

**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 thirteenth meeting of the Committee on Trade and Environment in Special Session (CTESS) was held on 15-16 September 2005.

I. STATUS OF WORK

2. Discussions at this meeting focused mainly on Paragraph 31(iii) of the Doha Declaration, following calls by many delegations at previous CTESS meetings to intensify the work in this particular area towards the Hong Kong Ministerial Conference.

3. Some Members nonetheless reiterated the importance of all three parts of the mandate in Paragraph 31. Under Paragraph 31(i), one delegation provided some clarification of how the principles of no hierarchy, mutual supportiveness and deference, which in its view should govern the relationship between the WTO rules and MEAs, related to other principles of international law.

4. With respect to Paragraph 31(iii), delegations pursued their discussions focussing mainly on the issue of environmental goods liberalization. Several submissions made by delegations have been discussed in the Committee, leading to two separate approaches. Some delegations have identified specific products that they would like to be considered in the context of the negotiations. In total, nine lists of environmental goods have been submitted by delegations, and are now before the Committee.¹ While there may be some elements of convergence among these lists, in-depth analysis and intensive technical work would be required in order to determine what products may qualify as "environmental goods" for the purposes of the negotiations. The alternate approach is referred to as the "environmental project approach".² According to this approach, environmental goods and services would be liberalized within the framework of environmental projects undertaken at the national level. It has been suggested that the broad criteria to select these "environmental projects" could be agreed upon in the CTESS.

5. As a general comment, many delegations have stressed that the outcome of the negotiations would have to be faithful to the spirit of the mandate in Paragraph 31(iii). In other words, the negotiations should result in a balanced outcome in terms of delivering benefits from the perspective of trade, the environment and development.

¹ These have been submitted by New Zealand, the United States, Qatar, Japan, Chinese Taipei, Korea, the European Communities, Canada and Switzerland.

² This approach was proposed by the delegation of India.

6. While there remain differences of opinion among Members on the issue of approach, it emerged from the discussion that there were some underlying questions common to the list and environmental project approaches, which delegations could usefully address in order to make some further progress in their work. In this context, delegations agreed to engage in a more technical discussion, without prejudice to issues of procedure or approach, or to their negotiating positions.

7. Many delegations considered, for instance, that there was room for further discussing the environmental attributes of some of the products that had been proposed by Members. In this regard, some delegations have raised concerns regarding the multiple uses of certain products identified in the lists, and their relationship to the protection of the environment. At the same time, in response to the environmental project approach, some delegations have expressed an interest in sharing their national experience with respect to the implementation of similar projects or initiatives. For example, it was suggested that specific examples of environmental goods and services that had been used within the framework of such projects could be discussed.

8. It was therefore agreed that an Information Exchange Session on Environmental Goods and Services would be organized. This information exchange will provide an opportunity to delegations that have proposed lists of products to further elaborate on the considerations that have guided their identification of the various items, including the potential environmental benefits associated with individual products or groups of products. Moreover, this discussion will also enable delegations to consider examples of relevant environmental goods and services in the context of ongoing environmental projects.

9. In the course of our discussions, some delegations have mentioned the need to address the various components of the mandate in Paragraph 31(iii) in a more comprehensive manner. In this regard, it was noted that the issues of environmental services and non-tariff barriers were important aspects of the mandate.

II. FUTURE WORK

10. The CTE in Special Session will be holding an Information Exchange Session at its next meeting in October.³

11. This information exchange session should assist the CTESS in identifying the kind of products that could be designated as "environmental goods" for the purposes of the negotiations, in addition to providing an opportunity to further examine some of the elements proposed under the "environmental project approach". In order to help structure the discussion, delegations were invited to focus on five broad areas, namely: Wastewater Management; Solid and Hazardous Waste Management; Air Pollution Control; Renewable Energy Products; and Environmentally Preferable Products. This practical focus, based on concrete examples of products and case studies, will hopefully contribute to sketch out areas of commonality to proceed further in the negotiations under Paragraph 31(iii).

12. The next formal meeting of the CTESS is scheduled for 14 October, the last before the Hong Kong Ministerial Conference. Delegates will be aware of the little time we have left in the final stages of our preparations. I am hoping that, at the meeting on 14 October, delegates will indicate what they hope to see at Hong Kong in respect to this part of our mandate, and how they expect the negotiations to be carried forward into 2006.

³ This Information Exchange Session has been scheduled on 12 October 2005.