

**Committee on Trade and Environment
Special Session**

COMMITTEE ON TRADE AND ENVIRONMENT IN SPECIAL SESSION

Report by the Chairman, Ambassador Mario Matus,
to the Trade Negotiations Committee¹

1. Since the last report to the TNC in July 2006², the Committee on Trade and Environment in Special Session (CTESS) has met on 1-2 March, 3-4 May, 11-12 June and 18 July 2007. The first three meetings were held under the Chairmanship of my predecessor, Ambassador Toufiq Ali. This report provides an update of the discussions in the Committee under each item of the mandate in Paragraph 31 of the Doha Declaration.

I. STATUS OF WORK

A. PARAGRAPH 31(I)

2. The CTESS has before it two main proposals for an outcome under Paragraph 31(i), which relates to the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs). The first proposal was discussed in July 2006³ and the second one at the CTESS meeting of 3-4 May 2007.⁴ These proposals present two rather different perspectives with regard to the scope of the mandate in Paragraph 31(i). Some additional ideas were mentioned at the meetings in June and July. These ideas may be discussed further as Members start working on elements that could form part of an outcome to fulfil the mandate.

B. PARAGRAPH 31(II)

3. Discussions under Paragraph 31(ii) have progressed significantly over the past year. New submissions by Members, which built upon earlier proposals on information exchange and criteria for the granting of observer status to MEAs, were particularly helpful in advancing the work.⁵

4. As convergence started to emerge on basic elements for an outcome, the Chair circulated in June an informal paper entitled "Elements of a Draft Text under Paragraph 31(ii)". The text was refined through various rounds of discussion held in June and July. With respect to information exchange, it contains concrete suggestions regarding MEA information exchange sessions to be held by the CTE; document exchange; and future collaboration in the context of technical assistance and capacity-building activities. As regards observer status, the text sets out, *inter alia*, some criteria that could guide WTO committees in their consideration of requests for observer status by MEAs. Other suggestions on the table will require further consultations, and some questions may need to be further

¹ This report is submitted on the Chairman's own responsibility and is without prejudice to the position of Members.

² TN/TE/16.

³ TN/TE/W/68 (European Communities). See also TN/TE/16.

⁴ TN/TE/W/72/Rev.1 (Australia and Argentina).

⁵ TN/TE/W/70 (United States) and TN/TE/W/71 (Canada and New Zealand).

examined when the elements are converted into legal text. However, the elements discussed in the Committee provide a solid basis for achieving an outcome on this part of the mandate.

C. PARAGRAPH 31(III)

5. With regard to the negotiations under Paragraph 31(iii) on environmental goods and services, there remain at this stage some differences of views among Members on how to respond to the mandate. Nevertheless, much useful work has been carried out over the last year, particularly as proponents of the different approaches have come forward with revised proposals.

6. In April 2007, a group of delegations (including most delegations that had tabled individual lists of environmental goods) submitted jointly a revised list proposing a much reduced set of products, which in their view offered the best prospects for moving the process forward.⁶ Two delegations that had previously tabled proposals for alternative approaches also came forward with a new "integrated approach" in an attempt to address some of the concerns shared by several Members in this negotiation.⁷

7. Delegations will have to pursue the dialogue in a constructive and pragmatic manner with a view to narrowing down existing differences. With respect to the way forward, it was suggested that environmental categories or activities mentioned by Members in their submissions could provide a useful starting point for conducting further work. The Committee could also use this framework for discussing how S&D treatment, NTBs, and other issues of interest to developing country Members can be addressed more concretely in the negotiations. This suggestion, as well as other ideas on the way forward, will need to be further explored when discussions resume in September. Delegations will have to intensify the work in this area in order for the Committee to be able to contribute to the work of other groups at the appropriate time, as necessary.

II. CONCLUSION

8. While there has been good progress in the Committee's work over the last year, particularly on Paragraph 31(ii), there has been limited movement towards convergence on other important aspects of the negotiations, partly due to the overall state of the Round. Continued efforts will be required to reach common ground on these aspects of the mandate, with the objective of achieving an outcome that will equally benefit trade, the environment and development. I will be engaging in further consultations with delegations ahead of the next CTESS Meeting to discuss how we can advance the work on all three items of Paragraph 31.

⁶ Job(07)/54 (Canada, European Communities, Japan, Korea, New Zealand, Norway, Switzerland, United States and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu).

⁷ Job(07)/77 (India and Argentina).