

TRADE AND ENVIRONMENTAL SUSTAINABILITY STRUCTURED DISCUSSION

AN OVERVIEW IN THREE PAGES

Launched in November 2020, the Trade and Environmental Sustainability Structured Discussions (TESSD) are intended to complement the existing work of the Committee on Trade and Environment and other relevant WTO committees and bodies, in order to advance discussions at the intersection of trade and environmental sustainability.

In the [TESSD Ministerial Statement](#) launched in December 2021, co-sponsors underscored the need for inclusive approaches reflecting the specific developmental needs of the WTO's diverse Membership, recognized that international trade and trade policy can and must support environmental and climate goals, and agreed to identify concrete actions that participating Members could take individually or collectively to expand opportunities for environmentally sustainable trade.

The Statement sets out future work for the initiative in areas such as trade and climate change, trade in environmental goods and services, circular economy, sustainable supply chains, and subsidies. In addition, co-sponsors also agreed to identify challenges and opportunities for sustainable trade for developing countries and LDCs, and encourage enhanced collaboration in strengthening capacity building and technical assistance, including through Aid for Trade.

In February 2022, co-sponsors agreed to the [TESSD Work Plan 2022](#) which provided for the creation of Informal Working Groups on (i) trade-related climate measures; (ii) environmental goods and services; (iii) circular economy - circularity; and (iv) subsidies. The objective of the working groups is to allow for more in-depth discussions in-between plenary TESSD meetings and make progress towards tangible outcomes. Across all groups, Members discuss challenges and opportunities for developing countries, and ways in which trade can be mutually supportive of sustainable development objectives.

Coordinated by Ambassador Nadia Theodore (Canada) and Ambassador Ronald Saborío (Costa Rica), TESSD is open to all WTO Members and has currently 74 Members as co-sponsors from all regions and at all levels of developments. Stakeholders from the private sector, civil society, international organizations and academia support discussions through technical expertise, experience, and transparency.

TESSD at a glance

Coordinators: Canada and Costa Rica

Co-sponsors: 74 Members, representing around 85% of world trade

Albania; Australia; Austria; Bahrain, Kingdom of; Belgium; Brazil; Bulgaria; Cabo Verde; Canada; Chad; Chile; China; Colombia; Costa Rica; Croatia; Cyprus; Czech Republic; Denmark; Ecuador; Estonia; European Union; Fiji; Finland; France; the Gambia; Germany; Greece; Honduras; Hong Kong, China; Hungary; Iceland; Ireland; Israel; Italy; Japan; Kazakhstan; Korea, Republic of; Latvia; Liechtenstein; Lithuania; Luxembourg; Macao, China; Maldives; Malta; Mexico; Moldova, Republic of; Montenegro; Netherlands; New Zealand; North Macedonia; Norway; Panama; Poland; Portugal; Romania; Russian Federation; Saudi Arabia, Kingdom of; Senegal; Singapore; Slovak Republic; Slovenia; Spain; Suriname; Sweden; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Tajikistan; Türkiye; Ukraine; United Arab Emirates; United Kingdom; United States; Uruguay; Vanuatu.

Meetings in 2022

Plenary meetings: 7 February, 31 March and 11 April, 19-20 July, and 11 November

Informal working groups: 19-20 July and 4-5 October

High-level stocktaking event: 2 December

Planned meetings in 2023

Plenary meetings: 11-12 July and 12 December

Informal working groups: 16-17 March, 9-10 May, 19-20 September, and 21-22 November

Key TESSD documents and resources:

Ministerial Statement, 14 December 2021 – [WT/MIN\(21\)/6/Rev.2](#)

Work Plan – [INF/TE/SSD/W/17/Rev.1](#)

Summary Report 2022 – [INF/TE/SSD/R/14](#)

Co-Convenors Statement – [INF/TE/SSD/W/21](#)

Tentative Meeting Dates for 2023 – [INF/TE/SSD/W/22/Rev.1](#)

TESSD website: https://www.wto.org/english/tratop_e/tesssd_e/tesssd_e.htm

I. Environmental Goods & Services

Overview Of Discussions in Working Group Meetings

17 May 2022:

- Discussion on priorities regarding environmental objectives, approach, and scope of discussions
- First targeted discussion on climate mitigation and renewable energy.

4 October 2022:

- Discussions under the objective of climate action, with a focus on non-tariff measures, and environmental services.

Guiding Questions in TESSD Work Plan

- How can trade in environmental goods and services aid in achieving environment and climate goals?
- What are the opportunities, best practices, and possible approaches for promoting and facilitating trade in environmental goods and services to meet environmental and climate goals, including through addressing supply chain, technical and regulatory elements, promoting and facilitating access to and uptake of new and emerging low-emissions and other climate friendly technologies, and attention to issues of particular interest to developing countries?
- What challenges and policies impede the ability of developing countries and LDCs to engage in and maximise benefits from trade in environmental goods and services and how can these be addressed?

Priorities for 2023

- Discussions will continue with an objective-based approach. The first environmental objective is climate change adaptation and mitigation, with the first sectoral focus on renewable energy.
- Examination of the sector-specific issues involved in the promotion and facilitation of trade in environmental goods and services, including supply chain, technical and regulatory elements, among others.

II. Trade-related Climate Measures

Overview of Discussions in Working Group Meetings

17 May 2022:

- Members discussed priorities for the working group, shared experiences on their TRCMs and considered challenges facing MSMEs and developing countries.

24 October 2022:

- Members discussed trade aspects of carbon pricing and carbon standards with presentations from international organizations.

Guiding Questions in TESSD Work Plan

- What trade-related climate measures and policies are Members pursuing and what are their trade implications?
- Can we identify best practices in the development of trade-related climate measures and policies to maximize climate and environmental benefits while also maximizing trade benefits?
- What are the challenges facing MSMEs globally and for developing countries, in regard to the design and use of trade-related climate measures and policies, and how can these be addressed?

Priorities for 2023:

- Review of carbon measurement standards and measures intended to lead to a reduction in carbon emissions at the sector level.
- Exchange of views on the development and implementation process of trade-related climate measures, including on the trade considerations involved in their design and possible ways to enhance transparency.

III. Circular Economy – Circularity

Overview of Discussions in Working Group Meetings

18 May 2022:

- Members heard business perspectives on the challenges and opportunities related to the circular economy as well as those to improve e-waste recycling.
- Members shared their national experiences on how a circular economy approach was supporting sustainable development and climate change goals.

4 October 2022:

- Members discussed trade-related policy issues related to waste, end-of-life, and reverse supply chains.

Guiding Questions in TESSD Work Plan

- What trade policies, tools and collaborative actions can support the transition to a circular economy that supports sustainable development goals?
- What trade policies, tools and collaborative actions could help developing and LDC Members ensure that circular economy approaches contribute to their sustainable development?
- What are the lessons learned from existing efforts to advance circular economy goals (including reducing unsustainable resource use, promoting resource efficiency, sustainability and safety across product lifecycles, restoring and regenerating ecosystems, and minimising waste) and the opportunities and challenges linked to trade and trade policies?

Priorities for 2023

- Mapping exercise to build a broader understanding of the trade aspects of the circular economy which are relevant to each part of the life cycle.
- Discussion of trade issues associated with specific sectors such as renewable energy and electronics along the full life cycle of products.

IV. Subsidies

Overview of Discussions in Working Group Meetings

18 May 2022:

- Presentations by international organisations providing an overview of existing information on fossil fuel subsidies and analytical findings regarding environmental sustainability impacts of agricultural subsidies. Members also shared their experiences on monitoring of subsidies.

5 October 2022:

- Discussions focused on transparency and methodologies to assess environmental impacts, with Members considering presentations on environment-related subsidy notifications in the WTO, on environmental impacts of industrial subsidies, and on sources of evidence for evaluating the environmental effects of fisheries subsidies.

Guiding Questions in TESSD Work Plan

- How can the environmental effects and trade impacts of relevant subsidies be identified?
- What information exists to better understand these impacts and where are there information gaps?
- What are the opportunities to address the environmental impacts of subsidies at the WTO?

Priorities for 2023

- Discussion of positive and negative environmental effects of subsidies, as well as related trade impacts. Focus areas include agricultural subsidies and subsidies related to the transition to a low-carbon economy.
- Experience sharing regarding subsidy design and discussion of possible ways to enhance transparency and data availability.