Recent Discussions on Environmental Services in the CTS SS

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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

<table>
<thead>
<tr>
<th>GATS SPECIFIC COMMITMENTS – Number of schedules</th>
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<tr>
<td>6.A – Sewage services (CPC 9401)</td>
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<tr>
<td>6.B – Refuse disposal services (CPC 9402)</td>
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<td>6. C – Sanitation and similar services (CPC 9403)</td>
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<td>6.D – Other</td>
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<td>[- Cleaning of exhaust gases (CPC 9404); - Noise abatement services (CPC 9405); - Nature and landscape protection services&quot; (CPC 9406); - Other environmental protection services not elsewhere classified (CPC 9409)]</td>
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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.
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.
• 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