



TRADE AND ENVIRONMENTAL SUSTAINABILITY STRUCTURED DISCUSSIONS (TESSD)

STATEMENT BY THE TESSD CO-CONVENORS

Addendum

This addendum includes the outcome document of the TESSD Informal Working Group on Trade-related Climate Measures (TrCMs), accompanying the Statement by the TESSD Co-convenors circulated in document [WT/MIN\(24\)/11](#).

INFORMAL WORKING GROUP ON TRADE-RELATED CLIMATE MEASURES

Member Practices in the Development of TrCMs

1. This document provides a compilation of Member practices in the development of trade-related climate measures (TrCMs), based on elements of regulatory processes shared by Members at the TESSD meetings on 16 March, 11 May, 20 September, and 20 November 2023. This document does not constitute an endorsement of any particular Member practice contained in this compilation. Rather, the aim of the document is to provide information and possible inspiration for the WTO membership and does not affect the regulatory rules and practices of each Member.

1 PRACTICES IN THE DEVELOPMENT OF TRCAMS

Transparency and consultations:

2. Members shared the following practices related to transparency and consultations that could be considered prior to, and during, the regulatory development process:

- providing notice of proposed rules, where feasible;
- providing opportunities for public participation and comment in the rule-making process;
- involving internal stakeholders from relevant ministries, departments and agencies;
- establishing a dedicated inter-agency/ministry process on intended measures and policy options;
- involving external stakeholders, including private sector, civil society, academia, and third country governments;
- establishing an expert group with internal and external stakeholders to provide technical expertise and advice during regulatory process, including possibility to have third countries as observers, where appropriate;
- identifying ways for targeted consultations of MSMEs where possible, as they might have limited resources to participate in public consultations;
- the possibility of consultation mechanisms at regional and local levels to ensure inclusiveness regarding civil society participation;

- publication of draft measures and regular reports on proposed measures to the parliament and the public;
- online portals or registries that provide public access to regulatory documents and information;
- public access to legislative debates; and
- use of non-technical language in communications with wider public and stakeholders.

Impact assessments:

3. Members shared the following elements related to regulatory impact assessments that could be considered as part of the regulatory process:

- nature and significance of the problem;
- assessment of existing policy options, and the impacts of those options in order to put forward the most viable ones;
- assessment of the potential environmental, economic, and social impacts of proposed regulations;
- feasibility of proposed measures;
- costs and benefits of the proposed measures, including qualitative assessments, as well as risks and potential unintended consequences;
- impact of the proposed regulation on small businesses; and
- impact of the proposed regulation on third countries, where appropriate.

Review following implementation:

4. Members shared the following practices related to the evaluation and implementation of measures that could be considered as part of the implementation process:

- assessment of the effectiveness based on reports and feedback by government and stakeholders; and
- monitoring of compliance, e.g. through audits, inspections, and verification activities.

Considerations for TrCM policymaking:

5. Members shared the following practices that could be considered as part of the design and implementation of TrCMs:

- basing measures, to the extent possible, on best available evidence, science, and information;
 - considering regulatory approaches followed by other governments to address the same problem, where relevant;
 - designing with a view to facilitating implementation and reducing unnecessarily burdensome, duplicative, or divergent regulatory requirements;
 - ensuring consistency with multilateral rules and principles, including under the WTO, the UNFCCC, and the Paris Agreement;
 - ensuring that measures are not more trade restrictive than necessary;
 - aiming to minimize costs on industry and trading partners;
 - compatibility with or based on relevant international standards, where available;
 - supplementing measures with tools, such as guidelines or platforms with best practices;
 - supporting sustainable development efforts;
 - providing sufficient time to adapt to and comply with new requirements, where appropriate;
 - providing technical assistance and capacity building related to the implementation of TrCMs to address the specific needs of developing countries and MSMEs, where appropriate;
 - cooperating and engaging with international partners, including relevant international organizations, as necessary; and
 - conducting multilateral discussions within the WTO framework.
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