



EU promotes World Trade Organization initiatives on Trade and Environment

Brussels, 15 December 2021

The European Union has today committed to increase the role of trade in the fight against climate change and protecting the environment. It has signed up to three new initiatives to step up joint action in the World Trade Organization, sending a strong political signal on pursuing a strong environmental agenda for trade.

The EU and a significant number of WTO countries will now work jointly on facilitating trade in green goods and services, promoting sustainable supply chains and the circular economy. They will also cooperate on battling plastic pollution and to enhance transparency of fossil fuel subsidies.

Executive Vice-President and Commissioner for Trade, Valdis **Dombrovskis**, said: *"The European Union is proud to co-sponsor these initiatives at the WTO. We believe trade policy has a role to play in tackling climate change and environmental degradation, which is why our new EU trade strategy is our greenest ever. WTO must also play its part, and we are now taking important steps in this regard. Countries from around the globe, including developed and developing WTO Members, are joining forces to send this strong political signal - and I trust that more will join in the future. Climate and environment issues must be tackled in a holistic way, not in silos: this is why the EU recently initiated the idea of a Trade Ministers Climate Coalition. This could make a big difference in building political momentum, helping to support the work we launch today."*

Climate action and sustainability are a central part of the new EU trade strategy. Many other countries around the world are now also bringing forward strong policy initiatives aimed at greening trade. Multilateral cooperation has a big part to play to provide a global response, so does the multilateral trading system. The EU has been leading efforts to promote the protection of the environment and climate in the WTO. These initiatives are an important milestone to pave the way for future action in such an important area. They are open for other WTO members willing to join any time.

More information about the WTO initiatives

The first of these three progressive initiatives is the **trade and environmental sustainability initiative**, an initiative under which 71 endorsing WTO member agree to discuss trade related climate measures and policies that can best contribute to climate and environmental goals. In this context they will explore approaches for facilitating trade in environmental goods and services. They will look at how to compile best practices to achieve a circular economy, promote sustainable supply chains, and encourage the global uptake of environmental goods and services. The initiative will also identify challenges and opportunities for sustainable trade for developing countries.

Under the second **initiative on fossil fuel subsidy reform**, 45 WTO Members will elaborate options to advance transparency of fossil fuel subsidies in the WTO and facilitate the reform of fossil fuel subsidies. In addition, they will encourage the remaining WTO Members to join those efforts, while accommodating the specific needs of developing countries.

Lastly, a group of 67 WTO Members agreed on a **plastics pollution and sustainable plastics trade initiative**. They will launch work on the understanding of global trade in plastics, including flows of plastics embedded in internationally traded goods. Members will share best practices to support developing and least developed countries in the fight against plastic pollution. With this work, they will support other international efforts in this area.

EU trade policy promoting climate action and environment protection

The EU has been an active supporter of a stronger WTO engagement on climate issues - this is amongst our key priorities under the [EU's new trade strategy](#) published in February 2021. These WTO initiatives are part of the EU's overall approach to promote climate action and environment protection globally, including:

- EU work in the multilateral fora, such as the ongoing WTO negotiations on disciplining fisheries

subsidies to protect oceans and global fish stocks;

- EU efforts to make G20 countries commit to climate neutrality before conclusion of trade and investment agreements;
- EU trade agreements, which have ambitious trade and sustainable development provisions, including a commitment to the Paris Agreement on Climate Change;
- EU trade preferences to developing countries, which are also linked to climate and environment protection commitments;

EU legislation also has a potential to move the needle in third countries:

- The Carbon Border Adjustment Mechanism will put a price tag on products with a higher carbon footprint. This is expected to trigger a move toward more climate friendly production methods in countries that export to the EU.
- The recently proposed EU Regulation on deforestation and forest degradation will not allow goods linked to deforestation to be sold in the EU or exported from the Union. This is expected to nudge the EU and third country producers toward production methods that are not linked to deforestation.

For More Information

[Statement on trade and environmental sustainability](#)

[Statement on fossil fuel subsidy reform](#)

[Statement on plastics pollution and sustainable plastics trade](#)

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