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**Committee on Trade and Environment  
Special Session**

**REPORT BY THE CHAIRPERSON OF THE SPECIAL SESSION OF  
THE COMMITTEE ON TRADE AND ENVIRONMENT  
TO THE TRADE NEGOTIATIONS COMMITTEE**

1. The tenth meeting of the Committee on Trade and Environment Special Session (CTESS) was held on 12-13 October 2004.

**I. STATUS OF WORK**

2. Under Paragraph 31(i), Members discussed the issue of national coordination in the negotiation and implementation of multilateral environmental agreements (MEAs), mainly in relation to submissions from the United States and Australia (TN/TE/W/40 and TN/TE/W/45). Addressed in the discussion were, amongst other issues, the mechanisms established by various WTO Members for coordination between different governmental bodies; the processes through which conflicting views were reconciled; the way in which stakeholders were consulted; and the development of MEA implementing legislation. The discussion allowed Members to benefit from each other's experiences.

3. In addition to coordination at the national level, some delegations argued that coordination at the international level between the WTO and MEAs would be just as important for the CTESS to explore. Furthermore, a call was made for principles of good governance to be extracted from the national experience sharing, so that the factors that have prevented WTO-MEA conflicts from arising thus far could be identified. One delegation argued that the concepts of mutual supportiveness, no-hierarchy, and deference should underpin the WTO-MEA relationship. However, several Members maintained that a discussion on governance principles could not precede the identification of the problem which needed to be solved.

4. Members recognized that many of the coordination issues raised under the Paragraph 31(i) mandate could also be relevant to the discussion under Paragraph 31(ii). The need to fully explore Paragraph 31(ii) was stressed, with reference being made to the list of ideas that had been presented by Ambassador Yolande Biké to the TNC in document TN/TE/7.

5. Under Paragraph 31(iii), a discussion was held on the preliminary list of environmental goods submitted by Chinese Taipei (TN/TE/W/44). The list contained a total of 78 products, selected on the basis of two main criteria: their contribution to pollution control and the concept of predominant environmental end use. Several Members called for an explanation to be provided of the environmental benefits of any products that were proposed under this mandate, and for information on the extent to which the Member proposing the products actually traded in them and the types of trade barriers it encountered.

6. Some Members called for the definition of environmental goods to be discussed in parallel to the submission of national lists. However, others expressed reluctance at pursuing this suggestion, since agreement on a definition might be difficult to attain. Finally, the United Nations Conference on Trade and Development (UNCTAD) and the Organisation for Economic Cooperation and

Development (OECD) presented their work on environmental goods and services, and the World Customs Organization (WCO) explained the way in which the Harmonized System operates. These presentations were considered useful for the work ahead.

## **II. FUTURE WORK**

7. Members are engaging substantively on the mandate before the Committee. I expect that groups of Members will begin working together to develop common positions. Under Paragraph 31(i), the CTESS has two different approaches before it: the "analytical, experience-based approach," and the "conceptual approach." With a view to moving the process of negotiations forward, but without discouraging the emergence of new ideas, I have urged Members supporting either of the two approaches to identify common ground and to also address the reactions to their proposals. I have also urged them to explore potential synergies between Paragraphs 31(i) and (ii) of the Doha Ministerial Declaration. On Paragraph 31(iii), I have encouraged Members to continue submitting their lists of environmental goods to the CTESS, while explaining the methodology they used in constructing them.

8. I look forward to a productive new year for the CTESS.

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