



Living Up to the Negotiating Mandate of Environmental Goods and Services – Conceptual and Practical Issues



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Liberalization of trade in environmental goods and services: contributing to mutual supportiveness of trade, environment and development

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Art. 31(iii) DDA

- With a view to enhancing the mutual supportiveness of trade and environment, we agree to negotiations, without prejudging their outcome:
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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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The Challenges of an Integrated Approach

- Goods (to be defined)
 - Environmental goods
 - Environmentally Preferable Goods
- Environmental Services (to be defined)
- Technical Barriers to Trade
- Subsidies
- Intellectual Property Issues (Transfer of technology) ?
- How to achieve a proper balance and mutual benefit?

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Goods

- Problems relating to the listing of goods
 - NAMA in disguise
 - Dual Use
 - Reciprocity of commitments
- Problems relating to EPGs
 - GSP
 - Marketing Potential
- TBT and SPS issues, labeling
- Difficulty in achieving an overall balance

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Environmental Services

- Requirement of local presence (modes 3 and 4)
- Relation to *Service Public*
- Regulatory requirements (recognition)
- Investment and disinvestment in essential services
 - dependence on FDI in key sectors
- Knowledge transfer and joint ventures (private public partnerships)
- How to achieve a proper balance of mutual benefits?

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Missing: Disciplines on Subsidies

- SCM Agreement
- Suspension of Non-actionable Subsidies (Article 8, Article 31):
- (c) assistance to promote the adaptation of existing facilities to new environmental requirements imposed by law and/or regulations result in greater constraints and financial burdens on firms, provided that the assistance (conditions)
- Renewal of Traffic-Lights Approach?

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Missing: Intellectual Property

- Facilitating transfer of environmental technology (Art. 7 TRIPs)
- Implementing Art. 66:2 TRIPs for LDCs
 - Mandatory requirement (“shall provide incentives to enterprises”)
 - Knowledge transfer and education
 - Protection of TK and TK-based goods and services (e.g. traditional medicine)

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Environmental Project Approach

- Unilateral project definition (India)
 - Governmental initiatives
 - Private initiatives?
 - Regional and local programmes?
- Concessions limited in time (sub MFN)
- Problems:
 - Tariff bindings
 - MFN, NT and like products issues (end-use or regulatory purpose test)
 - Spare parts and ex post imports

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Integrated Approach

- National projects within CTESS defined categories of environmental projects (Argentina)
- Formal linkage of EGS commitments to MEAs as a basis of national projects (Uruguay, Qatar)

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Environmental Area Initiatives

- Linking WTO to relevant UN *Millennium Development Goals*
- Goal 1: eradicate extreme poverty and hunger
- Goal 4: Reduce child mortality
- Goal 5: Improve maternal health
- Goal 7: Ensure environmental sustainability containing i.a.:
 - Target 10: Reduce by half the proportion of people without safe access to drinking water
 - Target 11: Achieve significant improvement of at least 100 million slum dwellers by 2020

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Possible Target Areas and Clusters

- Supply of drinking water
- Drainage
- Sanitation and disposal of sewage
- Waste disposal, in particular hazardous waste
- Reduction of carbon emission
- Promotion of renewable energies, in particular water, solar, wind and tidal

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Linkage to MEAs and Programmes

- Basle Convention
- Kyoto Protocol to the UN Framework Convention on Climate Change, Montreal Protocol on Substances That Deplete the Ozone Layer
- UN Convention to Combat Desertification
- Convention on Biological Diversity
- Supporting international programmes, such as UNEP and multilaterally recognised domestic programmes

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Methodology

- High level definition of targeted Environmental Area (Cluster); balancing mutual interests
- Technical negotiations in goods and related services, TBT, SPS and IPRs (transfer of technology), financial support and subsidies (SCM)
- Coordination and Framework Agreement
- Implementation in Schedules (bindings) and Protocols (measures of support)



Thank you for your attention!