

Proactive Release

Published on or before: 14 July 2020

The following Cabinet papers and related Cabinet minutes have been proactively released by the Minister for Trade and Export Growth

Title	Reference
<i>Cabinet Minute of Decision – dated 2 June 2020</i>	CAB-20-MIN-0246
<i>Cabinet Economic Development Committee – Minute of Decision – dated 29 May 2020</i>	DEV-20-MIN-0084
<i>Cabinet Economic Development Committee – Submission – dated 29 May 2020</i>	DEV-20-SUB-0084
<i>Agreement on Climate Change, Trade and Sustainability: Initial Negotiating Mandate – dated 29 May 2020</i>	

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the OIA). Where this is the case, the relevant sections of the OIA that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to OIA redaction codes:

- 6(a): to avoid prejudicing the security or defence of New Zealand or the international relations of the New Zealand Government; and
- 9(2)(j): to avoid prejudice to negotiations.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Report of the Cabinet Economic Development Committee: Period Ended 29 May 2020

On 2 June 2020, Cabinet made the following decisions on the work of the Cabinet Economic Development Committee for the period ended 29 May 2020:

Out of scope

DEV-20-MIN-0084

Agreement on Climate Change, Trade and Sustainability: Initial Negotiating Mandate

Portfolio: Trade and Export Growth

CONFIRMED

Out of scope

Michael Webster
Secretary of the Cabinet



Cabinet Economic Development Committee

Minute of Decision

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Agreement on Climate Change, Trade and Sustainability: Initial Negotiating Mandate

Portfolio **Trade and Export Growth**

On 27 May 2020, the Cabinet Economic Development Committee:

- 1 **noted** that in September 2019, New Zealand announced the intention to negotiate an Agreement on Climate Change, Trade and Sustainability, initially with Norway, Iceland, Costa Rica, Fiji and Switzerland;
- 2 **approved** the negotiating mandate for the negotiations, as outlined in Annex One to the paper under DEV-20-SUB-0084, that will advance New Zealand's sustainable development and climate change objectives via trade policy mechanisms and enable New Zealand officials to agree to outcomes that are consistent with key government priorities;
- 3 **noted** that this initiative supports New Zealand's early trade policy response to COVID-19;
- 4 **noted** that any issues not addressed in Annex One will be dealt with in accordance with New Zealand's existing policy settings, in consultation with relevant agencies and Ministers;
- 5 **authorised** the Prime Minister, Deputy Prime Minister, and the Ministers for Trade and Export Growth, Finance, Economic Development, Commerce and Consumer Affairs, Customs, Agriculture and Climate Change (or a group of these Ministers depending on the specific issue) to approve other proposals that do not depart significantly from the parameters outlined in Annex One;
- 6 **noted** that the costs of negotiations will be met from departmental baselines, and that Ministers will have the opportunity to consider at a later date any costs that may arise from the content of any outcomes;
- 7 **noted** that before New Zealand confirms its intention to be bound by the outcome of negotiations, final agreed texts and accompanying National Interest Analyses will be submitted to Cabinet for approval;
- 8 **noted** that Cabinet approval will be sought for New Zealand to sign and ratify the outcomes of the negotiations.

Janine Harvey
Committee Secretary

Present: (see over)

Present:

Rt Hon Winston Peters
Hon Kelvin Davis
Hon Grant Robertson (Chair)
Hon Phil Twyford
Hon Dr Megan Woods
Hon Chris Hipkins
Hon David Parker
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Jenny Salesa
Hon Damien O'Connor
Hon Kris Faafoi
Hon Shane Jones
Hon Willie Jackson
Hon James Shaw
Hon Eugenie Sage

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

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Cabinet Economic Development Committee

Summary

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Agreement on Climate Change, Trade and Sustainability: Initial Negotiating Mandate

Portfolio **Trade and Export Growth**

In September 2019, New Zealand announced the intention to negotiate an Agreement on Climate Change, Trade and Sustainability.

This paper seeks agreement to a mandate for initial negotiations with Norway, Iceland, Costa Rica, Fiji and Switzerland. The following four key areas will be covered by the proposed Agreement:

- the removal of tariffs on environmental goods;
- the establishment of new and binding commitments for environmental services;
- the establishment of disciplines to eliminate harmful fossil fuel subsidies;
- guidelines to inform the development and implementation of voluntary eco-labelling programmes and mechanisms.

The proposed negotiating mandate is in Annex One.

The Minister for Trade and Export Growth recommends that the Committee:

- 1 note that in September 2019, New Zealand announced the intention to negotiate an Agreement on Climate Change, Trade and Sustainability, initially with Norway, Iceland, Costa Rica, Fiji and Switzerland;
- 2 approve the negotiating mandate for the negotiations, as outlined in Annex One to the paper under DEV-20-SUB-0084, that will advance New Zealand's sustainable development and climate change objectives via trade policy mechanisms and enable New Zealand officials to agree to outcomes that are consistent with key government priorities;
- 3 note that this initiative supports New Zealand's early trade policy response to COVID-19;
- 4 note that any issues not addressed in Annex One will be dealt with in accordance with New Zealand's existing policy settings, in consultation with relevant agencies and Ministers;

- 5 authorise the Prime Minister, Deputy Prime Minister, and the Ministers for Trade and Export Growth, Finance, Economic Development, Commerce and Consumer Affairs, Customs, Agriculture and Climate Change (or a group of these Ministers depending on the specific issue) to approve other proposals that do not depart significantly from the parameters outlined in Annex One;
- 6 note that the costs of negotiations will be met from departmental baselines, and that Ministers will have the opportunity to consider at a later date any costs that may arise from the content of any outcomes;
- 7 note that before New Zealand confirms its intention to be bound by the outcome of negotiations, final agreed texts and accompanying National Interest Analyses will be submitted to Cabinet for approval;
- 8 note that Cabinet approval will be sought for New Zealand to sign and ratify the outcomes of the negotiations.

Janine Harvey
Committee Secretary

Proactively released by the
Ministry of Foreign Affairs and Trade

Office of the Minister for Trade and Export Growth

Chair,
Cabinet Economic Development Committee (DEV)

Agreement on Climate Change, Trade and Sustainability: Initial negotiating mandate

Proposal

1. That Cabinet approve a negotiating mandate for the Agreement on Climate Change, Trade and Sustainability ("ACCTS").

Relation to Government Priorities

2. The ACCTS initiative forms a part of the early trade policy response to COVID-19 in supporting economic reintegration and reinvigorating and refocusing New Zealand's trade relationships.
3. The initiative contributes to a number of the Government's strategic priorities, including the 'Coalition Government's Long Term Plan', in particular "an economy that is growing and working for all of us", and in the context of the Government's planning for a low emissions future.
4. In proceeding with the ACCTS initiative, close consideration and reference will be given to Treaty of Waitangi principles, the Trade for All agenda and associated principles, and the Government's wider COVID-19 economic recovery work.

Executive summary

5. In September 2019, New Zealand announced the launch of the 'Agreement on Climate Change, Trade and Sustainability' (ACCTS). The ACCTS initiative brings together a number of trade policy actions that will support and advance climate and sustainable development objectives. The initiative is designed to generate momentum towards eventual multilateral outcomes.
6. In the intervening period, the COVID-19 pandemic has dramatically shifted the global context. New Zealand's trade and climate interests will be impacted as Governments and businesses around the world take actions, with potentially wide-reaching trade and climate implications, in response to the crisis. Against this backdrop, the ACCTS initiative takes on added significance. At a critical point of inflection, New Zealand will be amongst a small group of countries demonstrating leadership in increasing the alignment of trade and climate policy development. ACCTS will also help protect and progress New Zealand's enduring interests in effective rules-based markets and high global ambition on climate and environmental goals.
7. New Zealand will be joined in the ACCTS negotiations by an initial cohort of Norway, Iceland, Costa Rica, Fiji and Switzerland. Once initial negotiations conclude, the objective is for the ACCTS agreement to then evolve into an 'open plurilateral' process,

available for other members of the World Trade Organisation (WTO) to join if they are able to meet the obligations.

8. This paper proposes a mandate for New Zealand to pursue a high quality and expeditious 'Agreement on Climate Change, Trade and Sustainability' with Norway, Iceland, Costa Rica, Fiji and Switzerland.
9. The following four key areas will be covered by ACCTS:
 - i. the removal of tariffs on environmental goods;
 - ii. the establishment of new and binding commitments for environmental services;
 - iii. the establishment of disciplines to eliminate harmful fossil fuel subsidies; and
 - iv. guidelines to inform the development and implementation of voluntary eco-labelling programmes and mechanisms.
10. The COVID-19 pandemic, including strict travel restrictions and the emergency response, will have a bearing on all participants' ability to engage in the negotiations. Timeframes for the negotiations and associated work programmes will be impacted. Officials will continue to evaluate the situation and adapt responses according to developments and Government priorities.

Background

11. The ACCTS initiative was launched in the margins of UNGA Leaders' Week 2019 by Prime Minister Ardern, alongside Norway, Iceland, Costa Rica and Fiji. Switzerland subsequently confirmed its participation in January 2020. Joint Statements of support were also issued by ACCTS Climate and Trade Ministers. Since the launch announcement, a formal public submissions process was undertaken. A summary of the public submissions process is included on page 4 and a summary list of submitters is attached to this paper as Annex Two.
12. This paper seeks a mandate for the negotiations through to substantial conclusion. Following that, ACCTS is intended to be a "living agreement" – an architecture allowing for periodic reviews, a future negotiating agenda and the accession of new members.
13. Since the initiative was launched, the COVID-19 pandemic has dramatically shifted the global context, including with respect to trade and climate. The WTO has forecast a 13 – 32% drop in world goods trade in 2020; most services sectors will be hit even harder. Fundamental trade norms, already frayed after several years of attrition, are vulnerable and in need of reinforcement. Governments around the world have implemented trade restrictions and are rolling out economic recovery plans and extensive support measures with potentially wide-ranging and long lasting implications for world trade.
14. On climate, it is forecast that COVID-19 will push global CO₂ emissions down this year — but this is likely to be a temporary phenomenon. The longer-term impact of the crisis on climate and emissions rests, to a significant degree, on how policymakers respond to the economic dimension. We know from the 2008 financial crisis that economic recovery can be emissions-intensive. There are early indications that new support measures to the fossil fuel industry are being contemplated by some governments.

15. Against this backdrop, the ACCTS initiative takes on added significance. At a critical point of inflection, New Zealand will be amongst a small group of countries championing the alignment of trade and climate policy and leading the direction of that policy development. The impetus to get these global policy settings right is heightened post-COVID-19. ACCTS will help protect and progress New Zealand's enduring interests in effective rules-based markets and high global ambition on trade and climate goals.
16. The ACCTS initiative will form a part of New Zealand's recalibration of trade policy in response to COVID-19. Alongside other 'concerted open plurilateral agreements' such as the 'Digital Economy Partnership Agreement' (DEPA), ACCTS will operate as one of the building blocks to reinforce, support and reinvigorate the international trade architecture.
17. New Zealand's overarching objectives for the agreement therefore are to:
 - create a template agreement that can act as a pathfinder for others, raising ambition in other contexts and forums, and that can be integrated into and support processes in the WTO, OECD, APEC and elsewhere;
 - build confidence in 'new economy' issues to advance and reinforce a vulnerable multilateral rules-based trading system; and
 - shape the direction of global policymaking on the contribution of trade policy to climate, environmental and sustainable development objectives at a point where there's significant risk of backtrack on this agenda.
18. As the proposed agreement will need to be compatible with WTO rules, the Most Favoured Nation (MFN) principle will apply (i.e. the benefits conferred by the agreement will be extended to all WTO members). This will mean unilateral tariff elimination by New Zealand on environmental goods. Elimination of tariffs on environmental goods would mean the products will become cheaper and more accessible in New Zealand.
s9(2)(j)

However, applied tariffs on
environmental goods are relatively low already – averaging 2.6% - s9(2)(j)

Comment

Approach to mandate recommendations

19. This paper provides background on the four main areas for negotiation and seeks approval of a mandate for New Zealand negotiators. Annex One contains proposed negotiating mandate recommendations, and outlines a general New Zealand approach. The recommendations are based on:
 - I. preliminary engagement with interested domestic stakeholders and consultation with relevant agencies;
 - II. New Zealand's long-standing positions in other forums, such as APEC, the WTO, the OECD, the UNFCCC and the Paris Agreement; and

- III. the highest level of ambition viewed as possible within New Zealand's policy settings, and that reflect political messaging for the ACCTS initiative from all participants.
20. I propose that any issues arising that are not explicitly addressed in the attached Annex One be dealt with in accordance with New Zealand's existing policy settings and in consultation with relevant agencies and Ministers where necessary. Additions or amendments to ACCTS following the conclusion of the initial agreement will be subject to Cabinet consideration at the relevant time.

Consultation with New Zealanders

21. Through the Trade for All consultations, we know that New Zealanders want trade agreements that substantively address sustainable development, environmental and climate change objectives. Additionally, a targeted call for public submissions on the proposed ACCTS initiative ran over 26 September – 6 November 2019.¹ A targeted panui updating Māori stakeholders and seeking their views on the proposed ACCTS initiative was also issued on 26 September 2019.
22. A total of 31 submissions were received over 26 September – 6 November 2019. During the public submission processes, strong support for ACCTS was expressed. Several submitters expressed interest in seeing ACCTS cover a broader set of issues. The future agenda and "living agreement" nature of ACCTS lends itself well to picking up issues at a later date.
23. We also note that there will be general public interest in engagement and transparency throughout the ACCTS process. Officials intend to post regular updates on progress in the negotiations on the MFAT webpage and seek the views of stakeholders throughout the process.

Analysis – Four key areas for negotiation

Environmental Goods

24. In 2014, New Zealand, along with a number of WTO members, began pursuing an Environmental Goods Agreement (EGA)². Examples of environmental goods identified include solar panels, wind turbine components and products used for wastewater management. After eighteen rounds, negotiations failed to conclude at the Ministerial Meeting in 2016 and remain stalled. The failure to conclude was a consequence of s6(a), s9(2)(g)(i).
- Nevertheless, the EGA process generated a draft list of environmental goods.
25. Building on the draft EGA list as a starting point, I recommend that New Zealand propose an ambitious, comprehensive and high quality Environmental Goods Schedule that removes tariffs on all agreed products at Entry into Force.³

¹ The call for submissions was promoted through the following media channels: MFAT's website and the *Have Your Say* website; Facebook; Twitter; Neighbourly; LinkedIn; and email outreach to identified stakeholders.

² This followed earlier unsuccessful attempts during 2001–2008 under the Doha negotiations.

³ It is proposed that environmental goods under consideration be largely in-line with agreed outcomes in CPTPP, the APEC Goods List, EGA, and the Environmental Goods list for the Agreement between New Zealand

26. Using the EGA draft list as a starting point, it is estimated that New Zealand exports at most \$52 million in environmental goods to ACCTS participants, with 83 percent of goods exported to Fiji.⁴ Estimated tariff savings for New Zealand exporters could be up to \$3 million per year. The more countries that accede to ACCTS in the future, the greater this saving.
27. New Zealand imports nearly \$6 billion worth of environmental goods globally. Removing tariffs on EGA nominated goods on an MFN basis would result in a reduction in Crown revenue, with duties estimated to be at most \$10 million per year⁵.
28. The impact of increased competition for industries through the elimination of environmental goods tariffs is thought to be minimal. Most of the goods in the EGA draft list, for example, are chemical products, manufactured products, machinery parts and other industrialised goods which New Zealand does not produce.

Environmental Services

29. I propose that New Zealand seek ambitious, comprehensive and high quality environmental services commitments that provide market access and national treatment commitments on services where there is potential for environmental benefit or improvement. Environmental services include sewage services, refuse disposal services and nature and landscape protection services. Services sectors under consideration are largely in line with agreed outcomes in CPTPP, and New Zealand's approach in negotiations for the Trade in Services Agreement and the WTO Doha Development Agenda. It is recommended that New Zealand's commitments in these sectors are expanded only as far as they provide clear and direct environmental benefits or improvements.
30. The intention is to maintain reservations or limitations that have been made in previous agreements, including CPTPP, in order to ensure regulatory policy space is maintained.

Fossil Fuel Subsidies

31. New Zealand is a leading advocate of fossil fuel subsidy reform ^{s6(a)}
These distortive and regressive subsidies, worth over \$500 billion a year, contribute to global greenhouse gas emissions and work against international efforts to limit climate change. In recent years, New Zealand's focus has been on encouraging the use of trade rules to address these subsidies.
32. This will be the most challenging issue in the negotiation. Reform is inherently difficult and sensitive, with potential short-term adverse impacts from the removal of social safety nets or increased energy prices if reform is not undertaken effectively or transition is not managed appropriately. Negotiators will need to consider how these impacts can be mitigated for developing countries, particularly in the context of the global economic recovery work for COVID-19.

and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation (ANZTEC).

⁴ All figures are annualised averages from 2017-2019.

⁵ New Zealand's total tariff revenue was \$172 million in 2019 - \$10 million is 5.8% of the total tariff take.

33. It is unlikely that fossil fuel support measures that New Zealand is not already reviewing or phasing-out will be targeted in the negotiation.⁶ New Zealand has proposed advocacy and cooperation-based commitments on fossil fuel subsidies in the context of the EU–New Zealand FTA negotiations. However, there is no precedent in New Zealand’s current trade agreements or any trade agreements globally for the inclusion of firm obligations to address fossil fuel subsidies. This will be world-leading and standard-setting.
34. s9(2)(g)(i), s9(2)(j)

However, any outcome that includes binding obligations on fossil fuel subsidies, as well as the establishment of architecture for disciplining fossil fuel subsidies, will be a significant contribution to our longer-term objective of achieving broader, and eventually multilateral, support for such disciplines – something with the potential to be very impactful.

Guidelines to inform the development and implementation of voluntary eco-labelling programmes and mechanisms

35. Voluntary eco-labelling schemes aim to inform consumers about the environmental credentials of products or services. In recent years there has been a proliferation of voluntary eco-labelling schemes. To some extent, this has been a positive development responding to increased consumer demand for information on the environmental credentials of products. However, there is also potential for such schemes to be used in a protectionist manner to discriminate on the basis of arbitrary or unfair criteria.
36. I propose that New Zealand seek provisions that establish a set of voluntary guidelines for eco-labelling programmes developed by private actors. The guidelines will be principles-based and focus on the importance of transparency, non-discrimination and best practice in relation to eco-labelling. I propose that legally-binding provisions be sought to obligate Governments to establish mechanisms to both promote the guidelines to business and NGOs, and by which issues can be raised and discussed should there be an alleged ‘non-observance’ of the guidelines.

Impact Analysis

Financial Implications

37. The costs of the ACCTS negotiations will be met within MFAT’s baseline funding. Any cooperation or development initiatives will be funded from baseline or subject to budget processes. The ACCTS negotiating process will be kept as resource-efficient as possible, using existing structures and remote (virtual) engagement wherever practical and appropriate.
38. Removing the MFN rate on EGA nominated goods would result in a reduction in Crown revenue, with duties collected currently estimated at \$10 million per year.

⁶ Several of New Zealand’s indirect support measures for fossil fuels are scheduled to be reviewed in 2020 and relevant Ministers have recently agreed that officials will work to prioritise these reviews in preparation for the ACCTS negotiation.

Legislative Implications

39. There are no legislative implications directly resulting from this paper, however the conclusion of an agreement may require legislative changes. Ministers will be updated as these become apparent.

Regulatory Impact Statement

40. Not required at this stage. An extended National Interest Analysis (incorporating a Regulatory Impact Analysis) will be presented to Cabinet when negotiations have concluded and the final agreed text of ACCTS is submitted for approval for signature.

Climate Implications of Policy Assessment (CIPA)

41. The Ministry for Environment has been consulted and confirm that CIPA requirements do not apply as the threshold for significance at this stage is not met.

Population Implications

Human Rights

42. There are no inconsistencies with the Human Rights Act 1993 and New Zealand Bill of Rights Act 1990.

Gender implications

43. No gender implications statement is required.

Disability perspective

44. No disability perspective statement is required.

Consultation

45. The following departments have been consulted in the preparation of this paper and concur with its recommendations: Department of the Prime Minister and Cabinet, Treasury, Ministry of Business, Innovation and Employment, Ministry for Primary Industries, Department of Conservation, New Zealand Customs Service, Ministry of Transport, Te Puni Kōkiri, Ministry for Culture and Heritage, Inland Revenue Department and Ministry for the Environment.

Communications

46. In addition to the public submission processes, the ACCTS has been promoted on social media platforms following the initial Leaders' launch of the initiative, and the releases of the ACCTS countries' Trade and Climate Change Ministers' statements.

Proactive Release

47. It is intended to delay the proactive release of this paper. Releasing this paper publicly prior to negotiations commencing would prejudice New Zealand's negotiating position.

Recommendations

48. The Minister for Trade and Export Growth recommends that the Committee:
1. **Approve** the negotiating mandate outlined in Annex One for the Agreement on Climate Change, Trade and Sustainability that will advance New Zealand's

sustainable development and climate change objectives via trade policy mechanisms and enable New Zealand officials to agree to outcomes that are consistent with key Government priorities;

2. **Note** that the initiative supports New Zealand's early trade policy response to COVID-19;
3. **Note** that any issues not addressed in Annex One will be dealt with in accordance with New Zealand's existing policy settings, in consultation with relevant agencies and Ministers;
4. **Agree** that the Prime Minister, Deputy Prime Minister, Ministers for/of Trade and Export Growth, Finance, Economic Development, Commerce and Consumer Affairs, Customs, Agriculture and Climate Change (or a group of these Ministers depending on the specific issue) have delegated authority to approve other proposals that do not depart significantly from the parameters outlined in Annex One;
5. **Note** that the costs of negotiations will be met from departmental baselines and that Ministers will have the opportunity to consider at a later date any costs that may arise from the content of any outcomes;
6. **Note** that before New Zealand confirms its intention to be bound by the outcome of negotiations, final agreed texts and accompanying National Interest Analyses will be submitted to Cabinet for approval; and
7. **Note** that Cabinet approval will be sought for New Zealand to sign and ratify outcomes of the negotiations.

Approved for lodgement

Hon David Parker
Minister for Trade and Export Growth

Annex One: Mandate Recommendations

General

1. Note that for all other issues raised in negotiations that are not covered in this Annex, New Zealand will seek an approach consistent with our existing policy settings and will consult with relevant agencies and Ministers;
2. Note that New Zealand will seek outcomes that give effect to the relevant key principles set out in the 2001 Framework for Integrating Environment Standards and Trade Agreements; and
3. Where appropriate, seek 'Most Favoured Nation' provisions to ensure consistency with World Trade Organisation rules, meaning the benefit of all substantive commitments made under the agreement will be extended to all WTO members.

Environmental Goods

4. Seek an environmental goods outcome that includes:
 - 4.1 a comprehensive and high quality Environmental Goods Schedule that refines, updates and builds on previous environmental goods lists;
 - 4.2 full liberalisation on all agreed tariff lines at Entry into Force, avoiding a long phase-out of tariffs as much as possible;
 - 4.3 an Environmental Goods Schedule that contains goods that have a clear and direct environmental benefit;
 - 4.4 a synchronised approach by all participants that accurately targets environmental goods, particularly in cases where goods may have a dual use, and ensures tariff reductions and elimination are consistently applied in each member's national customs nomenclature; and
 - 4.5 an Environmental Goods Schedule that is not exclusively composed of industrial goods but also includes a range of environmentally credible 'land-based' primary products, of interest to New Zealand, including wood.
5. Explore ways to develop a future review mechanism to ensure that agreed new technologies can benefit from the same treatment extended to other identified environmental goods.

Environmental Services

6. Seek an outcome on environmental services that:
 - 6.1 includes an ambitious, comprehensive and high quality environmental services component that provides market access and national treatment commitments in services sectors where there is environmental benefit or improvement;
 - 6.2 expands on services market access and national treatment outcomes agreed in previous agreements including CPTPP where those services provide a clear and direct environmental benefit or improvement;

- 6.3 maintains reservations and limitations agreed in previous agreements including CPTPP; and
- 6.4 establishes a mechanism for future review of environmental services included under this Agreement to allow for new services, and services related to new technologies that benefit or improve the environment to be included.

Fossil Fuel Subsidies

- 7. Seek an outcome on fossil fuel subsidies that:
 - 7.1 creates binding commitments and disciplines on fossil fuel subsidy spending;
 - 7.2 enhances transparency and cooperation; and
 - 7.3 establishes an architecture enabling a broad membership in the future.

Eco-Labeling Guidelines

- 8. Seek an outcome on eco-labelling that:
 - 8.1 establishes a set of high quality and principles-based guidelines to inform the development and implementation of voluntary eco-labelling programmes and mechanisms;
 - 8.2 establishes a national contact point-based mechanism in order to facilitate cooperation and consultation between the parties on eco-labelling; and
 - 8.3 includes binding commitments to promote the guidelines to business and NGOs and establishes provision of information and consultation requirements should there be an alleged 'non-observance' of the guidelines.

Climate Change

- 9. Agree the updated mandate for multilateral climate change negotiations [CAB-19-MIN-0430] will form a guide for these negotiations, as relevant; and
- 10. Seek cooperative provisions that support climate action and allow for the possibility to negotiate new provisions in the future as part of the 'Living Agreement' concept.

Cooperation

- 11. Agree to outcomes that recognise the benefit of future cooperation on trade, climate change, environment and sustainable development-related issues, while avoiding creating onerous resourcing burdens to service this cooperation.

Treaty of Waitangi

- 12. Secure a Treaty of Waitangi exception consistent with that in all New Zealand's FTAs since 2001, enabling New Zealand to adopt domestic policies according more favourable treatment to Māori, including in fulfilment of obligations under the Treaty of Waitangi and that New Zealand's interpretation of the Treaty will not be subject to dispute settlement, consistent with what has been included in all of New Zealand's recent free trade agreements; and
- 13. The Crown will be cognisant of Treaty of Waitangi principles and Māori interests in the negotiations.

Legal and institutional issues

- 14 Seek state-to-state dispute settlement mechanisms where appropriate that are simple, effective, and flexible in-line with the principles and guidelines of the WTO Dispute Settlement Understanding and with international best practice⁷;
- 15 Seek the inclusion of appropriate general provisions, institutional provisions, review mechanisms, and general and security exceptions; and
- 16 Seek the inclusion of accession and review provisions, consistent with the intention that ACCTS be a living agreement open to new membership.

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⁷ ACCTS will not include any Investor-State Dispute Settlement (ISDS) or ISDS-style provisions; companies or individuals will not be able to claim against the New Zealand Government in relation to ACCTS commitments.

Annex Two: Summary list of submitters

	Number of submitters
Total	31
General Public	17
Industry	14

Date Received	Organisation
26/9/19	Able Tech
26/9/19	NZIBF
6/11/19	Motu
23/10/19	Prospect Consulting Ltd
16/10/19	Wood Processors and Manufacturers Association of New Zealand (WPMA)
21/10/19	Zero Waste Granny website
21/10/19	Sales Analyst-ANZ
29/10/19	Arcreate
5/11/19	The New Zealand Ecolabelling Trust
5/11/19	Fonterra
6/11/19	NZIF
6/11/19	DCANZ
6/11/19	Beef + Lamb New Zealand Ltd & MIA
6/11/19	New Zealand Council of Trade Unions Te Kauae Kaimahi