

**Committee on Trade and Environment
Special Session**

**REPORT BY THE CHAIRPERSON OF THE SPECIAL SESSION OF
THE COMMITTEE ON TRADE AND ENVIRONMENT
TO THE TRADE NEGOTIATIONS COMMITTEE**

1. The purpose of this report is to provide the Trade Negotiations Committee (TNC) with an overview of the progress made in the trade and environment negotiations under Paragraph 31 of the Doha Development Agenda (DDA) until July 2005.

I. STATUS OF WORK

2. Since the commencement of the negotiations, the CTESS has held twelve formal meetings, as well as several informal ones. Under Paragraphs 31(i) and (iii) in particular, a large number of proposals were submitted by delegations.¹ While Paragraph 31(ii) has also been discussed, it has received less attention than other parts of the mandate. As the Committee's work progressed, it became clear in the beginning of this year that Members wished to focus on Paragraph 31(iii), with a view to making progress by the Hong Kong Ministerial Conference. This was without prejudice to other parts of the mandate, which Members remained fully committed to. The focus on Paragraph 31(iii) has certainly intensified and, as I told Members during the last CTESS meeting, I am pleased with their very active engagement and the numerous new submissions that have been received.

Paragraphs 31(i) and (ii)

3. With respect to Paragraph 31(i), the CTESS first attempted to develop a common understanding of the negotiating mandate. Various terms contained in the mandate were explored, such as "specific trade obligation" (STO) and "multilateral environmental agreement" (MEA). In parallel, discussions on potential outcomes for negotiations were also held. In the past year, Members embarked on an exercise of sharing their national experiences in the negotiation and domestic implementation of STOs in MEAs. This has entailed explaining how their domestic policy formulation process takes place in areas involving a WTO-MEA interface, and how that process is reflected on the international plane. This exercise has been fruitful. I would note two points in its regard: first, that numerous delegations have yet to contribute to it; and, second, that Members need to consider what lessons, if any, can be drawn that could contribute to fulfilment of the mandate under Paragraph 31(i).

4. The proposals made with regard to potential outcomes are on principles to govern the relationship between the WTO and MEAs, and, on a mechanism for "mutual supportiveness and deference" between the WTO and MEAs, where both regimes would complement each other in their areas of competence. Both these suggestions appear to embrace the notion that while no WTO-MEA conflict has arisen to date, there is a need for the WTO to ensure that future conflicts are prevented. The CTESS has yet to engage in a substantive discussion of proposed outcomes. As the work of the Committee progresses on this delicate part of the mandate, I would urge all Members to reflect on the views expressed, and to work towards finding common ground.

¹ See document TN/TE/INF/4/Rev.6, dated 11 July 2005, for a full list of the submissions made.

5. With respect to Paragraph 31(ii), Members have referred on a number of occasions to the list of ideas for greater information exchange and co-operation between the WTO and MEAs contained in document TN/TE/7. I believe that the time has now come to explore these ideas, and any other that may be proposed by Members, in detail, as well as to discuss the nature of the instrument that could emerge as the outcome of this part of the mandate.

6. I would also like to note that, several delegations have pointed to the synergies between Paragraphs 31(i) and (ii) of the negotiating mandate. The source of these synergies has been fairly clear: with greater cooperation and information exchange between the WTO and MEAs, and with criteria for the granting of observer status in the WTO to relevant organizations, the WTO-MEA relationship could be strengthened, and potential conflicts possibly averted. I believe that these synergies would merit further exploration in future.

Paragraph 31(iii)

7. With respect to Paragraph 31(iii), very early on in the negotiations delegations recognized that there was some overlapping of the mandates of the CTESS and other negotiating bodies.² Since then the CTESS's work focussed on clarifying the concept of an environmental good, based on the submissions of the Members.

8. In total, nine lists of environmental goods have been tabled by delegations, and are now before the Committee.³ While there appears to be some elements of convergence among these lists, in-depth analysis and intensive technical work would be required for progress to be made. I am hopeful that, with intensification of work, a set of environmental goods could slowly begin to emerge. In parallel to the submission of lists, some Members have also shared their ideas on different aspects of the negotiations. For instance, a few submissions have addressed the potential structure of an environmental goods list (in particular, whether there would need to be one list or more), and whether a WTO list would need to be kept "alive" so as to be able to incorporate new products that may be agreed upon in future.

9. Recently, a Member has come forward with an alternate approach for the negotiations; one that it has labelled the "environmental project approach." Members would identify at the national level the environmental goods and services that they wish to liberalize for the purposes of environmental projects. Such projects could include those aimed at meeting national environmental objectives as well as objectives of any bilateral or multilateral environmental agreement. It has also been suggested that the broad criteria for "environmental projects" could be agreed upon in the CTESS with due consideration to the policy space of national governments.

10. I welcome, as all Members have done, all submissions, and hope that common ground will soon be found among the list approach to environmental goods, the environmental project approach, and other methodologies that Members may wish to consider.

II. FUTURE WORK BETWEEN NOW AND THE HONG KONG MINISTERIAL CONFERENCE

11. I am deeply conscious, as are most delegations, that there is very little time left between now and the Hong Kong Ministerial Conference. Hence, I particularly welcome the call by many Members, at the last CTESS meeting, for an intensification of work, and to focus the work on the mandate contained in Paragraph 31(iii). After the summer break, the CTESS will need to use its time

² See document TN/TE/1 dated 12 April 2002.

³ These have been submitted by New Zealand, the United States, Qatar, Japan, Chinese Taipei, Korea, the European Communities, Canada and Switzerland.

judiciously to discuss the details of the products that could be designated as “environmental goods”, as well as to delve further into the “environmental project approach”. I intend to consult on a suitable timetable and structure for the CTESS' work, so that delegations may better focus their deliberations and contribute to the negotiations. The Hong Kong Ministerial Conference remains an important target date for progress on Paragraph 31(iii).
