

11. Replace Chapter 11 (Final Provisions) with:

CHAPTER 11

TRADE AND ENVIRONMENT

Article 11.1

Objectives

The objectives of this Chapter are to:

- (a) promote mutually supportive trade and environmental policies and practices;
- (b) promote high levels of environmental protection and effective enforcement of environmental laws;
- (c) enhance the capacities of the Member States to address trade-related environmental issues, including through co-operation, in the furtherance of sustainable development;
- (d) enhance co-operation to protect and conserve the environment and the sustainable use and management of their natural resources, taking into account Member States' respective national priorities and circumstances which can contribute to sustainable development and strengthen environmental governance; and
- (e) support the implementation of international environmental agreements to which a Member State is a party.

Article 11.2

Basic Principles

1. Member States recognise trade and environment as a new area for economic co-operation under this Agreement. Member States recognise the importance of co-operation as a mechanism to strengthen the Member States' joint and individual efforts and capacities to protect the environment as they strengthen their trade and investment relations.

2. Member States share a common aspiration to promote high levels of environmental protection commensurate with the Member States' respective needs, capabilities, and national circumstances and according to respective Member States' laws and regulations; and, to uphold these in the context of sustainable development.

3. Member States reaffirm their commitments to the *Rio Declaration on Environment and Development* endorsed by the United Nations (UN) General Assembly Resolution 47/190 on 22 December 1992, the *2030 Agenda for Sustainable Development* adopted by the UN General Assembly Resolution 70/1 on 25 September 2015 and the Sustainable Development Goals of the *2030 Agenda for Sustainable Development*, and multilateral environmental agreements to which they are individually a party, including the *United Nations Framework Convention on Climate Change* adopted in New York on 9 May 1992.

4. Member States recognise that sustainable development encompasses economic development, social development, and environmental protection, all three being interdependent and mutually reinforcing, and affirm their desire to promote the development of international trade and investment in a way that contributes to the objectives of sustainable development.

5. Member States respect the sovereign right of each Member State to develop, set, administer, and enforce its

environmental laws and policies. Member States further recognise that it is inappropriate to use environmental laws or other measures, including those adopted unilaterally in a manner that would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade or investment between Member States. Member States also recognise that weakening or reducing levels of protection in environmental standards to encourage trade or investment is inappropriate.

Article 11.3

General Commitment

Pursuant to Article 11.1 (Objectives), Member States recognise the importance of:

- (a) co-operating on issues with a nexus between trade and environment, including on the green economy; so as to facilitate the creation of tangible benefits in the economy and workforce, including in clean energy trade, carbon markets, carbon capture, utilisation, and storage, and the circular economy;
- (b) fostering better alignment and convergence of standards, technical regulations, and conformity assessment procedures, strengthen the integration of markets, and reduce potential barriers to trade and investment;
- (c) sharing knowledge, information, best practices, and technical expertise, and co-operating on technology development that lend support to understanding and addressing the challenges of transitioning to green economies;

- (d) the role of non-government stakeholders and relevant organisations as integral partners in advancing trade and environment co-operation;
- (e) ensuring that collaborative work does not knowingly cause harm to the human health and natural environment; and
- (f) modifying collaborative work to avoid or diminish threats of serious or irreversible damage to the environment that is scientifically plausible but uncertain.

Article 11.4

Environmental Goods

1. Member States recognise trade's contribution to a green economy and that environmental goods are important in supporting the transition to sustainable economic growth and development of green industries, sectors, and markets. Accordingly, Member States will endeavour to facilitate and promote trade in environmental goods.
2. Member States shall co-operate on ways to further facilitate and improve trade in environmental goods and will explore potential collaboration in areas such as trade facilitation, including the use of digital technologies, standards, technical regulations, and conformity assessment procedures for environmentally-friendly products, and promote the use of more efficient, cleaner, or renewable energy sources for the production of manufactured goods.
3. Member States may develop co-operative projects on environmental goods to address current and future trade-related environmental challenges, with the following objectives:

- (a) reduction, mitigation, bioremediation, and remediation of pollution;
- (b) protection and conservation of natural resources and biodiversity;
- (c) mitigate greenhouse gas emissions, such as through a transition to the use of renewable and sustainable energy resources and technologies;
- (d) efficient and sustainable consumption and production, reuse or recycling of resources including through a circular economy approach;
- (e) reduction in the negative effects on human health, society, and the environment;
- (f) adapt and strengthen resilience against climate change; and
- (g) effectively identify, measure, account, monitor, and evaluate the environment in support of its protection and remediation or bioremediation, where applicable.

Article 11.5

Co-operation

1. Member States may, subject to the availability of funds and human and other resources, and their applicable laws and regulations, engage in economic co-operation activities consistent with Article 11.2 (Basic Principles) in the area of trade and environment.

2. Co-operation may be undertaken through ways and means considered appropriate by the ATIGA Joint Committee and may cover topics related to:

- (a) green economy;
- (b) circular economy;
- (c) clean energy;
- (d) biodiversity;
- (e) issues under the Sustainable Development Goals;
and
- (f) any other areas as mutually agreed by the
Member States.

3. Member States shall, to the extent possible, undertake co-operative activities including:

- (a) exploring information exchanges, capacity building and dialogues on technical regulations, collaborations on standards development and adoption of internationally recognised standards, mutual recognition of conformity assessment procedures in relation to the green economy; and
- (b) promoting and facilitating green economy trade and investment co-operation to expand opportunities for business and industry.

Article 11.6

Non-Application of Dispute Settlement

Dispute settlement mechanisms in this Agreement shall not apply to any matter arising under this Chapter.