



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN



**MEMORANDUM**

**FOR :** **The Directors**  
Biodiversity Management Bureau  
Ecosystems Research and Development Bureau  
Environmental Management Bureau  
Forest Management Bureau  
Mines and Geosciences Bureau  
Climate Change Service  
Legal Affairs Service

**FROM :** **The OIC Director**  
Policy and Planning Service

**SUBJECT :** **OUTCOMES OF THE 11TH ASEAN TRADE IN GOODS AGREEMENT (ATIGA) UPGRADE TRADE NEGOTIATING COMMITTEE (TNC) MEETING IN MALAYSIA**

**DATE :** 06 SEP 2024

In line with the outcomes of the negotiation for the Trade and Environment Chapter under the ASEAN Trade in Goods Agreement (ATIGA) Upgrade during the 11th ATIGA Trade Negotiating Committee (TNC) Meeting held in Kuala Lumpur, Malaysia on 26-29 August 2024, we are pleased to inform you that the Philippines' Lead Negotiator, Ms. Denise Cheska Enriquez from the Department of Trade and Industry (DTI), had tabled the DENR Position (*Annex A*) during the negotiation round.

In this regard, we would like to inform you of the following agreements/highlights of the negotiation of the Trade and Environment Chapter:

ARTICLE	AGREEMENTS/HIGHLIGHTS
<ul style="list-style-type: none"><li>• Article X.1 Objectives</li><li>• Article X.2 Basic</li><li>• Article X.3 General Commitment</li><li>• Article X.5 Co-operation</li><li>• Article X.6 Non-Application of Chapter 17</li></ul>	<ul style="list-style-type: none"><li>- Agreed/Cleaned sections:<ul style="list-style-type: none"><li>• Article X.1 Objectives (subparagraphs a and b);</li><li>• Article X.2 Basic Principles (Items 1-5)</li><li>• Article X.3 General Commitment (subparagraph a and d)</li><li>• Article X.5 Co-operation (Items 1-3)</li><li>• Article X.6 Non-Application of Chapter 17 (Consultations and Dispute Settlement)</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Article X.3 General Commitment (subparagraph b)</li></ul>	<ul style="list-style-type: none"><li>- The Philippines tabled a drafter's note: "<i>Where international standards exist, alignment and convergence should be geared towards these international standards, unless otherwise agreed by Member States.</i>"</li></ul>

MEMO NO. 2024 - 807

ARTICLE	AGREEMENTS/HIGHLIGHTS
Article X.3 General Commitment (subparagraph c)	<ul style="list-style-type: none"> <li>- The PH Lead Negotiator tabled the DENR proposal: <i>"Sharing knowledge, information, and expertise, and cooperating on technology development and transfer that lend support to understanding and addressing the challenges of transitioning to green economies."</i></li> <li>- Viet Nam, Indonesia, Thailand and Singapore can support the paragraph but to delete "transfer"</li> <li>- Myanmar and Cambodia, support PH proposal with the "transfer"</li> <li>- Malaysia and Brunei to consult domestically</li> <li>- <b>Philippines to consult domestically regarding the deletion of and the necessity to retain the word "transfer" because of other AMS' sensitivities to this term.</b></li> </ul>
Article X.3 General Commitment (subparagraph e and proposed subparagraph f)	<ul style="list-style-type: none"> <li>- The PH Lead Negotiator tabled the DENR position to accept subparagraph e, with the condition to include a new subparagraph f.</li> <li>- The new proposed subparagraph f based on DENR proposal: <i>"Modify collaborative work to avoid or diminish threats of serious or irreversible damage to the environment that is scientifically plausible but uncertain."</i></li> <li>- Brunei, Indonesia, Lao PDR, Malaysia, Myanmar, Singapore, Thailand, and Viet Nam to revert back</li> <li>- Cambodia supports the merging of subparagraphs e and f</li> <li>- <b>Philippines to propose a merged version of subparagraphs e and f with a more simple language or to reformulate an alternative</b></li> </ul>

In view of the **12th ATIGA Upgrade TNC Meeting to be held in Manila, Philippines on 14-18 October 2024**, we would like to request your comments/inputs regarding the following:

- Article X.3 General Commitment (subparagraph c) – Proposed deletion of the word "transfer" because of other Member States' sensitivities to this term; and
- Article X.3 General Commitment (subparagraph e and proposed subparagraph f) – Merging of subparagraphs e and f. Should you agree to this merging, please submit your proposed simplified version.

Attached as Annex B is the latest negotiating text of the ATIGA Trade and Environment Chapter, for your ready reference. We would appreciate receiving your feedback by **13 September 2024**.

For your information and consideration, please.

  
**CHERYL LOISE T. LEAL, EnP**

Cc: DENR Trade Focal Points

**11th ASEAN Trade in Goods Agreement (ATIGA) Upgrade Trade Negotiating Committee (TNC) Meeting in Kuala Lumpur, Malaysia**

**AFTER ACTIVITY REPORT**

<b>DATE AND TIME</b>	26-29 August 2024
<b>VENUE</b>	Streaming via MS Teams
<b>OBJECTIVE/S</b>	<p>The 11th ATIGA TNC will deliberate key outstanding policy issues in the ATIGA Upgrade Negotiations with the view to accelerating the negotiation progress towards the substantial conclusion of the majority of chapters in 2024 as targeted.</p> <p>The ASEAN Member States (AMS) were as follows:</p> <ol style="list-style-type: none"> <li>1. Brunei;</li> <li>2. Cambodia;</li> <li>3. Indonesia;</li> <li>4. Lao People's Democratic Republic (PDR);</li> <li>5. Malaysia;</li> <li>6. Myanmar;</li> <li>7. Philippines;</li> <li>8. Singapore;</li> <li>9. Thailand; and</li> <li>10. Vietnam.</li> </ol>

**HIGHLIGHTS OF DISCUSSIONS**

Ms. Denise Cheska Enriquez of the Department of Trade and Industry (DTI), served as the Lead Negotiator for the Philippines. The negotiation for the Trade and Environment Chapter under the ATIGA Upgrade was attended virtually by the following DENR Representatives:

Legal Affairs Service	Atty. Juris Ida T. Parojinog-Parel
Policy and Planning Service	Ms. Hazel Jasmine Chua

**Trade and Environment**

The Philippines' position was raised at the negotiating table. The following are the highlights/minutes of the discussion per Article.

<b>Article</b>	<b>Highlights/Minutes</b>
Article X.2 Basic Principles, Paragraph 2	<ul style="list-style-type: none"> <li>- AMS agreed to adopt the term "levels"</li> <li>- Paragraph cleaned/agreed</li> </ul>

Paragraph 3	<ul style="list-style-type: none"> <li>- Previous discussion includes the ASEC's proposed reformulated paragraph. The Philippines wants to include the "Rio Declaration" in the paragraph. Indonesia wanted a reference on the "UNFCCC".</li> <li>- Singapore referred to the ASEC proposed text. SG to send a proposed revision, which will include "the United Nations Framework Convention on Climate Change".</li> <li>- Thailand, Brunei, Cambodia, Lao PDR, and Malaysia to revert back</li> <li>- The Philippines can attribute to the first paragraph of ASEC's proposed reformulated paragraph. The Philippines remarked that there are different levels of obligation for the environmental agreements included in the paragraph.</li> <li>- SG remarked that the inclusion of "UNFCCC" in the paragraph would not mean taking new commitments. The Chair remarked that the paragraph tackled that this is re-affirming</li> <li>- PH can go along with the insertion of UNFCCC, and suggested to follow the format of Multilateral Environmental Agreements (MEAs)</li> <li>- Agreed</li> </ul>
Paragraph 5	<ul style="list-style-type: none"> <li>- On the proposal from the PH to insert "a means of arbitrary or unjustifiable discrimination of", the following AMS attributed: Singapore, Thailand, Malaysia, Indonesia, Cambodia, Brunei</li> <li>- The PH insisted that the proposed phrase is needed in order to agree with the whole paragraph. Ms. Cheska remarked that the insertion is in line with Principle 12 of the Rio Declaration.</li> </ul>
Paragraph 6	<ul style="list-style-type: none"> <li>- Indonesia is flexible to PH proposed insertion.</li> </ul>
Article X.3 General Commitment, Section 1, subparagraph (a)	<ul style="list-style-type: none"> <li>- The PH accepted "clean energy trade"</li> <li>- subparagraph (a) agreed/clean</li> </ul>
subparagraph (b)	<ul style="list-style-type: none"> <li>- PH can accept the second phrase. On the first part, based on standards, technical regulations and conformity assessment procedures (STRACAP), it is not the approach of ASEAN to align and converge standards, technical regulations, conformity assessments among each other. The harmonization of national standards with</li> </ul>

	<p>international standards is the usual practice. PH is unable to support the first phrase of the subparagraph.</p> <ul style="list-style-type: none"> <li>- Ms. Cheska remarked that the STRACAP chapter already has the provision to align international standards.</li> <li>- PH to consult domestically on the whole paragraph.</li> <li>- PH proposed a drafting note: "Where international standards exist, alignment and convergences should be geared towards these international standards, unless otherwise agreed by Member States."</li> </ul>
subparagraph (c)	<ul style="list-style-type: none"> <li>- The Chair explained that the Chapeau recognizes the importance, e.g. of technology. There is no commitment as this will just be recognized. It is up to the AMS if they would recognize the importance of technology or not.</li> <li>- Technology plays a crucial role in climate change and the environment.</li> <li>- The PH tables a revised text: "Sharing knowledge, information, and expertise, and cooperating on technology development and transfer that lend support to understanding and addressing the challenges of transitioning to green economies."</li> <li>- Myanmar, Cambodia, supports PH proposal with the "transfer"</li> <li>- Viet Nam, Indonesia, Thailand, Singapore can support the paragraph but to delete "transfer"</li> <li>- Malaysia, Brunei to consult domestically.</li> <li>- <b>Philippines to consult domestically regarding the deletion of and the necessity to retain the word "transfer" because of other AMS' sensitivities to this term.</b></li> </ul>
subparagraph (d)	<ul style="list-style-type: none"> <li>- The new simplified paragraph was adopted by the AMS to avoid inclusion of problematic terms. The new subparagraph reads: "(d) the role of non-government stakeholders and relevant organisations as integral partners in advancing trade and environment cooperation.."</li> </ul>
subparagraph (e)	<ul style="list-style-type: none"> <li>- PH can accept subparagraph e if the new proposed paragraph f can be accepted</li> </ul>

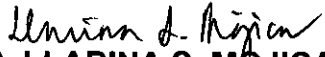
<p>subparagraph (f)</p>	<ul style="list-style-type: none"> <li>- New proposed subparagraph: "Modify collaborative work to avoid or diminish threats of serious or irreversible damage to the environment that is scientifically plausible but uncertain."</li> <li>- Brunei, Indonesia, Lao PDR, Malaysia, Myanmar, Singapore, Thailand, Viet Nam to revert back</li> <li>- Cambodia supports the merging of subparagraphs e and f</li> <li>- <b>PH to propose a merged subparagraphs e and f with a more simple language or reformulate alternative</b></li> </ul>
<p>Article X.4 Environmental Goods, Paragraph 1</p>	<ul style="list-style-type: none"> <li>- The PH's preference is to delete the whole article X.4. To reduce carbon emission, the idea of buying local because transport impacts carbon. PH to consult domestically after the whole article is completed.</li> <li>- SG suggested getting an agreed text from the ACFTA text. Thus, SG suggested a new insertion.</li> <li>- The Chair remarked that there is a stand-alone chapter on environmental goods in ASEAN-China FTA Upgrade. She asked on the reason why ASEAN is able to cooperate on Environmental Goods under the Green Economy Chapter under the ACAFTA and why not cooperate in ATIGA which is among AMS.</li> <li>- The SG will propose amendments (to review side by side the ACFTA text)</li> <li>- Ms. Cheska remarked that the level of cooperation between ACFTA and ATIGA is different.</li> <li>- Side by side review comparison of the texts will be held in Manila at the next round.</li> </ul>
<p>Article X.5 Cooperation, Paragraph 2</p>	<ul style="list-style-type: none"> <li>- On the insertion of "(d) Biodiversity", Indonesia remarked that biodiversity is included in the Green Economy, so they cannot attribute in this round. Singapore is flexible in the proposed insertion. The PH remarked that the SDG covers green economy, circular economy, and asked if Indonesia has sensitivity in including Biodiversity. All AMS is signatory of the CITES. PH is requesting more cooperation in this area. Indonesia then remarked that they are flexible in this. The inclusion of Biodiversity is agreed.</li> <li>- PH proposed to revise item c to "Clean Energy", to be consistent. AMS agreed</li> </ul>

	<ul style="list-style-type: none"> <li>- PH and SG agreed to delete the footnote for circular economy</li> </ul>				
Paragraph 3	<ul style="list-style-type: none"> <li>- PH proposed a revised Chapeau: "Member States shall, to the extent possible, undertake cooperative activities including but not limited to:"</li> <li>- Malaysia, Cambodia, Indonesia, Lao PDR, Myanmar, Singapore, Thailand, Viet Nam, and Brunei are flexible to PH's proposal.</li> <li>- Subparagraphs (a) and (b) are agreed</li> <li>- The PH suggested to make broad on who will be part of the cooperation.</li> <li>- Subparagraph c is deleted because there is no list of environmental goods</li> </ul>				
<p>The Chair suggested for AMS not to use technical languages from MEAs to the ATIGA because of differing contexts.</p>					
<b>WAYS FORWARD</b>	<table border="1"> <thead> <tr> <th>Meeting</th> <th>Date and Venue</th> </tr> </thead> <tbody> <tr> <td>12<sup>th</sup> ATIGA Upgrade TNC Meeting</td> <td>14-18 October 2024 in Manila, Philippines</td> </tr> </tbody> </table>	Meeting	Date and Venue	12 <sup>th</sup> ATIGA Upgrade TNC Meeting	14-18 October 2024 in Manila, Philippines
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12 <sup>th</sup> ATIGA Upgrade TNC Meeting	14-18 October 2024 in Manila, Philippines				
<b>ATTACHMENTS</b>	<ul style="list-style-type: none"> <li>• Latest Negotiating Text</li> </ul>				

**PREPARED BY:**

  
**FOR. HAZEL JASMINE D. CHUA**  
 Economist II  
 Policy Studies Division

**APPROVED BY:**

  
**FOR. LLARINA S. MOJICA**  
 Chief  
 Policy Studies Division



## MEMORANDUM

FOR : **The Directors**  
Biodiversity Management Bureau  
Ecosystems Research and Development Bureau  
Environmental Management Bureau  
Forest Management Bureau  
Mines and Geosciences Bureau  
Climate Change Service  
Legal Affairs Service

FROM : **The OIC Director**  
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For your information and consideration, please.

  
**CHERYL LOISE T. LEAL, EnP**  
95

Cc: DENR Trade Focal Points

A



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN



AUG 27 2024

**MS. MARIE SHERLYN D. AQUIA**  
Director  
Bureau of International Trade Relations  
Department of Trade and Industry  
4th Floor, DTI International Building  
375 Sen. Gil J. Puyat Avenue, Makati City

Dear **Director Aquia**:

In view of the preparation for the 11<sup>th</sup> ASEAN Trade in Goods Agreement (ATIGA) Upgrade Trade Negotiating Committee (TNC) Meeting which will be held in Kuala Lumpur, Malaysia on 26-29 August 2024, we are pleased to submit the DENR position on the pending articles under the ATIGA Upgrade, particularly on the Chapters on Transparency and Trade and Environment.

In this regard, attached is a matrix on the insights/comments of the Department on certain articles which were discussed during the Inter-Agency Meeting on 16 August 2024.

Thank you.

Very truly yours,

  
**ATTY. JONAS R. LEONES**  
Undersecretary for Policy, Planning, and  
International Affairs *d*

DENR Position on the pending articles under ATIGA Upgrade

ARTICLE/ SECTION/ PARAGRAPH	AGREEMENTS/ HIGHLIGHTS	DENR POSITION/INSIGHTS
<b>Chapter on Transparency</b>		
<b>Article xx.3: Publication Paragraph 4</b>	Agencies were asked to review the following text in the Transparency Chapter that indicates the publication of a proposed policy/regulation	<p>The publishing of proposed policies or regulations of DENR Offices will depend on the purpose of the policy. Proposed policies are deliberated in accordance with the DENR Administrative Order No. 2021-15 or the Enhanced DENR Policy Development System (PDS). Please be informed that public consultations are being conducted consistent with the National Policy on Regulatory Management System (NPRMS) of the ARTA.</p> <p>Moreover, it is suggested to clarify which national agency/office will consolidate comments of the public, and how the agencies can get the feedback. Also, it should be clear at what state the Philippines will publish to solicit comments, considering the possible sensitivities of a proposed policy.</p>
<b>Chapter on Trade and Environment</b>		
<b>Article X.2 Basic Principles Paragraph 3</b>	Pending for AMS' feedback on the proposed reformulated paragraph by the ASEAN Secretariat (ASEC). The DENR was asked if the ASEC reformulation is acceptable.	The DENR can accept the ASEC's proposal.
<b>Article X.2 Basic Principles Paragraph 5</b>	The Philippines proposed an insertion: " <i>a means of arbitrary or unjustifiable discrimination or</i> "	The DENR can support the proposed insertion as this is consistent with the WTO GATT Article XX on General Exceptions, particularly to the protection of the environment <sup>1</sup> .

<sup>1</sup> WTO rules and environmental policies: GATT exceptions. Retrieved from [https://www.wto.org/english/tratop\\_e/envir\\_e/envt\\_rules\\_exceptions\\_e.htm](https://www.wto.org/english/tratop_e/envir_e/envt_rules_exceptions_e.htm)

ARTICLE/ SECTION/ PARAGRAPH	AGREEMENTS/ HIGHLIGHTS	DENR POSITION/INSIGHTS
<p><b>Article X.2 Basic Principles</b> Paragraph 6</p>	<p>DENR was asked to explain the difference between the Rio Declaration and UNFCCC or what provisions in the Rio Declaration that show differentiated responsibilities and respective capabilities. The DENR was requested to prepare a statement for the lead negotiator.</p>	<p>We would like to highlight that there might be a false choice between the Rio Declaration and the UNFCCC. The Rio Declaration is non-binding. There is a different level of obligation in terms of implementing the Rio Declaration and the UNFCCC, hence the country may be bounded in the said declaration unnecessarily.</p> <p>Hence, the DENR proposes the following :</p> <p><i>"Member States acknowledge the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances in addressing climate change, in accordance with the RIO Declaration and other Multilateral Environmental Agreements or MEAs."</i></p>
<p><b>Article X.3 General Commitment</b> Subparagraph a</p>	<p>DOE to revert back on the term "clean energy trade" in subparagraph (a)</p>	<p>The DENR defers to DOE's comment.</p>
<p><b>Article X.3 General Commitment</b> Subparagraph c</p>	<p>There was sensitivity in including "technology" by AMS</p>	<p>There is a need to clarify the scope and coverage of the technology as terminology, and clarify the position of the AMS that has sensitivity on including the term.</p> <p>Technology could be products and services, information, and process. In order to avoid confusion, the Philippines could introduce the term technology development and transfer<sup>2</sup> which promotes the improvement of resilience to climate change and reducing GHG emissions.</p> <p>It is suggested to revise the phrase to:</p>

<sup>2</sup> What is technology development and transfer? Retrieved from <https://unfccc.int/topics/what-is-technology-development-and-transfer>

ARTICLE/ SECTION/ PARAGRAPH	AGREEMENTS/ HIGHLIGHTS	DENR POSITION/INSIGHTS
		<p><i>"...sharing knowledge, information and expertise, and cooperation on technology development and transfer that lend support to understanding and addressing the challenges of transitioning to green economies..."</i></p>
<p><b>Article X.3 General Commitment</b> Subparagraph d</p>	<p>DENR to further consult the use of "civil society organisations"</p>	<p>It is suggested to use the findings of the ASEC from other ASEAN literatures or agreements. Moreover, it is suggested to omit the acronyms "NGO/CSO".</p>
<p><b>Article X.5. Cooperation</b> Paragraph 2</p>	<p>The DENR raised that "energy" includes non-environmentally responsible means of producing energy. DOE to review if the term "clean energy" may be used instead of "energy".</p>	<p>The Department defers to the suggested term or comment of the DOE.</p>
<p><b>Article X.5. Cooperation</b> Paragraph 3 (c)</p>	<p>PH proposed to delete this item because the article on Environmental Goods is proposed to be deleted also</p>	<p>The Department supports the proposed deletion of this paragraph.</p>



B

[Draft Text post-6<sup>th</sup> ATIGA Upgrade TNC (3-6 October 2023)]

**CHAPTER XX  
TRADE AND ENVIRONMENT**

**6<sup>th</sup> TNC**

BN MM agrees in-principle and will revert on the draft text by 31 Oct 2023  
KH LA MY PH VN will revert on the draft text by 31 Oct 2023  
ID will submit the proposed Article on Scope and Objectives within this meeting  
ASEC to draft an Article on non-application of DS to this Chapter

**7<sup>th</sup> TNC**

SG TH VN BN KH ID LA MY MM PH to revert at 8<sup>th</sup> TNC

**8<sup>th</sup> TNC**

KH, LA, PH to revert on the Chapter at the next meeting

**9<sup>th</sup> TNC**

AMS agreed to Article X.1 (Objectives)

**Article X.1**

**Objectives**

**The objectives of this Chapter are to**

- (a) promote mutually supportive trade and environmental policies and practices, promote high levels of environmental protection and effective enforcement of environmental laws and enhance the capacities of the Member States to address trade-related environmental issues, including through cooperation, in the furtherance of sustainable development**
- (b) enhance cooperation to protect and conserve the environment and the sustainable use and management of their natural resources, taking account Member States' respective national priorities and circumstances which can contribute to sustainable development, strengthen environmental governance, and support implementation of international environmental agreements to which a Member State is a party to**

**Article X.2**

**Basic Principles**

**11<sup>th</sup> TNC  
AGREED**

**1. Member States recognise Trade and Environment as a new area for economic cooperation under this Agreement. Member States recognise the importance of cooperation as a mechanism to strengthen the Parties' joint and individual efforts and capacities to protect the environment as they strengthen their trade and investment relations.**



~~Member States share a common aspiration to promote high levels of environmental protection commensurate with the Member States' respective needs, capabilities and national circumstances and according to respective Member States laws and regulations, and to promote these in the context of sustainable development.~~

~~Drafter's note on Para 3: to include the date of UNFCCC~~

3. ~~Member States reaffirm their commitments to multilateral environmental agreements to which they are individually a Party, including the Rio Declaration on Environment and Development adopted by the UN General Assembly Resolution 47/190 on 22 December 1992, the 2030 Agenda for Sustainable Development adopted by the UN General Assembly Resolution 70/1 on 25 September 2015 and its Sustainable Development Goals and the United Nations Framework Convention on Climate Change.~~

~~Member States recognise that sustainable development encompasses economic development, social development and environmental protection, all three being interdependent and mutually reinforcing, and affirm their desire to promote the development of international trade and investment in a way that contributes to the objectives of sustainable development.~~

~~Member States respect the sovereign right of each Member State to develop, set, administer and enforce its environmental laws and policies. Member States further recognise that it is inappropriate to use environmental laws or other measures, including those adopted unilaterally, in a manner that would constitute a means or arbitrary or unjustifiable discrimination or a disguised restriction on trade or investment between the Member States. Member States also recognise that weakening or reducing levels of protection in environmental standards to encourage trade or investment is inappropriate.~~

8<sup>th</sup> TNC

BN, KH, LA and PH to revert on the Article at the next meeting  
MY to revert on sub-para d at the next meeting  
MM to revert on a, d, e at the next meeting  
AMS to revert on VN's proposal of "social organizations" in sub-para d

9<sup>th</sup> TNC

BN to revert on para (a)  
KH ID MY to revert on VN's insertion on para (d)  
MM to revert on para (d)  
PH to revert on (b) – (a) and term "clean energy Trade" in para (a)

### Article X.3 General Commitment

10<sup>th</sup> TNC

LA to revert on subpara b at the next meeting  
PH will revert and may propose a new subpara at the next meeting

11<sup>th</sup> TNC

LA to revert on Subpara b by 5 September

Pursuant to Article X.1 (Objectives) Member States recognise the importance of

(a) ~~cooperating on issues with a nexus between trade and environment, including on the green economy, so as to facilitate the creation of tangible benefits in the economy and workforce, including in clean energy trade, carbon markets, carbon capture, utilisation and storage, and the circular economy~~

(b) <sup>ID MY MM SG TH VN KH BN PH</sup> fostering better alignment and convergence of standards, technical regulations and conformity assessment procedures ~~between countries~~, and <sup>ID MY MM SG TH VN KH BN PH</sup> strengthen the integration of markets and reduce potential barriers to trade and investment];

Drafter's note: Where international standards exist, alignment and convergence should be geared towards these international standards, unless otherwise agreed by Member States.

9<sup>th</sup> TNC, 10<sup>th</sup> TNC  
VN to revert on the understanding of "technology" proposed under para (c)

11<sup>th</sup> TNC  
MY BN LA to revert on PH Alt at the next meeting  
KH is flex on whether to delete "and transfer"  
PH to revert on the necessity of retaining "and transfer"

(c) <sup>ID MY MM SG TH VN BN KH LA PH</sup> sharing knowledge, information <sup>VN KH ID LA MY MM TH</sup>, technology and expertise that lend support to understanding and addressing the challenges of transitioning to green economies;

**PH ALT**

PH TH MM ID KH VN: Sharing knowledge, information, and expertise, and cooperating on technology development [TH SG ID KH VN to delete: and transfer] that lend support to understanding and addressing the challenges of transitioning to green economies.

9<sup>th</sup> TNC  
VN to consult on the term "non-government organisations" in KH's alt text  
TH SG MM KH ID to revert on KH's alt text

10<sup>th</sup> TNC  
MY can accept the original subpara (d)  
TH is flexible on "civil society" or "social organisations". TH to revert on KH's alt text.  
The word "civil society organisations" is found in i) Annex 2 of ASEAN Charter; ii) Para 7 of Section II (Characteristics And Elements) In ASCC Blueprint 2025; iii) APSC Blueprint; iv) AEC Blueprint  
VN to revert on "civil society" and KH's alt text at the next meeting.  
AMS to revert on ASEC's proposed insertion in KH's alt text.

11<sup>th</sup> TNC  
AGREED Para 60

the role of non-government stakeholders and relevant organisations as integral partners in advancing trade and environment cooperation; and

Para e, 10th TNC  
PH to revert at the next meeting

11th TNC  
PH will further revise her proposal to merge (e) and (f) by 30 September.  
AMS to revert after PH's revision

(e) ID MY SG TH VN BN KH LA MM ensuring that collaborative work does not knowingly cause harm to the [TH BN KH ID LA MY MM SG VN human health and] natural environment.

(d)(f) Modify collaborative work to avoid or diminish threats of serious or irreversible damage to the environment that is scientifically plausible but uncertain.

8<sup>th</sup> TNC  
BN, KH, LA, TH, MY, MM, PH and VN to revert on the Article at the next meeting  
SG to revert on all sub-paragraphs 4 at the next meeting  
ASEC to provide written explanation on ID and LA's queries on the reason to propose the list of environmental goods.  
TASKED ASEAN Secretariat to prepare a paper on the rationale, implications and intended purpose of the list of environmental goods.

9<sup>th</sup> TNC  
BN KH LA MY MM VN to revert on Article 4  
TH to revert on para 2 – 4.

10<sup>th</sup> TNC  
PH MM MY LA KH cannot support Article 4.  
TH is flexible to remove or retain Article 4. TH will further consult on the proposal to remove Article 4  
ASEC to reformulate Article 4 taking into account some AMS' concerns on the list of environmental goods.

11<sup>th</sup> TNC  
ASEC's paper to reformulate Article 4.

#### Article X.4 Environmental Goods

Para 1

9<sup>th</sup> TNC  
MM sought clarification on the inclusion of "investment" under para 1

11<sup>th</sup> TNC  
MY to revert at the next meeting  
SG proposed some agreed text from ACFTA 3.0 in para 1

1. SG ID TH KHLAMMVN Pursuant to Article X.1 (Objectives), <sup>SG</sup> Member States recognise that trade is central to a green economy and that environmental goods are important in supporting the transition to sustainable economic growth and development of green industries, sectors, and markets. Accordingly, Member States shall strive to facilitate and promote trade in environmental goods.

Para 2

9<sup>th</sup> TNC



ATIGATNC09

Commented [FAK1]: doc08c Paper on En



ATIGATNC09  
doc08c ANNEX 1 - LI



ATIGATNC11

Commented [FAK2]: doc09b Revised Arti

Commented [TFD3]: To make it more straightforward.

ID to revert on para 2

1-2. <sup>SG</sup> [The ATIGA Joint Committee] shall consider issues identified by a Member State or Member States related to trade in environmental goods ~~listed in ANNEX 1~~, including issues identified as potential non-tariff barriers to that trade, with a view to expeditiously resolve them. The Member States shall endeavour to address any potential barriers to trade in these environmental goods that may be identified by a Member State, including by working through [the ATIGA Joint Committee] and in conjunction with other relevant committees established under this Agreement, as appropriate.

Commented [FAK4]: ASEC proposes to delete this reference to the List of EGs.

3. <sup>SG</sup> <sup>ID</sup> The Member States shall cooperate in international fora on ways to further facilitate and liberalise global trade in environmental goods, and <sup>ASEC</sup> will explore potential collaboration in areas such as identifying environmental goods, trade facilitation, including the use of digital technologies, standards, technical regulations, and conformity assessment procedures for environmentally-friendly products; and promoting the use of more efficient, cleaner, or renewable energy sources for the production of remanufactured goods.

Commented [FAK5]: Proposed additional language based on Green Economy Chapter under ACFTA 3.0 upgrade negotiation.

2-4. Member States may develop cooperative projects on environmental goods to address current and future global trade-related environmental challenges. <sup>SG</sup> ~~The Member States shall endeavour to continue updating the list of environmental goods in ANNEX 1, that contribute to the attainment of~~ with the following objectives:

Commented [FAK6]: ASEC proposes to delete this reference to the list of EGs, but keep the objectives to highlight the importance of the development of cooperative projects on environmental goods.

- (a) reduction, mitigation and remediation of the pollution of the air, [<sup>ID</sup>waterways] and the land;
- (b) protection [<sup>TH</sup>: and conservation] of natural resources and biodiversity;
- (c) mitigate greenhouse gas emissions such as through a transition to the use of renewable and sustainable energy [<sup>ID</sup> resources] and technologies;
- (d) efficient and sustainable [<sup>TH</sup>: consumption use] and production, reuse or recycling of resources [<sup>ID</sup> through a circular economy approach];
- (e) reduce in the negative effects on human health, [<sup>ID</sup> social] and the environment;
- (f) adapt and strengthen resilience against climate change; and
- (g) effectively identify, measure, account [<sup>ID</sup> and monitor and evaluate] the environment in support of its protection and remediation.

Commented [TFD7]: Proposed addition as goods that aid in this objective are just as important in our fight against climate change.

**Article X.4**  
**Co-operation**

MEETING  
AGREED

1. Member States may, subject to the availability of funds and human and other resources, and to their applicable laws and regulations, engage in economic cooperation activities consistent with Article X.2 (Basic Principles) in the area of trade and environment

2. Cooperation may be undertaken through ways and means considered appropriate by the <relevant Sectoral Body> and may cover topics related to

- (a) Green Economy
- (b) Circular economy
- (c) Clean energy
- (d) Biodiversity
- (e) Issues under the Sustainable Development Goals, and
- (f) Any other areas as mutually agreed by the Parties

3. Member States shall, to the extent possible, undertake cooperative activities including but not limited to

- (a) explore information exchanges, capacity building and dialogues on technical regulations, collaborations on standards development and adoption of internationally recognised standards, mutual recognition of conformity assessment procedures in relation to the green economy, and
- (b) promote and facilitate green economy trade and investment cooperation to expand opportunities for business and industry

#### Article X.6

#### Non-Application of Chapter 17 (Consultations and Dispute Settlement)

#### Drafting Note (10" TNC)

This Chapter will not be subject to any form of dispute settlement. WGLI to ensure consistency of this Article with the dispute settlement mechanism (EDSM) and any decision on the ADR

The <EDSM Protocol> shall not apply to any matter arising under this Chapter

**REFORMULATE ARTICLE 4 (ENVIRONMENTAL GOODS)**  
*(11<sup>th</sup> ATIGA Upgrade TNC, Malaysia)*

**1. Background**

TASKED ASEC to reformulate Article 4 (Environmental Goods) taking into account some AMS' preference for cooperation-based text without reference to a list of environmental goods.

Two (2) paragraphs under Article 4 refer to a list of environmental goods:

2. <sup>56</sup> [The ATIGA Joint Committee] shall consider issues identified by a Member State or Member States related to trade in environmental goods listed in ANNEX 1, including issues identified as potential non-tariff barriers to that trade, with a view to expeditiously resolve them. The Member States shall endeavour to address any potential barriers to trade in these environmental goods that may be identified by a Member State, including by working through [the ATIGA Joint Committee] and in conjunction with other relevant committees established under this Agreement, as appropriate.

4. <sup>56</sup> The Member States shall endeavour to continue updating the list of environmental goods in ANNEX 1 that contribute to the attainment of the following objectives:

- (a) reduction, mitigation and remediation of the pollution of the air, [<sup>D</sup>waterways] and the land;
- (b) protection [<sup>M</sup>: and conservation] of natural resources and biodiversity;
- (c) mitigate greenhouse gas emissions such as through a transition to the use of renewable and sustainable energy [<sup>D</sup> resources] and technologies;
- (d) efficient and sustainable [<sup>M</sup>: consumption use] and production, reuse or recycling of resources [<sup>D</sup> through a circular economy approach];
- (e) reduce in the negative effects on human health, [<sup>D</sup> social] and the environment;
- (f) adapt and strengthen resilience against climate change; and
- (g) effectively identify, measure, account [<sup>D</sup> and monitor and evaluate] the environment in support of its protection and remediation.

**2. Proposal**

Noting some AMS' preference for cooperation-based text without reference to a list of environmental goods, ASEC proposed the below draft text:

**Remove the list of environmental goods in paragraph 2 as below:**

2. <sup>SG</sup> [The ATIGA Joint Committee] shall consider issues identified by a Member State or Member States related to trade in environmental goods ~~listed in ANNEX 1~~ including issues identified as potential non-tariff barriers to that trade, with a view to expeditiously resolve them. The Member States shall endeavour to address any potential barriers to trade in these environmental goods that may be identified by a Member State, including by working through [the ATIGA Joint Committee] and in conjunction with other relevant committees established under this Agreement, as appropriate.

**Commented [TFD1]:** ASEC proposes to delete this reference to the List of Egs.

**Revise paragraphs 3 and 4 and remove the list of environmental goods in paragraph 4 as below:**

3. <sup>SG ID</sup> The Member States shall cooperate ~~in international fora~~ on ways to further facilitate and liberalise global trade in environmental goods and will explore potential collaboration in areas such as identifying environmental goods, trade facilitation, including the use of digital technologies, standards, technical regulations, and conformity assessment procedures for environmentally-friendly products; and promoting the use of more efficient, cleaner, or renewable energy sources for the production of remanufactured goods.

**Commented [FAK2]:** Proposed additional language based on Green Economy Chapter under ACFTA 3.0 upgrade negotiation

4. Member States may develop cooperative projects on environmental goods to address current and future global trade-related environmental challenges. ~~4. <sup>SG</sup> The Member States shall endeavour to undertake the following cooperative activities: continue updating the list of environmental goods in ANNEX 1, that contribute to the attainment of~~ [with the following objectives:

**Commented [TFD3]:** ASEC proposes to delete this reference to the list of EGs, but keep the objectives to highlight the importance of the development of cooperative projects on environmental goods.

- (a) reduction, mitigation and remediation of the pollution of the air, [<sup>ID</sup> waterways] and the land;
- (b) protection [<sup>TH</sup>: and conservation] of natural resources and biodiversity;
- (c) mitigate greenhouse gas emissions such as through a transition to the use of renewable and sustainable energy [<sup>ID</sup> resources] and technologies;
- (d) efficient and sustainable [<sup>TH</sup>: consumption use] and production, reuse or recycling of resources [<sup>ID</sup> through a circular economy approach];
- (e) reduce the negative effects on human health, [<sup>ID</sup> social] and the environment;
- (f) adapt and strengthen resilience against climate change; and
- (g) effectively identify, measure, account [<sup>ID</sup> and monitor and evaluate] the environment in support of its protection and remediation.

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