



ADVANCING DISCUSSIONS ON ENVIRONMENTAL GOODS AND SERVICES

Contribution to the TESSD Working Group on
Environmental Goods and Services
Experience sharing by ACCTS Members
TESSD Working Group EGS, 13.05.25

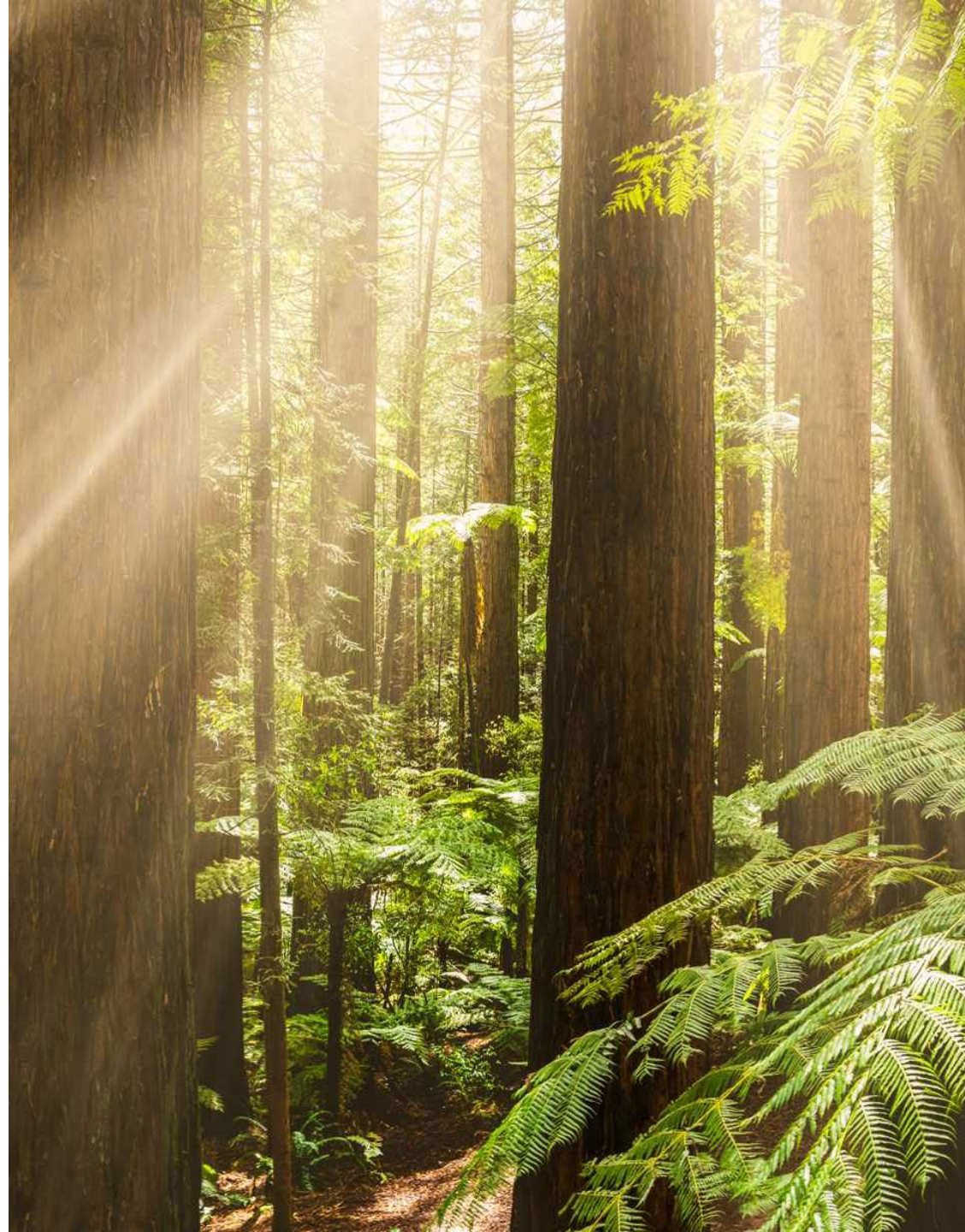
ACCTS in a nutshell

ACCTS objective:

- fostering the contribution of international trade in addressing climate change and other serious environmental challenges.
- contribute to sustainable development.

Actions in four key areas:

- Environmental Goods; Environmental and Environmentally-Related Services; Fossil Fuel Subsidies; and Guidelines for voluntary ecolabelling programmes.
- Signed 15 November 2024 by Costa Rica, Iceland, New Zealand and Switzerland
- Entry into force expected early 2026
- Open to accession for WTO Members
- Applied on an MFN basis





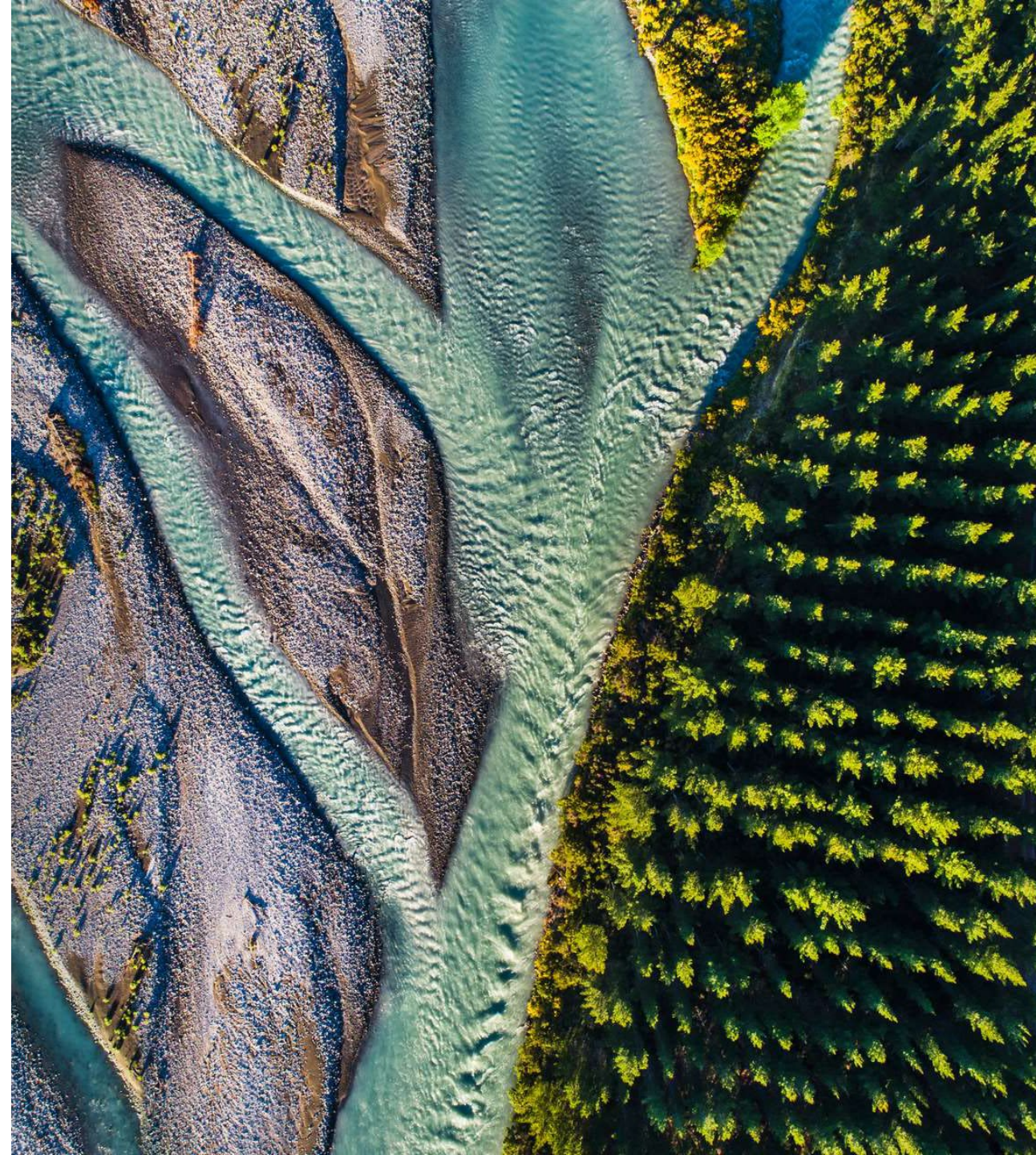
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EGS Working Group

- The analytical document from the 13th Ministerial Conference already contains a piecemeal list of identified EGS.
- One useful contribution of the EGS Working Group to advancing discussions on facilitating trade in environmental goods and services would be to help **identify their scope.**
- It is suggested that the group discuss **how to identify environmental goods and services.**

Environmental Goods

- The **Environmental Goods** chapter aims to promote the liberalisation of trade in environmental goods;
- It identifies over 300 environmental goods, all of which will have tariffs removed at entry into force;
- List in Annex II of the Agreement and contribute substantially to environmental purposes and do not significantly harm them;
- The list includes industrial goods and 'land-based' natural products;
- ACCTS Members have also agreed to eliminate any export duties applied to these environmental goods and not to introduce any new ones.



Identification of Goods: Example 1

Subheading (HS 2022)	Description	Additional Product Specification	Environmental benefit and environmental purposes
7308.20	Structures (excluding prefabricated buildings of heading 94.06) and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frame-works, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel. - Towers and lattice masts	Wind turbine towers	Products used to elevate and support a wind turbine for the generation of renewable energy. They serve environmental protection (ambient air) and climate change adaptation and mitigation purposes.
7308.90	Structures (excluding prefabricated buildings of heading 94.06) and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frame-works, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel. – Other	Parts specially designed for wind turbine towers	Components of wind turbines for the generation of renewable energy. They serve environmental protection (ambient air) and climate change adaptation and mitigation purposes.

Example 2

Subheading (HS 2022)	Description	Additional Product Specification	Environmental benefit and environmental purposes
8410.13	Hydraulic turbines, water wheels, and regulators therefor. - Hydraulic turbines and water wheels: -- Of a power exceeding 10,000 kW		Hydraulic turbines and water wheels are key components used in the production of hydro and tidal power. Hydro and tidal power are reliable, clean and renewable sources of electricity. They serve environmental protection (ambient air) and climate change adaptation and mitigation purposes.
8410.90	Hydraulic turbines, water wheels, and regulators therefor. - Parts, including regulators		Hydraulic turbines, water wheels and their parts are key components used in the production of hydro and tidal power. Hydro and tidal power are reliable, clean and renewable sources of electricity. They serve environmental protection (ambient air) and climate change adaptation and mitigation purposes.

Other key elements in the environmental goods chapter

- Review = «living list»
- Conservation and sustainable management of eco-systems
- The TSM mechanism : upon accession to the agreement



Services related to the environment

- The **Environmental Services** chapter promotes the liberalisation of trade in **114** environmental and environmentally related services;
- List of services related to the environment according to a definition;
- Parties schedules of commitments are based on this list and cover market access and national treatment;
- The chapter also includes commitments on transparency and domestic regulation.

Definition (article 3.3)

(c) “environmental and environmentally related services” means services that:

(i) **contribute substantially** to the environmental goals in Article 3.1 (Objective) by:

(A) having as **primary purpose** a...

(B) **directly serving**...

(C) being **directly related to goods** whose use is beneficial for ...
including adapted goods; or

(D) being **directly related to a technical process,**
installations or equipment, methods or knowledge whose primary purpose
is a

purpose listed in Annex
III

(**Environmental
Purposes** – Trade in
Environmental
Services);

and

(ii) **do not significantly harm** any

ANNEX III

REFERRED TO IN ARTICLE 3.3 (DEFINITIONS)

ENVIRONMENTAL PURPOSES – TRADE IN ENVIRONMENTAL SERVICES

The environmental purposes referred to in subparagraph (c) of Article 3.3 (Definitions) are:

(a) environmental protection purposes, which are the prevention, reduction, control, and elimination of pollution and other forms of degradation of the environment by means of the following activities:

- (i) protection of ambient air;
- (ii) wastewater management;
- (iii) waste management;
- (iv) protection and remediation of soil, groundwater, and surface water;
- (v) noise, light and vibration abatement (excluding workplace protection);
- (vi) protection and restoration of biodiversity, ecosystems and landscape;
- (vii) protection against radiation (excluding external safety);
- (viii) research and development for environmental protection; or
- (ix) other environmental protection activities;

(b) resource management purposes, which are preserving and maintaining the stock of natural resources, including sustainable use and the transition to a circular economy by means of the following activities:

- (i) preserving and maintaining the stock of mineral and energy resources;
- (ii) preserving and maintaining the stock of timber resources;
- (iii) preserving and maintaining the stock of aquatic and marine resources;
- (iv) preserving and maintaining the stock of biological resources;
- (v) preserving and maintaining the stock of water;
- (vi) research and development for resource management; or
- (vii) other resource management activities; and

(c) climate change adaptation and mitigation purposes.

No.	W/120 Subsector	CPC	Title	Justification	Ex-out
65	C. <u>Installation and assembly work</u>	5161	Heating, ventilation and air conditioning work	Heating, ventilation and air conditioning techniques are key to producing, and renovating to create energy efficient buildings. Such services are directly related to technical processes, installations, methods and knowledge to prevent and reduce pollution and preserve natural resources, and contribute to climate change adaptation and mitigation.	Energy. *, ***
66		5162	Water plumbing and drain laying work	Plumbing has as primary purpose water and wastewater management.	
67		51641	Electrical wiring and fitting work	Electrical wiring and fitting work is instrumental for the installation of renewable energy production in buildings and is a pre-requisite for electrification of energy consumption. This includes electrical work related to heat pumps, battery chargers and other renewable energy source. Such services are enablers for goods and are directly related to technical processes, installations, methods and knowledge to prevent and reduce pollution and preserve natural resources.	Limited to the installation of electrical wiring or fittings for renewable energy.
68		51649	Other electrical construction work	Certain electrical work arising from the installation of efficient appliances is directly related to environmental goods and to preventing and reducing pollution and preserve natural resources.	Limited to the installation of electrical wiring or fittings for renewable energy.
69		51650	Insulation works (electrical wiring, water, heat, sound)	Thermal or acoustic insulation directly serves the reduction of energy consumption in dwellings. From the point of view of energy efficiency, industries use insulation to avoid heat loss, achieve fuel savings and reduce emissions. Insulation of wiring is necessary for the electrification of the energy system and insulating pipes is directly related to wastewater management as it prevents pipeline damage. Such services, when directly related to increasing energy efficiency, serve or are directly related to technical processes, installations, methods, and	

107	<u>E. Rail transport services</u> (a) Passenger transportation	71111	Interurban passenger transportation	Rail transportation is more sustainable and energy-efficient than other methods of mass transportation. Such services are directly related to prevention and reduction of pollution by means of protecting ambient air and addressing climate change.	***
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No.	W/120 Subsector	CPC	Title	Justification	Ex-out
108		71112	Urban and suburban passenger transportation	Rail transportation is more sustainable and energy-efficient than other methods of mass transportation. Such services are directly related to prevention and reduction of pollution by means of protecting ambient air and addressing climate change.	***
109	(b) Freight transportation	7112	Freight transportation	Rail transportation is more sustainable and energy-efficient than other methods of transportation. Such services are directly related to prevention and reduction of pollution by means of protecting ambient air and addressing climate change.	***
110	(c) Pushing and towing services	7113	Pushing or towing services	Pushing and towing services are auxiliary services necessary to support rail transport operations. Rail transportation is a more sustainable and energy-efficient method of mass transport. Such services are directly related to prevention and reduction of pollution by means of protecting ambient air and addressing climate change.	***
111	(d) Maintenance and repair of rail transport equipment	8868	Maintenance and repair of rail transport equipment	Maintenance and repair services are key for the circular economy, being directly related to resource management. Relevant auxiliary services to rail transport equipment includes upgrading and retrofitting rolling stock to improve energy efficiency. Such auxiliary services are necessary to support rail transportation, which is a more efficient method of mass transportation and is directly related to reducing air pollution and protecting the climate.	

Review mechanisms: «living lists»

Both lists will be reviewed and will take into account :

- new entries and their justification
- technological progress and environmental developments
- Evolutions at international level, technical amendments (HS, WTO work, etc.)

QUESTIONS TO TESSD MEMBERS

- What insights can Members share from their own experiences (negotiations/agreements) in this field?
- How to assess EGS based on their contribution to environmental purposes?
- How to deal with technological innovation regarding EGS?
- How could regulatory cooperation on these issues be promoted?

