



WORLD TRADE
ORGANIZATION

Trade and Environmental Sustainability Structured Discussions MC14 Package



What is TESSD?

The Trade and Environmental Sustainability Structured Discussions (TESSD) is an initiative open to all World Trade Organization (WTO) members and invited stakeholders, designed to complement and advance WTO discussions on trade and environmental sustainability. It serves as an incubator and platform for testing new ideas, as well as a forum to examine how trade and trade policy can support environmental objectives. In doing so, TESSD seeks to identify practical actions that participating members may pursue individually or collectively to expand opportunities for environmentally sustainable trade.

This booklet is intended to summarize the principal findings of the TESSD technical work. As Co-Convenors of TESSD, Canada and Costa Rica have sought to provide an accessible reference for policymakers and stakeholders. Canada and Costa Rica, acting in our national capacities and as TESSD Co-Convenors, have developed this booklet under our own responsibility and it does not reflect the views of all WTO members that co-sponsor the TESSD initiative, nor does it constitute negotiated outcomes or recommendations of WTO members.

The MC14 TESSD package

The outcome achieved by TESSD and presented at the 14th Ministerial Conference (MC14) of the WTO in March 2026 reflects five years of substantive technical work and practical cooperation on how trade and trade policies can support climate action and sustainability goals. It includes five technical documents:



TESSD: Insights and outcomes from five years of work – a Co-Convenors' report

A five-year compilation of members' experiences and technical work, serving as a useful reference for policymakers and stakeholders.



Trade-related climate measures

A mapping of members' policies, highlighting different approaches and where enhanced practical cooperation could help.



Environmental goods and services

An analytical summary of goods and services that support environmental and sustainable development goals, the barriers they face, and ways to facilitate their trade and dissemination.



Circular economy – circularity

An examination of how trade policy can help keep materials in use across borders and lifecycles, sustainably and safely.



Subsidies

An exploration of members' experiences and considerations of subsidy design for the low-carbon transition.

79

co-sponsors

>85%

of global trade

22

sectors explored

Insights and outcomes from five years of work

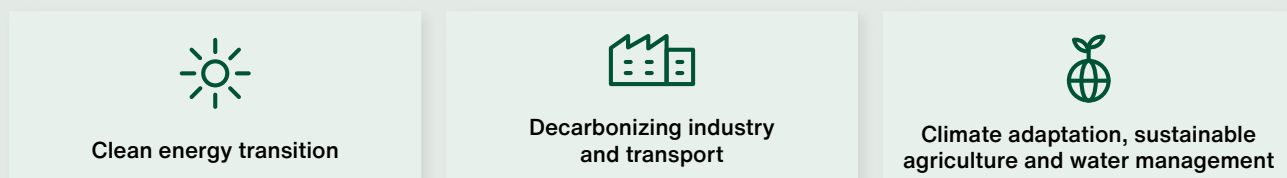
[WT/MIN\(26\)/22/Add.1](#)

The Co-Convenors' report summarizes the evolution of TESSD and its key achievements and insights. This includes work on how trade can accelerate the clean energy transition, help decarbonize industry and transport, and support climate adaptation. It also identifies cross-cutting lessons drawn from members' discussions.

Timeline



Key areas where trade can support environmental and climate goals



Cross-cutting insights

	Knowledge sharing Structured discussions and stakeholder engagement support informed policymaking, build trust and identify opportunities for cooperation.
	Coherence and mutual supportiveness Trade, climate, industrial, agricultural and circular economy policies are more effective when they are coherent, interoperable and mutually supportive.
	Transparency Availability of reliable data on measures, products, emissions and circular flows strengthens the evidence base, promotes mutual understanding and supports peer learning.
	Inclusive transition Capacity building and value-chain integration can help developing economies participate in and benefit from the low-carbon transition.

Mapping the trade-climate policy landscape

[WT/MIN\(26\)/22/Add.2](#)

Trade-related climate measures (TrCMs) have become increasingly important as members seek to pursue their climate objectives. Members have shared their policy experiences, creating a useful reference for identifying different approaches, shared challenges, and where practical cooperation and greater interoperability can be mutually beneficial.

Sectors covered



Iron and steel



Fertilizer



Aluminium



Hydrogen



Construction and cement

Policy areas identified



Carbon pricing and emissions trading systems

Market-based instruments that set a price on greenhouse gas emissions (GHG).



Border carbon adjustments

Generally, these measures seek to apply a carbon price per ton of CO₂ emissions embedded in imported goods, reflecting similar costs applied to domestic goods.



Taxes and incentives

Price-signalling instruments through which governments aim to promote the development and deployment of climate-friendly goods and technologies.



Regulatory measures

Rules used to pursue climate objectives, for instance by setting requirements for emissions accounting, energy consumption, or energy efficiency.



Voluntary and cooperative actions

Voluntary efforts by multiple stakeholders (public and non-public) to work towards specific climate goals.



Trade preferences and sustainability instruments

Trade instruments used to facilitate market access for specific climate-friendly and environmental goods or goods that meet certain sustainability criteria.

Areas for enhancing cooperation



Information sharing

Increased dialogue on TrCMs at the WTO and beyond.



Standards and interoperability

Advancing coherence and interoperability on carbon measurement to reduce trade barriers.



Certification and conformity assessment

Convergence and mutual recognition of conformity assessment procedures to incentivize sustainable production methods.



Capacity building

Enhancing technical assistance to address challenges faced by developing members.

Unlocking trade in environmental goods and services

[WT/MIN\(26\)/22/Add.3](#)

Trade in environmental goods and services (EGS) can support members in achieving their environmental and development goals. Members have mapped these goods and services, ranging from solar panels to irrigation drippers, identified the barriers and bottlenecks affecting their trade and dissemination, and explored how easing that flow could turn EGS into a driver of growth and sustainability.

Sectors covered



Renewable energy



Water management



Sustainable agriculture

From the discussions



Approaches for identifying EGS

What makes a good or service environmentally beneficial? While there is no single definition of EGS, members discussed this question, considering elements such as the environmental objective, end-use, lifecycle impact and value-chain mapping.



Barriers and bottlenecks

EGS still face trade barriers that limit their diffusion. These include tariffs on renewable energy goods and inputs, divergent certification requirements, and burdensome customs procedures that raise costs and slow trade. Other challenges such as limited finance, as well as weak transport and grid infrastructure, limit their deployment further.



Developing economy perspectives

Trade in EGS can bring significant benefits to developing members. It can help expand access to affordable climate technologies and open opportunities in sustainable value chains. Despite challenges such as limited finance and weak infrastructure, developing members can leverage their environmental comparative advantages to support their low-carbon transition and diversify their economies.



Opportunities to facilitate trade in EGS

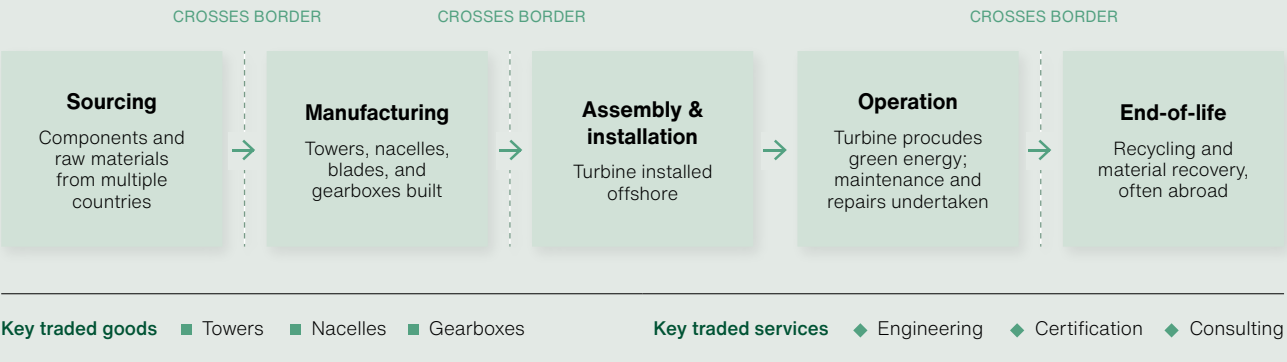
TESSD underscored ways to promote trade in EGS to support climate action. Greater transparency and knowledge sharing can lower trading costs, while technical assistance, capacity building and technology transfer can accelerate global uptake. Improved market access could turn EGS trade into a driver of growth and climate action.

Illustrative EGS lists

Through a value-chain approach, members produced illustrative, non-exhaustive lists of EGS for 11 different sectors and explored how these could be used to guide discussions and action.



Indicative Example of the Offshore Wind Turbine Value Chain



Keeping materials in sustainable use for longer, across borders and lifecycles

[WT/MIN\(26\)/22/Add.4](#)

The transition to a more circular economy can be supported by more transparent material flows and increased trade cooperation. Trade and trade policy can enable resource efficiency by connecting markets, sustainably extending the lifespan of products and materials, and reducing the demand for new resources, while preventing illegal shipments and environmentally unsound waste management.

Priority sectors



Textiles



Renewable energy



Batteries



Electronics

How trade and trade policy can help

Transparency

Better tracing of materials and products through Harmonized System (HS) codes, labels and digital passports that distinguish reuse from waste can ensure quality and safe recycling practices.

Waste management

Sound disposal practices and frameworks are essential to prevent harmful waste flows. Better tracking can protect human and environmental welfare.

Standards and regulations

Shared recognition on reusability, repairability, durability, recyclability and quality of secondary materials can lower compliance costs and open sustainable trade opportunities.

Capacity building

Sharing best practices and technical assistance can help developing members to build stronger circularity systems and integrate into circular value chains.

Trade facilitation

Simplifying customs procedures for circular goods can lower costs and promote economies of scale for circular business models.

Technology development and cooperation

Promoting cooperation on recycling, sorting, material recovery and product design innovation can scale member capability faster and secure access to critical secondary materials.

Sample highlights by sector



Textiles

Adopting eco-design and producer responsibility rules so products are made to last, be repaired, reused and recycled cuts waste and creates more competitive recovery and resale markets.



Renewable energy

Integrating circularity principles in renewable energy deployment can prevent future waste problems and provide opportunities to recover critical minerals at scale.



Batteries

Strengthening extended producer responsibility with coherent labelling can boost collection, treatment, recycling and material recovery while reducing environmental harm.



Electronics

Repairability, collection and recovery can keep high-value materials in circulation and reduce dependence on imported virgin inputs (i.e. brand-new raw materials).

Subsidy design considerations and experiences in support of the low-carbon transition

[WT/MIN\(26\)/22/Add.5](#)

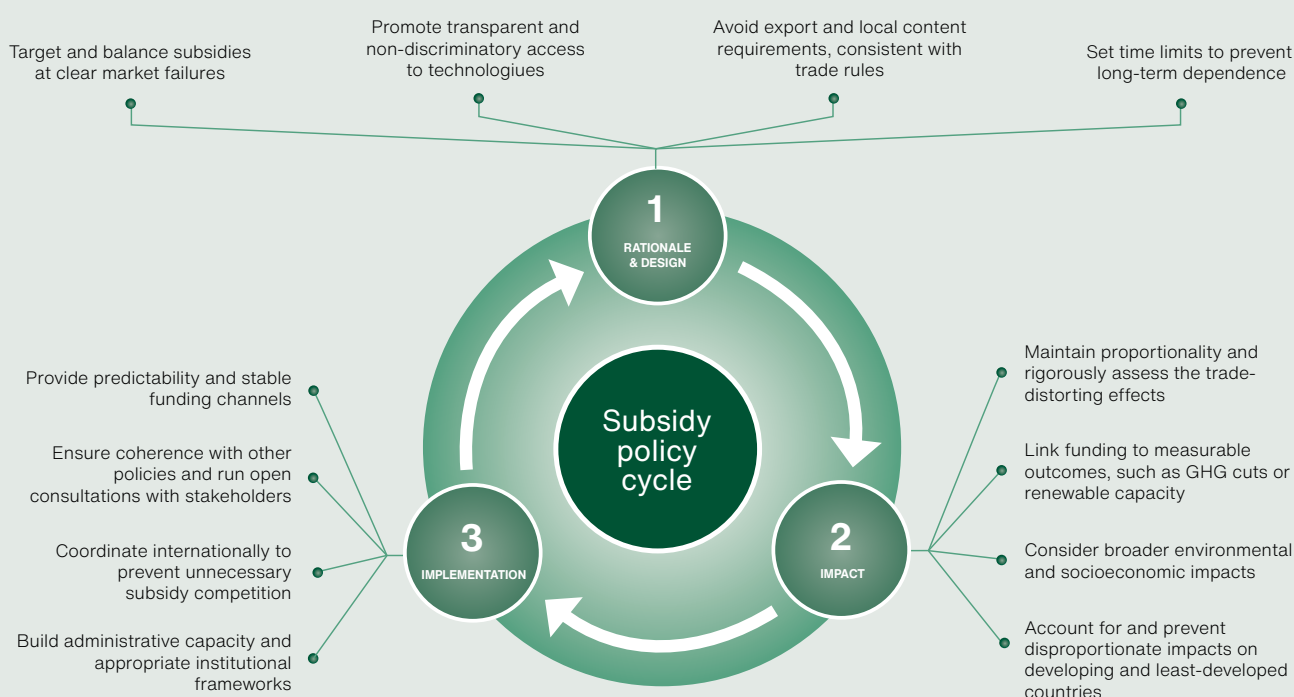
Members exchanged experiences and illustrative elements that are taken into consideration by some members in the design of subsidies related to the transition to a low-carbon economy, across the full life of the policy, from design through to review.

Sectors in focus



The subsidy policy cycle

Subsidy design moves through a cycle. At each step, the Co-Convenors' report provides non-exhaustible examples and points to non-binding design elements considered by some members to keep support effective, fair, and developed to minimize unnecessary trade frictions.



Common themes across four working groups

Across four working groups, members' discussions often converged on a set of shared considerations. These recurring themes cut across sectors and point to where cooperation can continue to deliver shared benefits.



Transparency

Fostering information sharing and introducing shared tools to track emissions, products and materials can build trust between partners and strengthen data collection, supporting better-informed policymaking, circularity of products, and delivering clear environmental benefits.



Capacity building

Climate change and the transition to a low-carbon global economy can disproportionately affect developing economies. Strengthening technical assistance and capacity building for developing members generates mutual benefits from sustainable trade and new low-carbon value chain opportunities.



Standards and interoperability

Members emphasized that greater interoperability of standards and certification systems are useful tools to reduce compliance costs and avoid duplicative requirements. This could bring substantial benefits to small and medium-sized enterprises.



Stakeholder engagement

Engagement from academia, international organizations, the private sector, and civil society is key to ensuring technical accuracy and constructive dialogue. This input supports informed policymaking, helps identify gaps in members' policy toolkits and highlights opportunities for further action.



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