

## Trade and Environmental Sustainability Structured Discussions (TESSD)

Statement by the Forum on Trade, Environment, & the SDGs (TESS)  
TESSD Plenary  
*25 January 2024*

### MC13 Outcomes and Way Forward

- First of all, we would like to congratulate the co-sponsors of the TESSD initiatives for the progress achieved so far. The different working groups have provided a unique space for open and constructive discussions on a range of highly complex topics at the interface of trade, environment, and sustainable development.
- We also applaud members for their willingness to engage with a range of stakeholders and believe that this provided significant value addition to the deliberations to date.
- Discussions in TESSD have not only contributed to a much better understanding of the various issues addressed, they have also largely contributed to raising the profile of urgent sustainability challenges in the WTO and to reviving discussions in the broader multilateral discussion. Such an outcome would have been unimaginable two or three years ago.
- As we move forward, we can only encourage co-sponsors to build on the impressive work and knowledge gathered so far, further expand the number of countries engaged, and zoom in on collective action and recommendations to address the challenges identified. In other words moving from diagnosis to crafting inclusive solutions.
- The Thirteenth WTO Ministerial Conference (MC13) in Abu Dhabi in February 2024 provides a critical opportunity to give renewed impetus to the work of TESSD, further raise its profile, and pave the way for future cooperation.
- In this respect, we welcome the draft statement by the TESSD co-convenors to be delivered at MC13.
- In particular, we support the objective of delivering concrete results by MC14.
- To achieve this, however, discussions in TESSD may have to move from exploring the issues through sessions structured around presentations by members or external stakeholders, as has been the practice to date, towards specific discussions around possible options for concrete outcomes and collective action.
- We also welcome the objective to seek enhance complementarities and create synergies between the working groups by extracting common themes for considerations by members by MC14.
- There are indeed overlaps among the working groups. Climate change and the circular economy refer to specific environmental concerns whereas environmental goods and services (EGS) and subsidies are more horizontal trade-related policy measures.
- In other words, EGS, subsidies, or standards and regulations are relevant policy tools where greater cooperation can contribute to addressing a wide range of environmental challenges such as climate change or sustainability in agriculture.

- Co-sponsors may therefore wish to consider new approaches focused more explicitly on addressing specific environmental challenges and under each of these work streams and look at the different types of trade-related measures (e.g. subsidies, standards and regulation, border measures, technology, etc.) and how to foster cooperation around them.
- In the draft statement, it could be useful to note some further examples of sectoral issues or topics that could be explored. On clean energy transition, we would suggest incorporation of clean energy access and transition, recognizing that for many developing countries energy access is a core challenge alongside energy transition. We would also suggest noting the potential for particular sectoral focus in the work on circularity, such as on the textiles sector or electronic appliances.
- Finally, we support the idea that TESSD should complement the work at the multilateral level on trade and environmental sustainability, including by supporting the revitalization process of the Committee on Trade and Environment (CTE) but also the work undertaken in other relevant committees, such as the Committee on Trade and Development, or bodies such as the Working Group on Trade and Transfer of Technology and the Working Group on Trade, Debt and Finance, or initiatives such as the Aid for Trade initiative and the MSMEs work programme.
- As the CTE strengthens its work through focused thematic discussions, TESSD could continue to add value by going beyond an exchange of experiences or exploration of the issues at hand.
- Going forward, we think it would be useful to focus more on the role of TESSD as an inclusive incubator of options for collaborative action and concrete outcomes, while also serving as a non-negotiating venue to explore emerging issues alongside long-standing tough topics where progress has been stuck or where there is a potential for TESSD to add value by connecting the dots between discussions currently occurring in silos in different parts of the WTO system or to bring new evidence and perspectives to bear.
- Looking ahead, we also suggest it will be important to consider flexible meeting formats to ensure these are accessible, engaging, and relevant to TESSD members and the broad membership of the WTO, including potential members or those WTO members, especially from developing countries, least developed countries, and small-island developing states, which want to benefit from or contribute to discussions to ensure their perspectives and priorities are reflected.
- To give renewed impetus to the work of TESSD in light of the progress achieved so far and developments at the multilateral level, co-sponsors could consider the idea of a further stocktaking exercise, possibly at the end of 2024.
- This would coincide with the first three years of work of the initiative and could provide an opportunity for co-sponsors to adjust its scope, format, and approach to enhance synergies between the working groups, complement the work of the CTE, and focus discussions on specific actions or recommendations, and support preparations for concrete outcomes for MC14 along with a robust workplan for the next phase of work.

## Outcome Documents and Updated TESSD Work Plan

- We congratulate the group for the comprehensive outcome documents and welcome the updated work plan designed to guide TESSD's discussions towards concrete actions or recommendations by MC14.
- As highlighted previously, to achieve this, it will be critical for the initiative to structure future work and dedicated sessions in a way that is conducive to specific outcomes and collective action. This may require moving away from a format mostly structured around presentations towards more outcome-oriented discussions.
- The outcome document of the Working Group on Trade-related Climate Measures, which provides a compilation of best practices in the development of such measures, could serve as a model for other working groups. We encourage the co-convenors to consider ways to refine or cluster the many bullet points compiled in the best practices document around themes or concepts, such as transparency, cooperation, development considerations, etc.
- As we move forward, this exercise could be mainstreamed and further refined in the form of guidance or recommendations on considerations for policymakers reflecting a shared understanding of best practices in this area.
- A similar discussion aimed at developing soft law outcomes in the form of guidance or best practices could be pursued in the Working Group on Circular Economy – Circularity focusing on the various trade aspects of circular economy listed in section 4 of the outcome document. In doing so, we would support the idea of taking a more sectoral approach where relevant by focusing on critical sectors, such as textiles or electronics.
- The same sectoral approach could be applied to the work on subsidies, where members could provide guidance on the design of subsidy schemes based on an assessment of their likely or potential impacts both on the environment and their implications for trading partners.
- Regarding the work on EGS, there may be scope for further exploration of relevant goods and services for the achievement of particular environmental objectives. A particular priority here would be to address key developing country interests in the realm of trade in EGS, including by focusing on technologies vital to addressing specific environmental challenges they face (e.g. climate adaptation, energy efficiency, and economic resilience to external shocks).
- That said, delivering concrete outcomes beyond a mapping of goods, services, and technologies and associated obstacles to trade may require more emphasis on what could be achieved collaboratively, for example through specific partnerships or other relevant approaches.
- In conclusion, TESS would like to congratulate once again the co-sponsors of TESSD for the incredible progress achieved so far and looks forward to continue supporting the initiative towards inclusive and concrete action by MC14.