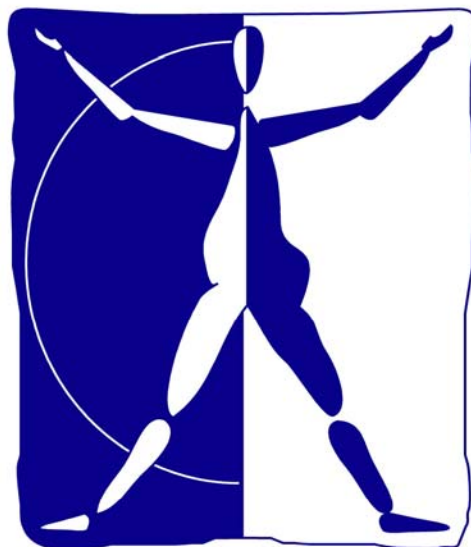




A PRELIMINARY NATIONAL POSITION ON AN INTEGRATED APPROACH TO
REDUCTION AND ELIMINATION OF TARIFFS AND NON TARIFF BARRIERS
IN ENVIROMENTAL GOODS AND SERVICES

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FINAL REPORT



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Acronyms

Acronym	Explanation
APEC	Asia-Pacific Economic Cooperation
CTE	Committee on Trade and Environment
CTESS	Committee on Trade and Environment Special Session
DEAT	Department of Environmental Affairs and Tourism
DNA	Designated National Authority
DTI	Department of Trade and Industry
EG	Environmental Goods
EGS	Environmental Goods and Services
EPP	Environmentally Preferable Product
FRIDGE	Fund for Research into Industrial Development, Growth and Equity
HS	Harmonised Standard
MEA	Multilateral Environmental Agreement
MDG	Millennium Development Goal
NAMA	Non-Agricultural Market Access
NEDLAC	National Economic Development and Labour Council
NSSD	National Strategy for Sustainable Development
NTB	Non Tariff Barrier
OECD	Organisation for Economic Cooperation and Development
PPM	Process and Production Method
SDT	Special and Differential Treatment
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organisation

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1. Introduction

The brief for this work is to prepare a preliminary position on the environmental goods list for South Africa. This requires developing a South African approach to the "reduction, or as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services" as mandated in paragraph 31(iii) of the Doha Declaration¹. South African negotiators advise an integrated approach, along the lines submitted by Argentina.

Environmental goods are being discussed in the WTO Committee on Trade and Environment Special Session (CTESS), in preparation for their inclusion in the Negotiations on Non-Agriculture Market Access (NAMA). Defining environmental goods is a key area of dispute.

This paper provides an overview of definitions, approaches to date and linkages to related negotiations and sustainable development objectives before presenting a possible approach for South Africa. Commentary is provided on this approach so that negotiators and other interested parties are aware of the risks and opportunities it presents. The section following the proposed approach for South Africa is an overview of South African EGS sectors, with recommendations on how to get the information needed to develop a more refined approach and position. The paper concludes with some final observations.

2. Defining Environmental Goods

The definition of environmental goods is a subject of great dispute in World Trade Organisation negotiations as each country tries to get market access for their EGS exports while protecting their domestic EGS industry. As a result WTO members have used various definitions of environmental goods, often drawing from the OECD definition of EGS:

*The environmental goods and services industry consists of activities which produce goods and services to measure, prevent, limit, minimise or correct environmental damage to water, air and soil, as well as problems related to waste, noise and eco-systems. This includes cleaner technologies, products and services that reduce environmental risk and minimise pollution and resource use.*²

The OECD³, APEC and UNCTAD⁴ have drawn up categories and lists of environmental goods and services that many WTO members refer to in their submissions and discussions. The UNCTAD list has products in common with APEC and the OECD, but also includes other products with export potential for the developing countries. It is however controversial (see section 3.1) In recent discussions in the CTE, most delegations agreed that direct environmental end-use was the most important parameter in defining environmental goods.

3. Approaches to date

In the course of negotiations three main approaches to environmental goods had emerged by late 2005, with Colombia submitting a fourth in May 2006:

3.1 A list approach:

Several countries have submitted national lists of environmental goods, coming from the lists adopted by APEC, OECD and UNCTAD. At the CTE Special Session meeting on 15-16 September 2005, nine lists of environmental goods^a were considered (submitted by New Zealand, the United States, Qatar, Japan, Chinese Taipei, Korea, the European Communities, Canada and Switzerland.) The CTESS chairperson noted that there was some convergence between the lists but that in-depth analysis and technical work would be required in order to determine what products may qualify as "environmental goods" for the purposes of the negotiations.

^a The products included in the individual lists have been compiled in Annex II to the Secretariat's *Synthesis of Submissions on Environmental Goods* TN/TE/W/63



The structure of the list was also discussed, including a proposal to develop a "living list" that could be updated in future to incorporate new products, so as to reflect the reality of the evolution of environmental goods as well as technological change; a proposal by the United States to create two lists, a core and a complementary list, involving different sets of commitments; and a proposal by China to set up a "common list" and a "development list".

3.2 *Environmental project approach*

This submission by India: proposes that WTO members identify national environmental goods and services that they wish to liberalize for the purposes of environmental projects. The projects would be aimed at meeting national environmental objectives, and would be approved by a Designated National Authority (DNA). The goods and services included in the approved project would qualify for specified concessions for the duration of the project. The broad criteria to select these "environmental projects" could be agreed upon in the CTESS while considering national policies of members.

This approach would address diversity in environmental standards with common but differentiated responsibilities and would introduce trade liberalisation to meet the environmental, as well as development goals, of both the Doha Development Agenda and Agenda 21. India believes that this approach would bring synergy between environmental goods and services and provide a framework for transfer of technology and for its adaptation by developing countries. Also, goods and services required for the project would have direct use and could be related to the environmental objective for which they were being given market access.

3.3 *Integrated approach*

The approach submitted by Argentina tries to integrate the list and project approaches. In order to benefit from liberalization under Paragraph 31(iii), the goods would have to:

- (a) be included in one of the environmental project categories to be identified by the CTESS, such as air pollution control; water and waste water management and
- (b) each category would include the "environmental goods" that would be available for application to the development of national projects.

The application of tariff and non-tariff concessions granted by the importing Member would cover the period of project implementation, and would take special and differential treatment into account. The conditions of access to the transfer of "clean technology" and local capacity building would be negotiated within the environmental project.

3.4 *Parameter and criteria approach*

Colombia submitted a non-paper as part of the technical discussion meetings described in 3.6. Their approach, which we have called the "parameter and criteria approach" builds on the project and integrated approach. It proposes that environmental goods must meet the parameter "clearly and obviously related to the environment", and proposes criteria for what this means in relation to environmental goods with a) single end use and b) dual or multiple uses.

3.5 *Developing countries' interests*

Various delegations have made contributions that focused on developing countries' interests in the negotiations, including stressing the need for the CTESS to focus on development in the context of paragraph 31(iii). An example is **Brazil's** submission which maintains that

"in order to achieve a balanced outcome in the negotiations, any definition of environmental goods should include products in which developing countries have special interest. Therefore, Brazil



proposes to adopt the UNCTAD approach on "environmentally preferable products" ^b as a basis to develop a definition of environmental goods that encompasses the development dimension⁵

Argentina has questioned whether the UNCTAD definition of environmentally preferable products is the best way of defining an environmental good, since it leaves open the possibility of including goods on the basis of their processes and production methods (PPM).

As mentioned within the list approach, China proposes that a "common list" and a "development list" are set up. The "common list" would include products on which consensus has been reached that they are environmental goods. For the products in this common list, Members are committed to reduce or eliminate tariff and non-tariff barriers. The "development list" would be a list of environmental goods for special and differential treatment from the "common list". These would be products selected by developing and least-developed country Members from the common list for exemption, or a lower level of reduction commitments, to reflect the principle of less than full reciprocity.

During negotiations other developing countries such as Cuba, Kenya, Ecuador have reminded the CTESS to keep in mind issues such as special and differential treatment, technology transfer and non-tariff barriers. Cuba summarised that it was necessary to reverse the situation whereby developing countries continued to be at the receiving end of environmental goods and had very limited opportunities to export such goods. It was therefore important to have S&D treatment as well as transfer of technology. The CTESS also needed to look at non-tariff barriers. Without due attention being paid to these aspects, the negotiations would not translate into real access for all products.

3.6 CTESS technical work in 2006

At the Hong Kong Ministerial Conference, Ministers called for intensified negotiations in the CTE on paragraph 31(iii). The first CTESS formal meeting after Hong Kong on 21-22 February 2006 focused mainly on the way forward under Paragraph 31(iii). Members agreed to engage in technical work to examine products, systems and projects falling under different categories identified by delegations in their submissions.

The categories of Renewable Energy and Air Pollution Control were selected for the technical discussion of 4-5 April 2006. Non-papers were submitted by the European Communities, Canada, Japan, and Chinese Taipei. On the basis of the non-papers submitted, the discussions initially focused, under each category, on products of single environmental end-use followed by a consideration of other products with multiple uses. The parameters used in the discussion included "single environmental end-use", "clear environmental use or benefit", "predominant environmental end-use", and "otherwise environmentally beneficial". For the next technical discussion from 10-12 May 2006, the categories of Waste Water Management and Solid and Hazardous Waste Management were selected.

The latest CTESS chairman's report of 26 July 2006 states that the Committee had completed the technical discussions that were held from April to June, and also considered a number of new submissions at its meeting of 6-7 July. In the technical work, the wide range of products put forward as environmental goods was examined. This process brought a more focused debate on the potential environmental and developmental benefits of these products and highlighted the practical issues that need further attention, e.g. a majority of the products proposed have dual or multiple uses.

Several developing countries have continued to emphasize the need to also consider alternative approaches and not only work on the list approach. India made a further submission on the environmental project approach in July 2006, further explaining the approach. China questioned whether drawing up a list of environmental goods was the only way to fulfil the mandate. China found it easy to identify categories, since

^b UNCTAD defined environmentally preferable products as products that cause significantly less "environmental harm" at some stage of their "life cycle" than alternative products that serve the same purpose (TN/TE/INF/7).

categories were actually areas of the environmental end use of products, but difficulties would necessarily arise when examining certain products. The chairman's report notes:

"A number of developing country members continued to emphasize the need to also consider alternative approaches to address the mandate. Some further explanation was provided at the July meeting on the environmental project approach, based on a further submission on the subject. Other proposals, such as the integrated approach, remain on the table. New ideas were also put forward by developing country Members on criteria that could guide discussions on product coverage for environmental goods."^{6 c}

4. Implications of proposed approaches to EG

4.1 Links to other WTO negotiations

a) General Agreement on Trade in Services (GATS)

Environmental goods are used to perform environmental services. Therefore it is critical to understand what is happening in the negotiations on environmental services. And because definitions are contested in negotiations on both environmental goods and environmental services, it is important that there is compatibility between South Africa's positions on them.

On 29 March 2006, South Africa made a provisional offer on services under the GATS, which includes limited offers in environmental services, but explicitly excludes the collection, purification and distribution of water for human use (TN-S-O-ZAF). Environmental goods could be used in these environmental services, but also in services listed in other parts of South Africa's GATS offer, i.e. under business services and construction and related engineering services.

Environmental goods are listed under proposed groupings, which overlap with, but are not the same as, the lists of environmental services under the GATS. *A list approach to environmental goods, with more categories than are currently under the GATS, could create pressure to increase the list of environmental services. This is something developing countries are likely to resist strongly.* Parallel liberalisation of environmental goods and services is suggested by the EC as a way of maximising the benefits of trade liberalisation for environment and development⁷.

Links between goods and services are also important if a "project" or "integrated" approach to environmental goods is taken. In such an approach, South Africa would identify the EGS needed to implement a specific project and it would be difficult – though not impossible – to isolate goods from services. Explicit agreement would need to be reached that services opened under specific project conditions for a limited time period are not being offered under the GATS. Whether such an agreement is possible in the WTO is unclear.

b) Non-Agricultural Market Access (NAMA)

WTO members agreed that negotiations on EG would take place in the NAMA negotiating group and monitored by the CTE⁸. Approaches and definitions are being discussed in the CTE and once there is clarity, would be deferred back to the NAMA negotiating group, which would agree on how to address them. Currently NAMA negotiations are on hold, since the Doha Round collapsed. However if and when they are re-opened, it is likely that variations of the Swiss formula approach to tariff reduction will continue to be favoured. This approach cuts higher tariffs more steeply than lower ones and treats developing and developed countries differently. Still debated are the flexibilities permitted to developing countries and the coefficients to be used. Goods that do not fall within the EG definition would be treated in the same way as other industrial (non-

^c Note that minutes of the CTESS meeting of 26 July 06 were not available at the time this report was written and thus more detail on these issues can not be given.

agricultural) goods. The project or integrated approach could make agreements under NAMA administratively more difficult than a simple list approach.

4.2 *Links to sustainable development and the environment*

There is insufficient research available in South Africa to know whether the list approach will support sustainable development and environmental imperatives or not. Sustainable development will be advanced if the imported goods stimulate demand for more environmental friendly processes and services, which in turn stimulates a local supply-side response generating income, jobs and better practices. Some environmental benefits could be generated if cheaper imported goods accelerate a switch from “dirty” to “clean” technologies and more environmentally friendly processes, regardless of if a local EGS industry is developed or not. More sector specific research needs to be done to assess which parts of EGS sector will benefit from protection.

The contribution of the list approach to sustainable development is complicated because many goods have dual or multiple uses. Thus the basis on which South Africa decides to include or exclude a good from the environmental goods list needs to be determined by the extent to which liberalisation of that good will impact on the sector’s contribution to growth, employment, equity, resource use, pollution, etc., i.e. much the same criteria as used for protecting or liberalising other goods. Because an EGS sector is relatively new in South Africa, and small compared to the OECD, special attention should be given to the extent and duration of protection measures needed to allow the sector to grow.

The project and integrated approaches have more merit from a sustainable development and environmental management perspective because they are rooted in local identification and definition of environmental priorities. South Africa would be able to decide which goods to liberalise, for how long, in order to achieve specific national objectives. Conditions for technology transfer could also be negotiated within a project approach.

4.3 *Implications of EG approaches for developing countries*

The size of the global EGS industry is estimated to US\$1.3 trillion, which is larger than either the pharmaceutical or information technology industries⁹. The USA, Japan and industrialised countries of the EU control 85% of demand for EGS, although growth is expected primarily in developing countries and economies in transition. Because of skewed market share, liberalising environmental goods more quickly than other industrial sectors, particularly through a list approach, is likely – at an aggregate level – to be more economically beneficial to developed countries than developing ones. It could “lock out” the potential of developing country EGS sectors to exist. The OECD counters this argument, suggesting that increasing supply of EG in developing countries will stimulate demand and a local supply sector¹⁰.

Using UNCTAD’s list of environmentally preferable products (EPP) (proposed by Brazil) opens up the possibility to discriminate on the basis of process and production methods, which developing countries have fought hard to keep out of the WTO. It could place unnecessary burden of proof on developing countries and will favour developed countries, which have competitive advantage in cleaner production technologies and certification. This could happen even if developing countries have a comparative advantage in some EPP such as “natural” products.

Several of the proposed approaches and submissions have articulated the need for special and differential treatment (SDT) for developing countries. In the list approach, China proposes two lists: common and development to factor in SDT. The various project approaches are premised on using environmental goods for development objectives and leave a certain amount of flexibility with national governments to decide the extent of liberalisation of EG.

4.4 *Administrative burden of EG approaches*

The amount of debate over individual list items in CTE Special Sessions illustrates the difficulty for the WTO in getting consensus on the list approach. The *Synthesis of Submissions on Environmental Goods* (17 Nov 2005) has 480 items submitted by 9 countries. Developing countries have highlighted the difficulty they face in examining the current list or submitting their own lists without the human and financial resources of the developed states. A possible way around this is to agree on criteria for inclusion in the list and then put the onus on whichever country is proposing an item to demonstrate that they have met those criteria.

If the list approach were adopted it could be more straightforward to implement than the other approaches as goods would be identified by HS (harmonised system) numbers and thus imports and exports would fit in with system used by Customs in South Africa.

Both the project and integrated approaches will be administratively burdensome and costly to implement, because environment goods will only be "duty free" (or low-tariff rated) for a limited time period and / or for a specific end-use. The cost and complexity of implementing this could be prohibitively high. A possible way around this would be to administer through a system of tax rebates for the designated projects, rather than import tax exemptions for the EG at the port of entry.

5. Proposed approach for South Africa

It is proposed that South Africa follow an integrated approach, along the lines proposed by Argentina, taking into consideration the parameters and criteria proposed by Colombia. In essence, this means that two lists should be developed:

- a short list of environmental goods with single end use and direct, verifiable environmental application that is consistent with MEAs, the MDGs and other relevant international agreements
- a list of environmental goods available for use for a defined period of time in a national project or programme aimed at meeting national environmental objectives, such as those outlined in the national strategy for sustainable development. A precursor to developing this list could be agreement on categories within which goods could be listed.

Before negotiations continue on what is included or excluded from a list, there will need to be multilateral agreement on *criteria* for inclusion. These could include:

- direct, verifiable use towards an environmental application that either a) prevents environmental damage or b) improves environmental conditions or c) monitors environmental conditions
- its use complies with and contributes towards sustainable development, environmental and poverty reduction objectives of MEAs, the MDGs and other relevant international agreements
- it does not need to be used in combination with other goods or services (to be included on the short list)

Once agreement is reached on criteria, the onus will be on countries wanting to list environmental goods to demonstrate their compliance with the criteria. Penalties could be imposed on countries trying to submit "non-compliant" goods, such as luxury yachts, which are currently listed (see Annex II of the CTESS chairperson's synthesis report (TN/TE/W/63)). Penalties could include non-consideration of that country's submission.

Special and differential treatment for developing countries can be incorporated through differential tariff reduction rates and timelines for compliance. Alternatively through dividing each list into two – one common and one development – as proposed by China.

This approach will allow South Africa to protect the emerging EGS industry while ensuring that cost of inputs does not prohibit the implementation of national policy objectives with respect to meeting environmental and development targets.

5.1 *Commentary on the proposed approach – risks, opportunities, nuances*

In identifying categories or environmental goods to be listed, South Africa should select on the basis of :

- need for imports to support national objectives (e.g. to meet renewable energy targets)
- where it is internationally competitive (e.g. in wastewater treatment)
- where liberalisation won't be a threat to the survival or growth of local industries
- where liberalisation stimulates growth of the local EGS sector.

Caution should be applied in including environmentally preferred products (EPP) as there could be considerable cost and capacity (human, institutional) involved in certification, as well as creating a precedent for process and production measures to be considered in the WTO.

The lists and categories will be less controversial to generate than a single "list approach" because there is no guaranteed preferential market access for dual or multiple use goods – this depends on the importing country's demand for them as part of an environment / development project.

By creating a direct link with environmental applications, this approach 'calls the bluff' of developed countries that maintain they want liberalisation for environmental reasons, rather than just to expand their EG industries.

Any approach will be difficult to negotiate – South Africa should use the time given to get a much better understanding of the EGS sector's size, composition and contribution to national objectives, including employment creation, as well as the potential of the sector. This could be done through sub-sector specific multi-stakeholder focus groups.

Identification of which SA projects or programmes benefit from tariff-reduced EG (on the second list) could be agreed through a multi-stakeholder forum such as NEDLAC.

Choice of Harmonised Standard (HS) digit code should be consistent with NAMA negotiations, enable unique identification of each environmental good and be administratively simple to implement.

6. **Sectoral overview**

The Chairperson of the CTESS synthesized all the submissions to the CTESS in November 2005 (TN/TE/W/63). Annex I of the synthesis report is a table of the categories covered in the lists submitted. Annex II gives all the environmental goods included by the nine countries that have submitted lists. It contains 480 lines, many of them submitted by more than one country, and thus with different qualifications given in the descriptions.

This EG list has been reviewed in this study, although it was not possible in a desk study to go through the items individually to identify potential dual use, nor to classify them into sub-sectors. This could be done through area or category focus groups with key players from industry and other stakeholders with in-depth knowledge of their products and their uses (Appendix 1 is a brief overview of EGS stakeholders in South Africa).

However, it is recommended that the proponents of the EG shorten the list after reviewing their submissions in light of agreed criteria for inclusion on the list (as described in the proposed approach by South Africa in section 5 above). This recommendation is consistent with that of the South African representative at the CTESS meeting on 21-22 February 2006, who said that the South African delegation would not be able to engage in discussion on a product-by-product basis and hoped that proponents of the lists would review and shorten their lists. Once the lists are a more manageable size, other delegations could start engaging (TN/TE/R/15).

6.1 *Analysis of South African Imports and Exports based on the List Approach*

The products nominated on Members' lists are listed under HS categories, at the 4- or 6- digit level. In certain cases, the entire HS 4-digit or HS 6-digit heading is not exclusively used for an environmental purpose, and only part of the category is intended as an environmental good. To help identify an environmental good within the HS 4-digit or HS 6-digit category, an additional product specification or ex-out is provided.

The Customs and Excise office of the South African Revenue Service was approached for statistics on the volume of goods identified as environmental goods on Annex II that were imported and exported. The first 4 digits of the HS category are globally used, and the last 2 digits are country-specific (J. Heyns, *pers comm*). Thus the HS codes on the list were reduced to 4-digits for processing. Unfortunately the quantity of data generated is beyond the scope of this study to process. Again it is recommended that a shorter list be agreed upon before conducting detailed analysis.

6.2 *The South African EGS industry*

Two studies have been done in the past six years into the South African EGS industry and were reviewed for this paper. It proved difficult to separate environmental goods and services in this review as the information deals with both concurrently. This is appropriate however, as the South African EGS industry is mostly in environmental services, and goods would be used to support those services.

The CSIR supply-side study of local private firms estimated that the turnover of the industry in 2000 was between R600 million and R2,6 billion if capital costs of cleaner production are included. If an industry growth rate of between 10% and 15% is assumed, the current size of the industry is between R1,2 and R5,2 billion. (Blueprint extrapolation)

Blueprint used a demand-side approach based on the level of expenditure on environmental goods and services (including government) in 2005. The Blueprint study estimated that South Africa spent between R14.5 billion and R23.2 billion on EGS in 2004. We believe it a more realistic estimate, as the CSIR study focused on the private sector, thus excluding municipalities which are major suppliers of environmental goods and services to industry, government and households in South Africa. The main EGS services include water provision, water treatment and sewage services as well as solid waste removal services. Local authorities also represent a major source of demand for environmental goods and services.

Of the respondents in the CSIR study of private firms, 88% of suppliers were in the pollution management sub-sector, 10% in resource management and 2% in cleaner technologies and products. Within the pollution management sub-sector, 55% provided services, 37% provided goods and the remaining 8% were involved in construction and installation. The majority of firms operating in the pollution management sub-sector are involved in environmental contracting and engineering, followed by solid waste management, wastewater management, and air pollution control.

While it will be hard for developing countries to compete in global EGS trade with specialised firms from developed countries, certain sectors in the South African EGS industry do provide goods and services that are internationally competitive. These goods and services are linked to mining, water treatment and conservation of natural resources.

A potential threat is that too fast liberalization can have an impact on the sustainability of our own service sectors, undermine BEE progress, and South Africa's ability to foster South-South alliances amongst African states, which could have a preference for regional suppliers.



7. Conclusion & Recommendation

The current list of EG is too long and full of opportunistic entries to be worked with in a meaningful way. It is recommended that the list be significantly shortened through an agreed approach and criteria before detailed analysis is done on it. According to the Doha Ministerial Declaration, EGS are to be liberalised “with a view to enhancing the mutual supportiveness of trade and environment”¹¹. This intention should be insisted upon when developing an approach to environmental goods, i.e. liberalisation should not happen for the sake of liberalisation.

The breakdown of Doha Round negotiations is not a significant problem for South Africa in relation to EG. It provides time to develop a better understanding of the size, composition, contribution to national goals and potential of the sector. Because of intrinsic links between environmental goods and environmental services, it is likely that negotiations within the CTESS on EG will have implications for negotiations under the GATS.

There is potential for liberalisation of environmental goods to contribute to sustainable development, provided an approach is taken that targets their use and ensures protection of the emerging EGS sector.



Annexure One- References

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Annexure Two: Overview of stakeholders in the Environmental Goods and Services Industry in South Africa

Area	Specific area	Focus	Industry	Non-governmental organisations	National government and municipalities
Water and wastewater management	Water equipment and chemicals	Manufacturing chemicals and equipment to treat water and wastewater	Small and medium-sized companies.		
	Water utilities	Water provision. Goods and services to treat water and effluent.	Providers eg Umgeni Water, Rand Water	South African Association of Water Utilities	Municipalities DWAF
	Water research and management		Water Research Commission, CSIR University of KwaZulu Natal	Water Institute of SA, The Ground Water Division, Mvula Trust,	DWAF Water Quality Management
Solid and hazardous waste management	Solid waste management; Hazardous waste	Waste collection and safe disposal; sorting, recycling and reuse.	Institute of Waste Management; CSIR Centre for Integrated Waste Management; Waste Minimisation Clubs; Eskom Waste Management Forum	Local e.g. Fairest Cape Association; Recycling initiatives e.g. Collect-a-Can	Municipalities; IWEX
	Site remediation services		Mines, oil companies, industry	Environmental lobbying groups	Oil Pollution Control SA
	Waste management equipment	Manufacturing goods to handle, sort and transport waste	Many small and medium-sized companies.		
Air pollution control	Air pollution; Cleaner energy and fuel.	Control and monitoring of air pollution. Less GHG intensive energy generation. Cleaner fuel.	Eskom, Mines, Oil companies, Industry	National Association of Clean Air; CAPIA; APINA	Municipalities DEAT Dept of Transport DME

Area	Specific area	Focus	Industry	Non-governmental organisations	National government and municipalities
	Climate change: Reducing harmful atmospheric emissions.	Reduction of carbon and GHG emissions. CDM projects.	Eskom, oil companies. Small companies producing clean energy products e.g. solar water heaters. Growing number of companies involved in CDM projects.	SECCP, SACAN	DME; Cities for Climate Protection
Renewable energy plant	Sustainable energy and urban amenities	Non-polluting energy generation using natural sources.	Eskom: hydro, gas, wind Amatola Green Power Darling wind farm Small and medium sized businesses	Energy: SESSA, RAPS Urban: ICLEI	Municipalities DME CEF
Cleaner technology and products	Cleaner production		Chemical and Allied Industries Association; Institute of Waste Management	National Association of Clean Air	dti National Cleaner Production Centre
Soil conservation	Protecting soil from degradation and erosion.	Soil conservation; managing salinity etc in waterways.	Agriculture: ARC; Mining: SA Chamber of Mines, Centre for Sustainability in Mining and Industry, Wits; Research: CSIR		Dept of Agriculture DWAf, DEAT, DME,
Monitoring and analysis	Environmental consulting services	Scoping reports, EIA, EMS, Audits	CSIR Environmentek, Engineering firms eg SRK, ARUP Small consulting firms		DEAT SABS
Agriculture ^d	Sustainable agriculture	Organic agriculture, fairtrade, urban agriculture and greening	ARC; Institute of Natural Resources; SA Sugar, SA Grain associations etc	NGOs promoting/teaching organic agriculture & urban	Dept of Agriculture

^d Included as relevant to EGS, even though EG negotiations are taking place in NAMA. The South African representative at CTESS has said that South Africa had not ruled out the possibility that environmental goods could include agricultural products. (TN/TE/R15)

Area	Specific area	Focus	Industry	Non-governmental organisations	National government and municipalities
			Certification: Ecocert, Organic Food Federation etc Fair Trade certified exporters	greening e.g. FTFA, Abalimi, Permacore; Organic Agricultural Association of SA Association for Fairness in Trade	



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- ¹ WTO *Ministerial Declaration*. WT/MIN(01)/DEC/1, 20 November 2001. WTO, Geneva
- ² OECD, 1999. *The Environmental Goods and Services Industry. Manual for Data Collection and Analysis*. OECD, Paris
- ³ Document TN/TE/W/18
- ⁴ Room document TD/B/COM.1/EM.21/CRP.1, Meeting of Experts in Geneva, July 2003, and updated 2005 version with statistical data.
- ⁵ WTO CTESS submission by Brazil TN/TE/W/59 8 July 2005
- ⁶ WTO CTESS chairperson's report TN/TE/16 26 July 2006
- ⁷ European Communities, TN/TE/W/47, para 20
- ⁸ ICTSD and IISD, 2005. *Doha Round Briefing Series: Hong Kong Update*. Vol.4, November 2005.
- ⁹ Barbour, A, M Dittke, S Fakir, M Pressend and R Tayob 2006 *Trade in Environmental Goods and Services* – discussion document prepared for the Department of Environmental Affairs and Tourism by the Institute for Global Dialogue
- ¹⁰ Steenblik, S, D Drouet, G Stubbs, 2005. *Synergies between trade in environmental services and trade in environmental goods*. OECD Trade and Environment Working Paper No. 2005-01.
- ¹¹ WTO *Ministerial Declaration*. WT/MIN(01)/DEC/1, 20 November 2001. WTO, Geneva