

**Possible approaches for promoting and
facilitating trade in environmental goods and
services
A deep dive roundtable**

Agenda setting for the workshop

**Christophe Bellmann
Forum on Trade, Environment & the SDGs (TESS)
John Knox Center, Geneva, 23 – 24 June 2022**

What is the environmental challenge to solve/address?
e.g., Climate change mitigation & adaptation; pollution, biodiversity conservation



What are the key goods, services and technologies needed to address the problem?



What is the benefit/role/contribution of trade to solving the environmental problem?
e.g., production, access, dissemination of key goods, services & technologies



What are the key factors facilitating or hampering trade along the value chain?
e.g., drivers of trade and investment, main obstacles



What sustainability issues arise across those value chains & life cycle of relevant goods & services?



What are the wider sustainable development considerations, especially for developing countries?

How could **international cooperation** on trade policy help?



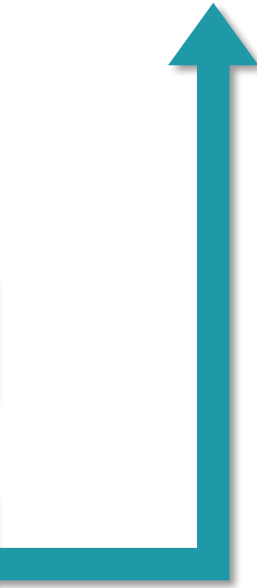
Multiple pathways

- Tariff and non-tariff barriers
- Regulatory cooperation
- Trade & investment facilitation
- Finance and technical assistance
- Transfer of technology, spurring innovation
- Updated trade classifications



Possible forum and configuration

- TESSD, IDP, CTE-SS, CTS-SS?
- Multilateral, or plurilateral initiatives?
- Sectoral? By specific environmental challenge?
- What type of commitments? (e.g., binding, voluntary, pledges, principles)



TESS

Forum on Trade
Environment & the SDGs

Possible approaches for promoting and facilitating trade in environmental goods and services

A deep dive roundtable

Lessons learned from RTAs in facilitating trade in EGS

Christophe Bellmann

Forum on Trade, Environment & the SDGs (TESS)

John Knox Center, Geneva, 23 – 24 June 2022

RTAs as the main locus for action on EGS

- Out of 270 RTAs notified to the GATT or the WTO between 1956 and 2016, 129 agreements included provisions / commitments on environmental goods, services and technologies
 - RTAs have been the preferred avenue to undertake new liberalization commitments on EGS
 - They also serve as laboratories for innovation, incubation, and testing of new ideas and approaches
 - Besides their contribution to defining the scope and coverage of EGS they provide useful precedents in three main areas:
1. Going beyond a pure/narrow market access agenda
 2. Sectoral approaches dealing with particular environmental objectives
 3. Envisaging new types of commitments and forms of cooperation

Going beyond a narrow market access agenda

Topics	Precedents
REGULATORY COOPERATION	
<u>EGS</u> : “application of good regulatory principles to the design of any future standards and regulations relating to environmental goods and services”	<i>ANZTEC, Chapter 17, Article 3.2</i>
<u>Energy performance standards and test procedures</u> : Parties shall endeavour to harmonize test procedures and energy performance standards no later than eight years after the date of entry into force of the Agreement.	<i>USMCA Article 12.D.4</i>
<u>Organic products</u> : Recognition or equivalence of technical regulations, standards or conformity assessment procedures that relates to the production, processing, or labelling of organic products	<i>CPTPP, Annex 8-G: Organic Products</i>
<u>Renewable energy</u> : Mutual acceptance of conformity assessment procedures	<i>EU-Singapore Free Trade Agreement, Article 7.5</i>
SUBSIDIES	
<u>Renewable energy</u> : Disciplines on local content requirements	<i>Article 7.4 of EU-Singapore FTA</i>
<u>Environmental subsidies</u> : Exclude remedial action against environmentally beneficial subsidies	<i>Article 111(1) of the Caribbean Community and Common Market</i>

RTAs have been at the forefront of designing sectoral approaches focused on particular environmental concerns

Topics		Precedents
SECTORAL ANNEXES OR SECTIONS		
Organic Products		CPTPP, Annex to the TBT chapter
Energy Performance Standards		USMCA, Sectoral Annex
Chemical Substances		USMCA, Sectoral Annex
Animal Welfare		EU-Japan FTA, Incorporated in Chapter 18 on GRP
STAND ALONE CHAPTERS		
Co-operation in the Field of Agriculture		<i>EU-Japan FTA</i>
Standards for the generation of energy from renewables		<i>EU-Singapore FTA Chapter 7</i>

Exploring other forms of cooperation and types of commitments

Topics

Precedents

MARKET OPENING

Voluntary tariff reduction on environmental goods

2012 decision APEC economies to cut MFN tariffs voluntarily to 5% or less on 54 environmental goods

EXCHANGE OF INFORMATION

Promoting information exchange and cooperation on voluntary labelling schemes

CPTPP Annex 8-G on organic products; USMCA Annex 12D on Energy Performance Standards

TRANSFER OF TECHNOLOGY

Transfer and use of sustainable technology and know-how, including creation of incentives and mechanisms for innovation and environmental protection

Article 50 of EU-Central America Association Agreement

CAPACITY BUILDING AND TECHNICAL ASSISTANCE

Financial Co-operation

Article 9.3(3)(b) of EFTA-Indonesia CEPA or Article 7(5)(b) of Canada-Peru Environment Agreement (Side agreement to Canada-Peru FTA)