

Australian Government

Department of Foreign Affairs and Trade

WTO DIALOGUE ON PLASTICS POLLUTION

Mr Dhinesh Thanenthirarajah

Australian Permanent Mission to the World Trade Organisation

Coordinator of the Dialogue on Plastics Pollution alongside Barbados, China, Ecuador, Fiji and Morocco

Date: 29 October 2024

DFAT.GOV.AU

13th Ministerial Conference (MC13) Outcomes





MC13 STATEMENT

Series of **principles** and <u>six actions</u> for trade to be a key contributor to the solution.

Related to each agreed action, a **factual compilation document** is attached to the Statement, consisting of **trade-related practices** already being adopted to tackle plastics pollution.

DPP: MC13 OUTCOMES

• Ministerial Statement containing 6 trade-related actions aimed to:



- i. **increase transparency of trade flows** of plastics (e.g. of single-use plastics, plastic films and hard-to-recycle plastics) as well as those embedded in traded goods but not captured by trade data (a.k.a. 'hidden flows') – examples in the compilations include:
 - breakdown domestic customs classification to facilitate monitoring, evaluation, reporting and regulation of trade in polymers, chemicals, additives and plastics
 - identify customs and related technological solutions and cooperate with the private sector, on standards, product identifiers and other applications.
- ii. **reduce plastics** that are **harmful** to the environment or human health, or **unnecessary** single-use plastics and plastics packaging examples in the compilations include:
 - eco-design and labelling requirements, recycling targets and/or recyclability requirements
 - bans on single-use plastics and other goods
 - import and export licences on plastic wastes
- iii. **promote non-plastic substitutes**, **alternatives**, **services** and **technologies** examples in the compilations include:
 - Support measures, including grants and direct payments, preference in public procurement, tax concessions, and non-monetary support to specific non-plastic substitutes (e.g. seaweed, bamboo), alternative plastics (e.g. bio-polypropylene, cornbased resins) and services (e.g. re-use/re-fill systems, environmental impact assessments)
- improve the capacity of developing countries to use trade as a tool to tackle plastic pollution – examples in the compilations include:
 - specific suggestions for the AfT Global Review to help better identify plastic-related projects and needs (e.g. prior categorisation of existing plastic-related programmes; introduction of specific questions; sharing case studies; organizing trainings)
 - specific needs most often identified in the Dialogue: domestic private sector engagement and partnerships; access to technology; civil society engagement; technical assistance on policy implementation

DPP Points of Focus

Workstream on Crosscutting Issues:

- 1. How to support the INC process and its implementation,
- 2. How to enhance transparency of trade flows of plastic,
- 3. How to enhance capacity of developing Members to integrate trade as part of the solution to plastic pollution,

Workstream on Reduction, focus areas are:

4. To continue to identify members Trade related Plastics Measures, potentially building domestic inventories and supporting internal coordination,

5. To identify potential best practices from Members collective experiences,

6. And, to identify opportunities for greater harmonization, alignment or interoperability of Trade related Plastics Measures, starting by focusing on single-use plastics.

Workstream on Promotion, we will focus on:

- 7. How to facilitate access to technologies and services, including for environmentally sound waste management technology,
- 8. Identify opportunities for enhanced trade cooperation on non-plastic substitutes and alternatives, starting with standards.



Australian Government

Department of Foreign Affairs and Trade



What are Trade-related Plastic Measures (TrPMs)?



Sustainability requirements

- Bans/restrictions on importation [and exportation] of [recyclable] waste (incl export licenses)
- Import licensing for plastic bag components
- Mininum recycled content
- Requirements applicable to minimum thickness, (re)usability
- Exclusion of certain components
- Design requirements / guidelines
- Labelling requirements



Taxes and other market tools

- Env / chemical taxes (appl. to plastics)
- deposit schemes [incl. EPR schemes]
- [preferential] Tariffs on certain goods (incl. Tariff quotas)
- Packaging fees
- Trade defence tools (e.g. applied to substitutes)



Support measures

- Preferential tax treatment to alternatives/substitutes
- Direct grants to R&D
- Government procurement requirements/preferential rates for goods with recycled content
- Expenditure on resource utilization of agricultural wastes, incl. recycling of waste plastic films

General numbers and state of play of Dialogue's Survey on trade-related plastics measures (TrPMs) **Stage in value chain life cycle** ~22() plastic feedstock **TrPMs** primary plastics 8 plastic-based inpu... 60 finished goods an... 144 85 104 packaging materials plastic use 114 81 waste and scrap Members recycling 85 From all regions and mostly developing and

LDCs (75%+, by member or measure)

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.

INTRODUCTION TO WTO AND MEAS DEBATE

Daniel F. S. Ramos, Legal Officer Trade and Environment Division World Trade Organization E-mail: daniel.ramos@wto.org



WORLD TRADE ORGANIZATION ORGANISATION MONDIALE DU COMMERCE ORGANIZACIÓN MUNDIAL DEL COMERCIO

TRADE RULES AND MULTILATERAL ENVIRONMENTAL AGREEMENTS (MEAS) ENSURING CONSISTENCY, EXPLORING SYNERGIES



Dozens include Specific trade obligations

Main Types of Trade Measures within MEAs Trade bans

Export/import licences

Notification requirements

Packaging, Labelling requirements

MAIN MEAS WITH TRADE MEASURES

Montreal Protocol UN (@) environment programme ozone secretariat









WTO MEA Matrix - https://www.wto.org/english/tratop_e/envir_e/envir_matrix_e.htm

MATRIX ON TRADE-RELATED MEASURES PURSUANT TO SELECTED MULTILATERAL ENVIRONMENTAL AGREEMENTS

NOTE BY THE SECRETARIAT¹

Revision

1. This Matrix provides background information on trade-related measures pursuant to selected Multilateral Environmental Agreements (MEAs). This revision, prepared in consultation with the MEA Secretariats, presents updated information (e.g. membership, decisions and other major developments) on MEAs.²

2. The WTO Secretariat periodically updates this document in light of developments. In this revision, the Agreement on Port State Measures, the Paris Agreement on Climate Change, and the Kigali Amendment to the Montreal Protocol have been added to the Matrix. The Matrix now includes information on the following MEAs, including Agreements, Conventions and Protocols:

- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR);
- International Convention for the Conservation of Atlantic Tunas (ICCAT);
- United Nations Fish Stocks Agreement (UNFSA);
- Agreement on Port State Measures (PSMA);
- International Tropical Timber Agreement (ITTA);
- International Plant Protection Convention (IPPC);
- Convention on Biological Diversity (CBD);
- Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity;
- Cartagena Protocol on Biosafety to the Convention on Biological Diversity;
- Nagoya Kuala Lumpur Supplementary Protocol on Liability and Redress to the Cartagena Protocol on Biosafety;
- Montreal Protocol and the Vienna Convention on Substances that Deplete the Ozone Layer;
- United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol and the Paris Agreement;
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal;
- Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade;
- Stockholm Convention on Persistent Organic Pollutants; and
- Minamata Convention on Mercury.

WTO AS A SET OF TRADE RULES

Non discrimination (among partners and between imported and domestic products)

WTO Basic Principles

Prohibition of quantitative restrictions

No <u>unnecessary</u> barriers to trade

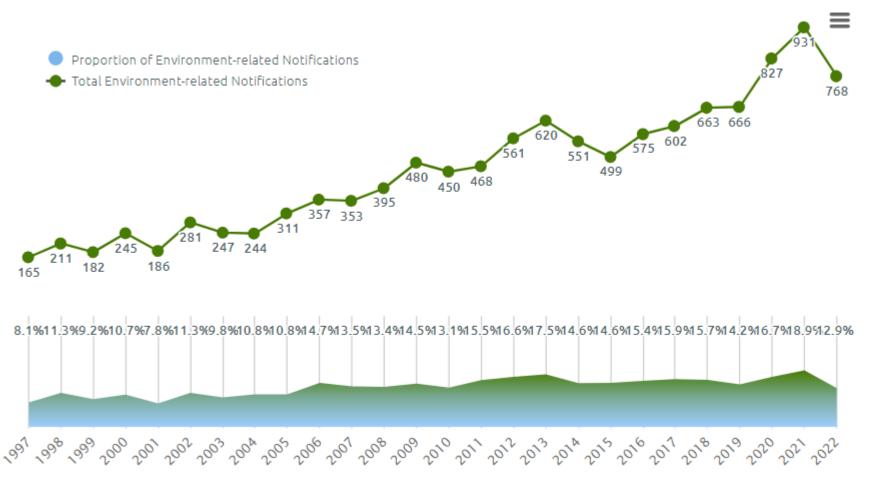
Transparency



WTO AS A SET OF RULES

1

Key policy instrument	Key objective	Key WTO Agreements
Environmental requirements , e.g. Product/production specifications, voluntary/mandatory, characteristics/ performance, labelling	Improve resource use & reduce pollutants, e.g. for energy efficiency	TBT Agreement (SPS, GATT, GATS, TRIPS)
<i>Price & market mechanisms</i> , e.g. Environmental taxes, Emission Trading Schemes (ETS)	Internalize env'tal costs, e.g. for environmental pollution or degradation	GATT (TRIMs, GATS)
<i>Support programs</i> , e.g. R&D, fiscal, price and investment measures	Promote development & deployment of green technologies	SCM Agreement (AG, TRIMs, GATT)



Environment-related notifications (1997-2022)

8661

Environment-related notifications



Environment-related measures

Almost 2000 measures for "MEA Implementation and compliance" No measure taken under an MEA has ever been found to be contrary to WTO rules...

WTO members can <u>differentiate</u> between polluting and greener products but must avoid <u>unjustifiable or arbitrary</u> discrimination or <u>unnecessary or disguised</u> barriers to trade [GATT Art. XX, other provisions]

Discrimination is not the same as differentiation!

What to keep in mind when developing a trade-restrictive environmental measure

Even when negatively affecting trade, measures can be justifiable if they pursue a legitimate objective and if certain conditions are fulfilled, including



Coherence

The trade restriction or difference in treatment between domestic and imported products provided by the measure is justified by the legitimate objective and not to protect domestic sectors.

\sim

Mindful and holistic

The measure is part of a holistic environmental policy and considers the impact on other countries, as well as on other national, regional and international efforts on the same topic.

ل حک	
ᡗᢅᠼᢧ	

Fit-for-purpose

The measure can efficiently contribute to the legitimate objective in a balanced way or is part of a national conservation policy also restricting domestic production or consumption.



Flexible

The measure is resultoriented and takes into account alternative measures to address the same challenge as effectively, albeit through different methods, including due to national and regional environmental conditions.

THANK YOU FOR YOUR ATTENTION !





World Trade Organization Organisation Mondiale du Commerce Organización Mundial del Comercio