



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



MEMORANDUM

TO : The Directors
Climate Change Service
Biodiversity Management Bureau
Environmental Management Bureau
Forest Management Bureau

FROM : The Director
Policy and Planning Service

SUBJECT : TECHNICAL WORKING GROUP (TWG) ON TRADE AND ENVIRONMENT UNDER TECHNICAL COMMITTEE ON WTO RELATED MATTERS (TCWM) TO BE HELD ON 28 OCTOBER 2024 FROM 2:30 PM VIA ZOOM

DATE : 21 OCT 2024

This refers to the invitation dated October 15, 2024 from the Department of Trade and Industry (DTI), regarding the conduct of the 1st **Technical Working Group (TWG) on Trade and Environment** under the Technical Committee on WTO related matters (TCWM) to be held on **28 October 2024, 2:30 PM onwards via Zoom.**

The TWG aims to monitor and discuss the emerging trade and sustainability issues and initiatives at the WTO, including as to how they relate to similar discussions in the other fora. The TWG will come up with coherent Philippine negotiating positions on relevant issues taking into consideration the country's national laws/regulations/policies vis-à-vis its environmental as of 28 September 2023 sustainability and climate change priorities.

It may recall in a letter dated 17 August 2023, the Department expressed its concurrence on membership of the Department as **Vice Chair** for the said TWG on Trade and Environment, with representation from the PPS, FMB, BMB, CCS and EMB. Please see the attached **Annex A** for the Terms of Reference on the said TWG.

In this regard, we would like to invite you or your designated senior trade focal to attend the said meeting. To join the meeting, please register through this link: <https://tinyurl.com/ykb3wktb>, **on or before 25 October 2024**. Upon registration, the Zoom meeting details will be automatically sent to the registered email address. Enclosed as **Annex B** is a copy of the provisional meeting agenda for your reference.

For your information and consideration, please.


CHERYL LOISE T. LEAL, *EnP.*

cc : The Assistant Secretary for Policy, Planning, International Affairs and Climate Change.

MEMO NO. 2024 - 927

as of 15 October 2024

Meeting of the Technical Working Group (TWG) on Trade and Environment
TCWM Subcommittee on WTO Rules and Other Disciplines
28 October 2024; 2:30 pm PHST (via Zoom)

PROVISIONAL AGENDA

I.	Call to Order and Adoption of the Agenda
II.	Updates on the WTO Meetings in Geneva <ul style="list-style-type: none">• Geneva WTO to provide updates on the Outcomes of the Meetings of the WTO:<ul style="list-style-type: none">○ Committee on Trade and Environment (CTE)○ CTE Thematic Sessions○ Coalition of Trade Ministers on Climate○ Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP)• Geneva WTO to present on the request for PH to co-sponsor the following initiatives:<ul style="list-style-type: none">○ Trade and Environmental Sustainability Structured Discussions (TESSD)○ Fossil Fuel Subsidy Reform (FFSR)• TWG to provide comments/recommendations/position on the proposal for the Philippines to co-sponsor TESSD and FFSR initiatives
III.	EU Climate Competitiveness Project <ul style="list-style-type: none">• DTI-BITR and Geneva WTO-PM to provide updates on the Climate Competitiveness Project<ul style="list-style-type: none">○ Results Area 1:<ul style="list-style-type: none">▪ Trade and Climate Dialogue (30 July 2024)▪ Discussion Paper titled “Climate Change and Trade in the Philippines”○ Results Area 2: Capacity building activities<ul style="list-style-type: none">▪ Online Session on EU Deforestation Regulation (02 October 2024)▪ Online Session on Trade and Renewable Energy (03 October 2024)▪ Planned capacity building activities at the sidelines of the Philippine Exporters Week
IV.	Updates on Nationally Determined Contribution (NDC) 3.0 <ul style="list-style-type: none">• Climate Change Commission to provide updates on the work of the NDC Technical Working Group
V.	Forum on Trade, Environment and Sustainable Development Goals (TESS) Project on “Development of National Strategies at the Nexus of Trade, Climate Change and Sustainable Development” <ul style="list-style-type: none">• TESS to provide a briefing on its project
VI.	Other Matters

- Monitor developments on global and regional trends, and emerging issues concerning trade and environment in other fora (i.e., APEC, IPEF, ASEAN, Coalition of Trade Ministers on Climate, etc.).

Business Arrangements and Proceedings

Effectivity

The establishment of the TWG shall take into effect following the agreement at the TCWM and the adoption of its Terms of Reference (TOR). The TOR may be reviewed and revised, as necessary.

Meetings and Venue

Meetings will be convened on an as needed basis, subject to any referrals or recommendations provided by the TWG or the TCWM Secretariat. The meeting may be conducted in-person or virtual, as directed by the Chairperson.

Quorum

Majority or seven (7) out of 12 of the members constitute a quorum. A quorum has to be declared before any official meeting can begin. Quorum has to be met for any decisions to be carried out recommended to the TCWM

Terms of Reference

Technical Working Group on Trade and Environment TRM-Technical Committee on WTO Matters Sub-Committee on Other Rules and Disciplines

Background

As the challenge of environmental degradation and climate change become more urgent and prominent, countries around the world are adopting policies and strategies to combat these issues and their impacts. Environmental topics relate to transcendental and inter-generational issues of great importance to the Philippines, which is among the most vulnerable to the global effects of climate change and environmental degradation.

Trade and environment issues are heavily discussed at the bilateral, regional and multilateral fora. A dedicated committee was established under the World Trade Organization (WTO) to facilitate dialogue between governments on the impact of trade policies on the environment, and of environment policies on trade. In the Doha Round, the WTO Members received a mandate to negotiate certain aspects of the link between trade and the environment, particularly the relationship between the WTO's agreements and those of other agencies, and market access for environmental goods and services. On another note, plurilateral discussions were launched in 2014 for an Environmental Goods Agreement (EGA) which seeks to reduce the costs and accelerate the adoption of green technologies through the reduction of tariffs on a wide range of imported products that can assist governments, companies and individuals to protect the environment. The development stemmed from the landmark agreement of the Asia Pacific Economic Cooperation (APEC) where member economies agreed to reduce the applied tariffs on 54 environmental goods to five per cent or less by the end of 2015. However, it is worth noting that negotiations on the EGA have been stalled since its last negotiating round in December 2016 due to significant differences in the participating members' views.

At present, environment and sustainability objectives are mostly being pursued through targeted initiatives. Currently, there are three (3) initiatives on trade and sustainability at the WTO, namely: (1) Trade and Environmental Sustainability Structured Discussions (TESSD); (2) Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP); and (3) Fossil Fuel Subsidy Reform (FFSR). Of these initiatives, the Philippines has conveyed support and participated in the DPP discussions since 2021. Concurrently, the country is co-facilitating the workstream on "Promoting Trade to Tackle Plastic Pollution". Additionally, the Philippines officially joined the Coalition of Trade Ministers on Climate in January 2023. The Coalition is a high-level political dialogue aimed at ensuring that trade and trade policies contribute to the response to the climate crisis and sustainable development.

With the renewed attention on trade-related environmental issues and the country's commitment to deliver on key climate actions, there is a need to actively assess, discuss and identify policy priorities at the intersection of trade and environment. The proposed Technical Working Group (TWG) under the TRM-Technical Committee on WTO Matters (TRM-TCWM) - Subcommittee on Other Rules and Disciplines aims to institutionalize the technical deliberations in light of the rapidly developing issues on trade and sustainability.

Objectives

The TWG aims to monitor and discuss the emerging trade and sustainability issues and initiatives at the WTO, including as to how they relate to similar discussions in the other fora. The TWG will come up with coherent Philippine negotiating positions on relevant issues taking into consideration the country's national laws/regulations/policies vis-à-vis its environmental

sustainability and climate change priorities. Any decisions, discussions and recommendations which may arise in the TWG meetings will be reported to the TCWM for endorsement and consideration; and subsequently to the Committee on Tariff and Related Matters (CTRM) and NEDA Board, as appropriate.

Membership

The TWG is composed of 12 government agencies, as follows:

1. Department of Trade and Industry – Chair
 - Bureau of International Trade Relations – TWG Secretariat
 - Bureau of Philippine Standards
 - Consumer Protection and Advocacy Bureau
 - Board of Investments
2. Department of Environment and Natural Resources – Vice Chair
 - Policy and Planning Services
 - Environment Management Bureau
 - Biodiversity Management Bureau
 - Forest Management Bureau
 - Climate Change Service
3. Bangko Sentral ng Pilipinas
4. Department of Agriculture
 - Policy Research Service
 - Bureau of Fisheries and Aquatic Resources
5. Department of Energy
6. Department of Finance
7. Department of Foreign Affairs
8. Department of Science and Technology
 - National Committee on Biosafety of the Philippines
9. Department of Transportation
10. National Economic and Development Authority
 - Agriculture, Natural Resources, and Environment Staff
 - Trade, Services, and Industry Staff
11. Climate Change Commission
12. Tariff Commission

Other agencies/offices may be invited as resource persons, as necessary.

Each member agency shall designate one (1) primary (Director-level) and at least two (2) alternate representatives. Members and/or representatives must have a significant understanding of the Philippines' trade and sustainability agenda, including national policies/regulations and programs, and international trade policy to support the roles and responsibilities of the TWG.

Functions and Responsibilities

The functions and responsibilities of the TWG include but are not limited to the following:

- Provide comments, inputs and recommendations on trade and environmental issues and topics to the Technical Committee on WTO Matters and other relevant bodies for their consideration in developing the country's negotiating position;
- Participate in trade and environment-related discussions and negotiations at the domestic and international levels;
- Convene meetings and consultations with relevant stakeholders, as necessary, to inform and guide the crafting of positions; and

- Monitor developments on global and regional trends, and emerging issues concerning trade and environment in other fora (i.e., APEC, IPEF, ASEAN, Coalition of Trade Ministers on Climate, etc.).

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