



Note

WTO Committee on Trade and Environment: Taking forward the Issues of Interest to Developing and LDCs

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Summary

The regular work of the WTO is an important aspect of the multilateral trading system (MTS). Smaller developing and least-developed countries can derive benefits from the MTS by improving their participation in the regular work of the WTO. This Note focuses on the mandate and work of the WTO Committee on Trade and Environment (CTE) with a view to providing summarised information and analysis that can help smaller developing and least-developed countries better understand the functioning of this key Committee and take part in its deliberations to promote their interests.

Mandate of the WTO Committee on Trade and Environment

Mandate of the Committee on Trade and Environment

The Trade and Environment Committee is the standing forum dedicated to dialogue between governments on the impact of trade policies on the environment, and of environment policies on trade.¹ It was set up by the 1994 Marrakesh Ministerial Decision on Trade and Environment which mandated the Committee to :² (i) Identify the relationship between trade measures and environmental measures in order to promote sustainable development; (ii) Make appropriate recommendations on whether any modifications of the provisions of the multilateral trading system are required, compatible with the open, equitable and non-discriminatory nature of the system.

The main focus of the Committee on Trade and Environment is to identify and understand the relationship between trade measures and environmental measures to promote sustainable development.³ Some of its work has led to certain trade and environment issues being identified and discussed as key components in the Doha Round e.g fisheries where it has been argued that eliminating fishery subsidies can help protect fish stock.⁴

● *The work programme (Original 1994 Items)*

The following constitute the original 1994 items with some being negotiated and some others being the focal issues in the regular committee.⁵

- Items 1 and 5: Trade Rules, environment agreements, and disputes (in negotiations now)
- Item 2: Environmental protection and the trading system
- Item 3: How taxes and other environmental requirements fit in (item of focus)
- Item 4: Transparency of environmental trade measures
- Item 6: Environment and Trade Liberalization (item of focus)
- Item 7: Domestically prohibited goods
- Item 8: Intellectual Property (item of focus)
- Item 9: Services
- Item 10: The WTO and other organizations (in negotiations now)

¹ WTO Trade and Environment. Work in the WTO. Retrieved from.

https://www.wto.org/english/tratop_e/envir_e/envir_e.htm

² WTO. Items on the CTE's Work Programme. Retrieved from.

https://www.wto.org/english/tratop_e/envir_e/cte00_e.htm

³ Ibid.

⁴ Ibid.

⁵ Ibid.

► **1.3. Items of focus: the regular CTE's Doha assignment (the Doha mandate)**

The work of the regular Committee on Trade and Environment differs from the “new negotiations on trade and environment”. As per the 2001 Doha Ministerial Declaration, it focuses on three main themes as discussed in the next sections.⁶

A. Environmental requirements and market access: preventing ‘green protectionism’ and “win-win” situations.⁷

► **Preventing Green Protectionism**

The effect of environmental measures on market access, especially for developing countries and in particular to the least developed among them, is one of the items (Item 6) on the committee’s work programme.⁸ This was established in the 1994 Ministerial Decision on Trade and Environment. In 2001, the Doha Ministerial Declaration instructed the Committee to give particular attention to this subject.⁹

Principle 11 of the 1992 Rio Declaration on Environment and Development says that Environmental standards, objectives and priorities do need to reflect the particular environmental and developmental context to which they apply.¹⁰ In other words, environmental standards applied by some

countries could be inappropriate and could cause unwarranted economic and social cost to others, particularly developing countries, by hindering exports where, small and medium sized enterprises (SMEs) are especially vulnerable.¹¹

The answer is not to weaken environmental standards, but to enable exporters to meet them.¹² A balance needs to be created between safeguarding market access and protecting the environment so that the design of environmental measures could be consistent with WTO rules, take into account capabilities of developing countries and meet the legitimate objectives of the importing country.¹³ It is also important to help developing countries participate in developing international standards at an early stage.¹⁴

► **Win-Win-Win Situations**

WTO Members recognized very early on in the CTE that one of the principal ways in which the WTO could contribute to environmental protection would be through the removal of environmentally harmful trade distortions.¹⁵ In this context, the CTE took up the issue of fisheries subsidies which after a number of years culminated in the launch of negotiations.¹⁶ The demand for the negotiating mandate arose from the conjunction of a high level of subsidization of the sector (estimated at up to 20 per cent of total sectoral revenues), and the depletion of

⁶ WTO. Items of focus: the regular CTE's Doha assignment. Retrieved from. https://www.wto.org/english/tratop_e/envir_e/cte_doha_e.htm

⁷ Ibid.

⁸ WTO. Environmental requirements and market access: preventing ‘green protectionism’. Retrieved from. https://www.wto.org/english/tratop_e/envir_e/envir_req_e.htm

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ WTO. Win-win-win situations. Retrieved from. https://www.wto.org/english/tratop_e/envir_e/win_e.htm

¹⁶ Ibid.

many world fish stocks (with FAO estimating that 75 per cent of world fish stocks are fully — or over — exploited).¹⁷

B. The relevant provisions of the intellectual property (TRIPS) Agreement¹⁸

Discussions about the relationship between “trade-related aspects of intellectual property rights” and the environment come under the 2001 Doha ministerial mandate which mandated the Trade and Environment Committee to look at the relevant provisions of the TRIPS Agreement.¹⁹ Since then, the committee’s discussions have mainly revolved around the relationship between the WTO TRIPS Agreement and the Convention on Biological Diversity (CBD).²⁰

C. Labelling requirements for environmental purposes²¹

Labelling is one of the subjects assigned to the Committee on Trade and Environment (CTE) and is part of an item (3b) on the committee’s work programme in which the committee is assigned to consider the relationship between the provisions of the WTO’s agreements and the requirements governments make for products in order to protect the environment.²² In 2001, the Doha Ministerial Conference made this an issue of special focus for the regular CTE (i.e. the regular committee sessions that are not part of

the Doha Round negotiations).²³

Other areas of work

In addition, members are also discussing other items as provided below.

● *Technical assistance*

Members are also discussing technical assistance and capacity building under paragraph 33 of the Doha declaration.

● *Environmental reviews*

Under paragraph 33, Members are also sharing expertise and experience in this area.

● *Sustainable development*

Paragraph 51 of the Doha Declaration calls on two committees — the CTE and the Trade and Development Committee — to act as forums for debating the environmental and developmental aspects of the negotiations so that the objective of sustainable development can be achieved. The CTE has an important role to play in examining environmental aspects as trade liberalization proceeds.

● *CTE report to the 2003 Cancún Ministerial Conference*

This was required under Paragraph 32 of the 2001 Doha declaration. The CTE was asked to report on the progress made in discussing the items above, and to make recommendations,

¹⁷ Ibid.

¹⁸ WTO. Items of focus: the regular CTE’s Doha assignment. Retrieved from. https://www.wto.org/english/tratop_e/envir_e/cte_doha_e.htm

¹⁹ WTO. Intellectual property and the environment. Retrieved from. https://www.wto.org/english/tratop_e/envir_e/trips_e.htm

²⁰ Ibid.

²¹ WTO. Items of focus: the regular CTE’s Doha assignment. Retrieved from. https://www.wto.org/english/tratop_e/envir_e/cte_doha_e.htm

²² WTO. Labelling. Retrieved from. https://www.wto.org/english/tratop_e/envir_e/labelling_e.htm

²³ Ibid.

where appropriate, on future action, including the desirability of negotiations. The committee has not made any such recommendations. This report covered the work undertaken by the CTE between the Fourth (Doha) and the Fifth (Cancún) Ministerial Conferences and the reporting requirement under Paragraphs 32 and 33 of the Doha Declaration.

Recent Deliberations: Selected Main Issues

Fisheries

● Meeting on 20th March 2017²⁴

The representative of the Food and Agriculture Organization of the United Nations (FAO) presented the 2016 edition of the State of World Fisheries and Aquaculture (SOFIA), providing an overview of the current and future perspectives of the fisheries and aquaculture sector. She highlighted the important role this sector played in food security as a source of food, nutrition, income and livelihoods for hundreds of millions of people around the world. It was expected that aquaculture would overtake total capture fisheries (including fish not for human consumption) by 2021. Fishery and aquaculture were particularly important for providing diversified and nutritious food.

The key issues, constraints and challenges facing the fisheries and aquaculture sector were highlighted and the status of fish stocks was presented, showing a slight improvement in the state of certain fish stocks due to improved fisheries management.

The sustainable development of the sector was important in view of one of the world's greatest challenges: how to feed more than 9.7 billion people by 2050. Sustainable Development Goals (SDGs) were particularly important, with several SDGs directly relevant to fisheries and aquaculture and to the sustainable development of the sector. One goal expressly focused on the oceans (SDG 14 "Conserve and sustainably use the oceans, seas and marine resources for sustainable development").

● Meeting on 27th September 2017²⁵

The representative of FAO updated the CTE on instruments and recent initiatives related to addressing illegal, unreported and unregulated (IUU) fishing.

Following the request by the FAO Committee on Fisheries (COFI), FAO was developing technical guidelines on methodologies for the estimation of IUU fishing and indicators. This would enable the formulation of a second, more updated global estimate.

Moreover, the 32nd Committee on Fisheries (COFI) meeting had requested the FAO Secretariat to prepare a global study on transshipment to understand the current regulations and the type of operations. This was relevant since IUU fishing activities were carried out by both fishing and transshipments vessels, which transported fish to the harbour on behalf of fishing vessels.

Responsibilities of flag states were outlined.

FAO's next steps on IUU fishing included: the call for inclusion of more countries with more

²⁴ WT/CTE/M/62 (17-1512)

²⁵ WT/CTE/M/63 (17-5109)

data, with a possible public release before the next COFI of July 2018; and the development of implementation guidelines to enhance the participation of countries in the Global Record.

The Port State Measures Agreement (PSMA) was the only binding agreement to fight specifically IUU fishing and was an important and effective tool. Its focus was on inspections at the harbors when vessels offloaded their catches. Inspections focused on vessels with higher risk of carrying out IUU fishing and consisted in evaluating the available information on the vessel and of taking actions (e.g. denial of the entry of the fish or fish products into the national or international market).

Fossil Fuel Subsidies Reform

● *Meeting on 20th March 2017*²⁶

The representative of New Zealand made a statement on behalf of Costa Rica, Norway, Switzerland, Uruguay and New Zealand and reminded delegations that at the June 2016 meeting of the CTE a comprehensive overview of the international effort to reduce and eliminate fossil fuel subsidies to date had been provided. This included the commitments made in the context of Asia-Pacific Economic Cooperation (APEC), G20 and the Fossil Fuel Subsidy Reform (FFSR) Communiqué, and the reflection of fossil fuel subsidy reform as SDG 12, target.

Support for the FFSR Communiqué continued to grow. The Communiqué stressed the importance of phasing out fossil fuel subsidies and served as a clear point of reference for ongoing international and country level efforts.

Presently, 42 WTO Members had signed the Communiqué.

The representative noted that the Communiqué would be highlighted by Ministers at CoP22 as a proactive way to support the implementation of the Paris Agreement. The Communiqué furthered the objectives of the Paris Agreement, in particular, by ensuring finance would be consistent with a pathway towards low greenhouse gas (GHG) emissions and climate resilient development. FFSR supported country implementation and early action efforts - delivering up to a 12% decrease in global GHG emissions, plus a potentially large contribution to the finance objective of the Paris Agreement.

Both the G20 and APEC had adopted fossil fuel subsidy peer review mechanisms to assist countries assess their subsidy programmes and to promote transparency and accountability, as well as to share experience of reform.

For its part, New Zealand had volunteered early on for an APEC peer review to promote ambition and transparency and to contribute to the evolution of a robust peer review process. The objective was to ensure that New Zealand's policy settings were achieving their objectives and meeting international best practice.

● *Meeting on 27th September 2017*²⁷

The representative of New Zealand provided an update on recent developments in FFSR on behalf of Costa Rica, New Zealand, Norway, Switzerland and Uruguay. Trade was a powerful enabling force that would be indispensable in progress towards sustainable development. The WTO had a key role to play in the reform

²⁶ WT/CTE/M/62 (17-1512)

²⁷ WT/CTE/M/63 (17-5109)

process of fossil fuel subsidies.

In November 2016, together with the International Institute for Sustainable Development (IISD), New Zealand had hosted an event entitled "Fossil Fuel Subsidies and International Trade: Worth a closer look" that had brought together high level panellists from a range of international trade and economic institutions and think tanks including the WTO, UNCTAD, the International Trade Centre, OECD, IISD and the International Centre for Trade and Sustainable Development (ICTSD).

In May 2017, New Zealand had also facilitated a workshop held at the WTO by Climate Strategies, IISD and the Stockholm Environment Institute entitled "Reforming Fossil Fuel Subsidies through the WTO and International Trade Agreements". The workshop sought to identify the various types of subsidies, their impacts on trade, and more concrete steps that could be taken to advance FFSR at the WTO and within international trade agreements. The representative mentioned a few key developments in other areas.

● *Meeting on 17th January 2018*²⁸

The representative of New Zealand provided an update on Fossil Fuel Subsidy Reform (FFSR). In June his delegation had provided a comprehensive overview of the international effort to reduce and eliminate fossil fuel subsidies to date.

New Zealand had also reported to the CTE on the role that the WTO could play in reforming fossil fuel subsidies.

New Zealand viewed the WTO as a natural home to consider FFSR. The first line of the Marrakesh Agreement on the Establishment of the WTO pointed to the objective of sustainable development. Trade had been explicitly identified in the SDGs and Addis Agenda as a powerful enabling force that would be indispensable in progress toward sustainable development. And most importantly, fossil fuel subsidies could distort international trade and investment flows. The WTO was uniquely placed to consider how to address fossil fuel subsidies.

Delegations were invited to a side event co-hosted by New Zealand and Finland at the WTO Eleventh Ministerial Conference (MC11) in Buenos Aires on "Fossil Fuel Subsidies Reform and Trade: Understanding the Linkages". The event would include a panel discussion with Members and relevant international agencies discussing the impact of fossil fuel subsidies on trade, the economy, and sustainable energy.

● *Meeting on 21st September 2018*²⁹

12 developing and developed Members launched a Ministerial Statement on Fossil Fuel Subsidy Reform (FFSR): Chile, Costa Rica, Iceland, Liechtenstein, Mexico, the Republic of Moldova, New Zealand, Norway, Samoa, Switzerland, the Separate Customs Territory of Taiwan, Penghu Kinmen and Matsu, and Uruguay.

In this statement, the signatories confirmed their intention to seek the rationalisation and phase out of inefficient fossil fuel subsidies that encouraged wasteful consumption. This was consistent with commitments by leaders to

²⁸ WT/CTE/M/64 (18-0466)

²⁹ WT/CTE/M/65 (18-5916)

reform fossil fuel subsidies under Sustainable Development Goal (SDG) 12(c) of the 2030 Agenda, and pledges in the context of the G20, G7, Asia-Pacific Economic Cooperation (APEC) and V20, as well as the Paris Agreement on Climate Change and the Addis Ababa Action Agenda on Financing for Development.

The International Organization for Standardization's work on carbon footprint

● Meeting on 20th March 2017³⁰

A representative of the International Organization for Standardization (ISO) presented an update regarding ISO investigations on potential barriers to trade caused by footprint standards. He explained that the following two standards, developed by Technical Committee (TC) 207 on Environmental management, had caused concern: (i) ISO/Technical Specification (TS) 14067:2013 on "Greenhouse gases - Carbon footprint of products - Requirements and guidelines for quantification and communication" (currently under revision); and (ii) ISO 14046:2014 on "Environmental management - Water footprint - Principles, requirements and guidelines".

TC 207 had carried out a survey among its members to determine the impact of carbon standards on trade. TC 207 had set up a group to investigate whether barriers to trade could be created if carbon standards were linked to national legislation. The group was led by the TC 207 Chair (Canada) and India. It was composed of both developing and developed countries. A

final report with recommendations was expected by December 2016 so that the ISO TMB could take a decision at its February 2017 meeting.

● Meeting on 27th September 2017³¹

A representative of ISO provided an update on ISO/TS 14067:2013 on the quantification and communication of the carbon footprint of a product.

Concerns related mainly to the perception that the standards would cause barriers to trade for products from developing countries. The ISO Technical Committee (TC) 207 agreed to set up an Ad Hoc Group on International Standards and Trade to examine this matter. The Ad Hoc Group carried out its work in 2016 and submitted a report in June 2017 to the Technical Management Board (TMB).

The results illustrated protectionist concerns from a number of developing countries about barriers to trade which could emerge if ISO 14000 standards and others were adopted as regulations by states and became mandatory requirements for imports. The report highlighted that technical barriers to trade could be wider than just carbon standards.

At the last ISO/TC 207 technical committee meeting, discrepancies between developed and developing countries continued. Some developing countries, fearing that a lack of international standards would result in the development of national schemes, had said that they would prefer to have a consensus based international standard.

³⁰ WT/CTE/M/62 (17-1512)

³¹ WT/CTE/M/63 (17-5109)

Recent Deliberations: Other Items on the Work Programme

Items 1,2, 3(A), 4, 5, 7, 9 AND 10- Refer to the Annex*

Meeting on 20th March 2017: Item 1³²

● *Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)*

A representative of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) briefed delegations on the results of CITES CoP17 held in Johannesburg (South Africa) from 24 September to 4 October 2016. She recalled the CITES Secretary-General's statement that CoP 17 had been "the most critical meeting in the 43 year history of CITES" and was a "game changer for the planet's most vulnerable wild animals and plants".

The representative of the European Union presented on the EU Action Plan against Wildlife Trafficking, adopted in February 2016 by the European Commission and later endorsed by EU member States in June 2016. The Action Plan set out a roadmap for the EU strategy against wildlife trafficking until 2020, with 32 actions structured around three priorities. Wildlife trafficking was the third most serious criminal activity worldwide.

The Action Plan consisted of three pillars: prevention, enforcement and global

partnerships.

● *Convention on Biological Diversity (CBD)*

A representative from Mexico presented on the preparations for the CoP13 of the Convention on Biological Diversity (CBD) to be held in Cancún, Mexico in December 2016. The CBD was the most important global instrument for promoting biodiversity, the sustainable use of its components and the fair and equitable distribution of the benefits arising from the utilization of genetic resources.

● *Presentations by the BRS Secretariat (UNEP)*

The Executive Secretary of the Basel, Rotterdam and Stockholm (BRS) Conventions (UNEP Secretariat) indicated that the 2015 CoP meetings had been held back-to-back during two weeks, gathering around 1,200 participants and leading to the adoption of 73 decisions. In the context of the general theme of the CoP, "From science to action, working for a safer tomorrow", a Science Fair had taken place in the margin of the meetings involving numerous stakeholders and aimed at highlighting the scientific basis of the BRS Conventions. In addition to a wide range of convention-specific outcomes, such as the listing of new chemicals, important outcomes came out of the 2015 CoPs.

● *Presentation by the United Nations Industrial Development Organization (UNIDO)*

The representative of the United Nations Industrial Development Organization (UNIDO) presented the organization's work on e-waste management. UNIDO followed three

³² WT/CTE/M/62 (17-1512)

priorities: (i) creating shared prosperity; (ii) advancing economic competitiveness; and (iii) safeguarding the environment, with a particular focus in 2016 on the promotion of green industry and circular economy, including e-waste management.

Around 70% of UNIDO's total programmable resources, amounting to about US\$274 million, were devoted to the third priority on safeguarding the environment.

● *Joint Proposal on "Deepening the understanding of the relationship between the climate change and trade regimes"*

The representative of the Republic of Korea, on behalf of Costa Rica, Canada, Mexico and Korea, updated Members on their joint proposal on "Deepening the understanding of the relationship between the climate change and trade regimes". Discussions that had taken place in recent CTE meetings, including Members' presentations of their INDCs, showed that many Members, regardless of their economic situation, considered that climate change was an important challenge for economic growth and sustainable development, and that the joint proposal fell squarely within the CTE mandate. However, he acknowledged that the issue was very sensitive for some Members and that was why co-sponsors had proposed flexible approaches.

The co-sponsors considered it regrettable that an informative session on trade and climate change could not be discussed in the CTE even though the Committee was discussing various other important environmental issues also with

trade implications.

Meeting on 20th March 2017: Item 4³³

The representative of the WTO Secretariat presented the WTO Environmental Database (EDB) for 2013, which compiled information on environment-related measures notified under WTO Agreements, environment-related provisions of notified regional trade agreements (RTAs), and environmental entries in trade policy reviews (TPRs). It covered all notifications under WTO Agreements and TPRs and its preparation required significant amounts of resources. Efforts were being made to update the EDB with more recent data and the Secretariat was also exploring improvements in data collection and dissemination, subject to the availability of resources.

Regarding EDB data for the year 2013, of a total of 3,545 notifications submitted by WTO Members in 2013, 620 were environment-related. The proportion of environment-related notifications had more than doubled since the EDB started in 1997, from 8.1% to 17.5% of all WTO notifications. Energy conservation and efficiency, and chemicals, toxic and hazardous substances management were the two environmental objectives most often cited in 2013, representing 20% and 15% of all measures respectively.

³³ WT/CTE/M/62 (17-1512)

Meeting on 27th September 2017³⁴

● *The Montreal Protocol on Substances that Deplete the Ozone Layer (Montreal Protocol)*

A representative of the Ozone Secretariat (UNEP) briefed the CTE on the Kigali Amendment to the Montreal Protocol, adopted on 15 October 2016 in Kigali (Rwanda).

● *Presentation by the UNFCCC*

A representative of the UNFCCC briefed delegations on recent developments regarding the climate change negotiations. The 22nd Conference of the Parties (CoP 22) to the UNFCCC, held in November 2016 in Marrakech, Morocco, marked an important milestone with the rapid entry into force of the Paris Agreement. As a consequence, CoP 22 also hosted the first meeting of the CoP serving as the Meeting of the Parties to the Paris Agreement (CMA1).

● *Presentation on the Workshop on Trade and Climate Change organized by Costa Rica, Canada, Korea, Mexico, Norway, Switzerland and Chinese Taipei*

The representative of the Republic of Korea on behalf of Costa Rica, Canada, Mexico, Norway, Switzerland, Chinese Taipei and Korea reported on the Workshop on Trade and Climate Change held back-to-back with the CTE on 19 June 2017. He recalled that Korea, Canada, Costa Rica and Mexico had proposed to discuss trade and climate change in June 2016. Norway, Switzerland and Chinese Taipei had joined this initiative at a later stage. In light of some

Members' different positions on holding such discussions, the co-sponsors had decided to organize a workshop in order to improve the understanding of the relationship between trade and climate change and to explore ways to further discussions in the WTO and other fora.

At the workshop, the WTO Director-General stated that climate dialogue could be useful to: inform Members' views on the role the WTO could play in supporting climate action; spark innovation in climate-friendly solutions; and ensure the mutual supportiveness between trade and climate policies.

Meeting on 27th September 2017: Item 4³⁵

A representative of the WTO Secretariat introduced the Environmental Database (EDB) for 2014 circulated on 2 May 2017 in document *WT/CTE/EDB/14 (and Add.1)*. Over the last two decades, the number of notifications had been growing every year, in particular environment-related ones, which increased from 165 in 1997 to 551 in 2014. Environment-related entries in trade policy reviews (TPRs) had increased too, with 720 entries in 2014. The proportion of environment-related notifications had also increased with fluctuations in some years. The TBT and SPS Agreements accounted for the largest number of environment-related notifications. Support measures in the Subsidies and Countervailing Measures Agreement and the Agreement on Agriculture accounted for an important number of environment-related notifications too, particularly in 2014.

In 2014, 1277 environment-related measures

³⁴ WT/CTE/M/63 (17-5109)

³⁵ WT/CTE/M/63 (17-5109)

(contained in the 551 notifications) were identified and included in the EDB. The database enabled users to search through information according to specific criteria such as Member, Agreement, objective, sector and type of measure.

The EDB report included charts illustrating the different sectors, objectives and types of measures. There were two broad types of measures: regulatory measures and support measures.

Efforts were already being made to prepare the EDB for 2015 with the aim of issuing this document also in 2017 and to enhance the user interface, despite difficulties in securing the necessary resources.

Meeting on 17th January 2018: Item 1³⁶

● *The Multilateral Environmental Agreements (MEAs) Matrix*

The representative of the WTO Secretariat introduced the biennial update of the Matrix on Trade-related Measures Pursuant to Selected Multilateral Environmental Agreements (MEA Matrix), circulated on 9 October 2017 in document WT/CTE/W/160/Rev.8 and TN/TE/S/5/Rev.6. Nearly 20 MEAs, including Conventions and Protocols, were covered by the MEA Matrix.

Presentation by The Basel, Rotterdam and Stockholm (BRS) Conventions continued, as well as presentations by the representatives.

Meeting on 17th January 2018: Item 4³⁷

The representatives of the WTO Secretariat presented the Environmental Database (EDB)⁸ for 2015 circulated on 12 October 2017 in document WT/CTE/EDB/15 (and Add.1). Two EDB updates (2014 and 2015) had been circulated in the calendar year to catch up on the lag. Nearly 20 years of data was available covering all WTO notifications and trade policy reviews (TPRs). In 2015, of the over 3,400 notifications submitted by Members - nearly 500 or 14.6% - were environment-related. There were also more than 950 environment-related entries from the TPRs.

The Technical Barriers to Trade Agreement accounted for the highest number of environment-related notifications followed by the Agreement on Subsidies and Countervailing Measures and the Sanitary and Phytosanitary Agreement. There were nearly 1,350 environment-related measures in the database as several notifications contained more than one measure. The EDB enabled users to search information according to specific criteria such as by Member, agreement, objective, sector or type of measure.

Seventy three Members had submitted environment-related notifications in 2015.

The EDB used harmonized categories to organize the measures notified. The environment-related objectives most referred to in 2015 were: alternative and renewable energy; general environmental protection; energy conservation and efficiency; and chemical, toxic

³⁶ WT/CTE/M/64 (18-0466)

³⁷ WT/CTE/M/64 (18-0466)

and hazardous substances management. The sectors included broad categories such as agriculture, manufacturing and services as well as specific sectors such as energy and chemicals.

Meeting on 21st September 2018³⁸

● *Presentation by UNFCCC*

The representative of UNFCCC provided an update of the negotiation process. During the May session in Bonn, good progress had been made, in particular on the technical elements, even though not as fast as had been hoped for.

Another important feature of the May session in Bonn was the Talanoa Dialogue, a facilitative dialogue conducted under the leadership of Fiji's Presidency and agreed to in Paris to take stock of the collective efforts towards the long-term goal of the Paris Agreement and to inform the preparation of parties' future contributions.

Looking ahead, a joint reflection note from the presiding officer was expected to be submitted to the session in Bangkok. A roundtable was scheduled to examine the various elements negotiated under different bodies, how these were linked and how they could be brought together to a successful conclusion. Lastly, there had been good progress in individual items like agriculture, education and public awareness. Climate finance and transparency were among the challenging issues that needed to be addressed at CoP24.

Way Forward in 2019: Important Issues for Developing Countries

In 2019, the work of the committee is expected to include the following:

- The next meeting of the CoP would take place in Sri Lanka in 2019.
- The Ozone Secretariat aimed at achieving at least the required 16 additional ratifications before 1st January 2019, when the Kigali amendment would enter into force.
- Licensing system for trade in HFCs would enter into force at the same time as the Kigali Amendment, by 1st January 2019 if ratified by at least 20 parties.
- Argentina and Canada jointly announced that they would work on a peer review process of the CTE in 2019.
- Norway would host in October 2019 "Our Ocean Conference".

During the year, smaller developing and Least Developed Countries participating in discussions will need to carefully consider a number of important issues, as outlined below.

Paragraph 32(I) of the Doha Ministerial Declaration

● *Fisheries*

A major issue in today's world is feeding the growing world population and this need clashes

³⁸ WT/CTE/M/65 (18-5916)

heavily with the need to protect and conserve fisheries and aquaculture sector. It is extremely important for Members to work on aligning SDG 2 (Zero Hunger) with SDG 14 (Conserve and sustainably use the oceans, seas and marine resources for sustainable development). Fish remains the most traded food commodity, worth close to US\$148 billion in 2014 and contributes a lot to food security. However, IUU fishing results in serious stress on the environment and populations, particularly coastal populations in developing countries that depended on fishing for income or food.

New Zealand's suggestions to achieve SDG target 14.6 i.e. the prohibition of harmful fisheries is important in this context. The representative of Peru had given a very important suggestion in the March 2017 session where he declared that there needs to be prohibition of certain forms of subsidies which contributed to overcapacity and overfishing and that organizations like FAO, UNCTAD and UNEP be involved through an advisory mechanism.

Members can combat IUU fishing by implementing the Port State Measures Agreement (PSMA), which is the only binding agreement to fight specifically IUU fishing and can deliver on this front.

The WTO Report "Mainstreaming trade to attain the SDGs" is important in this context as a part of it focuses on delivering on SDG target 14.6 related to fisheries subsidies.

● *Fossil Fuel Subsidies*

The CTE needs to take into account the representative of New Zealand's proposal in the January 2018 meeting that the WTO could play

in reforming fossil fuel subsidies because trade is indispensable in achieving Sustainable Development Goals and fossil fuel subsidies have the power to distort international trade and investment flows. Moreover, there is a great need for CTE to work towards the observations made by the representative of New Zealand in the September 2018 meeting, where it was pointed out that large amounts of money currently spent on subsidising fossil fuels distorted the market and impeded new technologies from being brought forth thereby necessitating the removal of these subsidies.

There is a need to abandon most fossil fuel subsidies within the next 10 to 15 years to meet the Paris Agreement targets as emphasized by Finland's Minister of Trade and Development in the September 2018 meeting. Members can look at Costa Rica as an example which taxed fossil fuels instead of subsidising them and invested this revenue in reforestation.

Members need to look out for the development of the Tier 3 indicator SDG 12.c.1. If this development comes about, then members can be aided in phasing out of inefficient fossil fuel subsidies towards a cleaner energy. Members can also consult the UNEP methodology to measure fossil fuel subsidies to aid in their transition to clean energy where they can evaluate the currently existing inefficient fossil fuel subsidies.

Pakistan has noted the specific needs of developing country Members and global energy poverty and said that these factors should be taken into consideration to minimise any adverse impacts on development during the reform process. Pakistan has especially stressed upon the transfer of technologies from developed to developing country to help reduce

carbon emissions.

► *Carbon Footprint*

The CTE needs to address in greater depth the concerns of many members that barriers to trade can emerge if ISO 14000 standards and others were adopted by states as regulations. These concerns are highlighted in the September 2017 meeting of the CTE.

Other Items on the CTE Work Programme

► *Wildlife Protection*

Members need to undertake stricter measures regarding wildlife protection and prevent activities of illegal wildlife trading. They need to reform national wildlife monitoring mechanisms by targeting acts of corruption and loopholes in domestic markets which facilitate acts of crimes against wildlife. There needs to be an international standard also which can put a stop to illegal wildlife trading and create a penalizing mechanism for the offenders. In the developing countries, drivers for wildlife trafficking have been recognized as poverty, poor governance, lack of resources to enforce rules and low priority among decision makers. Inspiration for such reforms can be taken from the Executive Order of 2013 by President Obama which directed the US Government to combat wildlife trafficking. He had created the Presidential Task Force on Wildlife Trafficking to aid in this effort. Some more country specific examples have been provided in the document of the 20th March 2017 meeting (WT/CTE/M/62) (17-1512).

► *Kigali Agreement of the Montreal Protocol*

The Kigali Agreement is expected to produce a

significant impact on climate where four to five gigatons of carbon dioxide (CO₂) equivalent emissions from hydro-fluorocarbons HFCs would be prevented by 2050. Members need to work on regulating the consumption and production of HFCs; otherwise it's emissions can add up to a 0.5°C temperature increase by 2100 as shown in the September 2017 session by UNEP.

► *UNFCCC*

A robust trade framework is needed to address the issue of climate change especially by the countries whose economy depends on energy-intensive productions and energy imports. As pointed out by the representative of Chinese Taipei in the March 2017 meeting, a greater multi-stakeholder collaboration and cooperation can increase the response capacity to fight emissions and thus promote the pursuit of a sustainable, low-carbon society.

LDC Group should continue to engage in deeper interactions at the international level to understand the linkage between trade and environment (especially climate change) and seek to understand which international trade standards can be adopted that do not harm their economic output, but at the same time promotes the cause of environmental protection. The Chinese Taipei's idea of having the Paris Agreement as the focal point in setting the scope of framework which should cover both goods and services can be taken as a policy idea to be taken forward by the LDCs. Liberalization of environmental goods and related services has been recognized as an important step in achieving the terms of the Paris Agreement.

► *Item 4*

EDB has been recognized by many Members as an important tool to provide information on environmental measures being adopted by Members and thereby give a complete picture of the notifications related to the environment. These notifications have been deemed as repository of information on trade and environmental policies in the CTE meeting of January 2018.

Annex : Items of the CTE Work Programme

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.



CUTS International, Geneva

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