycle assessments provide a sound scientific basis for the preparation of green claims. As a result, internally, the Department of Trade relies on the expertise of the Department of the Environment for complaints filed under the federal Unfair Competition Act.

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

2.34. Chair, I am making this statement on behalf of the LDC Group. We first of all congratulate you on your Chairmanship.

2.35. We appreciate the European Union's presentation on its two proposals dealing with trade-related aspects of the European Green Deal, namely, the protection of consumers and

companies from the misleading practice of unclear or poorly substantiated environmental claims (greenwashing); and promoting the repair and sustainable consumption of goods.

2.36. As the main victims of the adverse consequences of climate change and the least responsible for it, we believe that it is good to fight against climate change and we do encourage all Members to do their best in this area. However, the measures adopted must be compatible with WTO rules as well as international standards, including the United Nations Framework Convention on Climate Change.

2.37. The LDC Group is considering these two proposals in our capitals. However, we would like to make some preliminary comments today. First, the Group believes that it is important to protect consumers and businesses from misleading labelling practices. The proliferation of environmental labels has been on such a scale as to make it difficult for regulators and consumers to establish their veracity. This therefore constitutes a form of unfair competition for companies that offer truly sustainable products.

2.38. However, even if we as a Group recognize the importance of such regulations, it risks restricting market access for LDC companies given their capacity constraints with regard to labelling. The implementation of such proposals will generate high and almost unbearable costs for the verification and/or compliance of labels in many of our countries.

2.39. The LDC Group therefore believes that these EU regulations require further discussion and consultation on the impact of their measures on LDC exports given the negative impact they could have on market access for our businesses. The United Nations Conference on Trade and Development (UNCTAD) 2022 LDC Report mentions the devastating effects that the policies of trading partners can have on LDCs.

2.40. As I conclude, Chair, with regard to paragraph 32 of the Doha Declaration, the Group would like to ask the European Union if it has assessed the impact of these measures on LDC exports to the European market? Our Group will come back in another meeting of the CTE with more detailed comments and questions on these two EU proposals.

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

2.42. Chair, this statement is made on behalf of the African Group. The Group congratulates you on your election to head this Committee as Chair.

2.43. The African Group takes note of the presentations made by the European Union on these two elements of its Green Deal and we will come back to these two elements very soon. However, with regard to CBAM and Deforestation, the African Group is concerned that the EU's environmental mechanisms amount to giving priority to its policy over those of exporting countries and to imposing a vision unilateral way of dealing with climate change.

2.44. These policies cover globally traded goods and have progressive scopes that can have far-reaching effects. The implications for the identified sectors will differ depending on the industry's exposure to the EU market. However, beyond trade, the Green Deal could have implications in terms of investment, industrial development and job creation. For the African Group, the administrative and compliance burden will require control systems and adequate procedures, but these will be difficult and prohibitively expensive for most, if not all, African countries.

2.45. Furthermore, our concerns have been reinforced by the report of a study, published by the African Climate Foundation (ACF) and the Firoz Lalji Institute for Africa of the London School of Economics and Political Science (LSE), which indicates that CBAM could affect African export competitiveness if the product coverage expands over time. It would introduce administrative barriers to market access for African countries, which have historically struggled to gain a foothold in the European market.

2.46. This report also indicates that, while it is commendable that the EU is taking action to reduce greenhouse gas emissions, at the same time there is still a lot to be done. Developed countries must

redouble their efforts to provide climate funding to developing countries and transfer technologies to support their transition toward low-carbon-emission economies.

2.47. Chair, the measures to combat against climate change, including unilateral measures, must not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. The African Group would like to reach out to the EU and make sure that they comply fully with the rules of the WTO.

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

2.49. I would also like to thank the EU for presenting these new legislative proposals under the European Green Deal. I would just like to express hope that, in the future, these new proposals will not turn into yet another instrument of protectionism following the recent trends of the EU's trade policy.

2.50. The representative of Colombia delivered the following statement:

2.51. Congratulations on your appointment as Chair. Thank you to the EU for the presentations, which are very relevant for our discussions not only in this setting but also in others like TESSD on circularity. I have two questions with regards to the proposal on repair and sustainable consumption of goods, and one question with regards to the proposal on substantiation of environmental claims or greenwashing.

2.52. My first question is about the inclusion in the value chain of other WTO Members the repairability and sustainable consumption of goods policies. Especially in the case of developing countries, how does this proposal envisage that inclusion in the value chains of developing countries? My second question with regards to that regulation is the repairability issue of the goods – how does that work in practice? Will it be a document that is included with the good or a labelling requirement? How will that work?

2.53. With regard to the Green Claims Directive on environmental claims, we believe that it will be applicable to environmental private standards and private labelling and, for Colombia, it is very important this issue of claims of "free-from palm oil", the special label requirements that include palm oil as one of the features that the label should have on a voluntary basis. So, according to the EU market and the European Association of Consumers, these label requirements on claims of "free-from palm oil" are associated with unsustainable practices so consumers relate those standards and those labels with unsustainable practices. According to the science, this is not totally accurate. So how will the regulation cope with this issue of already misleading information that European consumers have already constructed and have thought about.

2.54. The representative of Uruguay delivered the following statement:

2.55. I would like to congratulate you on your appointment to this post and I would like to thank the delegation of the European Union for their interesting presentations. Uruguay shares the concern and also the vision for sustainable development and the environment. It not only shares these perspectives but has incorporated them into its public policy for a number of years, well before these issues began to have the centrality they occupy today in the global agenda.

2.56. It is precisely these public policies that allow us to evaluate the value when it comes to going forward in terms of sustainability and climate change and a lot of advances have been made.

2.57. In this sense, I would like to highlight that Uruguay's energy matrix is made up of 97% renewable sources and this has allowed progress in a second phase of decarbonization that will be applied to transport and industry, in which a strong commitment is made to production and export of green hydrogen. Likewise, in terms of agriculture, Uruguay has adopted a sustainable intensification strategy, maintaining emission levels for more than thirty years despite the fact that production has increased significantly.

2.58. It is thanks to these long-standing policies that in the last national inventory of greenhouse gases reported to the United Nations, Uruguay had net negative emissions of almost 5,000 Gg.

2.59. This concern for the environment and the fact of being an open country, whose development and economic growth strongly hinge on international trade, leads us to follow regulatory developments very carefully, both at a multilateral and unilateral level, and we would like to state how we did it. Recently, our concern about the unilateral measures that some Members are taking, most of which are restrictive to trade.

2.60. We believe that trade in general and the WTO in particular can and should contribute to the solution of environmental problems, but not only through restrictions and different trade-distorting measures that could give rise to a fragmentation of the multilateral trading system, but rather through a forthright environmental programme that will facilitate and promote trade as an engine of development.

2.61. The theme of decarbonization is something that we are all concerned with. As is the case of many Members, Uruguay has also established the ambitious goal of decarbonizing their economy by 2050, but for the time being when it comes to trade all the various measures that we have been hearing about are trade-restrictive measures and they limit or bring taxes on products with a high carbon content.

2.62. As we see it, when it comes to dealing with it at an international level, this will not solve the problem. You cannot solve the problem only through restrictive measures because we have to move, as we know, towards decarbonizing the economy.

2.63. This delegation considers that an efficient and effective means of accelerating the decarbonization of the world economy is through positive trade incentives for goods that are carbon neutral or negative in terms of carbon. This type of approach would avoid the lack of consensus in terms of definitions, which stood in the way of the Agreement on Environmental Goods. There could be certifications and carbon accounting, issues on which there is greater consensus at the international level.

2.64. We believe that exploring measures of these characteristics that could provide a positive incentive would accelerate the decarbonization of industries and production processes in line with the objectives of the Paris Agreement and, at the same time, drive trade forward. This would be in keeping with the objectives of this Organization. However, we do not see this type of positive-incentive measures in the EU Green Deal.

2.65. The representative of Brazil delivered the following statement:

2.66. Allow me to congratulate you for taking up your post. Brazil would also like to thank the EU for presenting new aspects of the Green Deal and also for updating the CTE on the recent publication of the Regulations establishing the CBAM as well as the Deforestation legislation. Despite statements made by the EU authorities to the effect that these measures would be consistent with multilateral rules, as they stand, they do appear to pose challenges to a broader array of WTO disciplines including in tariffs and TBT as well as the fundamental principles of non-discrimination and national treatment. In this regard, I refer to the previous statements made by Brazil in both the CTE and the Council for Trade in Goods (CTG).

2.67. In light of that, I would like to pose a question to the EU representative who mentioned that it would be possible in the case of the CBAM to deduct other contributions for decarbonization from the taxation of the mechanism. I would just like to ask whether that means that it would be possible to also deduct contributions made by other modalities of carbon efforts other than carbon pricing, so for instance from regulatory approaches.

2.68. The representative of Norway delivered the following statement:

2.69. Norway would like to thank the European Union for their presentations of the proposed new directives on 'Green Claims' and on the 'Promoting Repair and Reuse', respectively. Norway supports the intentions behind these two regulations.

2.70. Public awareness of the need for more sustainable consumption patterns is increasing. This has created business opportunities for companies as they can appeal to consumers by selling goods and services that are produced with lower environmental impact. But opportunity can sometimes

lead to opportunism and misleading claims. Statistics showed that over half of the claims were at least not fully valid. It is therefore crucial that green claims can be supported by scientific evidence, and be certified and verified by independent and credible methods.

2.71. Repairing and reusing products rather than replacing them is becoming increasingly necessary in order to reduce the consumption of scarce materials and the pressure on waste management. Strengthening the requirements for producers to make goods repairable, and the possibilities for consumers to repair rather than replace, is important in this regard.

2.72. Listening to the discussion here, we note that other Members have also pointed to important points regarding transparency and predictability for third countries, and challenges for developing countries and LDCs. We trust that the EU is taking such concerns into regard in the finalization and implementation of these measures.

2.73. The representative of India delivered the following statement:

2.74. India would like to join others in congratulating you on your assumption of the Chairpersonship of the CTE and we assure you of our full cooperation.

2.75. India thanks the EU for the two presentations today. We would examine the proposals mainly to determine if these proposals will be more trade restrictive than necessary in the TBT context. The proposals on labelling as well as the administration process put in place for both proposals need further examination so that they do not become barriers to market access. On the remarks earlier made by the EU on their CBAM and Deforestation regulations, we will intervene more broadly under agenda item 3.B.

2.76. The representative of Canada delivered the following statement:

2.77. Canada would firstly like to congratulate you, Chair, on your Chairmanship. Canada would like to thank the EU for providing presentations on the new Directives on green claims and common rules promoting the repair of goods. We will aim to take what we have heard and learned here today and assess what it could mean for Canadian businesses.

2.78. As well, we are keenly interested in receiving updates on the Directives as they advance and are implemented, particularly stakeholder engagement opportunities, given that both Directives will have some degree of trade implications.

2.79. The representatives of Australia delivered the following statement:

2.80. Australia welcomes the EU's presentations this morning and shares the EU's views that trade has a critical role to play in addressing environmental challenge and particularly climate challenges.

2.81. On the proposal to protect consumers and companies from misleading practices of unclear or poorly substantiated environmental claims (greenwashing), Australia treats the issue of greenwashing seriously. Under Australian law, greenwashing now constitutes a breach of our consumer laws, which prohibits engaging in misleading or deceptive conduct in trade or commerce.

2.82. Careful consideration should be given to how Members set requirements for the verification of environmental claims to avoid measures becoming more trade restrictive than necessary and cost prohibitive for exporters, including by giving positive consideration to the mutual recognition of verification processes and schemes of other Members.

2.83. Greater certainty about pathways for recognition of non-EU schemes is highly desirable. A proliferation of similar methods elsewhere without a collaborative approach allowing for mutual recognition could place unnecessary burdens on exporters, be more trade restrictive than necessary, and exclusionary to smaller or disadvantaged producers/exporters.

2.84. On the proposal that aims to promote the repair and sustainable consumption of goods, liberalizing green trade is an absolutely important element in driving sustainability. Australia is also working hard domestically and with international partners to address this issue. But, in pursuing our objective of transition to net zero, promoting the repair and sustainable consumption of goods alone

will not be enough, as we all know. Trade rules should also be reformed to reduce WTO Members' entitlements to provide subsidies that cause environmental harm. It is important to ensure that governments work closely with industry on developing and implementing such schemes.

2.85. Australia welcomes the inclusion in the recently agreed Kunming-Montreal Global Biodiversity Framework of a dedicated target to address incentives harmful for biodiversity, specifically 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 USD 500 billion per year by 2030.

2.86. Finance and investment will be critical to promoting more sustainable production and consumption and Australia is cognisant of the nature positive investment opportunities that are emerging with post-Paris financing, investment and emissions accounting frameworks including the Taskforce for Nature-Based Risk Disclosure (TNFD).

2.87. I am delighted this week to have with me a horde of trade and environment experts from Canberra and will take this opportunity to pass on to my colleague to continue Australia's intervention.

2.88. It is a pleasure to be here for Australia at the CTE for Trade and Environment Week and thank you for indulging in a double intervention from us. We would like to thank the EU for the presentation on the Green Deal and ongoing commitment to transparency. We are looking forward to further information sessions on Wednesday.

2.89. Australia is committed to tackling climate change and we are bidding to co-host COP31 with the Pacific in 2026 to accelerate global action. We are also committed to international climate leadership and supporting Indo-Pacific partners in their net zero transformations and to develop climate resilience. We firmly believe that trade and the multilateral trading system must be part of the solution to environmental problems, including climate change. The WTO can and must play a role in tackling these problems. It will not be easy but it is our responsibility to try and ensure to the best of our ability that there is maximum consistency in our trade and environmental policies.

2.90. Transparency and dialogue will be important to help us get there, particularly here in the CTE. We are conscious of the importance of tackling carbon leakage and understand why Members are pursuing policies to combat this issue. We are committed to exploring multilateral and plurilateral solutions to carbon leakage but we have to recognise that climate measures are imperative and we understand why Members are taking action now. Any measures should be WTO-consistent.

2.91. Australia notes that the EU's CBAM policy aims to address this problem of carbon leakage. We welcome the consultative approach that the EU has taken in relation to CBAM today, including here at the CTE and bilaterally with interested Members, consistent with the central WTO principle of transparency. We note that CBAM has been officially adopted and will commence its transitionary phase on 1 October this year. We look forward to seeing the final implementing legislation and hope it will clarify some outstanding questions from Members.

2.92. Australia is committed to working with the EU and all Members on these important issues where trade can assist in advancing our climate, environment and sustainability objectives.

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

2.94. The United States thanks the European Union for the presentations on these draft EU proposals on directives for green claims and common rules promoting the repair of goods. Presentations on policy objectives, and design choices made by regulators, can contribute to our collective understanding of why and how these approaches interact with the multilateral trading system.

2.95. The United States supports discussion of underlying policy objectives and choices that Members take to address particular environmental concerns. We view the CTE as the appropriate venue for such discussions. We do want to ensure, however, that such discussions or presentations in the CTE are not intended to replace notification or deliberation in other relevant Committees here at the WTO, which have the mandate to discuss specific trade concerns.

2.96. The CTE was not intended to be a body for discussing STCs, nor do we want to see it evolve into such a forum. Sharing information, and providing transparency into policy decision-making, is a useful and constructive role for the CTE but should not supersede other Committees' mandates.

2.97. We appreciate the communication (WT/CTE/GEN/29) circulated by the EU on its Carbon Border Adjustment Mechanism. However, we are concerned that this communication, and the presentations by the EU, are intended to replace notification and deliberation in other Committees. We have a question for the EU and would like to know if the EU intends for this communication to act as its official notification of the measure to the WTO.

2.98. In conclusion, we welcome more robust information sharing among Members, in particular on policy approaches to specific environment challenges. However, we must reiterate that transparency under the CTE should not replace established processes under relevant Committees, like TBT and Sanitary and Phytosanitary Measures (SPS) for example, for notification of measures and discussion of specific trade concerns.

2.99. The representative of Egypt delivered the following statement:

2.100. I would like to extend my delegation's congratulations to you, Chair, on assumption of this important responsibility in the CTE. It is especially important given the sensitivity and complexity of the matters that we are discussing here. We need a professional, as you are, to Chair this Committee and we are lucky that we have you on the podium. I am also personally happy to have you as Chair given our two countries are alphabetically neighbours in this Organization and of course Chair you will have our support during your stint. Now allow me to pass over the floor to my colleague who will read our technical intervention on the EU presentations since she is the one who prepared everything.

2.101. Chair, Egypt will express our comments on the two proposals in reverse order. At the outset, we would like to thank the EU for the presentation made on its Proposal for a Green Claims Directive. We believe that businesses have an important role to play in climate action and achieving sustainability. This role should be in support of countries' efforts to advance the SDGs and climate objectives, in line with their commitments under the UNFCCC, including the Paris Agreement.

2.102. We believe that it is important to address greenwashing practices and misleading claims made by some companies and businesses, in order to protect consumers and the environment. Strengthening businesses' responsibility in achieving sustainable development and sustainability targets is crucial. However, this should be based on and in conformity with our obligations and commitments in the WTO rule book, which recognizes, among other things, the importance of integrating developing and least developed country Members in global value chains and increase their share of international trade.

2.103. Collaboration with other international organizations and relevant treaties is extremely important, we may benefit, in so far as our mandate at the CTE allows, from international initiatives, including the recent launch in COP27 of the High-Level Expert Group's report, entitled "Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions".

2.104. We need to understand the potential effects of the directive on developing countries' exports and whether it could create any barriers or disadvantages for them. We would also need to explore whether the Directive's standards could disproportionately affect developing countries that heavily rely on environmental claims to promote their products.

2.105. In this regard, and taking into consideration that companies from exporting developing countries may not have the capacity to comply or to prove compliance with the criteria stipulated in the new directive, my delegation would like to ask the EU delegation the following, and we hope we will receive answers to these questions in the context of this agreement or at a later stage:

- i. How will the implementation of the Green Claims Directive impact the export capabilities of developing countries to the EU market?

- ii. Will the requirements and restrictions of the Green Claims Directive pose challenges for developing countries that heavily rely on environmental claims and marketing strategies?
- iii. How can the Green Claims Directive support and encourage the participation of developing countries in sustainable production and trade?
- iv. Are there provisions within the Green Claims Directive to facilitate capacity building and technical assistance for developing countries?
- v. What measures will be taken to ensure that the Green Claims Directive does not inadvertently discriminate against developing countries?
- vi. Could the EU delegation provide more information on the proposed rules for communication? How will the substantiation assessment information be made available to consumers in a clear and transparent manner?
- vii. How does the proposal aim to control the proliferation of environmental labels in the market? What are the criteria that new schemes should meet before being put on the market?
- viii. Could you please elaborate on the ex-ante verification process proposed in the draft. How will independent and accredited verifiers be appointed or selected, and what will be their role in ensuring conformity with the green claims directive?

2.106. Chair, we would like to thank the EU also for the presentation made on its Proposal for a Directive on common rules promoting the repair of goods. We think that the Proposal could serve the objectives of promoting sustainable consumption and reducing wastes and pollution. We understand that this is part of the EU Green Deal, which aims to promote sustainable consumption and reduce waste by extending the lifespan of goods through repair.

2.107. However, this initiative may pose challenges for exports from developing countries. Meeting the repairability requirements set by the directive may involve additional costs and adjustments to product design and manufacturing processes. Developing countries with limited resources and technical capabilities may face difficulties in complying with these requirements. This could potentially create a barrier for their products to enter the EU market.

2.108. In this regard, we would like to seek clarification from the EU delegation on some issues:

- i. What are the key objectives of the proposed Directive on common rules promoting the repair of goods? And how would this directive facilitate trade from developing countries and in which sector could it be trade restrictive?
- ii. The proposed Directive covers a wide range of products, including but not limited to vacuum cleaners, tablets, smartphones, and other technically repairable goods. Could the EU provide detailed information based on the HS coding system to define the scope of products covered by the proposed Directive?
- iii. What obligations does the proposed Directive impose on businesses?
- iv. Has the EU identified the practical implications of the proposed Directive for businesses and consumers?
- v. How will this proposal be applied on products bought electronically from traders outside the EU?

2.109. The representative of Thailand delivered the following statement:

2.110. As this is the first time Thailand has taken the floor, we would like to congratulate and thank you Chair for the guidance at this meeting.

2.111. On the EU Green Deal, we thank the distinguished delegates from the European Union for the update on the European Green Deal plan for implementation and the briefing on European Directives on green claim and repair and sustainable consumption of goods. The presentation has helped us to understand more about the effort of the European Union to empower consumers for the green transition. We will study more in detail on the proposals.

2.112. However, my delegation would like to reiterate our concern on the CBAM. We understand that, in theory, the equalization of the carbon price should lead to the creation of a level playing field between manufacturers from the EU and third countries. However, the CBAM sparks countless controversies related to its compatibility with the GATT 1994 and other multilateral agreements, especially on the principle of common but differentiated responsibilities as well as the right to development, both of which are of importance to developing countries and least developed countries (LDCs).

2.113. Lastly, my delegation wishes to thank the European Union once again for the updates as the process for transparency and looks forward to further discussions with the European Union once we receive more feedback from the stakeholders in the future.

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

2.115. I would like to congratulate you for your selection as the Chair of this important committee. The Kingdom of Saudi Arabia trusts your able leadership and offers you its support and positive contribution.

2.116. The Kingdom would like to thank the European Union for the update on trade-relevant aspects of the European Green Deal and for the presentation on proposals for empowering consumers for the green transition.

2.117. The Kingdom of Saudi Arabia would like to reiterate its concerns on the EU Green Deal in general. These new legislative proposals, like the one on the CBAM, are unilateral restrictive trade measures that must not be accommodated. We support the concerns raised by a number of Members on the effects of such measures let alone the inconsistency with WTO rules.

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

2.119. We thank the EU for its update and look forward to thematic session focused on CBAM later this week. We wish to reiterate our perspective on the importance of importance of equity in supporting just economic transitions. In this respect, we note paragraph 74 of the EU Regulation, which also references that the "Union is working towards introducing a new own resource based on the revenues generated by the sale of CBAM certificates." We look forward to further information on this Fund, which we believe should be channelled back to developing countries to support compliance with CBAM requirements and broader climate mitigation and adaptation measures, through climate financing and the transfer of innovative and suitable technologies.

2.120. The Philippines would also like to thank the EU for its updates on the EU Green Deal, particularly on the two new legislative proposals on green claims and promoting repair and sustainable consumption of goods.

2.121. We have a future questions on the Green Claims Directive, which some other delegations have taken up under this agenda item. We note that the proposal acknowledges that there would be higher compliance costs that are passed to companies who wish to seek certification under eco-labelling schemes, including post-verification, which would likely negatively impact MSMEs in developing countries.

2.122. We note Article 8 of the proposal entails that new public schemes from third countries will have to meet the requirements contained in the Directive and will require prior notification and

approval by the Commission. Our question therefore is how does the Commission currently recognize eco-labels from third countries and how does this compare to future requirements for carbon footprint labelling? And has the Commission considered the potential negative impact of the proposed measures on disincentivizing carbon offset programmes in developing countries? We also note that the proposal contains support for Small and medium sized enterprises (SMEs) in the EU, particularly related to data on environmental footprints. Would similar support be made available to SMEs in third countries? Lastly, does the proposed regulation cover advertising claims?

2.123. The representative of Argentina delivered the following statement:

2.124. I would like to join others in congratulating you at your appointment. As we have said in other meetings of this Committee, Argentina considers that it is necessary that regulations under the EU Green Deal respect the European Union's commitments before the WTO and that they are based on scientific evidence in order to ensure that these measures do not constitute an arbitrarily discriminatory measure or an unjustified barrier to trade, Argentina shares the objectives of the EU on climate change and in particular the objective of producing food in a sustainable way, taking into account current challenges in safeguarding food security in changing climatic conditions.

2.125. Here we stand convinced that there is not one single model to achieve environmental protection and that environmental deterioration, including climate change, should be combatted while respecting the principle of common but differentiated responsibilities. Therefore, solutions should be adapted to local realities and policies and initiatives proposed to that end must be flexible, pragmatic, implementable and realistic, and they should be as least trade restrictive as possible to achieve their purpose.

2.126. With regard to the initiatives presented, we have two comments. With regard to the reuse of products, we have been chatting throughout the meeting with our Uruguayan colleagues and, as we have said, we continue to use our parents' clothing, which are handed down through the generations, and my mother has the same washing machine from 20 years ago – so we congratulate the European Union for their initiative to be more sustainable in domestic consumption.

2.127. With regard to the Green Claims labelling, what criteria would the European Union seek to apply to qualify a green claim as appropriate or inappropriate, particularly because production methods are not universal in their environmental impact or in the self-perception of sustainability, for example, what the European Union calls "sustainable agriculture", even when it involves affecting soils. In our country, we have been working for some years on carbon storage ensuring sustainability of soils and saving water.

2.128. Our question would be what criteria are you using in order to classify different labelling? My next question would be who has the burden of proof – is it the producer that has to prove that their product is environmentally friendly or would it be the certifier to prove that it is not so?

2.129. The representatives of the European Union responded:

2.130. Thank you for the questions raised. I will respond in general terms to some of them. The Commission has assessed the impact of the measures in an accompanying impact assessment and the measures that we are proposing are proportionate to achieve the environmental objectives.

2.131. Let me highlight that the obligation to substantiate claims is already enshrined in EU law and it is already a legal obligation. The Green Claims Directive aims at providing rules on *how* to substantiate the claims, which in fact makes the lives of enterprises wishing to make environmental claims easier, because they have clear rules which can be verified for additional legal certainty.

2.132. In our impact assessment, we have looked at the costs specifically for labelling schemes of complying with the governance rules that are enshrined in our proposal. We have also foreseen the fact that small and medium-sized enterprises may indeed have more difficulty when it comes to substantiating the claims, for this reason, and for proportionate reasons, we have actually exempted small and medium-sized companies and micro-enterprises so those employing fewer than 10 employees and with an annual turnover of below EUR 2 million from the obligations in the Green Claims Directive, unless they wish to opt in, then they can of course do so and benefit from other rules within the Directive, such as the certificate of conformity.

2.133. We have also foreseen specific support to SMEs, including via the environmental footprint databases that the Commission will develop and allow SMEs to use. When it comes to the assessment underlying the claims to be substantiated, we highlight in our proposal first of all that there is flexibility when it comes to the choice of the method as long as it is scientifically robust and also in line with, or based on, international relevant standards. Here again we allow for flexibility for companies to use different methodologies rather than basing their claims on biases or perceptions, so that is certainly a plus.

2.134. I would like to offer a few clarifications on the proposal regarding the right to repair. In terms of the obligations and new measures that this proposal provides, it introduces a new right to repair both within and beyond the legal guarantee. Within the legal guarantee, the sellers will be required to offer repair except where it is more expensive than a replacement. Beyond the legal guarantee, the new set of rights and tools will be available to consumers to make repair an easy and accessible option. This includes this right for consumers to claim repair from producers for products that are technically repairable under EU law. To specify, the list of products to which this obligation refers is specified in Annex 2 of the proposal. Additionally, the reparability requirements are not set by this Directive but are envisaged to be set by either separate existing regulations or by future forthcoming acts under the eco-design for sustainable products regulation where the reparability requirements would be subject to a dedicated impact assessment as outlined in that specific proposal.

2.135. In addition, the proposal for the Directive on promoting the right to repair and reuse also envisages a producer's obligation to inform consumers about the products that they are obliged to repair themselves and envisages a facilitating matchmaking repair platform that would be able to match consumers with repairers. Additionally, while there is no specific labelling requirement envisaged, there is a possibility for repairers to indicate their adherence with the EU or national quality standards related to repair in order to build consumer trust.

2.136. Specifically, when referring to how the Directive is envisaged to apply to traders from outside the EU, it is specified that where the producer obliged to repair a certain good as listed in Annex 2 of the proposal is established outside the Union its authorized representative in the Union shall perform the obligation of the producer. Where the producer has no authorized representative in the Union, the importer of the good concerned shall perform the obligation of the producer. Finally, where there is no importer, the distributor of the good concerned will perform the obligation of the producer. I hope that this has allowed to shed some additional light on our proposal.

2.137. On behalf of all colleagues, let me thank you for the very rich and extensive comments that you have made, which are very useful. I would like to make a couple of general observations. The first is that EU legislative process starts with an impact assessment, as colleagues already alluded to, which assesses the impact, including on partner countries, and as a public consultation in which many of you participate. So that is the first process.

2.138. As of this moment, we have started indicating that we are taking measures in this Committee and this process leads into a Commission proposal, which is adopted. The two proposals that we have today are Commission proposals that have been adopted. The subsequent step is the co-legislative process – the co-legislative in the EU are the Council and the Parliament. Usually, I would say it is on average one and a half years or so, depending on the proposal, and often we hear from you to say it is not clear, we don't know what the measure entails, and that is because we are very transparent – we are sharing with you a proposal that is not a final proposal, which also means that it is useful to discuss here. Part of the questions that you have I cannot answer because we are in co-legislation and it is not a final proposal.

2.139. Some of the comments touched on WTO-compatibility, so I wanted to recall that both in the design stage and the implementation stage we really insert a very strong, international external dimension. WTO-compatibility has been and remains a key driver for all our measures and we are keen to engage as well as in the implementation. I take note of further calls to deepen the discussion and engage and we will be delighted to do that including discussing and looking at the development dimension.

2.140. On the Green Claims Directive, I wanted to emphasize that this is voluntary and it is to help companies to find their way in this mushrooming of all standards and to help them combat misleading information.

2.141. I heard a comment on CBAM, that it should be a positive approach and that there should be recognition – yes, I think that is also reflected in CBAM, because the idea is indeed to look at the embedded emissions efforts to reduce CO₂ and that they should be recognized. So that is certainly something we share. As for the point on notifications, the EU notifies in the TBT or SPS Committees the measures that fall under the remits of those Committees. The Green Claims Directive was notified on 31 May to the TBT Committee but we do not consider CBAM to fall under the TBT notification requirements, so we have been transparent and made a voluntary notification to this Committee.

2.142. With that, since I think a couple of questions were already responded to in the presentation and in some cases repeated by my colleagues so, for example, Egypt I would invite you to take a look again at the presentation but if there are further questions then I am happy to follow up. I hope that we managed to get to the crux of your comments and thank you very much. We have taken careful note in any event because, as was also said in our TPR review, we find it very important and useful to hear your comments, ideas and concerns.

2.2 Reports on the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP) and on the Trade and Environmental Sustainability Structured Discussions (TESSD)

2.2.1 Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP)

2.143. The representatives of Morocco and China, on behalf of the co-sponsors of the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP), delivered the following report:

2.144. At the outset, allow me to thank you Chair for giving us the opportunity to brief the Committee on the latest developments of the work done by the DPP.

2.145. The Dialogue, comprising of 76 co-sponsors, held its 2nd plenary meeting for 2023, on 25 May 2023. This plenary meeting was co-chaired by the Ambassadors of Morocco and China, and heard opening remarks from the Ambassadors of the coordinators of the Dialogue, namely, H.E. Ambassador of Australia, H.E. Ambassador of Barbados and H.E. the Ambassador of Ecuador, as well as from Mr. Hoe Lim, Director of the WTO Trade and Environment Division.

2.146. Building off from the first plenary meeting of 2023, this Plenary had as its main goal the presentation of the zero draft vision of the coordinators on the potential outcome of MC13. Indeed, the coordinators shared a written and more concrete "vision" for MC13 prior to the meeting and presented the zero draft for discussion.

2.147. This zero draft: (i) emphasizes the importance of collective action in tackling plastics, which are transboundary in nature; (ii) focuses on the shared vision of trade-related aspects to tackle plastics pollution; and (iii) identifies remaining information needs related to shared priorities, such as the need to create more concrete and tangible MC13 outcomes in the zero draft.

2.148. Additionally, the vision states that a series of annexes will complement the MC13 document to highlight the technical and scientific information related to plastics pollution as well as factual summaries of the survey results for both the trade-related plastic measures (TrPMs) survey as well as the Aid-for-Trade (AFT) Needs Assessment.

2.149. The coordinators all agreed on the fact that concrete and tangible outcomes for MC13 are very important in meeting plastic pollution reduction targets. Member states and Stakeholders who took the floor during meeting welcomed the zero draft presented and considered it as a good basis for discussions.

2.150. Several Members stressed the importance of cooperation and collaboration in creating concrete outcomes for MC13. Several Members also emphasized the importance of increasing transparency and data capacity. Some delegations raised questions and suggested alternative language regarding the relationship between the MC13 outcome and the ongoing negotiations for an international legally binding instrument.

2.151. Some other delegations believed the zero draft could and should be more ambitious. Coordinators took note of all comments and asked written submissions to be sent by 26 June, after which a new version would be prepared and circulated, including the structure of the annexes.

2.152. Otherwise, the meeting heard from the WTO Secretariat who provided a briefing on the current state of play of the Dialogue's discussions and the work developed by the Dialogue in the 10 meetings and two "deep-dive" workshops held since their Ministerial Statement in December 2021.

2.153. Indeed, the group had produced many substantive documents (including two communications to the World Customs Organization, a Coordinators' Ministerial Statement and two surveys), heard from 44 stakeholders from academia, civil society, private sector and international organizations, and generated more than 125 room documents, mostly presentations summarizing technical and scientific studies.

2.154. Progress had been achieved across the three workstreams established by the Dialogue, namely, cross-cutting issues (including technical assistance, capacity building, technology transfer, international cooperation and transparency); circularity and reduction; and promotion to tackle plastic pollution. This substantive work had provided the basis for coordinators' vision.

2.155. During this Plenary meeting, technical briefings were also made by the International Bamboo and Rattan Organization (INBAR), the Food and Agriculture Organization of the United Nations (FAO) and the International Pollutants Elimination Network (IPEN). The presentation by INBAR focused on utilizing bamboo as a substitute to plastic products. The FAO presentation focused on the harms generated by plastics used in and associated with agriculture, including their increased use in fertilizers. Finally, the presentation by IPEN discussed their recent study on "hidden flows" of plastic waste trade due to current shortcomings in the Harmonized System (HS). In addition, IPEN noted that the ecological and human health risks posed by plastics, which are complex mixtures of over 13,000 chemicals (including potentially harmful ones), demand a more comprehensive tracking system and multilateral agreements that acknowledge the diversity of plastics and their substantial impact, particularly in developing countries.

2.156. Barbadian pastries and coffee were offered by the Permanent Mission of Barbados, the International Institute for Sustainable Development and The Pew Charitable Trusts and a small exhibition of bamboo substitute products brought by INBAR was organized. A more detailed summary of the meeting can be found on the website of the Dialogue.

2.157. Before closing, here is an overview of the next steps in the activities of the Dialogue. The next pre-plenary meetings are scheduled for 21-22 September and 16-17 November, respectively. The next plenary meeting is scheduled for 11 December and is expected to focus on the final vision for MC13. Once again, we invite delegations to send their first round of comments and suggestions on the coordinators' vision by 26 June 2023.

2.158. We are also glad to announce the extension of the AFT survey and the TrPMs survey deadlines to 28 July 2023. We call on Members to send their answers to these two surveys to allow having more detailed and comprehensive data and analysis.

2.159. The work of DPP has continued with fervour since the last meeting of the CTE. Besides the second plenary meeting on 25 May, we have participated in hosting two events in collaboration with others since the last CTE. On 27 April, in collaboration with the WTO Secretariat and the United Nations Environment Programme (UNEP) Secretariat, we co-hosted a workshop on reduction and circularity to tackle plastic pollution.

2.160. The objective of the workshop was to provide a strong basis for discussions in 2023 and help implement the call from the co-sponsors' Ministers to "look for concrete, pragmatic, and effective outcomes ... at the latest by the 13th Ministerial Conference".

2.161. The workshop started with welcome remarks by DDG Jean-Marie Paugam and Executive Secretary of UNEP's Intergovernmental Negotiating Committee (INC) Secretariat, Ms. Jyoti Mathur-Filipp. Afterwards the UNEP Secretariat shared its solutions to Plastic Pollution and the WTO Secretariat introduced a summary of contributions and discussions held at the Dialogue covering the

workshop topics. The workshop was divided into two work-focused breakout sessions to discuss four specific issues:

- i. types of trade measures most often used and best practices;
- ii. unnecessary or harmful plastics and plastic products most targeted by trade policies, including single-use plastics and plastic packaging associated with international trade;
- iii. trade policies and practices requiring realignment with the objective of ending plastic pollution; and
- iv. criteria used when prioritizing trade action on unnecessary or harmful plastics, plastic products and other goods.

2.162. In the workshop, WTO Members and relevant stakeholders, including UNCTAD, the World Bank, the International Organization for Standardization (ISO), the Basel, Rotterdam and Stockholm (BRS) Conventions Secretariat, the International Institute for Sustainable Development (IISD), the Organisation for Economic Co-operation and Development (OECD), the Forum on Trade, Environment and the SDGs (TESS), the Pew Research Center (PEW), the International Union for Conservation of Nature (IUCN), etc. had a fruitful discussion and some WTO Members and stakeholders also sent written submissions on the four questions.

2.163. This workshop gave us a good opportunity to have an overview and sum up discussions on this important workstream. Coordinators, with the help of the Secretariat, are preparing a revised Factual Summary of discussions on reduction and circularity to tackle plastic pollution, which will include this workshop's discussions. We would like to invite delegations to have a look at the Factual Summary revision, which will be issued soon as document [INF/TE/IDP/RD/125](#).

2.164. On 5 May, in cooperation with the WTO, UNCTAD and the BRS Conventions Secretariat, we held a side event of BRS CoPs on Sustainable Trade and Development Cooperation in support of the Basel Convention Plastic Waste Amendments Implementation. At this event, colleagues briefed delegates and participants of the BRS CoPs on the relevant trade-related work taking place in the multilateral trading system (both in the WTO and UNCTAD) to help tackle plastic pollution.

2.165. For the next step, in this Environment Week, coordinators will host one event at 11:15-12:45 on Thursday, 15 June to brainstorm on a potential outcome of the WTO Plastics Pollution Dialogue for MC13. Invited speakers will briefly update participants on the progress of the WTO Dialogue and the ongoing UN INC negotiations towards a legally binding instrument to end plastics pollution and its trade dimension. Coordinators of the Dialogue will share their views on a potential outcome of the Dialogue for MC13, including its skeleton, elements, annexes, and its synergy with other international processes and institutions including UNEP, the BRS Conventions, UNCTAD, and the World Customs Organization (WCO), among others. All participants will be invited to share their views.

2.166. The Dialogue on Plastics is committed to openness, transparency, and inclusivity and meetings of the DPP are open to all Members whether they are co-sponsors or not. We call on WTO Members, especially co-sponsors, to voluntarily share information on your suggestions, experiences, and approaches to tackling plastic pollution.

2.167. Once again, 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. For co-sponsors, if every co-sponsor could reach out to at least one non-co-sponsor Member at the WTO to support them to better understand the Dialogue, we will make tremendous progress before MC13.

2.168. Following this report, some delegations made the following comments.

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

2.170. First of all, congratulations and welcome to you, Chair, Ambassador Valencia for your first full meeting of the CTE and for kicking off what promises to be a fascinating Trade and Environment Week here at the WTO.

2.171. We would like to thank the coordinators of the Dialogue and other participant Members for their hard work in deepening our understanding of how trade and trade-related measures might contribute to ending plastic pollution and promoting more sustainable plastics trade.

2.172. Already, the group has the outline of a vision for outcomes at MC13 and beyond, which will hopefully translate discussion into outcomes. It offers a valuable model and inspiration to other initiatives looking to make collective progress at the WTO and we invite as many Members as possible to engage with the Dialogue and to join us at Thursday's event.

2.173. We would like to also highlight that the UK, alongside 57 other countries of the High Ambition Coalition to End Plastic Pollution, has recently signed a far-reaching Ministerial Statement, published ahead of INC2, calling for ambitious provisions to be included in the future global plastics pollution treaty at the UN.

2.174. As the negotiations at the INC continue to ramp up this year, we would encourage trade policymakers and delegates to work closely with their environment counterparts to help better understand the trade implications and the possible contributions of trade policy towards this important cause.

2.175. The representative of Jamaica delivered the following statement:

2.176. Congratulations Chair on your appointment to the post. Jamaica thanks the Coordinators of the Dialogue on Plastics Pollution for their leadership and work on this important initiative. On the heels of the recently concluded Second Session of the INC to develop a legally binding instrument on plastic pollution (INC2), Jamaica takes this opportunity to reiterate its commitment and support for both workstreams.

2.177. We are of the view that collectively we must take ambitious, bold and concrete actions to reverse, remediate and address the global plastic pollution crisis. Jamaica therefore anticipates that as the INC negotiations advance within the environmental fora, that the DPP alongside the WTO monitors and contributes to the negotiations. We are hopeful that, in keeping with the spirit of multilateralism, a legally binding instrument will be mutually agreed by 2024.

2.178. We have taken note of the Zero draft of the Coordinators' shared vision and elements for a potential MC13 outcome. The Zero draft has been shared with capital for review and we hope to engage constructively in future discussions on this critical matter.

2.179. The representative of Australia delivered the following statement:

2.180. Australia thanks China and Morocco for their update on behalf of the Coordinators of the DPP. As I think this house knows well, Australia is a proud Coordinator of the DPP, which now has 76 Members, representing the vast majority of trade in plastic.

2.181. Reflecting on the discussions that have happened in the last year, there has been significant progress and that is a fact that we are very proud of. I would like to thank particularly my coordinating colleagues for their support in driving this and the facilitators and the Members for allowing such constructive engagement.

2.182. Recalling the Ministerial Statement that Dialogue Members signed, which really kicked off the Dialogue's process and asked its Members to deliver "concrete, pragmatic and effective outcomes", which leads us to where we are today and the Zero draft that was presented by Coordinators on outcomes that could possibly fall into the categories of deliverables for MC13.

2.183. The Coordinators' vision was an attempt to capture and understand the discussions that have taken place to date and put them back to Members and, since the release of that Zero draft,

Members have come back with additional further suggestions that are being integrated and incorporated into the vision and will hopefully form the basis of an outcome at MC13.

2.184. There are a number of key areas that the Coordinators and the Members have identified where we can make progress. The first is quite simply the compilation of data and understanding of the trade flows of plastics, i.e. a greater understanding of how plastic is traded, how it ends up polluting our environment, where it is produced, and where it is traded. In that area, we are looking to coordinate with other organizations including the WCO to deepen our understanding of the issue so that we can address the problem.

2.185. The second key area is the identification of two particular trade policy groups of measures. The first group would be a group of trade measures that can promote the substitution or technologies that can support reduction of trade in plastics. The second is trade measures that can be adopted to reduce trade in plastic itself.

2.186. Following that identification of those potential groups of measures, there is a possibility, from Australia's perspective, that Members could come together to identify best practices and possible collective actions that Members could take to increase or speed up the update of such measures to ensure that we are addressing this problem and particularly the trade-related elements of this problem.

2.187. As has already been referenced by a number of my colleagues, the work of the Dialogue takes into consideration and account the very important international negotiations at the United Nations Environment Assembly (UNEA) to develop a legally binding instrument to end plastic pollution and aims to work collaboratively and consultatively with that process and ensure of course that there is no duplication, but also to recognize that trade has an important role to play here and this house must be a part of that solution.

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

2.189. I would also like to thank the delegations of Morocco and China for the provided updates regarding the work conducted at the DPP. We welcome the progress achieved so far within the framework of this initiative. We are committed to continue working towards getting a clear picture of all available relevant ways of how to tackle the plastic pollution, as well as their economic and environmental cost-effectiveness.

2.190. The representative of Japan delivered the following statement:

2.191. Thank you to the delegations of Morocco and China for the updates of the DPP. Japan places great importance on the need to control plastic pollution. Some delegations pointed out that we must avoid duplication with international discussions and Japan would like to recall that, at the second INC meeting held from the end of May to early June to develop a legally binding international treaty on plastic pollution, the elements to be included in the treaty were discussed, and the Chairperson of the INC was given a mandate to prepare a zero draft of the treaty by the third INC.

2.192. Japan appreciates the deepening of studies and discussions in the DPP as well as TESSD while the work toward the formulation of the treaty has been progressing. Japan attaches great importance to making the treaty an effective and progressive framework involving all countries, including large consumers and emitters of plastics, and will continue to lead the discussions.

2.193. The Ambassador of Chile delivered the following statement:

2.194. As this is my first statement, I would like to congratulate you on your election as the Chair and I am convinced that you have all the qualities necessary to fill this very important space. Chile is highly committed to this. Chile thanks the DPP Coordinators for its report.

2.195. In relation to the Dialogue on Plastics, we agree with the positive assessment of the plenary session on 25 May, since it offered a forum to look at the work carried out so far and start considering the next steps, including actions that could be agreed for MC13 that would allow further deepening of this work. Making progress in this Dialogue and common understanding will be very useful when it comes to contributing from the standpoint of competence of this Organization, to the process of

negotiating a global agreement on plastics that is being developed within the UNEA framework. Plastic pollution is a challenge that must be dealt with multilaterally and trade also has to be part and parcel in the definitions that are being developed. It is important to be able to move towards a reduction in the impact of plastic on the environment and to seek more sustainable substitutes.

2.196. We value the work carried out within the framework of this initiative, its inclusive nature and its contribution both to the treatment of trade and sustainability issues in this Organization and to the all-embracing global discussion of the fight against plastic pollution. The Dialogue has been fruitful and has allowed us to better understand and support the interchange of the different areas related to plastic pollution and the environmentally sustainable trade in plastics.

2.197. We hope to continue contributing to this Dialogue so that, from a trade point of view, we can contribute to the fight against plastic pollution at a global level.

2.198. The representative of Ecuador delivered the following statement:

2.199. When it comes to plastics pollution, it is impossible for Member states to address the problem of its adverse impacts on human health and the environment by acting alone. I am convinced, as we all are in this room, that we need collective action and global standards on this topic.

2.200. Trade and development are something very important for the effective implementation of these measures, either through the regulation and control of international trade of different substances that are problematic or toxic or through the creation of coherent standards and harmonization in various border measures at the national, regional and international level. We will have to guarantee different sustainable solutions and access to the necessary technology.

2.201. Ecuador has shown consistent leadership in the fight against plastic pollution in various fora. Ecuador is a member of the INC to work on an international binding treaty to end plastic pollution and, from December 2023, will be in charge of this negotiation process, which is currently under the charge of Peru.

2.202. Ecuador is a proud coordinator of the Dialogue on Plastic Pollution (DPP), which consists of 76 co-sponsors. I would like to thank Morocco and China for the report and the Secretariat for the work they have done to back up the technical work. As mentioned, there have to be "concrete, pragmatic and effective contribution of trade to the global response to end plastic pollution".

2.203. As mentioned by Australia, the UK and Jamaica, we must seek to improve cooperation and contributions across the multilateral system. We have been working together with UNCTAD, the BRS Secretariat, UNCTAD, WCO, the World Wide Fund for Nature (WWF), TESS, the World Economic Forum (WEF), the World Business Council and other partners on a number of aspects.

2.204. The FAO has just shown important work on agricultural plastics and, in addition, there are advances in the area of human health at WHO so we should be able to move forward to advance our Declaration and actions towards MC13.

2.205. Finally, I will not be repeating what my Australian colleague said regarding the vision for MC13, but I would like to call upon one and all during this Trade and Environment Week so that we can have a report when it comes to the current state of play of the INC negotiations and also the trade dimension thereof and a report on the various guides that have been adopted in the area of plastics pollution. This was a very major breakthrough announced last month and many people have been working very hard to bring this forward.

2.2.2 Trade and Environmental Sustainability Structured Discussions (TESSD)

2.206. The representative of Canada, on behalf of the Coordinators of the Trade and Environmental Sustainability Structured Discussions (TESSD), delivered the following update on the TESSD discussions:

2.207. It is a pleasure to be here to provide an update on the two latest meetings. In the March meetings, at the Working Group on Trade-Related Climate Measures, Members heard a presentation on carbon measurement standards and measures designed to lead to a reduction in carbon emissions

in the iron and steel sector. Several Members took the floor to discuss implications of the proliferation of carbon measures, the importance of cooperation, and challenges faced by developing countries. Members had an exchange on the development and implementation of trade-related climate measures.

2.208. In the Working Group on Environmental goods and services, Members heard from the Secretariat, LONGi Green Energy Technology Co. Ltd, and the International Solar Alliance.

2.209. Members then had a discussion about goods and services relevant to the solar energy industry. Members also took the floor to discuss bottlenecks and barriers to dissemination environmental goods. Some Members highlighted the need to expand the proportion of renewable energy and highlighted trade barriers. The International Solar Alliance presented on promoting access to and deployment of solar energy technology in developing countries.

2.210. In the Working Group on Circular Economy – Circularity, Members discussed the role that trade and trade policies played in national strategies and policies to promote circularity in batteries. Some Members stated that trade played a key role in creating opportunities for battery recycling, and that trade policy could promote the circular economy of lithium batteries to reduce the pressure on resources and the environment. Members also emphasized the need for focusing on upstream sectors like design for better traceability. Presentations were given by the OECD, the National Trade Board of Sweden, Glencore and Contemporary Ampere Technology Co. Limited (CATL), Secretariat.

2.211. In the Working group on Subsidies, the presenters were the Food and Agriculture Organization, Paraguay, Brazil, and the EU. Members heard presentations by the Food and Agricultural Organization on environmental effects of agricultural subsidies, and Paraguay spoke to good agricultural practices and programs under paragraph 12 of Annex 2 of the Agreement on Agriculture. Brazil and the European Union presented their experiences in promoting environmental sustainability in agriculture.

2.212. In the Working Groups of 10-11 May, the Working Group on Trade-Related Climate Measures heard presentations related to fertilizer production, including presentations from the International Fertilizer Association, the OECD, and the WTO secretariat.

2.213. Members heard about carbon footprint and decarbonization pathways of fertilizer production, including ongoing initiatives, policies, and technologies. They also heard about trends in fertilizer trade and approaches to and challenges with the measurement of emissions. Members had an exchange on the development and implementation of trade-related climate measures and reviewed a document summarizing member practices in policy development.

2.214. The Working Group on Environmental Goods and Services considered wind energy and hydropower with presentations by Ernst & Young and UNCTAD. Members discussed the significance of trade in goods and services for wind energy and hydropower projects. Members also highlighted challenges including supply chain bottlenecks and barriers such as inadequate transportation infrastructure, global supply chain disruptions, technical regulations, and financing challenges for MSMEs. Facilitators presented a draft analytical summary of the discussions from the previous session and Members had an opportunity to discuss.

2.215. In the Working Group on Circular Economy – Circularity, presentations on solar and wind energy were given by the Smart Prosperity Institute, IRENA, and Ørsted. Members heard about the trade-related circular economy aspects of wind and solar energy and about how to facilitate trade and develop regional eco systems for circular innovation, investment, and scale economies needed for the viability of recycling.

2.216. Ørsted presented its activities on circularity of wind energy projects and related trade aspects along its strategic circularity pillars – design and supply chain (minimizing input material, increasing secondary inputs); late-life strategies (repair, reuse, lifetime extension); and resource recovery (increasing recyclability). Members also heard an update on the exercise to map key trade aspects of a circular economy.

2.217. Finally, the Working Group on Subsidies considered subsidies related to transition to low-carbon economies with presentations by the IISD, China, the EU, and Canada. Members shared their

experiences on subsidy design, including environmental effects and trade impacts in the design and implementation of such subsidies.

2.218. Looking forward, we expect to send a convening notice for the next plenary session. As always, our plenary sessions are open to any Members and we encourage all Members, whether or not co-sponsors, to come and hear in greater detail what Members have been discussing.

2.219. Following this update, some delegations made the following comments.

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

2.221. The UK would like to thank the coordinators, Canada and Costa Rica, and all the other co-facilitators of the informal TESSD working groups for their excellent work so far this year in convening a series of informative and productive sessions.

2.222. The UK has been active in the informal working groups, with a presentation at the March session showcasing a new approach to building evidence around environmental goods and services; contributions on agricultural and industrial subsidies; and highlighting how standards and international decarbonisation efforts can promote low-carbon trade.

2.223. We would like to draw Members' attention to some recent papers that the UK has tabled under the Environmental Goods and Services (or EGS) workstream, noting also that there is overlap with the circular economy workstream too.

2.224. One of these papers features examples from solar photovoltaic (PV) module manufacturing and one paper on the lifecycle of an offshore wind farm (with accompanying annex) contains a summary of analytical work on value chain analysis for these important renewable technologies.

2.225. We believe this analysis 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 the dissemination or uptake of trade in these goods; and what steps can be taken to alleviate these barriers.

2.226. This analysis should help better understand the links between goods and services; identify relevant non-tariff barriers for input and intermediate products; and consider ways to expand existing developing country participation in these value chains.

2.227. The March non-paper also contains ideas on how the TESSD working group on Environmental Goods and Services can be organized to help build our shared evidence base, orienting ourselves on agreed environmental objectives and sub-sectoral areas of the environmental economy.

2.228. We would encourage Members to share these papers with their relevant experts in capitals, who might find these insights useful when thinking about nascent issues at the intersection of trade, industrial, and environmental policies, as well as capacity building and investment. We would encourage Members to share their ideas for how to further build and deepen our evidence base on this topic. They are uploaded unrestricted to the WTO documents portal under documents [INF/TE/SSD/W/23](#), [INF/TE/SSD/W/26](#), and [INF/TE/SSD/W/26/Add.1](#). For any Members interested in discussing in further depth, we are always happy to do so.

2.229. The Ambassador of Chile delivered the following statement:

2.230. In relation to TESSD, we would like to thank the various speakers for their important reports and the value of the opportunity that the initiatives have provided to exchange experiences and visions on relevant issues in the relationship between trade and sustainability.

2.231. In this sense, we believe that the thematic sessions that have been held within the framework of the informal working groups have allowed us to deepen our understanding of the different aspects related to trade in respect of these matters.

2.232. We consider the role of this Committee as a forum for ongoing dialogue on trade and environmental matters and we find it extremely valuable when it comes to the collaborative work

that has been carried out in this initiative. The inputs that have been made in these dialogues can undoubtedly help to strengthen the work in this Committee and with them promote areas of cooperation and possible mandates to deepen said work. Chile has consistently participated and hopes to continue contributing to both the dialogues and the work of the Committee, so count on our support for this.

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

2.234. As regards the TESSD, we have already mentioned multiple times on various occasions that these discussions lack transparency and inclusiveness. If the discussions truly aim to achieve tangible results, there is no place for a selective attitude to the Participants, which our delegation is facing at the TESSD.

2.235. Along with that, I would like to remind Costa Rica and Canada that we have informally submitted a few written questions regarding substantive elements of the pre-plenary meeting that took place in October 2022, but received no feedback.

2.236. Concluding my remarks, we urge the coordinators to ensure inclusiveness of the work conducted within the framework of this initiative.

3 MEMBERS' SUGGESTIONS AND PROPOSALS

3.1 Report on CTE Chair's consultations

3.1. The Chair reported on the two consultations he conducted after the March CTE. In April, he met some 20 Members bilaterally and last week he organized an informal small group consultation with Members submitting proposals on improving the functioning of the CTE to hear their views on the next steps for their submissions.

3.2. The Chair shared some emerging common trends from the April bilateral consultations. First, recognizing the important function of the CTE as a unique forum to exchange information on trade-related environmental measures, as stated in the MC12 outcome, Members expressed their interest and willingness to try thematic discussions on a wide range of topics, including those that are of particular interest to Developing Members and LDCs.

3.3. Second, to support the thematic discussions, the idea of a Q&A mechanism was explored with a healthy caution that: (i) no Member should be targeted; and (ii) that there should not be any duplication with other similar processes taking place in other Committees.

3.4. Third, as per the CTE's relationship with others, be it either other international organizations, other WTO Committees, or TESSD/DPP/FFSR, more interactions were regarded as useful, although "how" to be more interactive in an efficient yet substantive manner was a key question that remains to be explored.

3.5. These were the three main outcomes from the April consultations. Following the constructive bilateral consultations, the Chair was encouraged to hold another set of consultations on 7 June – this time with those Members who put forward their written ideas and presentations: China, Colombia, EU, India, South Africa, United Kingdom, and Paraguay.

3.6. The Chair thanked these Members for putting serious thought and resources into the issue of revitalizing this Committee.

3.7. The purpose of such an informal small group meeting was to collectively pave a way to seek synergies among the various proposals and ideas on the table. The Chair noted that he was pleased to find commonalities among approaches. He found positive agreement on the idea of having an open-ended meeting for reflection, at a technical level and in a suited format, before the summer break.

3.2 Consideration of recent proposals and next steps

3.8. The Chair opened the floor to those Members who had put forward the proposals. He noted that South Africa had recently joined India's written submission, hence, the document had been recirculated under [JOB/TE/78/Rev.1](#). Furthermore, the United Kingdom had submitted a new communication on 1 June titled "Revitalizing the Committee on Trade and Environment" and China had submitted a communication, [JOB/TE/81](#), in connection with its written proposal.

3.2.1 China (WT/CTE/W/251 and [JOB/TE/81](#))

3.9. The representative of [China](#) delivered the following statement:

3.10. It is my pleasure to give a brief introduction on China's communication of "Further Elaboration on Dedicated Multilateral Discussions on the Trade Aspects and Implications of Certain Environmental Measures".

3.11. In March 2023, China submitted a proposal for dedicated multilateral discussions on certain environmental measures that have a significant impact on trade pursuant to the MC12 mandate. On the basis of this proposal, the communication further elaborates on some of China's specific ideas for implementing the outcome of the MC12 and for dedicated multilateral discussions, taking EU's CBAM as an example.

3.12. The EU CBAM is the first border carbon adjustment measure with global impact introduced by a major WTO member. It extends the EU-ETS to imported goods, by way of imposing a surcharge on imports based on their associated carbon emissions, at a price determined by the EU-ETS. Such kind of measures will have a significant impact on international trade and merit dedicated discussions under the CTE pursuant to the MC12 mandate. For further elaboration, We propose the dedicated multilateral discussions should be along the following perspectives:

1. **The basic operating mechanism, focusing on the underlying methodologies.** It is methodologically challenging to attribute carbon emissions by facilities to different types of products in a fair and reasonable way. The complexity of the EU-ETS further exacerbates this challenge. In this regard, academics in China identified several high-level issues, including the delimitation of system boundaries of the production processes and the criterion to include precursors, the methodology for calculating free emission allowance for CBAM products (for illustration, see Appendix 1). Another fundamental issue relates to the so-call "carbon leakage". How to objectively quantify such risks and properly distinguish their effects from that resulted from economic development, energy transition and other structural or cyclical elements?
2. **The policy design, focusing on elements of implementation.** An in-depth information-sharing could be useful. In addition to the multiple elements and steps, the complexity of the policy design lies also in the need to bridge different regimes, including the coordination of the CBAM with the EU-ETS, and the interface between the EU regime and other members' emission control regime in the process of its extra-territorial application. In interfacing different measures in different jurisdictions, issues that remain to be discussed multilaterally include: how to reflect principles such as transparency, cooperation, proportionality and trade facilitation in the CBAM regulation and its implementing acts.
3. **Environmental effects, focusing on the contribution of the measure to the intended environmental objectives.** For example, information could be shared on CBAM's contribution to the EU's obligation under the Paris Agreement in general and, more specifically, to its nationally determined contributions (NDCs).
4. **Trade impacts, focusing on the overall impact on international trade and potential impact on developing countries.** Academics in China have done some exploratory researches on channels of its trade impact. For detailed information, please refer to the online access in the communication documents. The research preliminary findings indicate two channels of trade impact: firstly, the level of carbon price, that is, members that have lower domestic carbon prices will likely face higher carbon tariff; secondly, the export structure, that is, members that export a greater share of carbon-intensive products will likely

face stronger shocks. The trade impact of the CBAM can be measured in two steps. The first step is the micro-economic and sectoral impact, an analysis based on the policy design of the measure. The second step is the macro-economic and global impacts, an analysis based on modelling. In addition to increasing costs to EU downstream sectors, preliminary studies suggest that the extra-territorial economic costs of the CBAM are mainly borne by developing countries. Furthermore, should an exclusive carbon club be formed along with the CBAM, the output and welfare of developing countries could incur greater losses and the global trade could experience a notable decline, leading to greater trade distortions and global inequality. These major policy issues need to be further discussed at the WTO.

5. **Inclusiveness, focusing on how the measures could be implemented in a more open, non-discriminatory and non-arbitrary manner.** The UNFCCC explicitly states that "measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade." In the case of the CBAM, we think some questions remain to be discussed.

3.13. We note that the EU intends to launch a global information campaign and are looking forward to in-depth multilateral exchanges with the EU in the subsequent EU law-making process. We also would like to encourage Members to join the discussion.

3.14. As trade and environment measures become increasingly intertwined, more environmental measures could arise. These environmental measures may have a significant impact on international trade, supply chains, development and climate change, and should be the subject of dedicated multilateral discussions. In light of this, it is suggested that:

3.15. Firstly, dedicated multilateral discussions be held with respect to specific environmental measures that could significantly impact trade;

3.16. Secondly, discussions should be carried out in a structured manner, covering 5 parts at the initial stage, i.e. the basic operating mechanism, various elements of policy design, environmental contribution, trade impact and the inclusiveness of the measures;

3.17. Thirdly, when topics have been identified, members implementing the measures are encouraged to submit written reports that include information related to the 5 parts above; and members affected are encouraged to submit pertinent questions or studies along similar dimensions. A working program would be set up to facilitate such dedicated multilateral discussions.

3.18. Finally, I would like to thank the EU for its informative presentation about the Green Deal this morning and we are looking forward to the seminar on Wednesday. We consider the CTE as a platform to enhance transparency and inclusiveness for Members to share information and have discussions. We hope that the discussions at the CTE will be informative, evidence-based and well-structured with the view of enhancing, understanding and promoting cooperation.

3.2.2 United Kingdom (WT/CTE/W/252)

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

3.20. It is my pleasure to present the paper by the United Kingdom on revitalizing the CTE. Trade has a powerful role to play in tackling the triple planetary crisis of climate change, biodiversity loss and pollution and, as outlined in the recent World Trade Report, improving the ambition and effectiveness of climate and environmental action requires greater international trade cooperation at the WTO.

3.21. This starts at the CTE, which is our main hub for promoting common understanding on the trade and environment nexus. It is vital that we get these discussions right – time is only ticking on the environmental crises we face.

3.22. For that reason, the UK submitted a paper, inspired by other Members' papers and our discussions in March. The paper focuses on how we can revitalise the deliberative function of the CTE to make it work for all Members (document number W/252). The paper contributes to and aligns

with a wider effort on WTO reform, and complements the proposals on improving the operations of WTO bodies as presented by the UK and 17 other co-sponsors at May's General Council.

3.23. The paper firstly proposes that we should consider practical steps to improve efficiency and inclusivity, including through the use of more detailed annotated agendas, eAgendas, and agenda closing dates.

3.24. To maintain a steady rhythm of meetings and help Members plan in advance, the UK also suggests defining a forward look of meetings at the start of each year, or perhaps at the end of the previous year, that should be consistent from year to year. Papers should be submitted well in advance, and guiding questions could be used to frame more discussion-based agenda items.

3.25. Most importantly, we should try to improve the quantity and quality of genuine dialogue and back and forth discussion with more rigorous analysis of emerging policy and evidence. We want to move beyond surface-level statements into something deeper and more useful for Members.

3.26. This could start with 'thematic sessions' alongside the regular meetings of the CTE – modelled for example on the TBT thematic sessions. Rather than a checklist, these could be generally framed against some common aims such as: minimizing trade frictions on environmental trade; identifying best practice at national and international level; considerations for distributing support in a fair and equitable way; and unlocking trade in the green industries of the future; among others.

3.27. The discussions should be thematic and constructive rather than litigating against specific measures Members are taking. Some ideas for future thematic sessions could include: sustainable supply chains and biodiversity; use of environmental subsidies; approaches to carbon leakage; the circular economy; and building climate-resilient economies. These are some initial suggestions and we would welcome Members' views on these topics, including on what the first potential session could be.

3.28. We should also be leveraging expertise from other fora, including through closer join-up with other WTO bodies – inviting experts to speak and possibly doing joint sessions between the CTE and other committees.

3.29. Finally, we must make better use of expert stakeholders, who can provide impartial and objective views on the trade and environmental impacts of certain trends and measures, and generally provide commentary and analysis to enrich discussions.

3.30. We would welcome further discussion amongst Members, and we hope that it complements some of the other suggestions put forward by Members at the March CTE.

3.2.3 Paraguay

3.31. The representative of Paraguay delivered the following statement:

3.32. I take the opportunity to join other delegations in congratulating you for your first formal meeting as Chair of this important Committee and to express our full support.

3.33. Regarding Paraguay's proposal, we did speak on our submission in the last formal meeting of the Committee and we plan to circulate it shortly. Our proposal aims to enhance participation of developing and least developed countries in this Committee's work, particularly those with limited human resources such as our own, reducing the burden of making submissions on its measures and limiting consultations to those submissions made by other Members.

3.34. The proposal seeks to create a similar mechanism to the Q&A mechanism that exists, for example, in the Committee on Agriculture, which is aimed at facilitating experience-sharing. We would like to underline that this does not necessarily need to have a negative connotation; on the contrary, these shared experiences can provide tools for the design and implementation of environmental measures with an impact on trade. Although many of the measures that we could discuss or about which we could have questions are already discussed in other Committees, each of these Committees has a specific approach which is distinct from the environmental approach that is the focus of this Committee. For example, in Agriculture, environmental programmes notified given

the requirements of the Agreement on Agriculture are seen from a trade-distortion and production-distortion perspective instead of their positive or negative environmental repercussions.

3.35. We would also like to point out that we believe that these possible Q&As that may be a part of this Committee in principle do not require a new mandate, given that they fall within existing agenda items, be it paragraph 32(i) of the Doha Ministerial Declaration or the Transparency of Trade Measures, which is item 4 of the CTE work programme.

3.36. Nonetheless, we will circulate a proposal that outlines a mechanism with deadlines for submitting questions that provides sufficient time to Members who are to reply to gather the information and to have responses ready for the meetings and possible follow up.

3.37. We again apologise for not having a proposal ready to circulate but I think this is a good example of the burden on small delegations to try to actively participate in our discussions. Thank you and we will circulate the document soon.

3.2.4 Colombia (RD/CTE/221)

3.38. The representative of Colombia delivered the following statement:

3.39. Thank you to the delegations of China and India for their submissions. I will make a statement on these submissions later in this meeting, but I will now speak to our own submission.

3.40. In a changing world, we face global challenges that require a joint approach. Climate change, biodiversity loss, and pollution threaten our planet and its capacity to support life. It is time to act and to harness the opportunities before us. This Committee is one such opportunity.

3.41. International trade plays a fundamental role. It can drive economic growth, foster innovation, and improve the quality of life for people around the world. However, it must also be compatible with the environment and our commitments to sustainable development.

3.42. Given the urgency of the climate crisis, several governments are exploring trade policies with climate objectives. These measures are legal hybrids, based on climate law, environmental law and international trade law, as well as the principles of public international law and internationally agreed sustainable development commitments. This is where our proposal comes into play.

3.43. It is important to consider these principles simultaneously and consistently when designing and implementing trade-related climate measures, as mentioned by China and India – principles such as that of cooperation, and that of common but differentiated responsibilities, among others. So it is worthwhile having a discussion about these. This gives us the opportunity to build a future where trade and the environment work in harmony.

3.44. In the side event that we will host this Wednesday at 16:30pm, we will have the participation of leading academic experts from Africa, the Caribbean and Europe, who will share their vision on the principles of environmental law and their relationship with trade. These academics are part of an international group of experts established to identify well-established and recognized principles in international law that are relevant to both climate change and trade. Their knowledge and perspectives will help us to understand how to move towards a low-carbon and green economy.

3.45. Findings derived from this discussion will allow us to address more constructively and consistently all the measures that are discussed, including a number of them discussed here today. We should also move towards a mandate of voluntary guidelines for policymaking, which should be taken into account by all Members.

3.46. It is in this world where we have an opportunity to take a bold step towards a sustainable future – a future where trade and the environment come together for the benefit of present and future generations.

3.2.5 European Union (WT/GC/W/864)

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

3.48. I will try to be brief given that we have already presented our proposal at the March meeting and it has also been discussed in a broader context of the General Council, because our proposal looks at reinvigorating the liberation function of the WTO as a whole and focuses on several areas. Environment is only one of them.

3.49. Just to briefly give a few bullets on the key proposals in our paper: one is to reinforce the liberation function of the CTE through more transparency and dialogues on the policy measures that Members are taking. When we speak about this, it is about engaging in the early stages of development and sometimes, for example, during a discussion or comparison of several Members tackling the same environmental problem, we could actually see what the different choices are that Members are taking.

3.50. A second part of our proposal includes more thematic discussions. We have heard there is a lot of interest in that area of work that this Committee would like to take. From our perspective, we have put forward some ideas of what thematic areas would be. For the EU, we believe that one of the discussions that could be put forward is the discussion on methodologies for calculating carbon content of internationally traded goods. We saw interest in that in the context of our CBAM proposal, but the idea here is that the more international cooperation we have on these methodologies the least fragmentation you are going to have in the future. So we see a merit in this Committee discussing this topic.

3.51. We would also like to see more discussions on positive and negative effects of subsidies on the environment. We also see an interest in having more interaction between the different Committees, as we think has also been highlighted by the UK. For example, the TBT Committee is one of those that has been mentioned most by other Members.

3.52. Another important element of our proposal is that we want to make sure that developing countries are participating in this dialogue in the Committee, but that we are cautious about their capacities to take part. So we would of course also be happy to hear from their perspective how we could actually help with their participation in this Committee. I think that summarizes the key elements of our proposal and we are happy to hear views on how to take it forward.

3.2.6 India and South Africa (JOB/TE/78/Rev.1)

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

3.54. Our joint submission raises pertinent issues. The links between trade and environment are multiple, complex and important, and a core dilemma is ensuring stricter environmental rules are not unilateral and do not create competitive disadvantages, or negatively affect countries. Currently, what we are witnessing is that the growing pressure for new rules and agreements that meaningfully consider sustainable development and trade is challenging multilateralism at the WTO.

3.55. We note that some Members are adopting unilateral trade measures in the guise of addressing environmental concerns. Several such measures are highlighted in the submission. The climate agenda should not be used to advance protectionist economic interests nor to limit foreign competition.

3.56. Unilateral trade measures undermine the basic principles of common but differentiated responsibility 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. In addition, unilateral measures can have an adverse impact on economic and social development and poverty eradication in developing countries, diminishing their prospects for development. Furthermore, the use of WTO-incompatible trade measures will simply lead to a change in trade patterns with no significant reduction on emissions, will lead to tit-for-tat trade restrictions, and may lead to justified WTO-legal retaliation by affected countries.

3.57. Given the importance of global environmental challenges, this is an opportune time for the CTE to invigorate the necessary political will amongst Members to discuss these more difficult environmental issues and concerns raised in the submission and discuss them in a manner that fits countries' needs and priorities, and this includes discussions taking place within a sustainable development framework that better suits the long-term interests and needs of developing countries.

3.58. The following principles we believe should underpin the discussions:

- i. A global response and global cooperation is essential to respond to the challenges of climate change.
- ii. Measures to address climate change must be founded on and respect the principles of Common but Differentiated Responsibility (CDBR) and polluter-pays.
- iii. Trade measures to address climate change should not be unilateral, arbitrary or discriminatory.
- iv. They should not constitute new forms of protectionism or be designed to create new competitive advantages for just some Members.
- v. To safeguard development and strengthen the legitimacy and effectiveness of global responses requires a common commitment to subject such measures to multilateral dialogue that takes into account the interests and concerns of all WTO Members, especially developing countries.

3.59. Chair, we look forward to further engaging on this submission.

3.60. The representative of India delivered the following statement:

3.61. I will speak about India's paper first and then come back with comments on other papers.

3.62. We thank the WTO Membership for the staunch support on the ideas presented in this paper in the last CTE meeting as well as in the various bilateral engagements. We now welcome South Africa as a co-sponsor for this paper. The growing engagement on this paper reflects the common sentiment in the WTO that environment measures should not be used as trade-limited non-tariff barriers.

3.63. The ideas that we see coming up in this domain pose three key risks. Firstly, if WTO Members continue to enact their own environment- and climate-related regulations, it may lead us to the path of trade fragmentation. When there are multiple border carbon adjustments or forestry-related legislations in place, often not compatible or equivalent and characterized by new bureaucratic requirements specific to each version, there is bound to be trade disruption.

3.64. Secondly, the worst impact of these measures will fall upon the very groups that the proponents of such measures seek to protect in other WTO discussions. The MSMEs who may actually be exempt under some national legislations from following these measures will now be subject to onerous paperwork and procedural requirements while exporting to the markets implementing adjustment measures. This situation is a double whammy in that it is a breach of national treatment and it is also highly trade-restrictive in design. Women, who form a large part of the agricultural workforce, will be negatively hit due to the various proposed trade-restrictive measures related to deforestation and other measures like the use of maximum residue levels (MRLs) for environmental goals.

3.65. Thirdly, all environment measures should take into account the principles of common but differentiated responsibility and respective capabilities. These principles are part of settled international environment law. We look forward to the view of proponents of environment-related trade measures to explain how this is being factored in.

3.66. The following delegations made comments on the proposal documents.

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

3.68. The African Group thanks all Members who have made submissions under this agenda item. These ideas translate Members' willingness to advance the work of this Committee, in accordance with paragraph 14 of MC12 Outcome Document.

3.69. Regarding the EU's communication, the African Group takes note of such communication and it understands that sustainable development is important and that it includes environmental protection. However, it must be carried forward in a multilateral fashion, consistent with the respective needs and concerns of countries at different levels of economic development.

3.70. The African Group welcomes the suggestions made by the EU to promote transparency through deliberations on trade-related climate measures within the CTE.

3.71. The Group believes that it is important to note that the issues discussed, and likely to be pursued in the short and medium-term within the framework of the CTE, could have considerable repercussions for developing countries. It therefore welcomes the EU's suggestion to offer technical assistance to developing countries and LDCs to help them better participate in the discussions.

3.72. This Committee must therefore work on matters of importance for developing countries, where environmental pressures continue to increase and can limit market access for these countries.

3.73. As to India and South Africa's submission, the African Group takes note of the communication from these two countries and it shares the concerns expressed, particularly on the fact that environmental measures that are unilaterally applied harm exporters in developing countries and LDCs.

3.74. The best way to advance discussions on sustainable development at the WTO is to fully respect not only this Organization's rules but also the concepts, principles and commitments undertaken in other fora.

3.75. This is why the African Group considers that this document highlights the fundamental principles, such as the principle of Common but Differentiated Responsibilities – a principle that our Group has always defended in this Committee, as well as its application.

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

3.77. I make this intervention on behalf of the ACP Group and take this opportunity to congratulate you on your assumption of the captaincy of the CTE ship.

3.78. The ACP Group is looking forward to the policy and expert-led discussions that will follow during this WTO Trade and Environment week, bringing together a wide variety of speakers ranging from governments, international organisations, and civil society. These discussions must be encouraged in view of reinvigorating the work of the CTE. The complexity of tackling the triple planetary crisis of pollution, biodiversity loss and climate change requires input, engagement and collaboration among all stakeholders to clearly identify the contribution of trade, more particularly the WTO in addressing the crisis. Governments and countries alone cannot single-handedly provide all the answers and solutions to the most pressing issues.

3.79. We hope to be able to draw insights from the various panel discussions that will be conducted during the Trade and Environment Week. In particular, the Organisation of African, Caribbean and Pacific States (OACPS) and the European Union will be hosting a joint panel on 15 June on "Balancing environmental and climate change mitigation measures and sustainable development efforts".

3.80. We wish to underscore the need to prioritize human welfare on the path to achieving sustainable development. We must bear in mind that, albeit powerful, trade constitutes but one element in the toolkit available to policymakers. As our colleagues, India and South Africa highlight in their communication, financial assistance, technology transfer and capacity building are equally important elements in supporting developing and least developed countries to achieve their goals

under the Paris Agreement. We need to preserve the delicate balance of rights and responsibilities that have been carefully and painstakingly crafted in existing environmental and trade law regimes.

3.81. We take note of the constructive suggestions made by the EU in their proposal to foster transparency through deliberations on trade-related climate measures within the CTE. Such discussions would encourage much needed cooperation and provide an opportunity for trading partners to be able to comment on proposed measures prior to their entry into force. Here we would encourage framing the discussions not only as addressing measures that are beneficial or harmful to the environment, but also their impact on development and more specifically on prospects of achieving specific Sustainable Development Goals (SDGs). Indeed, we must be mindful that while a particular trade-related climate measure may be designed in a way that achieves one country's environmental objectives, it may produce unintended consequences for trading partners such as increasing compliance costs in relation to licenses, certifications, standards for key export related products linked to agricultural goods. These must be handled in a manner to mitigate the trade impact while at the same time take proactive steps to achieve our common objectives.

3.82. We welcome the EU's constructive suggestions to offer technical assistance to developing and least developed countries to help them better participate in the deliberations within the CTE. Such assistance could be of value in supporting environmental agencies on the ground in developing and least developed countries to articulate the value and evidence related to their environment protection efforts. It is particularly important to support mutual recognition of environmental practices and especially take into consideration the historical efforts of developing and least developed countries in promoting environmental conservation.

3.83. Indeed, there is a need to support developing and least developed countries gather data and create models on their environmental conservation efforts that predate contemporary discussions given that benchmarks established today do not capture the full picture of the historical impact of economic activity in developing and least developed countries. For instance, some developing countries already put in place land conservation to promote biodiversity back in the 1960s. Such efforts need to be recognized in today's discussions, but in the absence of solid data gathering systems it is more difficult to convey the value of such action.

3.84. With regard to the conduct of thematic discussions, the format and substance would need to reflect the priorities and needs of developing and least developed countries. We would welcome the appointment of a facilitator to ensure that the views expressed by our Group are reflected in those discussions.

3.85. The ACP Group will revert back on a possible menu of themes of interest to us. As a preliminary consideration, we see value in identifying ways to unlock green industries of the future as highlighted by the United Kingdom. Here we would call for facilitating access to key technologies in doing so as noted by India and South Africa. Synergies could be created in the discussions on trade and technology transfer.

3.86. We see merit for the entire Membership to engage in discussions on principles and parameters to guide our deliberations within the CTE. Such principles can support us in framing discussions in a balanced manner, while providing a common reference to address existing and emerging trade-related environmental policies. We look forward to the views and suggestions of Members in articulating a way to deepen the dialogue on this fundamental dimension of our work.

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

3.88. I also would like to thank the delegations which have tabled their proposals and to provide brief comments to some of the considered documents. As regards the paper of China, we believe that its implementation would improve the work conducted at this Committee through structuring and guiding ongoing discussions dedicated to the so-called environmental trade measures. Conceptually, we do support the efforts taken by China.

3.89. However, I would like to emphasize that the definition of trade-related climate or environmental measures has not been identified or agreed by Members yet. Moreover, a great number of unilateral measures are doubtfully contribute to the achievement of their declared environmental purposes while having a clearly protectionist measures.

3.90. Overall, we find the proposal helpful in finding a common understanding on how to address climate-related challenges, the ways to promote sustainable trade, and how to avoid negative economic impacts followed by their implementation. We continue to study its elements in detail.

3.91. As regards the EU's paper, I note hereby that, while the WTO should play its role and contribute to combating climate change, the path and measures listed in the communication such as the CBAM or regulation on deforestation-free products are not appropriate. Those measures mostly aim to protect domestic economic operators from external rivals so that the EU could increase competitiveness of the domestic industries. These measures may undermine the multilateral trading system and have a negative impact on sustainable supply chains and traditional trade flows.

3.92. In its communication, the European Union stated that it is planning to continue providing information at the regular CTE meetings regarding pieces of legislation implementing the Green Deal for enhancing transparency. Indeed, we appreciate openness and intention to be transparent in this field. However, the actions proposed by the EU are nothing but an attempt to confuse Members in order to justify breaches of the WTO rules while ignoring the effective instruments which would not be harmful to trade and could be applied instead.

3.93. We believe that the measures mentioned in the EU document should be scrutinized at the market access related WTO working bodies, including the CTG and the Committee on Market Access, in the first place. The trade-restrictive nature of these trade policy instruments and their potential incoherency with the principles and provisions of the global arrangements on combating climate change, including the UNFCCC and the Paris Agreement, unfortunately do not allow us to define them as measures aimed at protection of the environment.

3.94. Regarding the paper tabled by India and South Africa, the document, in major, is centred around the measures implementing the European Green Deal, but we do believe that the problem is much deeper.

3.95. First, following the example of the EU, one Member has launched the internal procedures to develop and further implement its own border carbon adjustments under the pretext of tackling carbon leakages, despite the fact that globally this issue has not been confirmed yet neither scientifically nor from the economic perspective.

3.96. Second, some other Members have made a decision to apply import-substitution subsidy policies in order to eliminate the competition from their external rivals and to deploy domestic capacities for the production of electric vehicles and alternative energy.

3.97. Third, the situation mentioned above will lead to nothing but aggravating the fragmentation of trade policies, which will not improve but undermine the Multilateral Trading System.

3.98. As regards the UK's document, we consider it a generally interesting contribution, but still have to consider how to comment on it.

3.99. First, the UK recommends to consider defining a forward look of meetings at the start of each year and tabling papers for discussion in advance. We believe that these recommendations are excessive and ineffective due to the rapid development of the climate agenda. Besides, it looks like imposing additional procedural obligations to be taken by Members, which does not seem to be acceptable, at least now.

3.100. Second, as regards the use of guided questions, I would like to note that this endeavour may just duplicate the work carried out at the Trade Policy Review.

3.101. Third, the promotion of substantive engagement on trade and environment issues in the CTE, the UK encourages us to launch dedicated thematical sessions on various environmental aspects. I would like to remind everyone that some areas for possible discussions at those sessions suggested are beyond the competence of the WTO and will just duplicate the work conducted by other international organizations. Besides, the definition of other points, such as green subsidies, requires to be further identified before we may proceed with any dedicated deliberations on this topic. Regarding carbon leakages, dear colleagues, I have already provided my comments on this issue, which are completely relevant to the UK's document, as well.

3.102. As for leveraging expertise from other fora, we consider it acceptable, but speaking about the external organizations, the cooperation should be conducted with those whose activity affects the scope of obligations of the WTO Members.

3.103. The representative of Colombia delivered the following statement:

3.104. Based on the documents submitted by the EU, South Africa and India, Colombia, the UK and China, we acknowledge that the various proposals coincide with several points of convergence that address the intersection between trade and the environment. These documents reflect the importance of addressing global challenges and seeking multilateral solutions to promote sustainable development and environmental protection.

3.105. First, we highlight China's proposal on its proposal for discussions dedicated to the trade aspects and implications of certain environmental measures. This proposal highlights the need for a deep and constructive dialogue to improve understanding of these measures and to tackle the specific concerns of Members. In this sense, we understand that there is convergence with Colombia's own document given that both documents emphasize the importance of guaranteeing the legality of environmental measures as well as their conformity with WTO rules and other international environmental law. That is particularly with regards to transparency and other topics.

3.106. Turning now to the document of South Africa and India on the transfer of technology and the role of intellectual property, we see this being an important nexus with trade. Without turning the Committee into a place for litigation, we would like to see how this can make a more sustainable use of trade and how intellectual property can play a fundamental role in finding sustainable solutions as well as strengthening the capacity of developing countries when it comes to tackling environmental challenges.

3.107. Third, we see value in the suggestions put forth by the UK to improve the functioning of the CTE. In this regard, the proposal to define a consistent annual program of meetings, and particularly the advanced circulation of documents and using guiding questions for the topics of discussion, as well as the holding of thematic and informal sessions, are all practical steps that could help us to improve the inclusivity and efficiency of the functioning of the Committee. These suggestions are also aligned with the efforts proposed by Colombia in its document. In among the areas of discussion, we could highlight the importance of the general application of measures aiming to address the environment, subsidies, carbon leakage, and the circular economy, amongst others.

3.108. Finally, we also agree with the EU's proposal to strengthen the Committee's deliberative role. This proposal includes the issue of the design of measures in the work of the Committee. We recognize the relevance of analysing not only the objectives of environmental measures but also, as set out in the paper, the implementation and effective use of these measures. In this regard, we see more points of convergence with the Colombian document, notably cooperation and technical assistance, as extra points of convergence to be understood as being applied in a manner consistent with the commitments of international environmental treaties.

3.109. All of this is evidence that the revitalization of the Committee is already underway as shown by the excellent leadership of the Ambassador of Ecuador, Ambassador Valencia.

3.110. The representative of Canada delivered the following statement:

3.111. Canada would like to thank you, Chair, for undertaking consultations early in your leadership on this important topic. We look forward to collaborating with you and Member countries to address common issues at the nexus of trade and the environment.

3.112. Canada supports enriching and intensifying dialogues within the CTE. Our commitment to these efforts is demonstrated through our active role in the establishment of TESSD. Our primary objective remains to enhance the effectiveness of the CTE for all Members.

3.113. In response to the papers, we find the active participation of Members in proposing ways to advance the CTE's work highly encouraging. Discussions on proposed trade-related environmental policies are indeed beneficial, provided that the format is agreeable to all. We fully support the suggestions for thematic sessions, making these sessions as interactive as possible.

3.114. Regarding observer engagement within the CTE, we would like to see this element of the agenda become more relevant to the CTE discussions. In our opinion, the models implemented by the TESSD and the DPP provide valuable frameworks, as they invite international organizations to provide updates directly related to the discussion topics. As the CTE delves deeper into specific issues, we are open to observer interventions that directly support these discussions.

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

3.116. The EU would like to express its gratitude to Ambassador Valencia, the Chair, for providing a debrief on the consultations held with Members. It is crucial that this Committee reaches a shared understanding on how the WTO can contribute to the fight against climate change and environmental degradation.

3.117. The EU has shown its commitment by leading efforts to incorporate environmental language in the outcome document of MC12. The MC12 statement emphasises the Committee's role in advancing the trade and environment agenda. For the WTO to remain relevant in the multilateral context, it is imperative that we demonstrate that the trade community is aware of the global environmental and climate emergency that affects us all. If the WTO is unable to respond to these challenges, there is a serious risk of the erosion of the system and loss of credibility.

3.118. To achieve this, it is essential that we set aside our differences and seek common ground for progress. We are delighted by the increased engagement of the Membership, and see an increasing number of written submissions. Of course, we acknowledge that the papers submitted by Members reflect their perspectives and contribute to the dialogue. However, not all of them are focused on finding commonalities. Some papers target the policies of specific Members using questionable arguments that we have already addressed in the March meeting and will not repeat today.

3.119. I would like to stress that climate change is the civilizational challenge of our time and addressing the climate challenge is obviously not something that the EU can do on its own. Effective domestic policymaking will be essential if we want to deliver on the Paris Agreement commitments. The key question is not whether to act but how to design policies that are WTO-compatible and minimize negative spill-over effects and how we will work with our partners to address their concerns and help in the implementation process.

3.120. As stated in the EU submission, we believe that this Committee offers a platform for transparency and early engagement, allowing Members to discuss their environmental policies in the design stage and to seek feedback from others.

3.121. I would like to share a few observations on China's proposal circulated over the weekend. We are still analysing and may come back with further remarks. The EU believes in dialogue and engagement with trading partners on our climate policies. This is why we have provided extensive transparency and engagement on the EU Green Deal measures, including CBAM. In the case of CBAM, we have updated this Committee throughout the design and legislative process. We addressed the concerns in the legislation as long as it allowed us to pursue the climate objectives of the policy. We have invited third countries to participate in the expert committee for designing CBAM methodologies. We are also organizing a technical session on the legislation on Wednesday. So the EU has already been doing quite a lot of engagement on CBAM and is engaging with a very large number of countries.

3.122. Colleagues in Brussels who are managing all those bilateral consultations cannot sum up the amount of countries that have approached us on the bilateral level for discussions. The country concerned who I am addressing has actually had quite a number of meetings both at a technical and political level. This was also made clear during the EU Trade Policy Review last week, that we are serious about listening to Members' concerns and we will continue this proactive engagement when implementing CBAM.

3.123. We would like to see more engagement and dialogue from other WTO Members on their trade-related climate measures. However, the Chinese proposal does not seem constructive – if we want Members to come and present their measures to the Committee, they need to be able to do so on their own terms. Needless to say, that this Committee for informal, legal consultations may

backfire as it may paradoxically impact Members' willingness to be transparent on their own measures. Finally, we would like to invite China to provide more transparency and engagement on their policies, for example, of support of renewable energy and electric vehicles and we would also be interested to hear how Chinese measures impact least developed and developing countries.

3.124. Let me turn to the new paper circulated by the UK, the ideas of which we can broadly support. The paper is in line with the EU submission that aims at improving the deliberative function of the CTE on global environmental challenges. Let me highlight a few elements.

3.125. We have observed a significant convergence among Members regarding the need for thematic discussions. In our view, this approach offers a way forward to address key topics of interest to the majority of Members. We would like to encourage the Chair to gather proposals for thematic discussions from the Members and explore the possibility of establishing a rolling calendar, serving as a workplan for the upcoming meetings. While we have identified methodologies to calculate embedded emissions as one of the potential topics in our deliberations paper, we are open to engaging on other subjects that are of interest to Members. This could be environmental ethics and trade impacts or incentives, plastics, green technologies, circular economy, and waste trade, among others.

3.126. To ensure effective organization and preparation of thematic sessions, we propose the following: a short policy paper describing the topic and providing guiding questions for discussions to be distributed by the Secretariat, for example, no later than six weeks before the meeting so that Members can prepare. We recommend conducting these thematic sessions in an informal manner, alongside the CTE meeting, to facilitate the participation of external speakers from academia, business, and civil society. Observers and international organizations could also play a valuable role in these meetings, particularly on topics relevant to their areas of expertise.

3.127. It may be useful to have agreed principles for the conducting of such a thematic session to ensure an enabling environment for experience-sharing and constructive dialogue. If Members agree, we could invite the WTO Secretariat to prepare a proposal.

3.128. In addition to thematic discussions, we recognise the need to address practical aspects to improve the work of the Committee. Early distribution of agendas, particularly annotated ones, and Members' papers can assist all participants in preparing for the meeting and fostering informed exchanges. Swift distribution of reports would facilitate reporting back to capitals, especially for smaller delegations.

3.129. The EU remains committed to enhancing the work of this Committee and suggests that the Chair submit a report to the General Council outlining the suggestions put forward by the Members for improving the Committee's work. This report could include a proposed workplan for the thematic discussions as an annex.

3.130. To conclude and to remind everyone, we have two sessions this week on CBAM and Deforestation, plus a joint event with the ACP countries.

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

3.132. The LDC Group thanks you, Chair, for the report of your consultations and takes note of it. We are delighted to see the importance attached to the work of this Committee within the WTO. The work of the CTE is certainly a priority for the LDC Group.

3.133. With regard to item 3.B, the LDC Group commends Members who have made proposals. In the MC12 outcome document, Ministers noted "the Committee on Trade and Environment as a permanent forum for dialogue among Members on the relationship between trade and environmental measures".

3.134. The LDC Group is therefore of the view that the dialogue in question must be guided by the principles of international environmental law and WTO law, such as common but differentiated responsibility, the precautionary principle, the polluter-pays principle, and the principle of non-discrimination, among others. In addition to these principles, international cooperation must

play a key role because environmental problems are global problems that deserve global solutions. Thus, environmental measures should not be used as disguised non-tariff measures to restrict trade and for protectionism. Members must ensure that the environmental aspects of their trade policy are compatible with WTO rules.

3.135. To fuel the dialogue within the CTE, we are also in favour of the Committee continuing to invite experts and institutions to do presentations on topics that are of interest to its work and to the WTO in general. Experts as well as institutions could share information and help the Committee better understand the impact of certain environmental measures on trade. The LDC Group invites the Committee to consider how the transfer of green technology, on mutually agreed terms, could affect climate change mitigation and adaptation and ultimately on trade and development. We are working on a communication in this area and we will revert in due course.

3.136. The representative of Australia delivered the following statement:

3.137. I thought that I would begin by echoing a point that my Canadian counterpart made online, which is that Australia too is quite buoyed by the conversation that we are having here and the deep engagement from the Membership in how we can best use this Committee to advance towards shared goals and commitments. I am confident that every Member that has taken the floor today under this agenda item and indeed in all the papers that have been presented expressed this principle – that there is a need for trade to address environmental challenges.

3.138. In that manner, we welcome the recent papers by China, India and South Africa, Colombia, the EU, and the UK and indeed the ideas presented by Paraguay on trade and environment issues. We look forward to reading a contribution from them when they have the opportunity to share one with us, and don't worry we understand the challenges mentioned of the capacity of a small mission.

3.139. We agree with others that there is merit in reinvigorating discussions at the CTE and we need to have more in-depth discussions on the nexus of trade and climate, including on approaches to carbon leakage. We are also keen to reinvigorate the CTE and build on the current momentum of Members' interests in addressing these urgent problems.

3.140. We thank all Members for their papers and strongly support the sentiment that multilateral cooperation is a key part of the solution to environmental problems. We need to continue working with international partners on multilateral efforts related to climate change, including at the WTO, to maximize consistency with trade objectives. Australia believes that trade is, and must continue to be, part of the solution to environmental problems, as other Members have reiterated today.

3.141. The transparency elements of China's proposal could provide the opportunity to address the nexus between environment and trade in the CTE and we thank them for their proposal. The list of elements that they have identified could be used to set up a pro forma for how Members should conduct presentations or what they should address that could be most useful to a CTE audience.

3.142. We agree that these discussions will enhance inclusiveness through the open and constructive exchange of views on different regulatory approaches in response to environmental problems. We would welcome further discussion with China on how it foresees these proposed discussions on environmental measures being carried out and we are conscious of not duplicating the work of the CTE with the work of other bodies and indeed other dispute bodies.

3.143. With regards to Colombia, we welcome its initial proposal highlighting the intersection of development in issues related to trade and environment. We are committed to working within the existing mandate and other existing mandates to ensure the concrete actions can see support for developing countries as we tackle the challenges of the environment. We look forward to engaging further at the side event organized by Colombia for this CTE with the Forum on Trade, Environment and the SDGs (TESS).

3.144. Australia is committed to the CTE as the key multilateral body focused on trade and environment, and we welcome the paper by India and South Africa's to reinvigorate discussions in the CTE.

3.145. We also see the Trade and Environmental Sustainability Structured Discussions (TESSD) and the Dialogue on Plastics Pollution (DPP) as playing key roles in this space of how we can advance discussions here at the WTO. We are conscious of the importance of tackling carbon leakage and we understand why Members are pursuing policies, including trade policies, to combat that issue. Australia is also committed to exploring multilateral and plurilateral solutions to carbon leakage.

3.146. We welcome the UK proposal on improving the functioning of the CTE, including both its efficiency and inclusivity through procedural reform. We support your proposal to include thematic discussions and leveraging the expertise of expert stakeholders and various WTO bodies. We agree that TESSD's workstreams could support the thematic discussions of the CTE to ensure discussions are complementary but note that we do need to manage the reality that not all Members of the WTO are members of the plurilateral environmental initiatives.

3.147. On the EU proposal, we have discussed this with the EU many times including in this forum and we strongly support many of the suggestions also made by the EU and have commented on these in the past, including in this fora. We agree that transparency is critical, we support the concept of thematic discussions and many of the ideas raised in the EU paper for reinvigoration, including strengthening the deliberative function.

3.148. Stepping back just a moment from all those individual papers, we think if you take the compilation of the ideas together and look at them as a body you will actually see that there are strands within each of them that are related and that overlap with one another and that multiple suggestions go down a similar track. It is absolutely necessary that we continue to have the discussion of how the CTE can most effectively engage on these issues so as to inform and influence trade policy in a manner that is inclusive and including the other important WTO principles, such as the development dimension. However, we cannot spend forever discussing how we can best utilize and structure our discussions – at some stage we need to move the 'how' into the 'do' and we need to take the ideas that are expressed, where we agree on them, and use them as a path forward so that we can begin to more concretely work to utilize trade to support our goals collectively.

3.149. The representative of India delivered the following statement:

3.150. In this intervention, I will cover the comments on the other papers. We welcome the EU view of bringing the TESSD to the CTE. This position is also in line with the MC12 Ministerial mandate, which recognizes the CTE as the appropriate forum for these discussions. We also acknowledge the bilateral engagement with the EU in the first EU-India Trade and Technology Council held last month in Brussels.

3.151. On the UK paper, we continue to study submitted by the UK paper in capital. There are several ideas presented in this paper and our preliminary view on two of these ideas is: First, the thematic sessions may be useful to discuss specific topics of common interest to Members. Second, from the themes proposed by the UK, resilient supply chains and building climate-resilient economies seem interesting.

3.152. In fact, this allows me to make a marketing pitch as, in the Trade and Environment Week events, India has organized a session on 13 June, which features an international organization, the Coalition for Disaster Resilient Infrastructure (CDRI). We are working to build capacity and thought capital in this space through engagement with CDRI, mainly focusing on helping Small and Vulnerable Economies and Small Island Developing States (SIDS).

3.153. We thank Colombia for their comments on our paper. Colombia has also raised relevant ideas for better working of the CTE and the fair use of environmental measures.

3.154. We thank China for its new submission. Capital is still reviewing this very detailed paper, which was only received recently. Finally, we look forward to receiving Paraguay's submission and engaging with them on their views.

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

3.156. The United States thanks Colombia, India, South Africa, and the EU for presenting on their papers again and for Paraguay for previewing its paper. We also thank China for its presentation

and we will be reviewing its paper, so we will hold comments for future deliberations. Finally, we thank the UK for its recent submission on revitalizing the CTE and for its presentation.

3.157. Similarly to Australia, we found a number of the ideas not only in the UK paper but in the other papers discussed in March promising for supporting revitalization of the CTE, and for improving the overall deliberative function of the CTE.

3.158. Reflecting on those previously circulated and presented papers, we note there is a common interest in thematic discussions at the CTE. The United States is supportive of incorporating thematic presentations to strengthen our deliberations and understanding of relevant policy matters here in the WTO, although we do not share an interest in outlining proscriptively how Members should present on policy matters.

3.159. The United States is supportive of a forward-looking planning process for setting meeting calendars and identifying thematic discussions well in advance, which would assist with more robust engagement by Members.

3.160. Early planning would allow capital-based officials time to identify subject matter experts within their governments, and an annual planning calendar would allow Members to bring forward emerging or timely environmental issues, and as well could account for the schedule of multilateral environmental agreement meetings taking place in a given year.

3.161. Taking a lesson learned from the TESSD and the other informal dialogues, we see value in bringing outside stakeholders to present during the CTE meetings on topics of interest relevant to our deliberations on trade and environmental measures. This outside perspective is valuable not only to further benefit Members' understanding of challenges in the multilateral trading system but also to identify practical solutions.

3.162. Looking forward to next steps, we suggest that Members may wish to identify, in consultations with the Chair, where we can start to reconsider our approach to the work in the CTE. There are some concrete suggestions in the many papers that have been circulated which are straightforward, for example a calendar, and then there are other ideas raised by Members that could benefit from additional technical discussions.

3.163. Notably, rather than waiting for MC13, Members should start working with the Chair as soon as possible to integrate for example the planning process into our work in the CTE, and to begin to lay the groundwork for a forward-looking approach to planning the meeting calendar.

3.164. We can use these upcoming meetings to try out some of these ideas in real time, and to see if the proposals that we have come up with fit our needs and discussions in the CTE. We firmly believe that we need to promote an experimental or 'try it and see' culture – part of reform also has to be learning to be more flexible and more adaptive in real time. For most of these procedural suggestions, there is no reason why we cannot just start trying it and then evaluate the benefits based on actual experience.

3.165. Two additional points to note. When it comes to presentations, we do not see that Members need a proscribed set of instructions for what points should be covered under the thematic deliberations. We appreciate the interest in a common structure but believe that Members are able to exercise their discretion to determine what they believe is appropriate and necessary information to include in the course of discussing trade and environment.

3.166. We are also concerned that bringing the concept of common but differentiated responsibilities into this space is not helpful to our work here in the WTO nor will it help to advance discussion and understanding of the relationship between trade and environmental measures. We look forward to engaging further and continuing to work to revitalize the deliberative functions of the WTO.

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

3.168. The Kingdom of Saudi Arabia would like to thank your Excellency for updating the Committee on your consultations with Members. Special thanks go to China, Colombia, EU, India and

South Africa, and the United Kingdom for their useful proposals which will be assessed in the capital attentively.

3.169. The Kingdom of Saudi Arabia would like to draw the attention that in MC12, our Ministers recognized the global environmental challenges including climate change and other natural disasters, loss of biodiversity and pollution and highlighted the important contribution of the multilateral trading system to promote the UN 2030 Agenda and its Sustainable Development Goals.

3.170. It goes without saying, improving the deliberative function of the CTE will enhance the effectiveness of our discussions in the CTE, encourage further information sharing and best practices on measures related to trade and environment, and enable Members especially developing and LDCs to better address trade-related aspects of these global environmental challenges.

3.171. Chair, in a very brief and preliminary manner, I would like to welcome and highlight some interesting points in the 5 proposals before us today.

3.172. We agree with our distinguished colleagues. In order to promote an open trade system that allows for effective, non-discriminatory and coherent sustainable trade with environmental goals, our deliberations on trade and environment matters should target more transparency, inclusiveness and development oriented. We also agree that striking a balance between environmental considerations and trade considerations should be one of our deliberation priorities.

3.173. Trade policies designed to achieve environmental objectives should be consistent with the fundamental principles and basic rules of the WTO, taking into account the priorities, and needs of developing countries and LDCs.

3.174. The Kingdom reaffirms the importance of providing Special and Differential Treatment for developing Members and LDCs in order to help their transitions, including through Aid-for-Trade and capacity building support for the production and trade of goods and services that are respectful of the environment, through the development, deployment, dissemination, and transfer of environmentally sound technologies towards a more resource-efficient and sustainable development.

3.175. WTO Members shall avoid unilateral measures and agree to discuss climate change at the multilateral level and should be guided and adhere to the principle of equity and CBDR-RC in the light of different Members' national circumstances and the nationally determined contributions. Such measures not only violate the rules of the WTO and undermine multilaterally negotiated rights and obligations of Members, but also constitute means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

3.176. We also agree with the view that initiatives relating to industrial decarbonization, or green hydrogen, are being considered by various bodies under the United Nations. Such initiatives should be the way to solve the environment and climate change problems, rather than formation of "carbon clubs", which will lead to fragmentation of multilateral efforts.

3.177. To conclude, we believe that international trade cooperation and policy dialogue can enhance the predictability of trade measures related to climate change. Through policy dialogue in the CTE, Members can improve the collective understanding of how trade interacts with climate adaptation and mitigation strategies.

3.178. In this vein, we see value in conducting thematic discussions and encouraging further engagement and input from international organizations, academics, businesses, NGOs and think tanks.

3.179. The representative of [Brazil](#) delivered the following statement:

3.180. Thank you for your earlier report on your very helpful round of consultations, in which we were pleased to take part. We hope that today's report can give us an outlook to help pave the way for a contribution to MC13 and we would also like to convey our appreciation to the Members presenting proposals today.

3.181. My remarks now will address both agenda items 3.B and 3.C. In the last few months, we have witnessed a significant number of new valuable submissions to address the nexus between trade and the environment. Among these, we would like to highlight documents [RD/CTE/221](#), [WT/CTE/W/251](#) and [JOB/TE/78](#), presented by Colombia, China and India, respectively. From our perspective, the dynamism shown by the large number of proposals speaks to a few undercurrents of our discussions here at the CTE.

3.182. First, there is growing interest in finding ways for the WTO to contribute to their global response to environmental challenges and particularly the climate crisis. Second, there is strong awareness that if we are to make an effective contribution and avoid undermining the MEAs there needs to be a harmonious and mutual supportive rapport between our work here and the work conducted in environmental fora such as the UNFCCC. In that sense, the principle of Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC) has been identified as a cornerstone to allow for an inclusive net zero transition. Third, there appears to exist significant concern on the risks posed to both the international trade and environmental regimes by unilateral measures undertaken by some Members and justified on the pretence of environmental goals. Fourth, countries appear to be converging on the understanding that there needs to be a reinforced multilateral treatment of these measures.

3.183. Trade is an underlying force of global efforts to mitigate climate change and, unfortunately, that also means that unilateral measures can hamper our progress and lead to the fragmentation of both trade and climate frameworks and undermine the process that we do have in place to curb climate change.

3.184. Later today, we will hear the UNFCCC Secretariat brief us on the preparations for COP28. On that occasion, I would encourage everyone to take a moment to reflect on a few questions, for instance, if a country has been working to meet their NDC goals with national strategies and then is forced to address entirely different externally decided conditions to access some of the largest markets in the world, how do you believe that might impact the implementation of current environmental commitments as well as new negotiations? What is the value of discussing commitments within the UNFCCC if some of the largest economies in the world leverage their market unilaterally and alter the balance of rights and obligations for everyone? Rather than adopting an extraterritorial approach of trying to extract specific measures from other Members, we would encourage each country to respond to climate urgency by focusing on its own potential for positive action, in particular, the fulfilment of the long-outstanding commitment made by the developed countries to mobilize USD 100 billion yearly in climate financing could prove pivotal not only to create conditions for us to achieve the goals of the Paris Agreement but, even more, to build trust in a multilateral environmental regime and enable us to potentially work towards more ambitious outcomes.

3.185. In light of that, we believe that all proposals presented by developing countries to the CTE have significant merits that, as has also been underscored by other Members, could supplement each other. Colombia highlights the need for identifying principles to inform the adoption of trade-related climate measures; China's proposal puts forward a structured process to allow for more substantial discussion of those measures; and India identifies the risks posed by unilateral protectionist measures as well as positive contributions that CTE work could make to address specific interests of developing countries.

3.186. Reflecting on possible outcomes for MC13 on trade and sustainability, we see potential for our work to advance based on the different proposals by finding synergies and points of common understanding to integrate the work between these three fronts. The result, we believe, will enable us to deliver 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.

3.187. The representative of [New Zealand](#) delivered the following statement:

3.188. Thank your Chair for your earlier report on your consultations, for conducting those consultations, which we were pleased to take part in, and to all the delegations that have put forward proposals written and foreshadowed today. There is clearly a lot of interest and a lot of support and energy going into revitalizing the work of the CTE and that is something that we champion.

3.189. Just four points on that. There has been quite a lot of discussion about the proposal to have thematic discussions and that is one that New Zealand would support and in terms of seeking to make those as interactive as possible. In that regard, secondly, we can see some value in seeking to structure those thematic sessions and our dialogue in those, however, we do also agree that this should not become a straitjacket to presentations or become an interrogation of particular measures or particular Members. We do not think that that would be as productive in terms of an interactive dialogue, so we are very much in the mode of seeking to make it efficient but also productive and interactive and inclusive.

3.190. Thirdly, there have been a number of practical proposals about the functioning of the Committee. Those seem to us very sensible and we also support the idea of working in collaboration with other bodies, in particular, where those other bodies are working on concrete steps that support the objectives in this Committee. Finally, we have noted your proposal that we continue to do some informal discussions and meetings to reflect on these before the summer break. Our sense too is that there are some areas where there is a degree of commonality emerging and that, if we can talk further on those over the coming period, that could help us to identify them and we can get on with putting them into practice as soon as possible.

3.191. The representative of Singapore delivered the following statement:

3.192. Singapore would like to join others in congratulating you on your chairmanship of the CTE and Singapore looks forward to working closely with you in this Committee. I also thank you for updating the Committee on your consultations taken over the last few months.

3.193. On this agenda item, I would like to express our appreciation to China, Colombia, EU, India, South Africa and the UK for their proposals, and the ideas articulated by Paraguay earlier. These have really allowed us to revitalize discussions here at the CTE.

3.194. Each of these proposals contain valuable ideas on how we can structure the CTE's work going forward. A common strand across these proposals is the idea of having thematic discussions. However, I note that there may be some differing views as to the themes which Members would like to discuss. In this respect, I think the Chair's idea of holding an informal discussion before the summer break would be useful to drill deeper into this issue.

3.195. Singapore agrees that thematic discussions would be a useful way to structure our work and we remain flexible on the specific themes to be discussed. That said, we would like to underline that, in order for our discussions to be productive, these discussions should be objective, fact-based and inclusive. We should also bear in mind that our objective here is to deepen our understanding on the relationship between trade and environment, in order to promote sustainable development. In this regard, the UK's proposed idea of guiding questions will be useful in focusing our discussions.

3.196. As the UK's proposal is also the newest one on the table, I would like to add our voice of support for the practical suggestions on how we can further improve the procedural aspects of CTE meetings, including through eAgendas and tabling papers for discussion earlier so that Members have time to consider and discuss them more deeply.

3.197. The paper also rightly points out that the environment agenda at the WTO is growing and there are capacity constraints for smaller delegations like my own. As such, I think it will also be important to bear this in mind when considering the organisation of other informal meetings and maybe it would also be useful to find ways to streamline work across the CTE and the other environmental initiatives.

3.198. The representative of Norway delivered the following statement:

3.199. My delegation would like to thank the Chair for the debrief on your consultations. We would also like to thank the EU, Colombia, China, India, South Africa, and the UK for their written communications, as well as Paraguay for its intervention. These contribute to the discussion on how to strengthen the CTE as the central multilateral forum for trade and environment.

3.200. Norway would support steps that can enhance transparency, information exchange and policy dialogue. As commented by others, there are some elements of convergence between the

submissions. Several communications highlight the concept of thematic discussions. Such sessions could, in our view, dig deeper into issues that are of a complex nature. As far as such issues span the responsibilities of other WTO bodies, thematic discussions could also include outreach to and cooperation with other relevant committees.

3.201. Trade-related environmental policies are not developed in a vacuum, and must take into consideration also other issues, not least the development interests of developing and least developed Members. At the same time, there is need for ambition in this work if we want to strengthen the role of trade as an engine for environmental sustainability. There has to be a balance between these issues. Thematic discussions should strengthen the dialogue at both the technical and political levels, and increase the understanding of what constitutes effective trade-related measures for the environment. On the other side, we should avoid that they become an arena for Specific Trade Concerns or one-sided critique against specific Members. A forward-looking plan for such sessions could contribute to a good balance of future thematic discussions.

3.202. Finally, while we fully support the principles of Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC), we would like to underscore that we must be careful as to how we refer to these principles in the WTO. The UNFCCC and the Paris Agreement are two different agreements, and the texts in those agreements are carefully balanced in a different context. They cannot be imported directly into the WTO in the way that some delegations, in our view, maybe seem to imply. This may merit further discussion.

3.203. Norway looks forward to further efforts to enhance the work and functioning of the CTE.

3.204. The representative of Switzerland delivered the following statement:

3.205. Switzerland thanks China, the UK, India, South Africa and Colombia for their documents. We support a reinvigoration of this Committee and we believe it is time to advance the environmental sustainability agenda and the trade discussions. The MC12 outcome document says so. We have a number of issues before us and the next stage for Switzerland is to find convergence among all of these proposals.

3.206. To achieve our environmental goals, various political actions are necessary. International trade plays a major role in domestic decisions in terms of climate change mitigation and it can also contribute to the resolution of climate and environmental challenges, as well as sustainable development for every country. Regarding current domestic climate policies, they are unsurprisingly diverse and heterogeneous. For example, domestic economies specialize in various industries and they lead to different standards of living and governments have different political and fiscal constraints and different circumstances.

3.207. Therefore, we believe it is essential that this Committee not only focus on environmental measures such as the CBAM but on trade measures related to environmental sustainability. We believe that the UK submission is relevant vis-à-vis the various issues proposed. We also support the EU's proposal to have a report and an annex with a number of items. We support the idea of active engagement by all WTO Members on the various issues selected. Transparency plays a growing role in our discussions.

3.208. Switzerland has already expressed its willingness to hold thematic sessions. The request to discuss trade-related climate measures (such as CBAM) is strong and we support this discussion. We feel that it is important for each Member to discuss its proposals constructively. We would like to recall that, as part of the TESSD initiative, a working group is devoted to this topic with the expertise of a number of parties and experts. This group is enriching the discussion related to measures towards reducing emissions. The working group has examined these matters from a sectoral point of view. There have also been exchanges on the implementation of climate measures related to trade. TESSD can bring this information and this work as part of this Committee to other Members.

3.209. Finally, we would like to share an observation related to the Common But Differentiated Responsibility principle. We believe that each legal instrument has its own principles, as a result of its own historical negotiations, and that these principles cannot be imported into other legal contexts, in this case, the WTO.

3.210. Switzerland believes that the principle of Common But Differentiated Responsibility is specific to each agreement and, in the context of climate change, this principle stems from the Paris Agreement. We therefore do not agree with a horizontal application of this principle to trade agreements.

3.211. The Ambassador of Chile delivered the following statement:

3.212. My delegation would like to thank you for your report and for identifying elements to consider for the future work of this Committee, as well as the documents that contribute to reflections on how best to use this forum that, as stated in the MC12 outcome document, constitutes a permanent dialogue forum for trade and environment matters in this Organization.

3.213. As I indicated in my previous intervention, it is important for us to discuss a number of areas of work, the challenges that we face, and how trade can contribute. This will open the necessary cooperation stages, as found in the recently adopted ministerial declaration. For this, we must establish a timeline for the work of this Committee in order to determine which environmental challenges trade can contribute to addressing. These discussions could take place in regular Committee sessions as well as in informal thematic sessions.

3.214. We could also explore the possibility of having deeper relations with other committees and bodies to discuss cross-cutting issues, as well as with the informal environmental initiatives, so that this Committee can strengthen its dialogue and cooperation towards more sustainable trade with clear rules for all Members.

3.215. The representative of Türkiye delivered the following statement:

3.216. We also thank all Members that put forward proposals. In general, we support the idea of thematic discussions and having multilateral dedicated discussions on trade and environment matters. We also support the idea to establish an understanding on parameters and principles that should frame the discussions and policies related to climate measures with trade impact.

3.217. Since measures applied to combat climate change that have a trade impact are hybrid in nature, they must meet the principles and rules set both by international environment and trade law. In our view, these include: multilateral collaboration to ensure effectiveness, coherence and avoid fragmentation; Common But Differentiated Responsibilities and Respective Capabilities to ensure equity and effective combatting of climate change; and non-discrimination, proportionality, and not imposing unnecessary restrictions on trade, to count just a few.

3.218. We are open to discuss these in detail in the CTE in formal or informal formats. We also look forward to the discussions this week, including on CBAM, where we will have the opportunity to further convey our concerns and ask questions.

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

3.220. We would like to thank the Members who have put forward proposals to strengthen the work of the Committee. As we have previously mentioned, the Philippines supports pursuing a "positive" trade agenda on sustainability and where we would see more time and resources devoted to how the Organization can support just energy transitions, particularly for developing countries. This could be achieved by examining trade-facilitative measures, good regulatory practices, linkages between trade financing and climate financing, and the diffusion of relevant technologies.

3.221. As we have previously said, we are supportive of thematic sessions, pursuing cross-Committee coordination, and increasing the involvement of stakeholders such as the private sector. We would also see value if the Committee could agree on a set of thematic sessions for a calendar year. We are broadly supportive of the ideas set out in the UK's [WT/CTE/252](#) communication and, while we note that the proposed themes it has set out, we would also recommend the inclusion of border carbon adjustments, green industrial policy and access to technology as additional and complementary themes. We also welcome China's revised communication, which has set out five key considerations that could help frame these thematic discussions.

3.222. The representative of Paraguay delivered the following statement:

3.223. I would like to speak on the proposals made by other Members. We can classify these proposals into two groups: some proposals are more formal on the Committee's daily work and some are more substantive and may be discussed in a number of formats, one of which could be dedicated sessions.

3.224. With respect to the formal proposals on this Committee's daily work, one of the few advantages of Paraguay's small delegation is that a delegate covers several committees, which allows us to have first-hand knowledge of the work conducted in other committees. In this case, for example, I would like to recall the work undertaken in the CTG and its subsidiary bodies. Each subsidiary body of the CTG itself identified a series of measures, many of which could be 'reforming by doing' and a few are cross-cutting, some with budgetary repercussions for instance that would require formal measures or they should be escalated to another level.

3.225. Since I participate in some of these groups, I can point out a number of issues for you. One is the use of eAgenda, which could help us draft minutes, as long as what Members upload to eAgenda does not replace in the minutes the actual interventions spoken in the room, unless the Member requests that their longer statement be included. It would also facilitate small delegations who may not be in the room to follow the issues as well as meeting preparation providing a voluntary (of course) opportunity to upload statements before the meeting. Yearly planning of meetings would also be useful since it would allow for better preparation and if we can also prevent overlapping meetings as much as possible it would be better. Of course, I understand that given the crowded agenda at the WTO this is almost impossible. Nonetheless, it would be important to have advance planning especially if the number of meetings of the CTE expands, given the possibility of holding thematic sessions.

3.226. The use of e-registration for email lists. In the case of Paraguay, we had one case where we had to switch email addresses which entailed a number of communications to various parts of the Secretariat, not just environment, but in fact each of the committees to have it be updated in email lists. This could be done automatically through e-registration and could save a lot of time.

3.227. These are just some specific improvements in the functioning of the Committee that could be useful in practice. In this category, we would include our prior proposal for Q&A.

3.228. Under substantive proposals, we agree with the issues discussed by other Members so far and we would be willing to discuss them, as well as other issues that may arise. We highlight the specificity of the CTE, which lies in the environmental aspect of measures. These measures can be discussed in other committees but none of these other committees has the specific mandate of evaluating the environmental impact of such measures. So another topic for a thematic session could be methodologies for measuring the environmental impact of trade-related environmental measures, which could eliminate trade-offs with other environmental or sustainable development elements as well as their trade repercussions.

3.229. These were just some quick ideas for consideration of this Committee.

3.230. The representative of China delivered the following statement:

3.231. China would like to thank Colombia, South Africa, the UK, the EU and India for presenting on their papers. We also appreciate all the comments on China's proposal.

3.232. We would like to clarify that China's proposal is not directed at the EU or any other Members. We noticed that, besides EU, a number of other WTO Members are also considering border carbon adjustment measures, trade policies are increasingly being used as policy tools to achieve environmental objectives. The hybrid nature of such measures increases policy complexity and causes further complications by way of spill-over effects, which will have a significant impact on international trade and merit dedicated discussions under CTE pursuant to the MC12 mandate.

3.233. We appreciate that the EU will have a seminar on CBAM this Wednesday, and we are looking forward to exchanging views and joining the discussions with the EU.

3.234. We also propose that any trade policy made as a tool to achieve environmental targets could be discussed under the WTO in an informative, evidence-based, well-structured way, with the view of enhancing understanding and promoting cooperation. As such, multilateral discussions could contribute to the capacity building of WTO Members on coping with cross-cutting issues of trade and environment, promote coherence of policy objectives in different areas, and strengthen the functioning of the CTE. They could also enable the WTO to play a better role in promoting the UN 2030 Agenda and the SDGs in economic, social and environmental dimensions insofar as those issues relate to WTO mandates and in a manner consistent with the respective needs and concerns of Members at different levels of economic development, as mandated by MC12.

3.235. Finally, I would like to share that China will hold a seminar on "Energy Transition and the Role of Trade Policy" tomorrow at 11:15am and we welcome all interested Members to join us.

3.236. The Chair gave an update on the current state of affairs.

3.237. I will now present a summary of what I, as Chair of this Committee, am considering at this time. So, taking into account the presentations that have been made in this session and my conclusions from the consultations held in April with Members in general, and in the first week of June with the countries that have submitted proposals in particular, I appreciate, first of all, that there is interest among Members of the Committee to carry out an exercise of thematic or dedicated discussions, that is, specialized discussions on issues or topics of interest for the mandate of the CTE.

3.238. Secondly, from the written proposals that the CTE has received, I find that there are various relevant ideas on how these thematic discussions should be conducted; that is to say, on the procedure that should be followed in general, regardless of the specific topics that are to be dealt with in each thematic discussion session. It seems that the procedure should comprise issues related to the presentation of reports or documents, the level and format of meetings, the design of an eventual Q&A mechanism, etc. I identify various bridges of contact between the proposals, which can help us to agree on a set of procedural matters.

3.239. Thirdly, I recognize in the written submissions one or more specific themes or topics that are proposed to be considered in the thematic discussions. This leads me to conclude that the CTE must decide on what issues to discuss and on a programme or schedule of work. There is nothing to prevent the thematic discussions from deliberating, in each session, more than one issue or topic, but this should also be agreed upon when identifying the themes and designing the work programme.

3.240. Having in mind what I just mentioned, I intend to convene, in the first instance at a technical level and before the summer break, to an open-ended informal meeting in order to reflect on the points that I just highlighted.

3.241. That meeting, which may take the form of a retreat, will ideally help us to reach an understanding on the procedure, topics, and work programme to launch a series of thematic sessions at the CTE in an inclusive, transparent and productive way.

3.242. That concludes my understanding of the current state of affairs. Are there any delegations with questions or comments on my intervention at this point?

3.3 Discussion on possible CTE contributions to MC13

3.243. The representative of Costa Rica delivered the following statement:

3.244. Costa Rica joins the congratulatory messages for your appointment as head of this important committee, Chair, and we are here to help you find consensus and come to a meaningful, concrete outcome at MC13.

3.245. In this regard, Costa Rica would like to express its interest in the document resulting from MC13 containing clear, ambitious but realistic language, and encompassing the divergence of ideas in this room, that is, a substantive agenda for trade being a tool to tackle the climate crisis.

3.246. To this end, Chair, we call for consultations before the summer break and necessary action after the summer that will lead us to prepare the ground so that we can come to language that will reflect the interactive role that trade can play in climate action.

3.247. We must not allow another opportunity to slip by and another Ministerial Conference outcome that misses the opportunity to comprehensively underline the importance and relevance of international trade as a tool in assisting us out of this crisis.

3.248. My delegation seeks to have a substantive paragraph in the outcome document. We believe this to be realistic and will be high impact, allowing us to follow and to continue the commitment we have made in Costa Rica building bridges.

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

3.250. Heavily indebted developing and least developed countries face tough economic choices in relation to promoting the welfare of their citizens, protecting the environment and promoting development.

3.251. The ACP Group will hold internal consultations on contributions for MC13 as we proceed with the work of the CTE under the MC12 direction. In the meantime, we offer a few preliminary comments and observations.

3.252. There is a need to capture these cross-cutting issues in a manner that reflects the policy landscape and complex reality. In particular, there is a need to allow developing and least developed countries to promote food security and energy security in the prevailing difficult geopolitical context.

3.253. Here the CTE could work towards proposing a standalone paragraph in a Ministerial Declaration that highlights the steps that are being taken by those mainly responsible for the climate problems, support to developing countries in need and LDCs, the trade-related impact of standards and measures put in place, in particular which at the same time, reduce any trade and environmental impact on developing countries and LDCs.

3.254. The representative of the Maldives delivered the following statement:

3.255. Since this is the first time I am taking the floor, I would like to congratulate you Ambassador Valencia on assuming the chairmanship of this important Committee. We are confident that under your able leadership we will be able to progress on trade and environment issues and we look forward to working with you.

3.256. As we prepare for the 13th Ministerial Conference of WTO to be held in Abu Dhabi next year, it is pertinent to start the discussion now on concrete, pragmatic and effective outcomes on CTE and other environment-related matters.

3.257. The Maldives is inextricably tied with the ocean. An 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.

3.258. 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 (MPAs) by 2030. To ensure environmental protection, including the preservation of marine life, as well as guaranteeing that the areas are utilised in a sustainable manner, three atolls in the Maldives have 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 some ecologically significant islands. We believe trade can play a synergistic role in promoting the health and sustainability of the marine environment and development of the blue economy.

3.259. The Maldives is one of the few nations that has a strict policy on preventing all forms of net fishing and is committed to sustainable pole and line fishing methods that we have become renowned for and have been practicing for centuries. It is imperative that global trade practices within the rules-based system incentivise sustainably sourced marine products in order to protect the environment, prevent biodiversity loss, and promote economic growth.

3.260. Before I conclude, may I once again thank the chair for initiating dialogue on outcomes for MC13 related to trade and environment. We stand ready to work with WTO colleagues to further the Trade and Environment agenda and in particular in finding ways to promote goods that are produced or sourced sustainably in order to enhance the potential of the blue economy through trade.

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

3.262. Chair, the LDC Group welcomes the discussion on possible CTE contributions to MC13. At this level, the group can offer preliminary comments and intends to come back later with proposals on this question.

3.263. The CTE's contribution to MC13 should take into account the needs of developing countries and in particular LDCs with regard to the impact of climate change on oceans and seas, loss of vulnerable ecosystems, land degradation, melting glaciers and the continued rise in global temperatures. We are aware that the pace of climate change is much faster than anticipated, as evidenced by, among other things, a disproportionate degree of economic loss, damage to critical infrastructure and disruption of basic services in LDCs.

3.264. In LDCs, investments in adaptation and mitigation to the effects of climate change are inadequate to meet needs. This contributes to disrupting the way of life in some of our countries by exposing them to food insecurity, malnutrition, water stress, water quality deficit and scarcity, soil degradation, loss of biodiversity, coastal erosion, sea level rise, population displacements.

3.265. The damage caused to economic infrastructure affects the already deficient productive capacities of LDCs and their ability to produce goods and services to meet their needs and to participate in international trade.

3.266. The CTE's contribution to MC13 should refer to SDG13, in particular target 13b which recognizes the need to: "promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and SIDS, including focusing on women, youth and local and marginalized communities".

3.267. It should also take into account the provisions of the Paris Agreement, in particular Articles 8 to 11, which provide for the means to be provided to developing countries, and in particular to LDCs, to deal with the consequences of climate change through putting in place adequate financial flows, a new technological architecture and an improved capacity building framework. It is important that technologies developed are not made to create more difficulties for LDCs to obtain those technologies and equipment. Special provision must be made for LDCs.

3.268. The representative of India delivered the following statement:

3.269. Chair, the ministerial mandate of MC12 contained in the paragraph 14 of the Outcome Document, [WT/MIN\(22\)/24](#), stated that the multilateral trading system had a role to play in promoting Sustainable Development Goals in its economic, social, and environmental dimensions, in so far as they relate to WTO mandates and in a manner consistent with the respective needs and concerns of Members at different levels of economic development. The ministers also reaffirmed the importance of providing relevant support to developing country Members, especially LDCs, to achieve sustainable development, including through technological innovations. Finally, the ministers noted the role of the CTE as a standing forum dedicated to dialogue among Members on the relationship between trade measures and environmental measures.

3.270. We believe that it is important to act on this MC12 mandate to discuss proposals on how developing countries, including the LDCs, can achieve sustainable development accounting for their

respective needs and concerns, effectively an acknowledgement of the principle of common but differentiated responsibility and respective capabilities.

3.271. In our view, the Members should focus on harvesting the gains from the MC12 mandate rather than looking at specific outcomes for MC13 in the area of Trade and Environment. It is critical that previous ministerial mandates are not ignored and words are translated into actions, so that the importance of these mandates is not undermined from one ministerial to another.

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

3.273. For the WTO to maintain its influence and relevance in the international rules-based system, it must respond to the most important issue of our time: the existential threats of climate change, biodiversity loss and pollution. The subsequent work of WTO bodies must reflect this urgency.

3.274. The UK sees three broad categories that fall under this. First: Improving transparency in trade-related environmental measures and facilitating communication and information sharing between decision-makers in the trade, finance, industry and environment space. This ties closely with improving the deliberative functions of the WTO.

3.275. Second: 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 consistent with WTO rules whilst advancing sustainable development. The WTO can play a role in convening the relevant experts and supporting and endorsing progress being made in other fora.

3.276. Third: using trade policy to advance environmental objectives – trade can help remove barriers and facilitate the uptake of critical goods, services and technologies that we need for the low-carbon and nature positive transition. We are open-minded about the sorts of actions and commitments – voluntary or otherwise – that this might eventually include, but we note some progress is already underway across the Organization.

3.277. 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 trade-related support can be used for climate goals.

3.278. In terms of MC13 outcomes specifically, we would suggest that the launch of a new, revitalised CTE and workplan at MC13 would be a good starting point. As mentioned previously, the multilateral deliberative function is our foundation, so it is important we get these discussions right. An ambitious chair's statement, alongside a new workplan should aim to address the categories of work mentioned above and reiterate our shared objectives on addressing environmental challenges through trade & sustainable development.

3.279. WTO Members should aim to agree a Ministerial Outcome Document that contains strong language on environment and climate change, building on the language agreed at MC12 to reflect the urgency of these crises and more clearly draw the link to the role of trade and the WTO. The UK is ready to contribute to this process in any way helpful.

3.280. 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.

3.281. The representative of Japan delivered the following statement:

3.282. Japan's statement refers to agenda items 3.A.-C. together. First, Japan appreciates the Chair's efforts to conduct consultations and the initiative to move forward this important discussion. Japan also thanks China, Colombia, the EU, India, South Africa and the UK. and also Paraguay. for their proposals. Japan is scrutinizing the proposals. I believe that, with these discussions, the CTE is being reinvigorated already and I think that this discussion is very important and very challenging.

3.283. Turning to MC13, given that MC13 is effectively only six months away, excluding summer break and Christmas vacations, it may not be realistic to expect tangible results in the form of an

independent CTE document. However, based on the environmental paragraph of the MC12 outcome document, we hope that some progress will be made in the MC13 outcome document that will reflect the CTE discussions. From this perspective, it would be beneficial to hold a thematic sessions by the end of this year as the Chair suggested.

3.284. The representative of Canada delivered the following statement:

3.285. Canada fully supports the CTE's efforts to seek language in the MC13 Ministerial Statement demonstrating continuing and further commitment of Members to advancing solutions to our collective, global environmental crises. Canada is committed to working with the CTE to develop language that reflects the WTO's efforts to address these crises and recognizes the challenges still ahead.

3.286. The representative of Egypt delivered the following statement:

3.287. Allow me to make three main points. Firstly, all Members agree that there is a need to strengthen the work of the CTE to be more relevant to the current developments in the field of trade and environment and to respond to Members interests and concerns. All papers presented show convergence on this point and this is something that we should build on.

3.288. Secondly, we believe that the CTE should focus on topics that are in line with its mandate, while taking into consideration the diverse interests and needs of Members, especially developing countries and LDCs.

3.289. Having said so, Egypt is of the view that the CTE could contribute to MC13 by:

- i. Examining the trade-related aspects of environmental measures and their impact on market access, as well as discussing the relation between environmental requirements and market access, while developing ideas on how to prevent "green protectionism" and "unilateral measures" and promote "win-win" situations, especially for developing and least developed country Members. In this regard, we share the concerns identified in the India and South Africa paper (JOB/TE/78/Rev.1).
- ii. Understanding the complex interlinkages between trade-environment-development, and how this could be better reinforced. This would mean setting principles that guide our action on these three issues. Here, we welcome the paper made by Colombia (RD/CTE/221). This would mean also discussing topics that are of interest to developing countries, such as the role of trade in achieving adaptation and resilience, as well as the role of trade in advancing capacity building, technology transfer and climate investments in developing countries.
- iii. Discussing how to better ensure synergy between what we discuss in WTO and what we discuss in other international environmental fora, while respecting the principles enshrined in these fora, especially the principles of equity and CBDR. This synergy is indispensable, in order to avoid fragmentation and working in silos.
- iv. Discussing the potential for a reinvigorated work programme that could address the relationship between the provisions of the multilateral trading system and the requirements for environmental purposes relating to products, such as standards and technical regulations, packaging and labelling and their implications on market access opportunities for developing and least developed countries.

3.290. Chair, there is a need, in MC13, to build on the mandate we had previously from our ministers, we would also agree on a set of guidelines and principles that should guide our discussions on trade and environment in WTO in the period to come, with priority given to the concerns and interests of developing and least developed countries. These principles and guidelines would allow us to better understand how to deal with the interlinkages between trade, environment and development and to work collectively on the basis of a common and solid ground agreed by all.

3.291. Chair, establishing the discussions to support developing countries and LDCs to avoid the negative repercussions of unilateral trade-related environmental measures on their market access

and the achievement of their sustainable development should be at the heart of the process and should therefore be the core, not to say 'most sacrosanct' contribution this committee could offer to MC13 and to the MTS as a whole.

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

3.293. As we have noted previously, the United States supports the role of the CTE as the relevant standing body in the WTO to discuss and deliberate on key trade and environment issues. Revitalizing the CTE is an outcome that we strongly support, and one that we are prepared to work together with other WTO Members to deliver.

3.294. Revitalization could come in a number of forms, and we have heard ideas expressed by some Members, which are worth exploring. We stand ready to engage with Members on these and other ideas.

3.295. Some Members have expressed interest in discussing options to re-energize discussions of the CTE. We believe we should focus on reform by doing and "trying out" procedural ideas that have been proposed by Members.

3.296. The MC13 agenda has a number of outcomes that it must deliver on. Rather than developing additional MC13 deliverables, Members could start doing the work now and arrive at MC13 with a vision for a revitalized CTE that we can present to our Ministers to demonstrate our ability to work together and reform by doing.

3.297. The United States supports finding a pathway forward to make the work of the CTE more relevant to addressing and discussing current trade and environment challenges.

3.298. The representative of Australia delivered the following statement:

3.299. Australia believes that trade is, and must continue to be, part of the solution to environmental challenges and the climate crisis. In that light, we want to see outcomes at MC13 that demonstrate the multilateral trading system's role in encouraging environmentally sustainable policies.

3.300. The reality is, Chair, that given the triple planetary crisis and the severe situation that our environment finds itself in, that the WTO is an international institution that has a responsibility and needs to engage with the environmental challenges.

3.301. We welcome Costa Rica's suggestions on the need to enhance the MC13 outcome document and we need to ensure that trade responsibility and capacity to support our response to environmental challenges is appropriately reflected in that document. We actively support the work of the CTE as the key multilateral body.

3.302. Reinvigoration of the CTE discussions is of course an important stepping stone and, as my counterpart from Japan has already identified, the discussions certainly do seem to be reinvigorated already. As my US colleague has said, we also support the approach of reform by doing.

3.303. Australia would support an ambitious statement at MC13, with ambitious commitments and recognizing the need for trade to respond. A number of the ideas that were mentioned in today's discussion warrant serious consideration, including: considering enhancing transparency and understanding the implications of trade-related environment measures; the development or greater understanding of best practices in trade-related environment measures; supporting among Members the uptake of such approaches; and of course deepening our understanding of the relationship between trade-related environment measures and the development dimension is also critical.

3.304. We would also note that the CTE is not the only body where discussions regarding trade and environment and outcomes at MC13 are being discussed and we welcome the ambitious efforts elsewhere to address these problems.

3.305. The representative of Thailand delivered the following statement:

3.306. My delegation is of the view that the role of the CTE and the mandate we have under this Committee is more crucial than the years before. We are here at the WTO and under this Committee to ensure that trade and sustainability are complementary to each other.

3.307. Within the current situation, we are aware that trade is facing direct consequences of climate change and environmental pollution. Supply, transport and distribution chain infrastructure are likely to become more vulnerable to disruptions due to climate change and ocean habitats can be endangered by plastic pollution, which will affect directly millions of peoples' livelihoods and food production capabilities.

3.308. In this connection, in principle, for the MC13 outcome document, we can reiterate the role of the WTO in building a multilateral framework for international trade that encourages ecological sustainability. Moreover, we have seen many developments in the plan of action from the TESSD and DPP groups. My delegation believes that this can be the highlight of the work of the WTO in promoting stringent environmental policies to tackle climate change and environmental pollution.

3.309. Moreover, we have witnessed from the WTO Environmental Database that many environmental policies and measures have been put in place for implementation at the local, regional, national and international levels. Therefore, the work of the CTE should be highlighted as a venue for discussions on the impact of those environmental trade policies and measures and the WTO principle of free and fair trade. Besides that, the CTE could play a further role in encouraging and promoting the more advanced economies to provide resources and institutions for less developed partners in order to strengthen their capacity building and environmental regulations.

3.310. Lastly, my delegation looks forward to further discussions towards a successful outcome in MC13.

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

3.312. I will try to be brief, because I think that there were already a lot of ideas put forward and we have already made some remarks in our previous intervention. The European Union of course would support the language on environment in the MC13 Declaration, as we were leading that process for the MC12 Ministerial Declaration.

3.313. If we do have that language, we would also welcome language that goes beyond simply recognizing environmental challenges that we are facing and actually has some concrete examples on how the trade community can contribute. In that sense, we could support some of the ideas of reinvigorating this Committee by doing things and maybe, as mentioned previously, having a report from the Chair of what has been done and also a vision of what could be done in the future. As we mentioned, there could be a list or a plan of thematic sessions for discussion, attached to that report.

3.314. In addition, I think if we really want to be serious and try to find some language for the declaration, we need to step aside and make sure that we are looking for convergencies and not bringing very contentious issues on the table because we are not going to be able to address them. Of course, we would welcome a discussion on this in the future, as suggested by the Chair, and we would be happy to participate in that.

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

3.316. Paragraph 14 of the MC12 outcome document recognises global environmental challenges including climate change and related natural disasters, loss of biodiversity and pollution. This paragraph must be read together with the CTE mandate and Work Programme outlined in the Doha Ministerial Declaration. As we move towards MC13, we need to be practical, pragmatic, and reasonable. Given the importance of global environmental challenges, this is an opportune time for the CTE to refer to its mandate and work programme and to review any progress it has made to date in terms of its mandate. Where there has been no progress, it must be understood why and at MC13 the Membership should be informed accordingly.

3.317. Now is also the time for the CTE to invigorate the necessary political will amongst Members to move forward on the more difficult environmental issues based on the CTE mandate and work programme, and in a manner that fits countries' needs and priorities, and this includes discussions taking place within a sustainable development framework that better suits the long-term interests and needs of developing countries.

3.318. The CTE should not be used as a platform for the discussion of non-mandated issues. Nor should it be used to expand the potential for the use of environmental measures to restrict market access of goods from certain countries. Inclusion of non-mandated issues in the CTE means an expansion of the mandate and effectively a change in the work programme.

3.319. Environmental issues should be discussed based on the CTE mandate and work programme. The importance of the climate agenda is acknowledged, but it is equally important to note that issues being debated and likely to be pursued in the short- and medium-term in the CTE could have far-reaching implications for developing countries.

3.320. There is a need to better understand the links between growth, trade, and the environment. The relationship between trade, development and the environment is complex and not well understood. There is limited understanding of the role international trade plays in fostering economic growth and only a limited understanding of how international trade and growth affect the environment.

3.321. There is also a need for the CTE to engage in issues of importance to developing countries. For instance, the role of trade in adaptation, how developing countries deal with harmful impacts of environmental related trade measures imposed by some countries, and how to ensure better synergies between discussions under WTO, UNFCCC and other MEAs. Environmental policies are evolving rapidly and increasingly will affect developing countries' market access significantly. Measures like capacity building, technology transfer financial and technical assistance, should be strengthened to ensure that they are adequate and fit for purpose for developing countries to allow them to meet the incremental costs arising from global environmental issues.

3.322. Importantly, WTO seminars and discussions on the environment under the CTE must be balanced if we are to make inroads, including balanced views based on institutions and panellists invited to address the issues. Otherwise, this risks polarization of the discussions which is not helpful. We need a Member-driven process that takes into account the interests of all Members.

3.323. These are important issues that must be addressed and remain of critical importance to a developmental agenda of the CTE.

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

4.1 United Nations Framework Convention on Climate Change (UNFCCC)

4.1.1 Briefing by the United Arab Emirates on COP28 preparations

4.1. The representative of the United Arab Emirates delivered the following statement:

4.2. COP28 of the United Nations Framework Convention on Climate Change will be held in Dubai from 30 November to 12 December later this year under the Presidency of the United Arab Emirates.

4.3. COP28 brings the world together at a critical moment for global transformative climate action. Situated in a region where heat is extreme and fresh water is scarce, the UAE has long viewed climate change as a challenge that must be overcome.

4.4. As a regional leader in the energy and sustainability sectors, the UAE has grown and diversified its economy, creating knowledge, skills, and jobs for its young people, while contributing practical solutions to a global problem that affects us all.

4.5. To deliver on its ambitious agenda, COP28 will be inclusive, transparent, pragmatic, and results oriented. COP28 at UAE will be a milestone moment when the world will take stock of its progress

on the Paris Agreement. This first Global Stock take (GST) will provide a comprehensive assessment of progress since adopting the Paris Agreement.

4.6. This will help align efforts on climate action, including measures that need to be put in place to bridge the gaps in progress. The COP28 UAE Presidency will work to ensure that the world responds to the GST with a clear plan of action.

4.7. In this regard, let me also provide you with a few highlights of the COP28 UAE Presidency's program which is under preparation.

4.8. The Conference will begin on 30 November and it will be followed by a World Climate Action Summit with the participation of Leaders from 1-2 December. Thereafter, there will be thematic days that highlight the action areas which the UAE would like to progress.

4.9. The thematic days and their sequencing is still under consultation but I am pleased to inform you that the UAE has proposed a "Trade Day". This will be the first time that trade has been highlighted as a specific theme at a COP.

4.10. We hope to highlight the role of trade as an essential part of the solution to climate change and enabler of climate-smart growth, including supply chain decarbonization, greening and resilience. As we develop this programme, we are consulting relevant international organizations, including the WTO Secretariat.

4.11. Other proposed themes for the COP28 UAE Presidency include: health, food and water systems, finance, just energy transition, industry, gender, youth and cities.

4.12. The proposed programme can be found on our website (www.cop28.com) and it is open to comments from all stakeholders. We expect to publish a final programme towards the end of June. I encourage you take a look at our website for more information and the UAE will endeavour to keep you updated on developments as the year progresses, especially with respect to "Trade Day".

4.13. Thank you for your attention and I wish you successful discussions for the CTE and Trade and Environment Week 2023.

4.1.2 Briefing by the UNFCCC on COP28 preparations

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

4.15. Good afternoon, distinguished delegates, ladies and gentlemen. Let me start with a reference to the outcomes of COP27 in Sharm El-Sheikh. As expected, COP27 focused on strengthening the implementation of climate action under the Convention and the Paris Agreement and did deliver a package of decisions, including the Sharm El-Sheikh implementation plan that reaffirmed parties' commitment to full implementation of the Paris Agreement. Some specific outcomes really stand out as landmark achievements, such as the decision to create a loss and damage fund. This decision represents a significance step towards addressing the pressing concerns about loss of damage. I would also like to note the call for a reform of multilateral development banks (MDBs) and international financial institution (IFIs), which was an exceptionally impactful outcome of the Conference.

4.16. The outcomes of COP27, along with the outcomes of COP26 in Glasgow, have shaped the course of international climate change process this year. Now we are at our regular mid-year conference period where negotiations and other meetings are conducted in the framework of our Subsidiary Bodies. This will be followed by the next COP28 in Dubai under the leadership of the UAE Presidency.

4.17. For that Conference, the broadly anticipated highlight relates to the so-called global stocktake under the Paris Agreement. In Dubai, the first ever two-year long stocktaking process will conclude with the final, political phase of the process. By its mandate, the stocktake should assess collective progress towards achieving the goals of the Paris Agreement, inform Parties of the next generation of NDCs to be submitted in 2025, and announce international cooperation on climate action. This

assessment will be underpinned by the technical phase of the process, the so-called Technical Dialogue, which is about to conclude now in Bonn during the session of Subsidiary Bodies.

4.18. The outcomes of the stocktake will include the final report of the Technical Dialogue, the recommendation to be formulated on the basis of high-level events at COP28, and a formal decision of the Conference. This may be complemented by a political declaration should Parties consider that addition useful and feasible. The format and content of the outcomes are being considered now under the lead of the current and incoming COP Presidencies (that is, Egypt and the UAE) and this process will become more and more intense as we get closer to COP28.

4.19. We expect that the stocktake will show insufficiency of the current efforts despite the clear urgency. In that respect, the conclusion of the stocktake at COP28 is a major opportunity for "correcting the course", through technical assessment and political signals on the need for enhancing action across all areas: mitigation, adaptation, loss and damage, means of implementation and action by non-Party stakeholders. This opportunity must not be missed.

4.20. That said, we should also not forget that the conclusion of the third global stocktake is not the only meaningful outcome of COP28 – there will be many others. Implementation of climate action is a complex, multi-facet process, and a good conference should address a large variety of issues in order to move implementation forward. For COP28, issues relating to loss and damage, just transition, adaptation, mitigation, and finance are expected to stand particularly high on the agenda.

4.21. Briefly, for loss and damage, the landmark decision at COP27 on a fund must be followed by COP28 with an agreement on various modalities of the fund to make it operational. Along with the completion of the operational arrangements for the Santiago Network on loss and damage, this would make the international climate change regime fully fit for purpose for addressing loss and damage – a tangible, major outcome.

4.22. At COP28, we should also complete the work on the global goal on adaptation, along with the solid methodological framework. This must strengthen adaptation efforts at all levels – local, national and regional – and underpin the planning and implementation of adaptation actions.

4.23. On mitigation, the ongoing mitigation work programme will need to be assessed at COP28 with a view to making the programme more efficient and more impactful in the light of the urgent need to address the emissions gap, as highlighted by our flagship NDC synthesis reports. At the current June session, we are having a number of important events relating to this work programme, including a global dialogue and investment-focused events.

4.24. On finance, which has always been a critical issue at COPs, the long-outstanding goal on mobilizing USD 100 billion of climate finance annually should be achieved by 2023 as reported by developed countries in Glasgow. While full finance data for 2023 may not be available by the time of COP28, a credible indication of progress will send a strong positive message. The same can be said about a success in ambitious replenishment of the Green Climate Fund and good progress in the doubling of adaptation finance. We will also see at COP28 how the important discussions on new goals for climate finance and on making financial flows consistent with the objectives of the Paris Agreement evolve and how the international financial system responds to the call for reform, which was so prominently made at COP27.

4.25. COP27 formally established a work programme on a just transition but its substantive content – like scope, modality and timelines – still needs to be developed. The negotiations on these critical details have just started here in Bonn. The growing importance of just transition reflects the understanding that it is critical to engage whole society in climate action and that no one should be left behind in this process. We hope that COP28 will deliver well on this key issue as well.

4.26. All in all, the international climate change process remains active and challenging in 2023. I am sure that upcoming COP28 will make its contribution to strengthening that process further, to respond better to the pressing challenge of climate change.

4.1.3 Briefing by the OECD on its work on the Inclusive Forum on Carbon Mitigation Approaches (IFCMA)

4.27. The representative of the OECD delivered the following statement:

4.28. So I want to take the opportunity to first thank you for the invitation to present this on the new major project that we are doing at the OECD, which is called the Inclusive Forum on Carbon Mitigation Approaches (IFCMA).⁴

4.29. The IFCMA is designed to basically help countries with identifying what is going on in the world on the efforts around the world to reduce greenhouse gas emissions.

4.30. It consists of three parts. The first part is facilitating data and information sharing. We are doing this by taking stock of mitigation policy instruments in all member countries of the IFCMA and also estimating the effects of these policy instruments on emissions.

4.31. The second pillar is about enabling mutual learning to set up dialogues etc. with countries and to help inform future policy decisions in countries around the world. Basically, the idea is hopefully that countries see what works in other countries and what is going on in other countries and then they can use that to their advantage.

4.32. The third part is providing a platform for inclusive multilateral dialogue. The IFCMA membership is not the same as the OECD membership. Obviously, members do not have extra rights or anything, all countries have an equal footing in the IFCMA. The IFCMA is there just to provide information and to provide a platform. It is not intended as a standard-setting body and it is not intended as a forum to rank country policies. We will not say in our project which policies work better than other policies, which ones are more effective or cost-effective, or anything like that, we are just there to provide this information on measures that are currently being taken.

4.33. It is organized in two modules. The first one is to undertake a stocktaking and mapping of mitigation policies, using a new methodology and new technology of how to basically organize different policies that exist, using a clarification system and then mapping the policies to their greenhouse gas emissions to basically identify the share of emissions that are covered by the instrument. This will help with the improved comparability of policies and complements and supports the work conducted under the UNFCCC. We are in consultations with the UNFCCC to ensure that we are not having any annoying overlap and that we complement and support their work.

4.34. The second module of the work is assessing the impacts of the policies on emissions, so this relies on reviewing methods for how to assess changes in emissions and applying a common methodology or a common approach across countries. We take a domestic approach, so we estimate the effect of domestic individual policies or policy packages in some cases in reducing domestic emissions. We are also adding to that a review of methodologies for computing carbon intensity, mostly at the sector of the individual goods rather than broad-based carbon intensity measurement by sector.

4.35. There are a few cross-border aspects that I thought would be nice to highlight here today because, even though this is a domestic assessment of domestic effects of domestic policies for individual countries, of course, the international context is always there, so there is an impact of domestic action on international markets for goods, such as energy, and, in principle, there is also an effect through international trade on foreign emissions. Now, what we are doing is we are not reporting on the changes in foreign emissions for the simple reason that we cannot calculate the changes in foreign emissions until we have done the scenario analysis of the effects of policies in basically all of the major trading partners. So the effects of foreign emissions may be there, but we cannot assess them until we have a broad base of countries covered in our analysis. We are taking this in a step-by-step approach and we are starting off with a few pilot countries where we try to calculate the effects of the emissions and come up with methodologies and then, in a phase 2, we will apply these methodologies and apply it to broader IFCMA membership.

⁴ The presentation can be found in document [RD/CTE/231](#).

4.36. So, basically, in phase 1, we assess, for a few pilot countries, how to work with this methodology, assess their policy instruments, and assess their emissions change induced by these policy instruments and then, in phase 2, we try to broaden that and continue to refine our methodologies.

4.37. After the presentation, the following delegation made comments.

4.38. The representative of Japan delivered the following statement.

4.39. Thank you for the OECD for giving us the comprehensive presentation regarding the Inclusive Forum on Carbon Mitigation Approaches (IFCMA). At the G7 Hiroshima Summit earlier this year, the G7 endorsed an appropriate mix of policies, including carbon pricing, non-pricing mechanisms, and incentives that effectively reduce emissions, noting that these can vary based on country-specific circumstances. Japan also strongly supported the OECD's IFCMA in February and, as such, we will continue to actively contribute to the discussions at the IFCMA.

4.40. The representative of the OECD responded:

4.41. Japan raised an excellent point. The whole goal of the IFCMA is to not be biased against the type of policies that countries do use. We start off from a country-specific approach and we basically just make a stocktake of the policies that countries are implementing without any prejudice on the type of policy instrument that countries are using or suggesting that market-based instruments are better than non-market-based instruments etc. It is purely to take a stocktake of all types of mitigation and mitigation-relevant policies that countries are implementing.

4.1.4 Update by New Zealand on negotiations towards the Agreement on Climate Change, Trade and Sustainability (ACCTS)

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

4.43. I am delivering this statement on behalf of participants in the negotiations for the Agreement on Climate Change, Trade and Sustainability, also known as the ACCTS. The ACCTS initiative is a practical example of how economies can leverage trade rules and architecture in pursuit of climate and broader sustainable development objectives. Since our last update to this Committee in March 2023, ACCTS participants have held another round – round number 13 – of negotiations, which took place in Geneva in early June.

4.44. In our last update to the Committee, we spent some time explaining the value of the best practice guidelines, the voluntary eco-labels that we are developing under the Act, and how these can help ensure eco-labels to deliver accurate environmental information and do not become inadvertent barriers to trade. The participants are therefore very pleased to announce the conclusion of negotiations on eco-labelling, which is the first chapter to be concluded under the Act.

4.45. The conclusion of these eco-labelling guidelines has added further momentum to the ACCTS negotiations and we look forward to being able to share the text with you on this chapter once the full agreement has been signed.

4.46. For this update today, we wanted to share information on the environmental services chapter of the agreement, where there is also excellent progress underway. When leaders launched the ACCTS back in 2019, we were given an instruction to work towards the establishment of new and binding commitments for environmental services. This recognizes that liberalization of environmental services can facilitate the transition to low carbon economies through encouraging the uptake of climate-friendly technologies and sharing an environmental expertise between different Members, as well as promoting sustainable supply chains that are essential in the transition towards a more resource-efficient net zero emissions and circular economy. It can also increase competition in environmental services, making them cheaper to access and encouraging their use.

4.47. ACCTS participants believe that such benefits are not limited to those sectors recognized in the established CPC 94 definition of environmental services. Environmental challenges and the responses to them evolve over time and there are a range of additional services sectors where international trade liberalization could significantly contribute to advancing global action on

environmental issues, such as climate change mitigation and adaptation; sustainable use of natural resources; pollution control; and the protection of biodiversity.

4.48. For this reason, ACCTS participants have been developing a list of environmentally related services to complement the existing environmental services category. In order to build this list of environmental and environmentally related services, the ACCTS participants have developed criteria to guide the creation and future review of such a list, setting out relevant activities that serve environmental purposes. They have then applied these criteria to identify particular services across a range of sectors that contribute to those environmental purposes, as well as act-outs where necessary to avoid capturing services that do not serve those purposes.

4.49. In the work of developing this list, ACCTS participants have considered existing work in a range of international fora and agreements, including from WTO discussions during the Doha Round and more recently during technical exchanges in the CTS-SS. We continue to work to build an ambitious list that recognizes the contribution that a range of services sectors and modes can take to address environmental challenges. ACCTS participants can then take the final step of undertaking binding commitments in relation to this list.

4.50. We hope this work will be of interest to other WTO Members and in time will inspire further action to liberalize environmental and environmentally related services at a multilateral level.

4.51. Looking ahead, ACCTS participants will continue their negotiations in the second half of the year with a view to concluding, during 2023, across the remaining parts of the negotiation to address the liberalization of environmental goods and services and the establishment of disciplines to eliminate harmful fossil fuel subsidies as well as the supporting legal and institutional provisions and arrangements.

4.52. Noting that the ACCTS will be open to other WTO Members able to meet its standards, we encourage colleagues to share information on the negotiations with their capitals and welcome any questions. We look forward to providing a further update on our progress at the next meeting of the CTE and to sharing the final text of the agreement in due course. We welcome any questions.

5 ENVIRONMENTAL REVIEWS - CTE WORK PROGRAMME ITEM 2

5.1. The representatives of the Australia and Singapore delivered the following statement:

5.2. It is wonderful to be here today and to be able to talk to you a little bit about what is happening with the Singapore-Australia Green Economy Agreement.⁵ The Agreement was signed by the Trade and Tourism Minister, Don Farrell, and Trade and Investment Minister of Singapore, Gan Kim Yong, in Canberra on 18 October 2022. It was signed with the awareness that vast increases in green trade and investment would be required to fund the energy transition. This created real employment commercial and partnership opportunities for Australia. It is a leader's level agreement, which offers a platform for ongoing work to support both economies' transitions and, at the launch, Australia's Prime Minister said that the GEA extends well beyond a simple bilateral agreement in trade.

5.3. The GEA for Australia is really a new type of framework that we have not done before. It really seeks to align ourselves with Singapore on climate and economic objectives. It is about fostering collaboration in green growth sectors while harnessing opportunities that come from the global energy transition. The GEA builds on our dynamic and long-standing bilateral relationship with Singapore, a key partner for Australia in south-east Asia.

5.4. The intended benefits is the increased spread and adoption of environmental goods and services – it is actually our largest EGS list ever – and reducing the regulatory burdens and operating costs for exporters of environmental goods and services and promoting the development and commercialization of innovative green technologies and jointly working with Singapore and developing the skills and capabilities that will be needed to drive forward the clean economy.

5.5. The chief negotiators, when they set up this architecture, really thought to enable it to have flexibility while also delivering on tangible climate and economic outcomes. So, the framework level

⁵ The presentation can be found in document [RD/CTE/232](#).

is quite broad in scope, it is non-binding but enduring and also clearly articulates governance and implementation arrangements to ensure accountability. For example, it is reviewed annual by our leaders to ensure implementation and to enable changes to be made.

5.6. The negotiators wanted it to be in plain English and unlike a typical free trade agreement that you might see and to demonstrate a novel approach to cooperation. It has attachments that actually cover specific initiatives so, while the umbrella of the GEA is non-binding, as work progresses under the initiatives, cooperation such as setting up and enabling regulatory environments for cross-border electricity trade between Australia and Singapore, those regulations may become binding.

5.7. There are a number of areas of cooperation under those initiatives. The chief negotiators included a set of core and aspirational principles for the agreement based on a shared belief and a rules-based system. The Australian government approached the GEA negotiations with a view that the WTO system has been fundamental to Australia's prosperity and security and has underpinned our economic progress and stability across the Indo-Pacific. We consider that the challenges of climate change present an opportunity for the trading system to come together to support frameworks for WTO-consistent approaches.

5.8. We agreed on a number of key areas for cooperation aimed at supporting trade liberalization for the clean economy. These include: trade and investment; standards and conformance; green and transition finance; and carbon markets. We know that working together on international carbon markets are challenging but we are very much open to working with international partners to harmonize rules and support the development of credible international carbon markets. There are also: skills and capabilities to grow jobs for the green economy; and engagements and partnerships.

5.9. I will shortly turn to my colleague from Singapore to talk a little bit more about implementation under the specific initiatives. Under these 17 key initiatives at the moment, of which our leader has recently announced three, implementation has started. The 17 initiatives include an ambitious list of 372 environmental goods and 155 environmental services, and work aligning green financing frameworks so that we can promote trade and investment in green and transition projects, work as I mentioned to build architecture to facilitate cross-border electricity trade, collaboration between Australian and Singaporean SMEs on activities in green growth sectors, and cooperation by our AUSTRADE and Singaporean counterparts, Enterprise Singapore, to promote and facilitate business opportunities. These are just some of the initiatives that we have got under the GEA. I will now pass to my Singaporean colleague to give a better idea of some of the achievements and progress under the GEA.

5.10. The representative of Singapore delivered the following statement:

5.11. Thank you, Australia, for covering the background of the GEA. I will just provide some quick updates on the implementation of the Agreement at the 8th Singapore-Australia Annual Leaders' Meeting, which took place in Singapore on 2 June 2023.

5.12. Singapore's Acting Prime Minister Lawrence Wong and Prime Minister of Australia, Anthony Albanese, acknowledged the swift implementation of the GEA since its signing during the last Annual Leaders' Meeting in October 2022 and noted the good progress made on key initiatives.

5.13. Some of the implementation highlights included the Launch of the joint A\$20 million Go-Green Co-Innovation Program, which provides grants over a four-year period to drive co-innovation between Singaporean and Australian small and medium enterprises to develop green products and services. This program will start with business matching activities in the lead up to grant applications opening later in 2023.

5.14. Second, we also agreed to establish a Green and Digital Shipping Corridor (GDSC) by the end of 2025 to help decarbonize and digitalize the port and shipping industry, including through establishing low and zero-carbon fuel supply chains and digital solutions to facilitate paperless handling between the ports of Singapore and Australia.

5.15. Third, we launched a SGD 5 million Convergence Asia Climate Solutions Design Grant to support the design and launch of innovative blended finance solutions that mobilize private capital

to sectors critical for climate transition and resilience in Asia, such as clean energy, sustainable cities and infrastructure, and nature-based solutions.

5.16. Other notable implementation updates also included the agreement to commence industry consultations on environmental goods and services in the second half of this year. This will inform the periodic review of the GEA's environmental goods and services lists and will enable new environmental goods and services to be added, which will enable the lists to remain up to date and account for technical and technological advances.

5.17. Singapore and Australia have agreed to conduct environmentally sustainable procurement consistent with our international trade obligations including under the WTO Government Procurement Agreement. To advance cooperation in this area of work including in eco-labelling and sustainability related schemes, our environment officials met twice in our bi-annual bilateral dialogues to pursue areas of common interest including advancing eco-labelling, reducing greenwashing, government reporting on environmental sustainability, and reducing demand and extending the life of products.

5.18. A joint working group has also been established and is considering a range of issues to develop the architecture to enable cross-border electricity trade between Australia and Singapore. The joint working group aims to identify issues for inclusion in the cross-border electricity trade architecture between both countries, and to enhance regional energy connectivity. This will build upon existing arrangements and also bring together relevant technical and policy experts for information sharing on bilateral electricity trade.

5.19. We also embarked on a research-industry partnership with funding over a five-year period from each side. The aim of this partnership is to advance projects including those related to lithium battery recycling, food waste, and carbon capture, utilisation and storage, just to name a few.

5.20. Finally, we organized the inaugural Green Skills Roundtable in May 2023 involving skills, training, and employment agencies from Australia and Singapore to share approaches and policies on developing the necessary skills and capabilities required in a green economy workforce.

5.21. Both sides jointly delivered eight targeted initiatives and networking receptions for private and public stakeholders under our Green Business partnership. This would serve to facilitate potential partnerships, including in the hydrogen and agrifood tech sectors.

5.22. Lastly, Australian and Singaporean statistical agencies have held six technical working group meetings and developed a two-year work plan to collect and compile data needed to measure the green economy. These meetings will involve the discussion of approaches to the collection and compilation of environmental-economic data and the sharing of experiences in the use of this data for green economy policy decision and reporting requirements. These discussions will hopefully allow us to make a valuable contribution regionally and internationally in the emerging area of environmental-economic measures.

5.23. If Members are interested in the GEA or any specific area of cooperation, please feel free to approach any of us from the Singaporean or Australian delegation. Otherwise, further details on the implementation progress of the GEA can be found on our respective websites.

5.24. After the presentation, the following Members made the following comments.

5.25. The representative of [Japan](#) delivered the following statement:

5.26. Japan would like to thank Australia and Singapore for updating the Singapore-Australia GEA. If I understand correctly the meaning of the agreement, in which presumably both countries have conducted legally binding text-based negotiations, I would like to know when the two countries agreed to start the negotiations and how long it took for them to finalize the agreement.

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

5.28. From our side, also many thanks to the delegations of Australia and Singapore for sharing this very interesting and important initiative. I have two questions. I see that you have developed a

list of environmental goods and a list of environmental services and we would be interested in hearing what criteria you applied to them and how you define them. The second point of interest that it may be interesting to receive more information on is that I saw that you have a working group on measuring green economy and data collection. It could be interesting for purposes of our work to have more information on that.

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

5.30. We also would like to thank Australia and Singapore for your presentation on the GEA. It is clear to us that the GEA is a cross-cutting initiative and there are numerous cross-cutting trade and environmental objectives that you are seeking to address, but we would like to ask if Singapore and Australia have considered presenting on the GEA in the Committee on Regional Trade Agreements?

5.31. We do note that our work here in the WTO and in the CTE is increasingly cross-cutting in nature, and suggest that an additional presentation in the CRTA could contribute to awareness and help to connect the dots between the different workstreams that are taking place here at the WTO.

5.32. The representatives of Australia responded:

5.33. Thank you very much for the questions. Going to Japan's question first, apologies if I was not very clear with the explanation of the timeframe, but the Agreement is very much concluded and the negotiations have concluded. It started with basically Singapore and Australia coming up with a vision for what they wanted to achieve and a certain amount of pillars under that and then they sent off their teams from their respective countries and it took about a year to negotiate the Agreement and then the Agreement was announced in October 2022. So, the Agreement has been underway for about 7 or 8 months.

5.34. As for the EGS list and its methodologies, I will have to take that on notice and get back to you on that information because that was a different team that was working on that. Similarly, in relation to the working group on measurement, unless my Singaporean counterpart has information, I think we will just have to come back to you on that one too. My colleague Rhys will be able to answer the last question.

5.35. Thank you for the engagement and questions on the GEA. We will endeavour to get back with further detail on all of those questions. On the specific question about presenting to the CRTA, I would have to double check the text but as far as I know the Agreement is not required to be presented because it does not amount to any legally binding obligations between Singapore and Australia, but I do know that we have discussed the importance of ensuring that, where possible, we share our experience in the GEA and so we take the point that it could be a valuable opportunity to present to the CRTA on that. We will take that under advisement and discuss internally.

5.36. The representative of Singapore responded:

5.37. I do not really have anything else to add but just to acknowledge the United States' point that we could consider presenting this at the CRTA, we will similarly take this back and see what we can do further.

6 RELATIONS WITH IOS AND NGOS – CTE WORK PROGRAMME ITEM 10

6.1 Briefings from Observer organizations

6.1.1 Briefing by UNCTAD

6.1. The representative of UNCTAD presented its publications on "Trade and Environment Review 2023" and "Plastic Pollution: The pressing case for natural and environmentally friendly substitutes to plastics".⁶

⁶ The presentation can be found in document [RD/CTE/229](#). In addition, a full description of the TER 2023 can be found here: <https://unctad.org/ter2023>.

6.2. Today I am going to be presenting the Trade and Environment Review 2023, which was issued one week ago on World Oceans Day (8 June). I will just point to key findings because we do not have much time, but the full report, as well as the one on plastic substitutes, will be available to all of you on the website.

6.3. The first finding is that we started measuring tradeable ocean-based goods and services in 2018. At that time, the first estimation was 2.5 trillion of global trade. We now have the numbers for 2020, a big year of the COVID-19 pandemic, with all the data notified by the Member States, and now the value of the ocean economy estimated at 2020 is 1.3 trillion, so basically it went down 40%. Now, results of the analysis have been that, in certain cases, especially in the case of ocean-based goods, those show more resilience and are now bigger than ocean-based services, for the first time since we started recording data. In the case of ocean-based goods, we have an amount of 681 billion and for services it is 128 billion. Of all the sectors, the most important one, the biggest one, was high technology manufacturing products for the ocean economy, including inputs needed for fisheries, aquaculture activities, cosmetic pharmaceutical marine base, as well as for goods and energy renewal outcomes.

6.4. In this light, we can see that these sectors (maritime transport, high technology, manufacturing and cheap support equipment) went up, while exports of marine and coastal tourism services went down deeply, showing that it was uneven – some even grew during COVID-19 times, while others went down.

6.5. Looking at the main players in the ocean economy, the EU is the largest, with almost half a trillion in exports of goods and services, followed by China with 160 billion and the United States with 84 billion. This is interesting because these are trade flows, these are not national accounts, so it does not include the national size of the economy; it includes what is traded across borders in goods and services.

6.6. When we look at developing countries and the top 10 exporters of ocean-based goods and services of developing countries, you can see countries like India, Turkey, Thailand, Mexico, etc. What is interesting here is not the value of the exports, which ranges between 35 billion to 5 billion, it is that all these developing countries' oceans economies are very diversified. This is not the case for the terrestrial economy where many developing countries are mainly focusing on certain commodities and certain products. This is very interesting. We have the data for all countries, so you can also see the top 10 of developed countries, if you are interested, in the Review. But the important thing is that this diversification is very interesting for resilience purposes, including COVID-19 and also climate change.

6.7. Looking at the growth, in growth terms, of ocean-based goods, we can see that, even during COVID-19 times, the impact on the ocean economy was very small in goods compared to other goods in general; it only went down in the worst year (2020), 3.2%, which is a very low impact. You can even see that, while some sectors went down to 9.5%, like fisheries, many sectors or a couple of sectors grew, especially seafood processing because consumer behaviour changed from fresh products to ready-to-eat products in cans or preparations and also there was growth in high technological manufactured products for the oceans to implement satellite and offshore monitoring and surveillance during the period of COVID-19, as we could not always have people doing these activities. So, it is interesting that even during the COVID-19 times, two sectors grew and most of them were very resilient against the impacts of the pandemic.

6.8. In the case of services, this is where the problems arose. You have a huge drop of about 70% in tourism, but also in maritime passengers, and that big drop reduces the total value of the ocean economy in 2020, because it is so big (coastal and maritime tourism was the biggest of ocean economy sectors in 2018 at 1 trillion, so that tells you how big it was). It is starting to recover, but very slowly, as from 2021. Interestingly, maritime transport and port services recovered very quickly even during the worst time of the COVID-19 period they were one that kept growing and only went down about 2 or 3%. This implies that trade and connectivity was very important during COVID-19 times and in the recovery and also the price of freight and maritime transport went up dramatically, bringing a lot of investment to recover quickly. Freight is coming down now in this year, but at that time was essential for that upward trend.

6.9. Now, every two years we always analyse two sectors and, this year, were dedicated to two specific sectors: seaweed production and plastic substitutes due to the impact of plastic pollution on the ocean. On seaweed production, it is very interesting that from 2000-2020, the value and volume of trade of seaweed and seaweed products tripled. It is a very fast growing sector and we estimate that it may double in less than 10 years. This is a very interesting sector because it has a very low ecological footprint – you do not need fresh water, fertilizer or even land – and it is human resources-intensive especially with women, so it is a very promising green and blue sector for all countries to engage in to produce foods, cosmetics, pharmaceuticals etc.

6.10. On the issue of plastic substitutes, we have made several presentations already at the DPP. Here, basically when we talk about plastic substitutes, we do not talk about fossil fuel-based polymers, they are not included; we do not talk about bioplastics, they are not included. We are talking about natural products that can substitute or have the same functions as plastic products and are already available in the market. For example, we have the case of bamboo and many other products are of a circular economy nature such as agricultural waste, but also natural fibres. We can also use minerals such as sand to produce glass etc., so there are many products already available, two-thirds are raw materials and one-third is final products and the total value is 388 billion. To give you an idea, this is one-third of the plastic trade, so there is huge potential to substitute right now with current technology, but nevertheless there is a lot of innovation around these products, many of which have already been represented in this forum and another fora.

6.11. Interestingly, while there are a lot of difficulties at the multilateral level to get constant achievement in many areas, in the ocean economy and ocean government, it has been very active and very fruitful in the last year and a half. We have got the WTO Fisheries Agreement; the extension of the CITES list of appendixes 1 and 2 to more than 40 new marine species; the agreement on a text for a new treaty on biodiversity in areas beyond national jurisdiction; the loss and damage fund that may be very important for many SIDS; and the second UN Oceans Conference in Lisbon with a specific declaration and more than 1,200 voluntary commitments. So we have been very active at the multilateral level of the ocean economy and we need to seize the opportunity to see that this is a very fruitful multilateral cooperation area.

6.12. Going to some additional findings and recommendations coming from the Review, something that really surprised us was when we look at official development assistance for the ocean economy, we found out that it is very, very low. The official development assistance (ODA) given to SDG 14 is the lowest of all, only 2.9 billion, which is almost nothing for the size of the task and all the commitments we have in that area have been approved just recently last year. The investment gap identified by the UN in this case to implement SDG 14 alone is 177 billion, so we are very far away with less than 2% of the resources we need. We need to start putting our money where our treaties are and we need to start filling these regulatory gaps. The fact that we are getting agreements does not mean that they do not need to be ratified, on the contrary, we need to ratify the WTO Agreement on Fisheries but also the new treaty on biodiversity beyond national jurisdiction and implement them. It is not going to be easy or fast but this is needed if we want to have results.

6.13. There are more than 40 or 50 recommendations coming out of the UN Oceans Conference, the fourth Ocean Forum, plus more than 2,000 voluntary commitments, and we need to focus on getting them done. If not, we will lose all multilateral efforts. This is a high low level but it is a soft low level and political will needs to be moved forward.

6.14. We need to improve the line and efficiency of ocean policy at the national level. We see a lot of disconnect between sectors in most countries where we have done analysis. We realize that, during COVID-19 and post-COVID-19 times, there has been an increased interlinkage between regional value chains that have allowed resilience and increased value addition at the regional level in certain areas, including connectivity but also offshore energy and even security measures, such as fighting illegal, unreported and unregulated (IUU) fishing. Regional cooperation is essential. Finally, there are many emerging sectors in the ocean economy that are untapped. The other ones that we plan to analyse in the future are marine bioprospecting and also offshore renewable energy. Many of these sectors are market-creating sectors; they are not fully developed, so investment in sustainable capacities and output for these sectors could bring win-win solutions to all. In the plastic substitutes report, we identify more than 242 HS codes from plastics substitutes that are produced in all countries. So all countries may find substitutes in their own market that are naturally based and can help us to fight plastic pollution.

6.15. I am available for any questions. Outside, there is a nice exhibition on how we are helping developing countries to establish their own ocean economy strategies. We started with Belize, Costa Rica and Barbados but we are happy to continue with all willing Member states.

6.16. After the presentation, the representative of the European Union made the following comment:

6.17. I would like to thank UNCTAD for this thought-provoking report. The EU appreciates that this Report can help inform the discussions both within the DPP as well as the negotiations towards an ambitious, international legally binding instrument to end plastic pollution. In relation to plastic alternatives, the EU would like to encourage a careful assessment of the alternatives, in order to clarify the definitions, identify applications, and establish criteria for such applications. This is important to address related issues such as consumer confusion, or contamination of waste streams, as outlined in the EU's policy framework on bio-based, biodegradable and compostable plastics.

6.18. The representative of UNCTAD responded:

6.19. We welcome the comments by the European Union. It is interesting to note that, in the INC-2 discussions, the issue of alternative substitutes was on the table and there was great confusion between alternatives and substitutes, meaning bioplastics and natural materials. I think this needs to be clarified because they are not the same product and they do not have the same effects. In one of the documents to the INC already several criteria were put on the table including safe, non-toxic, sustainable, affordable, and available substitutes. So, there is already some discussion on the matter in the INC but also in the DPP we can go deeper and try to identify specific criteria that could help us to identify the most suitable products for substitution on a natural-based approach.

6.1.2 Briefing by the World Bank

6.20. The representative of the World Bank presented its recent work on trade and climate change:

6.21. It is our pleasure to be here with you today. The WTO has been an incredible ally in the trade and climate change forum of discussions and we thought it pertinent to share with you some of the outcomes of our ongoing discussions with the WTO and other organizations as well as some of the highlights in our ongoing trade and climate change work programme here at the Bank.

6.22. The Bank has been aggressively driving up its agenda on trade and climate change more broadly, top of which is financing, and the institution delivered a record USD 31.7 billion in fiscal year 2022 to help countries address climate change. At the heart of this agenda is also increasing its analytical work, and this is mostly in the form of country climate development reports (CCDRs). We believe that the challenge for developing countries is they no longer have an opportunity to develop first in a high carbon-intensive way and then clean up and decarbonize later. They need the support today to make investments now to slow a changing climate and enable billions to live safer, more prosperous, inclusive and sustainable lives. So, if they are well-designed and implemented, the policies that countries put in place for low greenhouse gas resilient growth could also help them address poverty and inequality. This is our prime focus in the work that we do.

6.23. To this end, our forthcoming report, which will be published in the next month or so, has a special focus on the policy considerations that developing countries need to take into account as they design their NDCs and their National Adaptation Plans (NAPs).

6.24. Here, I just want to share some very high-level messages from this upcoming report. I will not go into a lot of detail because of time but also because it will be useful to have a broader presentation on this, maybe at the next CTE meeting. High-level messages include: what should be considered in mitigation and adaptation efforts? Here, I have three main things to share with you today. The first one is methane matters. Emission mitigation measures should extend beyond carbon to include methane as well as nitrous oxide, otherwise some important implications for trade and emissions, especially in GHG-intensive sectors, will get ignored.

6.25. Number two: do not overlook low-emission sectors, especially if they are highly traded. So, in designing these policies and regulations emphasis should also be given to low-emission sectors

that are traded intensively, otherwise a huge part of trade-related emissions will not be covered because they eventually add up. So trade intensity is also very key.

6.26. The third one, and I think that this comes up a lot in various fora, is that trade spreads climate-related technology. So, trade as we know is a key mechanism for the transfer of technologies that will help reduce the cost of adaptation and mitigation.

6.27. Our Report comes up with more quantifiable numbers for all of these messages but here I just wanted to share the very high-level ones.

6.28. What do these three main things mean for developing countries? Number one, the low-GHG transition. We hear a lot about the low carbon transition but, at the Bank, we are trying to focus more on low-GHG transition because, as I mentioned earlier, we are seeing methane has huge numbers and of course an even huger impact so we need to take that into consideration. Low-GHG transition creates trade opportunities as well as challenges. Low-income countries will be most affected by shifts in comparative advantages brought about by climate change, but this will also bring in new opportunities to diversify away from energy-intensive sectors and get involved in green value chains.

6.29. The second point is new rules equal new burdens, so low-income countries will continue needing that technical and financial support to adapt to more developed country sustainability initiatives.

6.30. The third point is that financing the low-GHG transition is manageable. We do some Computable general equilibrium (CGE) simulations and we see that the amount that will be required for this transition is not as heavy as previously thought (of course, granted, if we see a continuous flow of support coming from developed country nations and, of course, maintaining complementary trade liberal policies).

6.31. A fourth thing is that policies must be practical. We need practical guidance, it is necessary, and our Report provides a very tabulated reform checklist with policy and implementation suggestions for governments at the low-income, middle-income and high-income level.

6.32. So how are we going to operationalize these findings? The World Bank has several instruments as many of you WTO Members would already know. For example, through development policy operations, investment policy lending operations, etc. But these basically provide a platform to support trade policy reform. These instruments can also be used to facilitate technology transfers or to support investment in adaptation and resilience, design and establishment of standards and certification systems for producers' carbon content, or sustainable practices in the production cycle. These instruments can be designed in such a way that they support trade and climate change reform priorities.

6.33. Now technical assistance and capacity building remains a strong pillar of our work. In this regard, we are very proud of our partnerships with the WTO and WEF as we have come together in the past year or so to create the Action on Climate and Trade (ACT) Initiative. Under this trilateral initiative of the three organizations, we hope to work with you, WTO Members, to undertake country-specific analysis on trade and climate change and work with your capitals to design and implement policies that can help you adapt and mitigate in the coming decades.

6.34. We look forward to engaging with you as we have a breadth of analytical tools and frameworks and strategies to aid in this analysis of trade and climate change interlinkages at the country level and we stand ready to assist country teams as needed. Please feel free to reach out to us.

6.1.3 Requests for Observer status

6.35. The Chair made the following remarks:

6.36. At the March meeting, India supported a request for Observer status from the International Solar Alliance. As you know, the consideration of Observership has been dormant in recent years.

6.37. The CTE has several other requests on the table that have been pending for many years that could also deserve due consideration. This topic also came up during my April consultations. Keeping in mind the views of participants in the consultations, my suggestion at this point is to hold an informal consultation at some point before the next CTE meeting to jointly consider how to proceed with the requests that are pending, including of course the last one by the International Solar Alliance.

6.38. The representative of India delivered the following statement:

6.39. Under this agenda item, we are putting forth a decision on granting Observer Status for the International Solar Alliance (ISA) to the CTE. The ISA has made a formal request towards this end contained in document [WT/CTE/COM/17](#).

6.40. The ISA was formed with the joint sponsorship of India and France after COP21. Its mandate is to catalyse global solar growth by helping reduce the cost of financing and technology for solar. It aims to create universal and affordable last-mile electricity connectivity towards facilitating economic development.

6.41. The ISA framework agreement has been signed by 115 Members. As of end-May 2023, 93 countries have signed and ratified the ISA Framework Agreement, including most of the WTO Members represented here today in the CTE.

6.42. The ISA assembly has India as President and France as Co-President. The 8 Vice-Presidents come from four different regions – Tuvalu and Bangladesh from Asia Pacific; Somalia and Mali from Africa; Venezuela and Dominica from Latin America and the Caribbean; and Sweden and Denmark from Europe.

6.43. The ISA focuses on a singular objective of energy transition and, in this regard, it can benefit from engagement with the WTO Membership through dialogues on trade, availability of finance, and exploring possibilities of technological cooperation and capacity building.

6.44. We request WTO Members to support this cooperation with an environment-focused international organization, which is also in line with the mandate contained in paragraph 12 of the MC12 Outcome Document, [WT/MIN\(22\)/24](#).

6.45. The Chair made the following statement:

6.46. Thank you for your statement. As I said, I will proceed with the consultations before the next meeting of the CTE.

7 OTHER BUSINESS

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

7.2. At the March meeting of the CTE, the UK outlined its plan to publish an exploratory consultation, which considers a range of potential policy measures to mitigate carbon leakage risk in the future and ensure UK industry has the optimal policy environment to decarbonize. This consultation was formally launched on 30 March and is now live, the closing date for responses is 22 June 2023.

7.3. Potential policies include a carbon border adjustment mechanism (CBAM), mandatory product standards (MPS), and other policy measures to help grow the market for low-carbon products, as well as embodied emissions reporting that could support the implementation of these policies.

7.4. The UK is clear that international solutions to carbon leakage still remain the most desirable. The OECD's Inclusive Forum on Carbon Mitigation Approaches is one excellent example of this. However, these solutions take time to develop, so whilst continuing to work on them with international partners, the UK is considering the immediate steps that are needed to ensure that our decarbonization contributes to a reduction in global emissions.

7.5. Any policies taken forward from this consultation will need to be consistent with the UK's commitment to free and open trade, upholding WTO rules as well as respecting international climate

change commitments, and taking into consideration countries' differing levels of development. The key priority for this consultation is to build evidence, improve data gathering and knowledge sharing to further understand and mitigate carbon leakage risk.

7.6. We are fully committed to this being an open and transparent process, and this is why the consultation is open to international partners and overseas industry. To help facilitate this, the UK will be hosting an informal breakfast session this Thursday, 15 June from 8:30-9:30am, which will run through the consultation's content in detail and give Members a chance to ask follow-up questions. We encourage you to attend this session and are looking forward to seeing many of you there later this week.

7.7. The Ambassador of Colombia delivered the following statement:

7.8. This Committee has shown today the potential and the long way to go in its work on trade and environment. Colombia would like to reiterate our congratulations to you for your appointment, Chair, and you can count on the support of Colombia in your management of this Committee.

7.9. To conclude, I would like to mention that it is imperative that we consider, in a simultaneous and coherent way, the agreements achieved at the UNFCCC COP, and the commitments established under the Convention on Biodiversity and the fundamental principles of trade, such as non-discrimination and common but differentiated responsibilities. We must pool our efforts and work in close cooperation to address these challenges in order to promote a transition to a green economy that guarantees that the developing world can constructively integrate into that process and for the benefit of current and future generations.

7.10. For Colombia, the full peace process that we have been ensuring in our country is of foremost importance and is based on climate and environmental justice, which is inclusive and multifaceted. We have adopted a bold and committed policy programme, but it is only through international cooperation and the effective implementation of trade and environment policy that we can build a prosperous and sustainable future for all. This multilateral context is appropriate and is fully suitable for doing so. Together, we can make a difference and lay down the foundation for a global economy developed in harmony with our natural environment.

7.11. We reiterate our invitation to the side event hosted by our delegation in collaboration with TESS on Wednesday, 14 June on the design and implementation of trade-related climate measures and policies.

8 DATE OF THE NEXT MEETING

8.1. The next meeting of the CTE is scheduled for 11-12 October 2023.

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.
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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.
