



## The Scope of Negotiations on Environmental Goods and Services (EGS)

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## The negotiations on trade and environment within the WTO

- n At the Fourth Ministerial Conference in Doha, Qatar, in November 2001, Ministers agreed to launch negotiations on certain aspects of the trade and environment linkage
- n These negotiations aim at clarifying the relationship between
  - i. the multilateral trade and environment regimes, and
  - ii. cover also information exchange between WTO committees and MEA secretariats,
  - iii. **as well as the liberalization of trade in environmental goods and services.**

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## ***Negotiating Mandate***

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Paragraph 31 (iii) From the Doha Declaration:

“With a view to enhancing the mutual supportiveness of trade and environment, we agree to negotiations, without prejudging their outcome, on

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(iii) the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services.”

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## ***Starting point of Members***

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The negotiations could create ‘triple win’ situations beneficial to trade, environment and development.

- n **Win for trade** – increased trade due to reduction of tariff and non-tariff barriers (also win for consumers).
- n **Win for environment** – improved access to quality environmental goods.
- n **Win for development** – liberalization can help developing countries obtain tools to address key environmental priorities.

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## **Organization**

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How are the negotiations organized?

Negotiations on EGS are taking place in separate bodies.

- n The Negotiating Group on Market Access (NAMA) is responsible for Environmental Goods.
- n The Special Session of the Council for Trade in Services (CTS-SS) is responsible for Environmental Services.

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## **Organization**

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To date, the priority in the NAMA has been to address issues related to industrial goods - leaving detailed discussions on Environmental Goods for later.

In the meantime, the Special Session of the Committee on Trade and Environment (CTESS), focusing on Environmental Goods, has engaged on issues of definition and, more recently, on exploring possible approaches to realize the mandate – towards making some contribution or recommendations to NAMA.

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## **CTESS Work**

Discussions in the CTESS have shown the EGS aspect of the Doha negotiations to be immensely complicated.

One of the key challenges facing negotiators stems from the fact there is no universally agreed **DEFINITION** of what constitutes Environmental Goods.

Nor was a **DEFINITION** given in the Doha negotiating mandate.

The CTESS has studied definitional issues at great length – to no clear conclusion thus far.

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## **CTESS Work**

Since WTO Ministers did not define Environmental Goods, and in the absence of a universally agreed definition, some WTO Members have proceeded to put forward **LISTS** of what they regard as Environmental Goods – i.e., goods which they recommend for accelerated liberalization.

In many instances, the **LISTS** include goods used for managing pollution or harvesting renewable energy. Some Members are also proposing for consideration “environmentally preferable products” such as bicycles and natural biodegradable materials.

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## CTESS Work

9 Members have so far submitted LISTS. The **LIST APPROACH**, like the dialogue on definition, has thrown up considerable challenges:

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## Member's List

9 Members



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## Member's List

### Categories used by Members in their lists

Different categories used by Members in their lists, those are:

(1) Air Pollution Control (2) Renewable Energy (3) Waste Water Management (4) Solid and Hazardous Waste Management (5) environmental monitoring, analysis and assessment equipment; (6) remediation and clean up of soil and water; (7) cleaner technology and products; (8) environmentally preferable products based on end use or disposal characteristics; (9) high environmental performance or low environmental impacts; (10) and others (Noise and Vibration Abatement; Resource Management; Heat and Energy Management; Natural Risk Management; Potable Water Treatment; Recycling Systems; and Soil Conservation).

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## CTESS Work

The LIST approach is not the only approach presently being considered by CTESS Members.

Another approach is the **ENVIRONMENTAL PROJECT APPROACH (EPA)**, proposed by India.

Environmental Goods and Services would be included in a project to be approved by a Designated National Authority (DNA).

If approved, the goods and services included in the project would qualify for specified concessions for the duration of the project.

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## **CTESS Work**

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A further approach is the **INTEGRATED APPROACH**, proposed by Argentina.

This approach brings together elements from all the proposals submitted so far

Within the CTESS, the various approaches mentioned remain on the table.

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## **CTESS Work**

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At the same time, guided by the call from Trade Ministers in Hong Kong for Members to complete the work expeditiously under Paragraph 31 (iii), the CTESS has been considering initiatives to move the negotiations forward.

CTESS to launch technical work by applying indicative parameters to products, categories of products, or projects aimed at a particular environment objective.

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## **CTESS Work**

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### **Indicative Parameters:**

1. What Products or categories of product have clear and direct environmental end use?
  - Are there products used solely for an environmental purpose?
  - With respect to multiple use products, are there some have a predominant environmental use?
2. What are the environmental products, categories of products or projects that are of particular interest of developing country Members or that otherwise contribute sustainable development objectives?
3. What other consideration may be taken into account when determining whether a product is an environmental good?

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## **CTESS Work**

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This work begin at an informal meeting on 4-5 April, at which CTESS has agreed to focus on two main areas for technical Discussions: (1) Renewable Energy, and (2) Air Pollution Control

- n A second technical discussion was held on 10-12 May 2006 to examine products in the categories of Waste Water Management and Solid and Hazardous Waste Management.
- n A third informal meeting was held 12-13 June 2006, to discuss goods in the remaining categories

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## Preparations in Jordan

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- n Activating the National Committee on Trade and environment
- n Organizing a technical assistance mission by UNCTAD to assist national team in developing National Environmental Goods List
- n Organized regional workshop on trade and environment in cooperation between MIT and MOE and WTO
- n Close cooperation between MIT, MOE and Customs to follow up on developments.
- n ESCWA Mission.

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