

European Commission  
Directorate-General for Trade  
Brussels, 22 June 2016  
TRADE 55/2016

Note for the Attention of the Trade Policy Committee

**Subject: TTIP: Draft proposal for provisions on climate aspects of the Trade and sustainable development Chapter**

Origin: European Commission, DG Trade, Unit E.1 and D.1

(...)

Objective: For comments

Remarks: Member States will find enclosed for comment a draft proposal for provisions on climate aspects of the TTIP Trade and sustainable Development Chapter, to be submitted to the US in advance of the next negotiation round taking place in the week of 11-15 July.

The draft proposal may still be amended before being submitted to the US and it is without prejudice to the right of the EU to modify and complement it at a later stage.

A detailed discussion of the proposal will take place in a technical meeting on 28<sup>th</sup> June. Delegations are invited to send any written comments and observations by 29<sup>th</sup> June 2016, close of business.

### *Trade favouring low-emission and climate resilient development*

1. The Parties acknowledge that the urgent threat of climate change requires collective action for low emission and climate-resilient development.
2. The Parties recognise the importance of international rules and agreements in the area of climate change, in particular the 1992 United Nations Framework Convention on Climate Change and the 2015 Paris Agreement. The Parties underline their commitment to contributing to the achievement of the objectives and goals set out in these agreements.
3. The parties recognise the positive contribution of trade to the transition to a low-carbon economy and to climate-resilient development.
4. To this end, the Parties shall :
  - a) facilitate and promote trade and investment in environmental goods and services, such as sustainable renewable energy goods and related services, and energy efficient goods and related services, including through addressing non-tariff barriers related to such goods and services, the adoption of policy frameworks conducive to the deployment of best available technologies and the promotion of initiatives that respond to environmental and economic needs and minimise technical obstacles to trade;
  - b) effectively implement the WTO Environmental Goods Agreement (EGA) and in this context cooperate to reduce or, as appropriate, eliminate non-tariff barriers related to environmental goods and services;
  - c) cooperate as appropriate in relevant international for a, such as the UNFCCC, Paris Agreement, and the Montreal Protocol on Substances that Deplete the Ozone Layer;
  - d) cooperate, exchange information and share experience, i.a. on:
    - trade-related aspects of climate action, and means to promote mitigation and adaptation including through low-emission, energy-efficient and climate-resilient policies,
    - the development of cost effective, low-emission technologies and alternative, clean and renewable energy sources; sustainable transport and sustainable urban infrastructure development; addressing deforestation and forest degradation; emissions monitoring; market and non-market mechanisms.
5. Both parties will actively promote the development of a sustainable and safe low-carbon economy, such as investment in renewable energies and energy efficient solutions. When developing public support systems, the Parties will take proper account of the need to reduce greenhouse gas emissions and to limit distortions of trade as much as possible. The parties share the goal of progressively phasing out inefficient fossil fuel subsidies that encourage wasteful consumption. Such a phasing out may take into account security of supply considerations and be accompanied by measures to alleviate the social consequences associated with the phasing out.

## *Protection of the Ozone Layer and Measures related to Hydrofluorocarbons*

1. The parties recognise that emissions of certain substances can significantly deplete and otherwise modify the ozone layer in a manner that is likely to result in adverse effects on human health and the environment. The Parties also recognise that hydrofluorocarbons (HFCs) are replacements for the ozone-depleting substances (ODS) and potent greenhouse gases whose emissions are likely to result in adverse effects on environment and climate.
2. Accordingly, each Party shall take measures to control the production and consumption of, and trade in, of substances within the scope of the Montreal Protocol on Substances that Deplete the Ozone Layer, including any future amendments [...reto], as applicable to it.
3. The Parties shall cooperate to address matters of mutual interest related to substances within the scope of the Montreal Protocol on Substances that Deplete the Ozone Layer, including on :
  - environmentally and climate friendly alternatives to ODS and HFCs;
  - refrigerant management practices, policies and programmes;
  - combating illegal trade in ODS and HFCs.