

**VIRTUAL TRADE DIALOGUES WITH BUSINESS – TRADE 4 CLIMATE**  
**26 OCTOBER 2021, 14.00-17.00**

**Background Note**

**CLIMATE CHANGE IN REGIONAL TRADE AGREEMENTS<sup>1</sup>**

*Key points*

- The inclusion of explicit environmental provisions in RTAs is not a recent phenomenon. 97% of all RTAs notified to the WTO include at least one environmental provision. The most common environmental provisions in RTAs largely mirror the approach followed in the WTO agreements with preambular language and/or a general exception related to the environment.
- The number and level of detail of environmental provisions in RTAs has, on average, increased significantly over the years. High-income countries remain, however, the main proponents of detailed environmental provisions in RTAs.
- Although most environmental provisions differ in terms of language, scope and enforceability, they often tend to address relatively similar broad environmental concerns, including the guarantee of a level playing field of environmental policies, the implementation of multilateral environmental agreements and the promotion of environmental goods and services.
- An increasing number of RTAs address specific environmental issues, including biodiversity, sustainable management of forests and fisheries, and climate change.
- Explicit provisions on climate change are found in an increasing number of RTAs. In comparison with other types of environmental provisions, explicit provisions on climate change remain however less detailed.
- Cooperation on climate change mitigation and adaptation is the most common type of climate change provisions in RTAs. Other types of climate change provisions range from recognizing the importance of addressing climate change, including through trade in environmental goods and services, to commitments to develop and adopt climate change policies.
- These explicit provisions on climate change are complemented by other environmental provisions, including those that address renewable and alternative energy and the transition to a low emission economy. Similarly, and unless specified otherwise in the RTA, general environmental provisions, including level playing field commitments, can apply to climate policy.

**1 INTRODUCTION**

1.1. The last 30 years have seen a rapid proliferation of regional trade agreements (RTAs). While RTAs are traditionally aimed at lowering tariff and non-tariff trade barriers, an increasing number of RTAs contain environmental provisions. This note is based on previously published analysis<sup>2</sup> presented and discussed at the Committee on Trade and Environment. It has been extended and updated where appropriate to provide an overview of the evolution and main types of RTA provisions on the environment focusing more specifically on provisions relating to climate change. As such, the note does not seek to examine the suitability or effectiveness of environmental provisions included in RTAs, but rather to offer a factual mapping of recent developments in the area. While environmental provisions remain heterogenous, they often address the same broad environmental

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<sup>1</sup> This is an information note which represents research in progress. It provides background information for the Trade for Climate Change Dialogue. The opinions expressed in this paper are those of its authors. They are not intended to represent the positions or opinions of the WTO or its members and are without prejudice to members' rights and obligations under the WTO. Any errors are attributable to the authors. The note has been written by Jose-Antonio Monteiro, Svetlana Chobanova, Daniel Ramos.

<sup>2</sup> José-Antonio Monteiro, "Typology of Environment-related Provisions in Regional Trade Agreements", WTO Working Paper ERSD-2016-13.

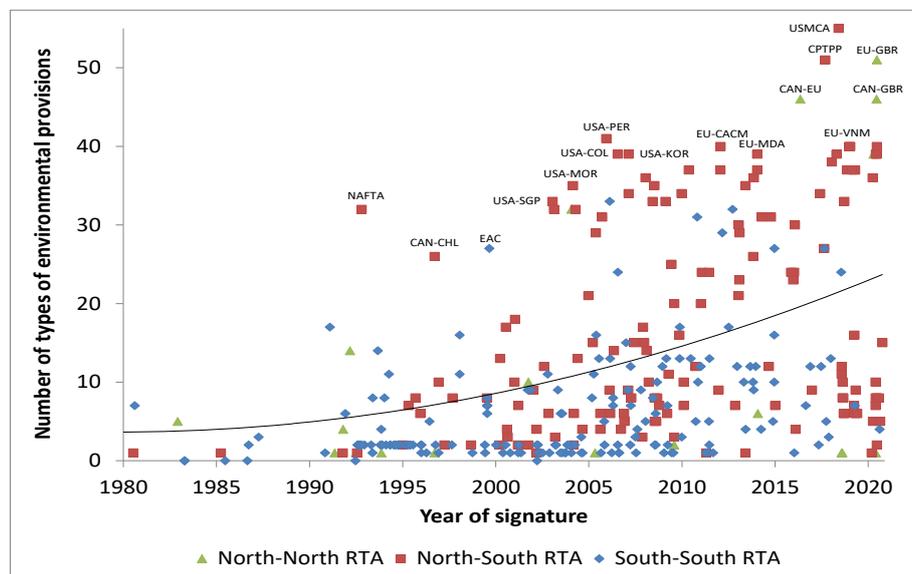
issues. With a few exceptions, provisions on climate change are formulated in best endeavour language.

## 2 ENVIRONMENTAL PROVISIONS IN RTAS

2.1. A detailed review of 349 RTAs notified to the WTO and currently in force reveals that the inclusion of environmental provisions in RTAs is not a recent phenomenon. In fact, 97% of all notified RTAs include at least one environmental provision largely mirroring the approach followed in the WTO, typically in the form of a general exception clause to trade obligations for environment-related considerations or preambular language emphasizing the importance of environmental protection and sustainable development.

2.2. However, the review of notified RTAs also shows a relative increase in the number, and level of detail, of environmental provisions contained in several more recent RTAs (see Figure 1). The most detailed environmental provisions are found in chapters dedicated to the environment or sustainable development, or in some cases in side environmental cooperation agreements. The main proponents of detailed environmental provisions in RTAs are mostly high-income countries, including Canada, Chile, the European Union (EU) and the United States.

**Figure 1: Environmental provisions in RTAs continue to expand**



Source: Update from Monteiro (2016).

2.3. Although most environmental provisions differ in terms of language, scope and enforceability, they often tend to address relatively similar broad environmental concerns. Some provisions, most commonly found in RTAs between developed and developing countries and several RTAs between developing countries, refer to the stringency level and enforcement of domestic environmental laws. Some of these provisions commit the parties to set a high level of environmental protection (found in 17% of notified RTAs), improve their respective level of environmental protection (18%) or in some cases adopt environmental laws (4%). A related obligation referring to the adoption of laws necessary to comply with the parties' obligations under specific multilateral environmental agreements (MEAs) has been included in 10 relatively recent RTAs (3% of notified RTAs).

2.4. The level playing field of environmental policies is a related but more common issue explicitly addressed in RTAs, initially in the context of investment. An increasing number of RTAs, namely 31% of notified RTAs, require the parties to "effectively apply", "not waive", "not derogate from" or "not relax" their environmental laws as an encouragement for investments or trade in their territory. In some RTAs, the parties further commit to the effective implementation in their laws and practices of the MEAs to which they are party. For instance, under the RTAs to which the United States is a party with Peru, Korea, Colombia and Panama, the parties agree to adopt, maintain and implement laws to fulfil their obligations under specific MEAs, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora, as well as not to fail to effectively enforce these laws.

2.5. Other environmental issues addressed in an increasing number of RTAs include the relationship between trade agreements and MEAs, environmental goods and services, biodiversity and traditional knowledge, patents and plant variety protection, sustainable management of forests and fisheries, trade in forest and fish products, energy and mineral resources management, natural disasters management, corporate social responsibility and climate change. Public participation in policy-making processes, transparency and access to justice and remedies in environmental matters are also found in some RTAs. Besides environmental exception clauses, some RTAs include provisions that foresee other exemptions, exclusions and safeguards to enable the parties to implement policies to protect the environment without breaching the RTA's obligations. In the area of subsidies, for instance, the CARICOM agreement provides for a set of non-actionable subsidies that support stated environmental objectives between the parties.

2.6. Besides general exceptions and preambular language, cooperation on environmental matters is the most common type of environmental provisions (found in 45% of notified RTAs) but remains highly heterogeneous in terms of environmental issues and sectors covered. Some provisions identify environmental protection as a general cooperation area, often as part of a non-exhaustive list of potential cooperation areas, without providing any additional details or defining any actions. Conversely, some RTAs, mostly with a dedicated chapter on environment or a side environmental cooperation agreement, establish comprehensive and detailed environmental cooperation.

2.7. The most detailed cooperation provisions often aim at supporting the implementation of some of the environmental provisions set out in the RTAs. Some RTAs include provisions on building institutional capacity to improve the enforcement of environmental laws and to maintain a high level of environmental protection. For instance, the RTA between Armenia and the EU lists environmental governance, including strategic planning, environmental impact assessment and strategic environmental assessment, education and training, monitoring and environmental information systems, and inspection and enforcement, as a cooperation area. Other common environmental issues explicitly listed in environmental cooperation provisions include water management, clean energy, energy efficiency, waste management and natural resources. Moreover, some RTAs provide avenues for the private sector and civil society to participate in the identification and implementation of environmental cooperation activities.

2.8. Although the number and level of detail of environmental provisions has continued to slowly increase over the years, the most recent RTAs negotiated by Canada, the European Union, the United Kingdom and the United States, include the most detailed and comprehensive environmental provisions to date. These RTAs build on previous environmental provisions but extend the scope of issues explicitly addressed.

2.9. The EU RTAs concluded in 2019-2020, including the EU-Japan Economic Partnership Agreement, the EU-Singapore Economic Partnership Agreement, and the EU-Vietnam Trade and Investment Protection Agreement, follow the approach of earlier "new generation" EU RTAs<sup>3</sup> and contain separate chapters on trade and sustainable development. Not unlike older EU RTAs, they include a large number of the environment-related provisions described above. As discussed below, one important new feature of the most recent EU RTAs is the inclusion of a dedicated chapter on non-tariff barriers to trade and investment in renewable energy generation.

2.10. The CPTPP, signed in 2018, is another recent RTA with detailed environmental provisions, featuring a comprehensive chapter on environment with new types of provisions on topics, such as the protection of the ozone layer, transition to a low emissions economy, invasive alien species, protection of the marine environment from ship pollution and sustainable fisheries management, including through the prohibition of subsidies that negatively affect overfished stocks and subsidies for vessels engaged in illegal fishing.

2.11. As for the most recent US RTAs, it is worth recalling that the 1992 North American Free Trade Agreement (NAFTA) was the first RTA to contain detailed environment-related provisions, including a dedicated environmental cooperation agreement. Its successor, the USMCA, which entered into force in 2020, contains a detailed environmental chapter, which follows the approach of the most recent US RTAs but also builds on the environmental provisions found in the CPTPP. The USMCA

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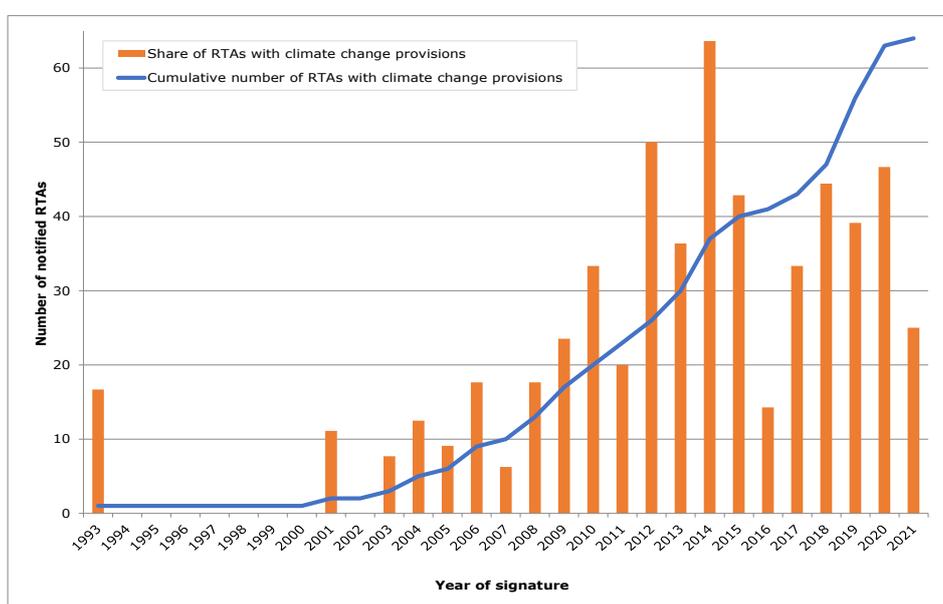
<sup>3</sup> E.g. the EU – Korea Free Trade Agreement and the EU – Colombia and Peru Trade Agreement.

includes, however, a few new specific types of environmental provisions on air pollution and marine litter calling the parties to further cooperate on these issues.

### 3 CLIMATE CHANGE PROVISIONS

3.1. RTAs are sometimes viewed as a "laboratory" in which new types of provisions are designed to address new issues and challenges. This is the case of provisions addressing explicitly climate change. An increasing number of RTAs, namely 64 agreements (18% of notified RTAs) include at least one provision referring explicitly to climate change, global warming, greenhouse gases reduction or low emission economy (see Figure 2). Compared to other environmental topics, such as biodiversity or sustainable fishery or forestry management, specific provisions on climate change are relatively fewer and less detailed. Provisions on climate change in RTAs are particularly heterogeneous across agreements, with some types of provisions only found in a single or couple of RTAs.

**Figure 2: An increasing number of RTAs include explicit provisions on climate change**



Source: Update from Monteiro (2016).

3.2. Provisions on climate change can take many forms. Some provisions underscore the importance of addressing climate change, including through trade in environmental goods and services, while others refer to the development and adoption of climate change policies and the United Nations Framework Convention on Climate Change (UNFCCC). The most common type of provisions on climate change, found in 58 RTAs, identifies climate change mitigation and adaptation as a cooperation area.

3.3. Although the inclusion of provisions on climate change in RTAs has accelerated since 2012, it is not a recent phenomenon. The first provision on climate change included in RTA is found in the 1993 Agreement establishing the Common Market for Eastern and Southern Africa (COMESA). The agreement refers to the parties' agreement to accede to the UNFCCC. For many years, RTAs either did not include any provisions on climate change or included a few cooperation provisions. For instance, the RTA between the EU and Montenegro specifies that cooperation on the environment shall pay special attention to the ratification and the implementation of the Kyoto Protocol and facilitate the support in Clean Development Mechanism applications.

3.4. Some of the first more comprehensive provisions on climate change are found in the 2012 RTA between the EU, Colombia, Ecuador and Peru.<sup>4</sup> The RTA reaffirms the parties' commitment to effectively implement in their laws and practices the Kyoto Protocol to the UNFCCC. In addition, other provisions are found in a specific article on climate change in the chapter on trade and

<sup>4</sup> This RTA has been provisionally applied with Peru since 1 March 2013 and with Colombia since 1 August 2013. On 1 January 2017 Ecuador also joined this agreement.

sustainable development. One of these provisions recognises that climate change is an issue of common and global concern that calls for the widest possible cooperation. The provision further commits the parties to enhance their efforts regarding climate change, including through the promotion of domestic policies and suitable international initiatives based on the equity principle and in accordance with their common but differentiated responsibilities and respective capabilities and their social and economic conditions.

3.5. In that context, another provision on environmental goods and services commits the parties to promote trade and investment measures that promote and facilitate access, dissemination and use of best available technologies for clean energy production and use, and for mitigation of and adaptation to climate change. The provision further calls on the parties to consider climate change actions, such as facilitating the removal of trade and investment barriers to access to, innovation, development, and deployment of goods, services and technologies that can contribute to mitigation or adaptation, taking into account the circumstances of developing countries. The RTA also mentions various possible cooperation areas, including activities related to the reduction of emissions from deforestation and forest degradation (REDD) as well as activities related to aspects of the international climate change regime with relevance for trade.

3.6. The RTA between Peru and the Republic of Korea which entered into force in 2011 – is one of the few South-South RTAs with detailed provisions on climate change. These provisions, found in a specific article on climate change, commit the parties, under their international commitments, to promote joint measures to limit or reduce the adverse effects of climate change. In addition, each party is required, within its own capacities, to adopt policies and measures on issues such as improvement of energy efficiency; evaluating the vulnerability and adaptation to climate change, and research, promotion, development and use of new and renewable energy, technologies of carbon dioxide capture, and environmental technologies that do not affect food security or the conservation of biological diversity.

3.7. More recently, the RTAs to which the EU is a party with the Republic of Moldova and Georgia – both in effect since 2016 – also incorporate different climate change-related provisions found in a specific chapter on climate action and in the chapter on trade and sustainable development. These RTAs commit the parties to developing and strengthening their cooperation to combat climate change, including in the areas of climate change mitigation and adaptation; carbon trading; research, development, demonstration, deployment and diffusion of safe and sustainable low carbon and adaptation technologies; mainstreaming of climate considerations into sector policies; and awareness raising, education and training. Another provision found in the RTA to which the EU is a party with the Republic of Moldova, Georgia and Ukraine, commits the EU's counterpart to gradually approximate its legislation to the specific EU legislation and international instruments within stipulated timeframes. Specifically, a number of provisions from the EU directive establishing a scheme for greenhouse gas emission allowance trading within the Community and the EU regulations on certain fluorinated greenhouse gases and on substances that deplete the ozone layer have to be implemented by Republic of Moldova, Georgia and Ukraine within 2 years of entry into force of the agreement.

3.8. The most recent EU RTAs, such as those with Japan (in force since February 2019), Singapore (in force since November 2019), and Vietnam (signed in June 2019), build on climate provisions found in previous RTAs and, in some cases, establish more specific commitments. The parties to these agreements reaffirm their commitment to reaching the ultimate objective of UNFCCC and agree to implement, and cooperate on the implementation of the UNFCCC, the Kyoto Protocol and more recently the Paris Agreement.<sup>5</sup> The EU-Singapore RTA also refers to the parties' commitment to strengthening the multilateral, rules-based regime under the UNFCCC building on the UNFCCC's agreed decisions, and to developing a post-2020 international climate change agreement under the UNFCCC applicable to all parties. The EU-Vietnam RTA recognises the role of domestic policies in addressing climate change, within the UNFCCC framework, and commits the parties to consulting and sharing information and experiences of priority or of mutual interest, including best practices and lessons learned in designing, implementing, and operating mechanisms for pricing carbon.

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<sup>5</sup> A total of 10 EU RTAs, some of which still under negotiations, include a reference to the UNFCCC (those with the Andean Community, Australia, Indonesia, Japan, Korea, Mercosur, Mexico, New Zealand, Singapore, and Vietnam), 8 of which also include a reference to the Paris Agreement (excluding those with the Andean Community and Korea).

3.9. The EU-Singapore RTA also specifically refers to the parties' shared goal of progressively reducing subsidies for fossil fuels and acknowledges that reductions may be accompanied by measures to alleviate the social consequences associated with the transition to low carbon fuels. The agreement further calls on the parties to actively promote the development of a sustainable and safe low-carbon economy, such as through investment in renewable energies and energy efficient solutions. In the EU RTAs with Japan and Singapore, the parties further undertake to facilitate trade and investment in goods and services of particular relevance for climate change mitigation, such as sustainable renewable energy and energy efficient goods and services, including through the development of policy frameworks conducive to the deployment of best available technologies.

3.10. More recently, the RTA between the EU and the United Kingdom requires each party to have in place an effective system of carbon pricing. The agreement also calls on the parties to cooperate on carbon pricing and give serious consideration to linking their respective carbon pricing systems in a way that preserves the integrity of these systems and provides for the possibility to increase their effectiveness (see Annex I for more examples of recent climate change provisions in RTAs).

3.11. These explicit provisions on climate change are complemented by other types of environmental provisions discussed in the previous section, even though they do not make any explicit reference to climate change or global warming. This is the case of provisions addressing renewable and alternative energy, energy efficiency and the transition to a low emission economy.

3.12. While the CPTPP and the USMCA do not explicitly refer to the notion "climate change", both include specific provisions on low emission economies. The CPTPP acknowledges that transition to a low emissions economy requires collective action and recognise that each party's actions should reflect domestic circumstances and capabilities. The USMCA also acknowledges the critical role of forests in providing numerous ecosystem services, including "carbon storage". Both the CPTPP and USMCA further commit their respective parties to cooperate on energy efficiency; development of cost-effective, low emissions technologies and alternative, clean and renewable energy sources; sustainable transport and sustainable urban infrastructure development; addressing deforestation and forest degradation; emissions monitoring; market and non-market mechanisms; low emissions, resilient development and sharing of information and experiences in addressing this issue. The CPTPP also requires the parties to engage in cooperative and capacity-building activities related to transitioning to a low emissions economy.

3.13. Other detailed explicit provisions on renewable energy are found in the EU-Singapore and EU-Vietnam trade agreements. Their respective chapters on non-tariff barriers to trade and investment in renewable energy generation recognize the shared objectives of promoting, developing and increasing the generation of energy from renewable and sustainable non-fossil sources, particularly through facilitating trade and investment. To this effect, both RTAs commit the parties to cooperate towards removing or reducing non-tariff barriers and fostering cooperation, taking into account, where appropriate, regional and international standards. Both RTAs further require that companies investing in the renewable energy generation sector will not be subjected to mandatory local sourcing requirements, nor be required to form partnerships with local companies, unless such local partnerships are necessary for technical reasons. In addition, the rules concerning authorisation, certification and licensing procedures relating to investment in the renewable energy generation sector have to be objective, transparent, non-arbitrary and non-discriminatory. Where international or regional standards exist with respect to products for the generation of energy from renewable and sustainable non-fossil sources, the parties commit to use those standards as a basis for their technical regulations except if ineffective or inappropriate to fulfil the legitimate objectives.<sup>6</sup>

3.14. Likewise, it is worth mentioning that provisions in RTAs dealing with technical barriers to trade and in particular horizontal chapters on good regulatory practices and regulatory cooperation can play a role in advancing environmental objectives by removing unnecessary obstacles to trade. This is particularly clear in the case of environmental goods - such as photovoltaic cells, wind turbines,

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<sup>6</sup> Importantly, the current US Trade Representative Katherine Tai has acknowledged the need to address climate change through trade policy. (See Remarks from Ambassador Katherine Tai on Trade Policy, the Environment and Climate Change: <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/april/remarks-ambassador-katherine-tai-trade-policy-environment-and-climate-change>).

energy efficient light bulbs, or equipment for wastewater treatment – where enhanced trade contributes to the scaling up of environmental technology.<sup>7</sup>

#### **4 IMPLEMENTATION OF PROVISIONS ON CLIMATE CHANGE**

4.1. The effectiveness of climate change provisions, similarly to other environmental provisions, in promoting environmental protection depends – at least partially – on their implementation. Most RTAs with detailed environmental and climate change provisions establish institutional arrangements, such as committees ensuring dialogue on implementation, public accountability mechanisms, and *ex post* review of the implementation of the commitments agreed under the respective agreement. Mechanisms for resolving disputes are also put in place that serve as tools for ensuring implementation.

4.2. All EU RTAs concluded since 2011, including those with Japan, Singapore and Vietnam, contain detailed provisions in this regard. Most EU RTAs with a chapter on sustainable development commit the parties to jointly or individually monitor and assess the impact of the agreements' implementation on sustainable development. Institutional set ups and monitoring mechanisms are also put in place establishing a Committee or a Board on Trade and Sustainable Development to oversee the implementation of the chapter. Each meeting of these bodies shall include a public session with stakeholders and parties undertake to promote a balanced representation of the relevant interests, including independent representative organisations of employers, workers, environmental interests, and business groups. Parties are also to establish consultative mechanisms with domestic advisory groups comprising a balanced representation of economic, social and environmental stakeholders. Finally, EU RTAs traditionally excluded the chapters on trade and sustainable development from the general dispute settlement provisions of the agreements. Instead, they provide for government consultations followed by an examination of the matter by panels of experts with specialized knowledge.

4.3. Most US RTAs and the CPTPP place particular emphasis on promoting public awareness of environmental laws and policies, and domestic accountability by requiring parties to ensure investigations for alleged violations of such laws, access to administrative and judicial proceedings, and appropriate sanctions and remedies. Both the CPTPP and the USMCA require the parties to use or establish national advisory committees to provide views on matters related to the implementation of the chapter and procedures for the receipt and consideration of written submissions on such matters must be put in place. Parties further agree to cooperate on a bilateral or plurilateral basis to address matters of joint or common interest, designate national contact points, and report periodically to the Environmental Committee. In turn, this Committee's purpose is to oversee the implementation of the chapter. Parties must endeavour to resolve interpretation and application disagreements through consultations. If unsuccessful, they must request that the Committee representatives from the consulting parties convene to consider the matter and thereafter, if still necessary, refer it to the relevant ministers for consideration. Only then and if the issue still remains unresolved, parties may request consultations under the ordinary dispute settlement procedures of the RTA.

4.4. A specific type of provisions, only found in a few US RTAs, including the USMCA, establishes a submission mechanism on enforcement matters. It provides the possibility for any person of a party to the agreement to file a submission asserting that a party is failing to effectively enforce its environmental laws. Such submissions are filed with the RTA's environmental institution which may request a response from the party concerned.

#### **5 CONCLUSION**

5.1. Although the inclusion of explicit provisions on climate change in RTAs is not new, the level of detail of these provisions has expanded since 2012 and is likely to continue to do so, if the latest RTAs are any indication. In comparison with other types of environmental provisions, explicit provisions on climate change remain, however, less detailed. Most provisions on climate change provisions are worded in best endeavour language. Cooperation on climate change remains the most common type of climate change provisions in RTAs. Other more comprehensive types of climate

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<sup>7</sup> Christophe Bellmann, Colette van der Ven, Greening regional trade agreements on non-tariff measures through technical barriers to trade and regulatory co-operation, OECD Trade and Environment Working Papers 2020/04.

change provisions, found in a few RTAs, establish to commitments to develop and adopt climate change policies. These explicit provisions on climate change are complemented by other environmental provisions even though they do not refer explicitly to climate change.

5.2. Although there is no empirical evidence on the environmental effectiveness of provisions on climate change in RTAs to date, empirical research<sup>8</sup> reports a positive effect of environmental provisions in RTAs on the reduction of emissions of selected pollutants, including CO<sub>2</sub> emissions. Yet, despite increased explicit references to climate change in RTAs, more effort is needed to gauge the effectiveness of these provisions in addressing climate change adaptation and mitigation.

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<sup>8</sup> Baghdadi et al., 2013; Martinez-Zarzoso, 2018.

**ANNEX I**

**RECENT CLIMATE CHANGE PROVISIONS IN TRADE AGREEMENTS**

Agreement	Provision
EU – Singapore	<p><b>Article 12.6</b>  <b>Multilateral Environmental Standards and Agreements</b>                      (...)   3. Parties affirm their commitment to reaching the ultimate objective of the UN Framework Convention on Climate Change (hereinafter referred to as 'UNFCCC'), and to effectively implementing the UNFCCC, its Kyoto Protocol, and the Paris Agreement of 12 December 2015 in a manner consistent with the principles and provisions of the UNFCCC. They commit to work together to strengthen the multilateral, rules-based regime under the UNFCCC building on the UNFCCC's agreed decisions, and to support efforts to develop a post-2020 international climate change agreement under the UNFCCC applicable to all parties.</p>
EU – Vietnam	<p><b>Article 13.6</b>  <b>Climate Change</b>                      (...)   2. Within the UNFCCC framework, the Parties recognise the role of domestic policies in addressing climate change. Accordingly, the Parties shall consult and share information and experiences of priority or of mutual interest, including:   (a) best practices and lessons learned in designing, implementing, and operating mechanisms for pricing carbon;   (b) the promotion of domestic and international carbon markets, including through mechanisms such as Emissions Trading Schemes and Reducing Emissions from Deforestation and Forest Degradation; and   (c) the promotion of energy efficiency, low-emission technology and renewable energy.</p>
EU – Singapore	<p><b>Article 12.11</b>  <b>Trade and Investment Promoting Sustainable Development</b>                      (...)   2. The Parties shall pay special attention to facilitating the removal of obstacles to trade or investment concerning climate-friendly goods and services, such as sustainable renewable energy goods and related services and energy efficient products and services, including through the adoption of policy frameworks conducive to the deployment of best available technologies and through the promotion of standards that respond to environmental and economic needs and minimise technical obstacles to trade.   3. The Parties recognise the need to ensure that, when developing public support systems for fossil fuels, proper account is taken of the need to reduce greenhouse gas emissions and of the need to limit distortions of trade as much as possible. While subparagraph 2(b) of Article 11.7 (Prohibited Subsidies) does not apply to subsidies to the coal industry, the Parties share the goal of progressively reducing subsidies for fossil fuels. Such reductions may be accompanied by measures to alleviate the social consequences associated with the transition to low carbon fuels. In addition, both Parties will actively promote the development of a sustainable and safe low-carbon economy, such as through investment in renewable energies and energy efficient solutions.</p>
EU – Japan	<p><b>Article 16.5</b>  <b>Trade and investment favouring sustainable development</b>                      The Parties recognise the importance of enhancing the contribution of trade and investment to the goal of sustainable development in its economic, social and environmental dimensions. Accordingly, the Parties:   (...)   (c) shall strive to facilitate trade and investment in goods and services of particular relevance to climate change mitigation, such as those related to sustainable renewable energy and energy efficient goods and services, in a manner consistent with this Agreement;</p>
CPTPP	<p><b>Article 20.15: Transition to a Low Emissions and Resilient Economy</b>                      1. The Parties acknowledge that transition to a low emissions economy requires collective action.   2. The Parties recognise that each Party's actions to transition to a low emissions economy should reflect domestic circumstances and capabilities and, consistent with Article 20.12 (Cooperation Frameworks), Parties shall cooperate to address matters of joint or common interest. Areas of cooperation may include, but are not limited to: energy efficiency; development of cost-effective, low emissions technologies and alternative, clean and renewable energy sources; sustainable transport and sustainable urban infrastructure development; addressing deforestation and forest degradation; emissions monitoring; market and non-market mechanisms; low emissions, resilient development and sharing of information and experiences in addressing this issue. Further, the Parties shall, as appropriate, engage in cooperative and capacity-building activities related to transitioning to a low emissions economy.</p>

Agreement	Provision
USMCA	<p><b>Article 24.1: Definitions</b>            For the purposes of this Chapter:  <u>environmental law</u> means a statute or regulation of a Party, or provision thereof, including any that implements the Party's obligations under a multilateral environmental agreement, the primary purpose of which is the protection of the environment, or the prevention of a danger to human life or health, through:            (a) the prevention, abatement, or control of the release, discharge, or emission of pollutants or environmental contaminants; (...)</p>
USMCA	<p><b>Article 24.9: Protection of the Ozone Layer</b>            1. The Parties recognize that emissions of certain substances can significantly deplete and otherwise modify the ozone layer in a manner that is likely to result in adverse effects on human health and the environment. Accordingly, each Party shall take measures to control the production and consumption of, and trade in, substances controlled by the Montreal Protocol.</p>
USMCA	<p><b>Article 24.10: Protection of the Marine Environment from Ship Pollution</b>            (...)                       3. Consistent with Article 24.25 (Environmental Cooperation), the Parties shall cooperate to address matters of mutual interest with respect to pollution of the marine environment from ships. Areas of cooperation may include:            (...)                       (e) emissions from ships;</p>
USMCA	<p><b>Article 24.11: Air Quality</b>            (...)                       6. Recognizing that the Parties have made significant progress to address air pollution in other fora, and consistent with Article 24.25 (Environmental Cooperation), the Parties shall cooperate to address matters of mutual interest with respect to air quality. Cooperation may include exchanging information and experiences in areas related to:            (...)                       (c) measurement and inventory methodologies for air quality and emissions' measurements;</p>
USMCA	<p><b>Article 24.23: Sustainable Forest Management and Trade</b>            (...)                       2. The Parties acknowledge the importance of:            (...)                       (b) the critical role of forests in providing numerous ecosystem services, including carbon storage, maintaining water quantity and quality, stabilizing soils, and providing habitat for wild fauna and flora;</p>
USMCA	<p><b>Article 24.24: Environmental Goods and Services</b>            1. The Parties recognize the importance of trade and investment in environmental goods and services, including clean technologies, as a means of improving environmental and economic performance, contributing to green growth and jobs, and encouraging sustainable development, while addressing global environmental challenges.</p>

Agreement	Provision
EU – Singapore	<p><b>CHAPTER SEVEN</b>  <b>NON-TARIFF BARRIERS TO TRADE AND INVESTMENT IN RENEWABLE ENERGY GENERATION</b>  <b>ARTICLE 7.1</b>  <b>Objectives</b>                      In line with global efforts to reduce greenhouse gas emissions, the Parties share the objective of promoting, developing and increasing the generation of energy from renewable and sustainable non-fossil sources, particularly through facilitating trade and investment. To this effect, the Parties shall cooperate towards removing or reducing tariffs as well as non-tariff barriers, and shall cooperate on fostering regulatory convergence with or towards regional and international standards.                      (...)</p> <p><b>Article 7.3</b>  <b>Scope</b>                      1. This Chapter applies to measures which may affect trade and investment between the Parties related to the generation of energy from renewable and sustainable non-fossil sources, namely wind, solar, aerothermal, geothermal, hydrothermal and ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases, but not to the products from which energy is generated.                      (...)</p> <p><b>Article 7.4</b>  <b>Principles</b>                      Each Party shall:                      (a) refrain from adopting measures providing for local content requirements or any other offset affecting the other Party's products, service suppliers, entrepreneurs or establishments;                      (b) refrain from adopting measures requiring the formation of partnerships with local companies, unless such partnerships are deemed necessary for technical reasons and the Party can demonstrate such technical reasons upon request by the other Party;                      (c) ensure that any rules concerning the authorisation, certification and licensing procedures that are applied, in particular to equipment, plants and associated transmission network infrastructures, are objective, transparent, and non-arbitrary, and do not discriminate against applicants from the other Party;                      (d) ensure that administrative charges imposed on or in connection with the:                          (i) importation and use of goods originating in the other Party, or affecting the provision of goods by the other Party's suppliers, are subject to Article 2.10 (Fees and Formalities Connected with Importation and Exportation); and                          (ii) provision of services by the other Party's suppliers are subject to Article 8.18 (Scope and Definitions), Article 8.19 (Conditions for Licensing and Qualification) and Article 8.20 (Licensing and Qualification Procedures); and                      (e) ensure that the terms, conditions and procedures for the connection and access to electricity transmission grids are transparent and do not discriminate against suppliers of the other Party.</p> <p><b>Article 7.5</b>  <b>Standards, Technical Regulations and Conformity Assessment</b>                      1. Where international or regional standards exist with respect to products for the generation of energy from renewable and sustainable non-fossil sources, the Parties shall use those standards, or the relevant parts of those standards, as a basis for their technical regulations except when such international standards or relevant parts would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued. For the purpose of applying this paragraph, the International Organization for Standardization (hereinafter referred to as 'ISO') and the International Electrotechnical Commission (hereinafter referred to as 'IEC'), in particular, shall be considered relevant international standard-setting bodies.                      (...)</p>