

Recent Discussions on Environmental Services in the CTS SS

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4 October 2022

CTS SS - Some Context and Background

- Created in 2000 to carry out the built-in negotiating mandate in Article XIX
- “Successive rounds of negotiations” to achieve a progressively higher level of liberalization (Art. XIX:1)
- Progressive liberalization advanced “through bilateral, plurilateral or multilateral negotiations directed towards increasing the general level of specific commitments undertaken by Members” (Art. XIX:4)
- Specific commitments relate to Market Access (Art. XVI) and National Treatment (Art. XVII) in all four modes of supply, and any additional commitments (Art. XVIII)
- Flexibilities for DCs (Art. XIX:2)
- Environmental services part of post-2000 negotiations; was focus of a plurilateral request; 25 Members offering improvements in their schedule

Recent Discussions in the CTS SS

- Exploratory discussions on market access:
 - Started after MC11, at suggestion of a number of Members
 - Objective: exchange of views on current interests, priorities and aspirations, on the basis of proposals by Members, and without prejudice to negotiating positions
 - 8 papers put forward by Members and discussed in CTS SS, including 3 on environmental services:
 - JOB/SERV/293 (2019); JOB/SERV/299 (2020); JOB/SERV/308 (2021)
 - Summary of discussions since MC11 in TN/S/42 (Chair report to TNC)

JOB/SERV/293 (2019): Exploratory discussions on MA for environmental services

- Paper sponsored by AUS, CDN, KOR, MEX, NZE, CHE (Rev. 2)
- Reviews importance of the sector, the trade-environmental link for these services, and relevance of GATS commitments in different sectors

GATS SPECIFIC COMMITMENTS – Number of schedules

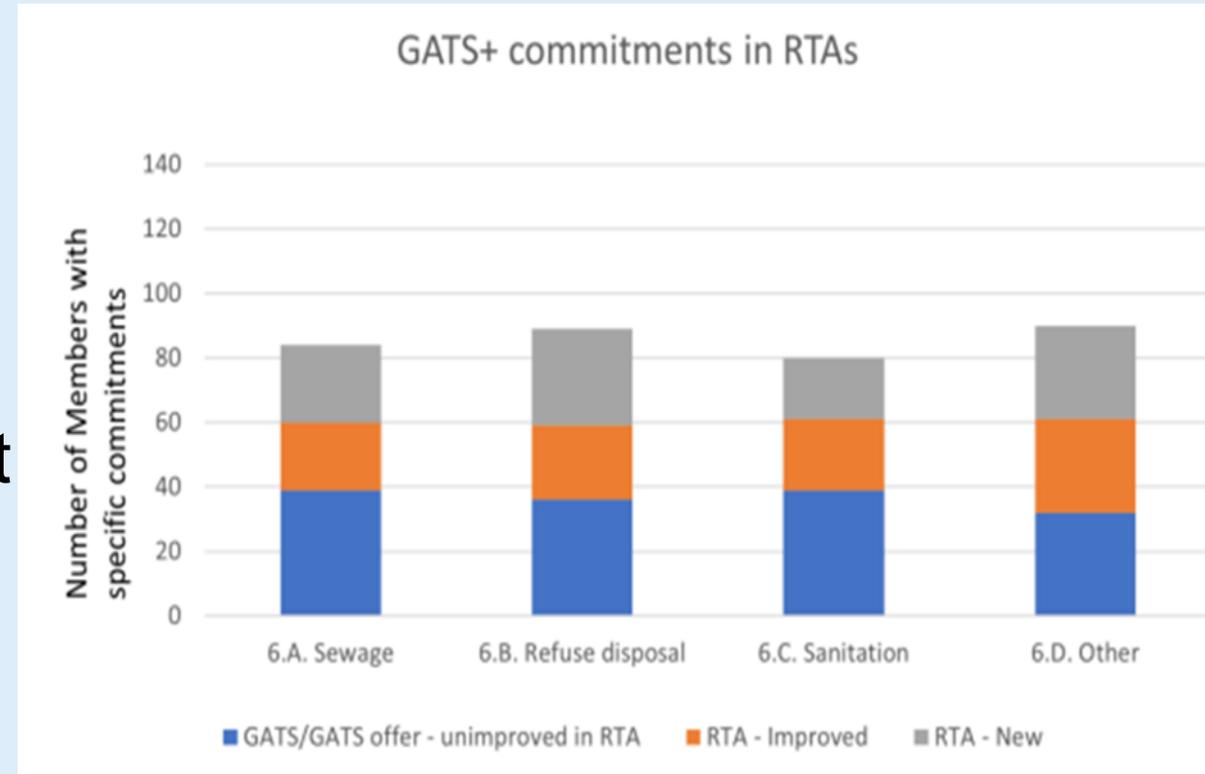
• 6.A – Sewage services (CPC 9401)	52
• 6.B – Refuse disposal services (CPC 9402)	50
• 6. C – Sanitation and similar services (CPC 9403)	51
• 6.D – Other [- Cleaning of exhaust gases (CPC 9404); - Noise abatement services (CPC 9405); - Nature and landscape protection services" (CPC 9406); - Other environmental protection services not elsewhere classified (CPC 9409)]	51

JOB/SERV/293 – Interests expressed

- Proponents' main interest: improve the overall level of commitments and remove limitations so as to reflect existing regimes
- Members taking the floor in 2019 expressed interest in greater commitments
- Impact of technological advances in expanding trade opportunities under mode 1 and facilitating access often pointed out
- Role of mode 3 in helping attract investment and build up infrastructure was highlighted. Interest in focusing on foreign equity limits and exclusive rights, while preserving public services.
- Interest in expanded commitments on mode 4, including in relation to:
 - Installation or servicing as part of a warranty;
 - Movement of key personnel within an enterprise;
 - Temporary movements of technicians and professionals to provide services abroad.

JOB/SERV/293 – Discussions

- Some Members said that GATS+ commitments in RTAs showed the potential for improvements at the multilateral level
- Some delegations expressed interest in services other than those labelled as environmental services in the classification.
- Others wished to bring attention to flexibilities and the broader context pertinent to any future negotiation.



JOB/SERV/299 (2020)

- Purpose: foster discussions by highlighting additional services where liberalization and improved commitments “could significantly contribute to advancing global action on environmental issues”.
- Recognition that addressing global environmental issues, including climate change, requires access not only to services that are purely environmental (CPC 94), but also those that could have an environmental end-use.
- Sectors identified:
 - engineering; architectural services; construction; distribution; consulting; maintenance, repair and recycling services*.
- Lower barriers and better commitments to help enhance performance and improve affordability of services related to environmental protection.
- Existing commitments in these sectors are limited (47-79 schedules)

Discussions of JOB/SERV/299 in 2020-21 (JOB/SERV/303, 304, 306, 311)

- Some additional sectors were highlighted by non-sponsors, including:
 - transportation of waste; storage of waste; R&D services; technical testing and analysis services; services incidental to energy services; eco-friendly tourism; environment-related financial services (JOB/SERV/308).
- The link between climate change and natural disasters was highlighted by a group of Members, as well as trade implications
- Dual-use services and classification
- As noted by the Chair (TN/S/42), Members that have different views about negotiations or liberalization in the sector voiced their opinions.

Thank you