

66 – The Liberalization of International Trade on Environmental and Ecosystem Services by GATS of the WTO: Trailing New Paths to Green Prosperity

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The COVID-19 pandemic has abruptly deaccelerated growth worldwide, exposing many of the iniquities of the current economic system and resilient unsustainable patterns of production and consumption. The calamities that followed, adding up to the reflects of the 2008 financial crisis, precipitated a necessary debate about the rule of ethics in economic considerations.

It also sets forth an opportunity to encourage of a new kind of economic progress: one that balances maximization efforts with ecological and social imperatives. As this paper will show, green prosperity incorporates the intrinsic value nature and its services in the concept of wealth and development, caring for the richness of biodiversity and social plurality. It is envisioned as a realization of green economy principles and guidelines that internalize social and environmental costs, offsetting their impact in all anthropogenic activities, abiding to the limits of social and planetary boundaries.

In that context, the international trade on environmental and ecosystem services is seen as a fitting manner promote an era of green prosperity in the post-pandemic world, in a global scale. Regulatory convergence offered by the multilateral General Agreement of Trade in Services (GATS) of the World Trade Organization, along with its conflict resolution system, should overcome existing barriers and cut transaction costs, which is expected to encourage the liberalization of that market worldwide. International cooperation such as the one set forth in Article 6 of the Paris Agreement, and in other instruments such as REDD+, shall rapidly increase public demand for carbon offset programs, especially with regards to the fight against climate change. In addition, private initiatives are expected to raise sponsorship to other private-related conservation and preservation efforts, also covering other environmental impacts, aiming at the goal of sustainable development and other criteria such as public awareness and ESG (Environmental, Social, and Governance).

This study claims that the international standardization of the trade of environmental and ecosystem services will allow the creation of a regulated market that can facilitate the proliferation of environmental offset programs and the implementation of a worldwide circular economy, along with the liberalization of related services such as recycling, reserve logistics, waste management, sanitation, consultancy and scientific research. It may also be a tool for the conservation of ecosystems and natural habitats and to sharing the benefits arising from the use of traditional knowledge, innovations and practices relevant to the conservation of biological diversity and the sustainable use of its components.

Biographical note

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