



## **International Council of Chemical Associations**

### **ICCA Recommendations on World Trade Organization (WTO) Agenda to Support Sustainable Development**

The International Council of Chemical Associations (ICCA) has long supported the World Trade Organization (WTO) and its efforts to drive global economic growth, advance sustainable development, and grow international trade and investment. As a global industry, we help to develop innovations and technologies critical to combating climate change and improving environmental sustainability. As such, the ICCA is committed to supporting efforts at the WTO, both on WTO modernization, as outlined in our 2021 [proposal](#), as well as to advance a meaningful agenda to promote a substantial and sustainable global economic recovery, as outlined in this proposal.

#### **Issue 1: Trade and Environmental Sustainability**

The ICCA welcomes the recent efforts by the WTO and its member economies to promote trade that protects and preserves the environment, including through the Trade and Environmental Sustainability Structured Discussions (TESSD) and other negotiating frameworks. These discussions offer an opportunity to identify core value-added trade proposals that can enhance implementation of the chemical and plastic industry's commitment to environmental sustainability, such as through policies that facilitate circularity, reduce climate impacts, consider the benefits of biomaterials and biopolymers, and promote trade in environmental goods and services.

We believe that international trade and trade policy plays an important role in achieving climate and environmental goals and promoting sustainable production and consumption. In this role, the WTO can support constructive approaches without duplicating or undermining parallel efforts in other multilateral discussions.

We also believe there is already a strong baseline to promote meaningful WTO commitments and capacity building but to drive effective market access that delivers environmental and economic benefits. To make such discussions as productive as possible, the WTO should focus on efforts that will support the transformation towards a more sustainable and circular economy by ensuring access to environmental technologies, goods and services that will help the private sector, governments, and civil society to ensure more sustainable production, scale up waste management, accelerate circularity, and deliver more resource-efficient goods to consumers.

We hope that the WTO will take advantage of the following areas of opportunity, especially in the TESSD, and we would like to be an integral part of developing solutions.

- 1. Promoting Implementation of International Definitions and Existing Technology & Sustainability Standards**– The WTO can help promote coherent and common definitions from other Multilateral Environmental Agreements and discussions, of terms like “products”, “waste”, “feedstock” which would assist identification issues, simplify declaration processes, and help improve verification at borders. This would also help to improve the collection of data and promote common approaches, methodologies, and platforms for information sharing to ensure greater transparency and efficiency across global value chains.
- 2. Sharing Best Practices and Principles** – The WTO can promote principles and best practices that will help to harmonize pollution-preventing border measures and remove trade barriers for environmental goods and services. For example, WTO could work to advance a template to help promote the implementation of Basel PIC procedures that would ensure national efforts are consistent and appropriately harmonized in support of trade facilitation practices and commitments in the Trade Facilitation Agreement (TFA). Common principles could also help develop capacity building efforts that facilitate trade and align with national efforts to create locally appropriate practices and principles.
- 3. Supporting WCO efforts to Develop Common Classifications** – The WTO can support the World Customs Organization (WCO) in its development of a common approach to common Harmonized System (HS) classifications for end-of-life products, including waste, scrap, and secondary materials, which would help support the disposal or re-use of such products in environmentally-sustainable methods.
- 4. Strengthening Regulatory Cooperation** – The WTO can help to promote and encourage best practices or guidelines for regional cooperation on critical programs, such as EPR or others, in support of the efforts in UNEA to address a global plastics treaty. The WTO should focus on providing technical assistance particularly to enhance transparency for environmental goods and services trade and lead to more multilateral coordination of border measures.
- 5. Coordinating sustainability standards, labelling, and conformity assessment procedures** – The WTO can promote greater cooperation on existing sustainability standards, labeling, and conformity assessment procedures to help measure the trade impact of such procedures, avoid standard fragmentation, and facilitate quicker approval of new environmentally-sustainable substances.
- 6. Technical assistance and capacity building** – The WTO should promote greater technical assistance and capacity building in all these areas, especially for programs that promote circularity and that implement national conformity assessment programs.

In addition to these areas, the WTO has the capacity to build on existing initiatives to accelerate economic recovery using environmental goods, services, and technologies:

## **Issue 2: Promoting Deployment of Environmental Solutions**

Negotiations on an Environmental Goods Agreement (EGA) have previously been focused on tariff elimination on key products but have stalled over development of a product list. Unlike similar negotiations on a product list under the Information Technology Agreement (ITA), a list of “environmental goods” will be more difficult to adopt and maintain and is likely to omit products that may assist in achieving climate and environmental goals and promoting sustainable production and consumption.

To facilitate trade in goods that would actually improve environmental sustainability, we would recommend an innovative approach that would encourage greater deployment of existing supportive technologies. This approach would focus discussions on key environmental work streams that use such technologies (for example, in waste management) that could better identify areas to move discussions forward and highlight projects and efforts to promote economic and environmental sustainability. In particular, the WTO could focus on:

- 1. Harmonization of Standards and Definitions** – to better improve and encourage recycling value creation, product standards and efficient customs treatment, and promote new industry lines such as remanufactured products;
- 2. Regulatory Reform** that would encourage innovation and ensure that renewable and circular materials, such as materials that contain biobased, bio-attributed and recycled content (e.g., building materials) can quickly be approved and made commercially available; and
- 3. Removing Regulatory and Other Non-Tariff Barriers for Key Technologies and Products** that deliver dedicated environmental benefits (such as clean water technology).

In addition, we would encourage an enabling agenda for future discussions that:

- Identify and remove non-tariff barriers to the trade and deployment of environmental materials, inputs, and environmental technologies to achieve greater sustainability;
- Promotes the sustainable trade of materials, their inputs and technologies to help accelerate the attainment of the UN Sustainable Development Goal

(SDG) objectives, climate protection, circularity and other environmental and sustainability priorities;

- Helps promote and encourage the uptake of standards catering to national circumstance and capabilities, in areas such as product design, recycling and packaging, to facilitate efficient customs treatment and ease of doing business in environmental goods and services;
- Identifies public policies and governmental programs, such as intellectual property rights protection of and investment procedures, that spur innovation and investment in sustainability-related technologies and processes;
- Develops common principles for ensuring that national and regional approaches to sustainability (e.g., carbon border adjustments; extended producer responsibility; recycling and circularity) are consistent with the rules-based trade system;
- Encourages public-private sector dialogue to identify specific challenges and barriers to building sustainable products and processes; and
- Engages policymakers to remove regulatory and policy obstacles to the innovation and adoption of new environmental technologies, especially in developing countries or countries that have not yet adopted these technologies.

### **Issue 3: Trade Facilitation Agreement (TFA)**

As the WTO and its members continue to implement their TFA commitments and accelerate implementation of measures that would further facilitate trade as a result of the COVID-19 epidemic and port congestion issues, there are unique opportunities to study how value chains in certain products (e.g. waste electronics or plastics) would demonstrate concrete environmental and sustainable benefits and create new investment and economic value chains. It will be critical to engage with Customs Departments in member countries to develop clear data and consistent standards on such products to promote value-chain manufacturing.

### **Issue 4: Investment Facilitation Negotiations**

Led by China and Nigeria, the WTO is well advanced in its negotiations on investment facilitation. To date, such negotiations have focused broadly on investment policy, law and equal market access for foreign investors. As part of the negotiations, or as part of a larger dialogue, future negotiations could be positioned to support prioritization of sustainable investments, including prioritizing the environmental impact of procurement and incentivizing more resource-efficient investment projects.