

Joint Ministerial Statement on Conclusion of Negotiations for the Agreement on Climate Change, Trade and Sustainability

We, the Ministers for Trade from Costa Rica, Iceland, New Zealand and Switzerland, are pleased to announce conclusion of negotiations for the *Agreement on Climate Change, Trade and Sustainability* (ACCTS).

We recall earlier Ministerial statements from Geneva ([15 June 2022](#)), Paris ([6 October 2021](#)), and Davos ([24 January 2020](#)) as well as the [Joint Leaders' Statement](#) launching the ACCTS initiative in September 2019 in New York, and those issued by Climate Ministers in Spain ([10 December 2019](#)), Glasgow ([12 November 2021](#)) and Sharm-el-Sheikh ([17 November 2022](#)), as well as guidance from the most recent Ministerial meeting during the OECD Ministerial Conference in Paris earlier this year in support of the negotiations.

Responding to this guidance, ACCTS partners have worked through fifteen rounds of mostly virtual negotiations to develop an innovative and groundbreaking trade agreement focused on the climate change, trade and sustainability agendas, and which is consistent with their obligations under the WTO.

The ACCTS will deliver new, high quality, trade commitments that meaningfully contribute to addressing climate change as well as loss of biodiversity, pollution, and other serious environmental challenges. In delivering the ACCTS, we continue to recognise the challenges faced by developing countries and their vulnerability to the impacts of climate change.

In light of the aforementioned matters, we are pleased to announce the following trade actions in the ACCTS:

- ***Environmental Goods:*** The ACCTS includes the most ambitious and environmentally-credible list of environmental goods to date, with a definition and criteria to guide ongoing updates. Tariffs will be eliminated on over 300 environmental goods on entry into force of the Agreement, including solar panels, wind and hydraulic turbines, electric vehicles, wool fibre, recycled paper, electric static converters, and wood products offering a more environmental alternative to carbon-intensive construction materials. The Agreement also includes commitments on conservation and sustainable management of ecosystems relevant for the production of environmental goods. Tariff elimination will make such products cheaper to buy, thereby incentivising use and investment in related technologies.
- ***Environmental Services:*** The ambitious and environmentally-credible list of more than 100 environmental and environmentally-related services subsectors established by the ACCTS were selected according to their substantial contribution to addressing pressing environmental purposes. Our schedules of commitments will facilitate trade in environmental and environmentally-related services through market access and certainty for service suppliers. This aims at supporting environmental outcomes and sustainable development.
- ***Fossil Fuel Subsidies:*** A new framework to discipline and eliminate harmful fossil fuel subsidies will support the reduction of global emissions and promote sustainable development outcomes, while reflecting the complexities of reforming fossil fuel subsidies across a set of diverse economies. We are pleased to contribute a meaningful definition of fossil fuel subsidies to international efforts, alongside clear prohibitions and a limited set of exceptions to safeguard

fundamental policy goals, including for energy security and disaster resilience; all subject to transparency, cooperation and review.

- **Ecolabelling:** The principles-based guidelines for voluntary eco-labelling programmes and related institutional mechanisms will provide an innovative and useful tool to promote trade in sustainable products by helping ecolabels to best achieve their environmental purposes. They will help consumers and businesses to receive meaningful information to assist in choosing products based on their environmental credentials, while avoiding the inadvertent creation of barriers to trade. The guidelines may also assist firms to add value to their environmentally-friendly goods and services.
- The ACCTS includes a dispute settlement mechanism and other institutional mechanisms to ensure meaningful implementation.
- The ACCTS also includes a review mechanism so that further trade policy actions can be included in the future and new technology developments can be considered, to ensure the ACCTS continues to address contemporary trade, climate and sustainability challenges, for example regarding non-tariff barriers.

Once the legal review of the text has been finalized, we are committed to ensuring prompt signature of the Agreement, so that the ACCTS can be ratified and implemented as soon as possible.

We express our thanks to other Parties for their valuable contribution to the negotiations and the development of the text. We will continue our engagement and hope they will be able to join the Agreement in the near future.

We invite WTO Members to join the ACCTS, and reiterate the Agreement's role to lead a path forward on important trade and environment issues for multilateral action. While we are a small group now, our ambition is for the ACCTS to rapidly increase its membership and to be a pathfinder agreement that will drive momentum at the WTO.

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