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Committee on Trade and Environment
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CTE Special Session Meeting of 19 April 2004

Paragraph 31 (iii)

1. We would like to take the opportunity to offer for circulation in the CTE Special Session a Report of the Expert Meeting on Definitions and Dimensions of Environmental Goods and Services in Trade and Development, organized by UNCTAD in July last year. (The Report is available on the following web site: http://www.unctad.org/en/docs/c1em21d3_en.pdf). The meeting was convened by UNCTAD's Commission on Trade in Goods and Services, and Commodities with a view to assisting our Members in their participation in the negotiations and discussions at the WTO as well as in addressing relevant issues at the national level. H.E. Mr. Dacio Castillo, Ambassador of Honduras to the WTO, chaired the meeting.
2. The meeting was held back-to-back with the previous session of the CTE. At that session, a considerable number of delegations expressed interest in the expert meeting and, more generally, in UNCTAD's work in this area.
3. With your indulgence, Mr. Chairman, I would like to say a few words about the meeting itself. More than 130 experts, including from trade and environment ministries, took part in three-day discussions. Most countries were represented by several experts. Some of the largest companies operating in the area of environmental services as well as intergovernmental organizations sent their experts, too.
4. The discussions focused on the following issues:
 - (a) Trends in the environmental industry in terms of market structure, supply and demand factors and trade flows;
 - (b) environmental goods, more specifically issues of definitions and criteria, statistical analysis of exports and imports of developing countries based on the OECD and APEC lists; environmental goods - including certain categories of environment-friendly products - of export interest to developing countries;
 - (c) the various categories of environmental services (infrastructure services, professional environmental services, services with an environmental component), which require different approaches in the negotiations as well as on the domestic front;
 - (d) technology-related issues, particularly entire plants and technology systems;

- (e) systemic issues requiring further analysis, such as: subsidies; government procurement; emergency safeguards; regional negotiations; linkages between the negotiations in NAMA and the CTS, and linkages with other negotiations;
- (f) ways to ensure that liberalization efforts at the WTO are commercially, financially and technically viable, have a clear developmental benefit and, in this context, the role of development assistance and capacity building; and
- (g) policy coordination at the national level, in particular concerning complementary policies.

5. The meeting benefitted from and contributed to capacity building activities and policy analysis conducted by UNCTAD. A seminar in New Delhi, held in May 2003, was instrumental in testing various approaches to constructing model lists of environmental goods for the purposes of negotiations under paragraph 31 (iii). Different categories of environmental services provided the focus for a whole series of studies and national and regional policy dialogues in several Central American and Caribbean countries, within the framework of the UK-funded Project on Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues. In a few days, a regional workshop on environmental goods and services and market access will take place in the Dominican Republic. On 17 June, during the 11th session of UNCTAD in Sao Paulo, UNCTAD, in cooperation with UNEP, the Economic Commission for Latin America and the Caribbean (ECLAC) and other organizations, will hold a Roundtable on Trade for Sustainable Development, which will, among other things, address issues relating to environmental goods and services. The first issue of UNCTAD's Trade and Environment Review, which is currently in print, contains two articles on environmental goods and services.

6. Mr. Chairman, we hope that the CTE Members will find the Report useful in their deliberations relating to paragraph 31 (iii) of the Doha Ministerial Declaration and would be prepared to provide additional information to the Committee and its Members upon request.
