



Trade and Sustainable Development in EU Trade Agreements

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I. THE POLICY LANDSCAPE

EU milestones

2006, Renewed EU Sustainable Development Strategy: sustainable development *"is an **overarching strategy** for all EU policies"*

2009, Lisbon Treaty: EU trade policy to be guided by the core values of the Union, including sustainable development

2010, "EU 2020" and "Trade, Growth and World Affairs" Communications: EU trade policy should continue to support green and inclusive growth

II. SUSTAINABLE DEVELOPMENT AND TRADE

- Trade can generate economic growth to foster SD → trade can contribute to SD
- The actual impact depends on many policies → trade is not the only tool to achieve SD
- Key to ensure **consistency** and **mutual supportiveness** between the different policies → trade integrates social and environmental aspects, social and environmental policies integrate the trade dimension

III. KEY EU INITIATIVES

Multilateral

- E.g.: environmental goods and services in the DDA (and around); ILO work on trade and labour conditions

Autonomous

- E.g.: GSP+; a trade angle into environmental initiatives (e.g. Timber Regulation); Bangladesh Compact

Support to stakeholders' initiatives

- E.g.: Communications on Corporate Social Responsibility; trade-related sustainability assurance schemes

Bilateral

- E.g.: Negotiation and implementation of TSD provisions in trade agreements

IV. TSD IN TRADE AGREEMENTS

The EU TSD chapters

Sustainable development as a pervasive underpinning principle for strengthened trade relations with our partners.

Chapter specifically devoted to aspects of sustainable development (labour, environment) of importance in a trade context.

IV. TSD IN TRADE AGREEMENTS

State of play

- TSD under discussion in all ongoing FTA negotiations (Japan, Vietnam, Morocco, US...).
- TSD chapters included in all concluded "new generation FTAs" (Korea, Colombia/Peru, Central America, Singapore, Moldova, Georgia...).
- Implementation started for agreements in force.

IV. TSD IN TRADE AGREEMENTS

The EU TSD chapters: building blocks

1) Multilaterally agreed objectives and commitments: International instruments, principles, and norms as the basic set of rules

E.g.: "the Parties commit to respecting, promoting and realising in their law and practice and in their whole territory the internationally recognised core labour standards, as embodied in the fundamental ILO Conventions " (EU-Georgia); "The Parties will make continued and sustained efforts towards ratifying the fundamental ILO Conventions" (EU-Korea); "The Parties reaffirm their commitment to effectively implement in their laws and practice the multilateral environmental agreements to which they are parties" (EU-Central America)

IV. TSD IN TRADE AGREEMENTS

The EU TSD chapters: building blocks

2) Domestic levels of protection: Preserving EU high levels of protection, avoid "misuses" of labour and environmental laws distorting trade and investment flows

E.g.: "The Parties recognise the right of each Party to determine its sustainable development policies and priorities, to establish its own levels of domestic environmental and labour protection" (EU-Moldova); "The Parties shall continue to improve those laws and policies, and shall strive towards providing and encouraging high levels of environmental and labour protection" (EU-SGP); "A Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from/fail to effectively enforce its environmental and labour laws in a manner affecting trade or investment" (EU-Central America").

IV. TSD IN TRADE AGREEMENTS

The EU TSD chapters: building blocks

3) Trade and investment as a means to support sustainable development objectives: Pursuing a comprehensive agenda: EGS, CSR, natural resources (forestry, fisheries, biodiversity)...

E.g.: "The Parties resolve to make continuing special efforts to facilitate and promote trade and investment in environmental goods and services" (EU-SGP); "The Parties agree to promote best business practices related to corporate social responsibility" (EU-Colombia/Peru); "the Parties undertake to: comply with long-term conservation measures and sustainable exploitation of fish stocks [...]; introduce and implement effective measures to combat IUU fishing" (EU-SGP); "The Parties commit to [...] promoting the listing of species under the CITES where the conservation status of those species is considered at risk" (EU-Moldova); "The Parties commit to work together to improve forest law enforcement and governance and to promote trade in legal and sustainable forest products" (EU-Central-America")

IV. TSD IN TRADE AGREEMENTS

The EU TSD chapters: building blocks

4) Good practices in policy-making: Maximising transparency and policy assessments

E.g.: " The Parties commit to jointly reviewing, monitoring and assessing the contribution of Part IV of this Agreement [...] to sustainable development " (EU-Central America); " The Parties, in accordance with their respective domestic laws, agree to develop, introduce and implement any measures aimed at protecting the environment and labour conditions that affect trade between the Parties in a transparent manner, with due notice and public consultation, and with appropriate and timely communication to and consultation of non-state actors" (EU-Korea); "the Parties shall take account of available scientific and technical information, and relevant international standards, guidelines or recommendations if they exist, including the precautionary principle " (EU-Moldova)

IV. TSD IN TRADE AGREEMENTS

The EU TSD chapters: building blocks

5) A dedicated institutional set-up: Combining governmental and civil society involvement, as a means to foster accountability and dialogue

Government to government Body

- Comprising government officials from each side's relevant government body.
- Role: to monitor the implementation of TSD chapter and provide impulse to activities to further its objectives (e.g. through decisions and recommendations)
- E.g.: *EU-Korea Trade and Sustainable Development Committee.*



EU domestic consultative mechanism(s)

- Existing/new balanced group of relevant representative stakeholders which would provide views to the EU on issues relating to the chapter.
- Balanced representation of economic, social and environmental interests.
- E.g.: *EU-Korea FTA, EU Domestic Advisory Group (DAG).*

Partner country's domestic consultative mechanism(s)

- Existing/new balanced group of relevant representative stakeholders which would provide views to the partner country on issues relating to the chapter.
- Balanced representation of economic, social and environmental interests.
- E.g.: *EU-Korea FTA, Korea Domestic Advisory Group. (DAG).*

Interaction between the governmental body overseeing the implementation of the chapter and the Joint platform.

Joint civil society platform

- Open dialogue between the Parties and civil society.
- Participation of Domestic advisory bodies of both sides, other civil organisations and public at large.
- E.g.: *EU-Korea FTA: Civil society Forum and labour workshops.*



IV. TSD IN TRADE AGREEMENTS

The EU TSD chapters: building blocks

- 6) A tailored mechanism to solve disputes: Dialogue, transparency, and independent third-party experts review as key principles
- Governmental consultations
 - Independent panel of experts
 - Public reports
 - Involvement of civil society

IV. TSD IN TRADE AGREEMENTS

Implementation - Overview

Ensured through a dedicated institutional set-up, which includes:

- a joint body for regular government dialogue (the "Trade and Sustainable Development Sub-Committee/Board"),
- channels for continued involvement of civil society, both at domestic level (the "Domestic Advisory Groups") and jointly (Civil Society Forum, open sessions of the Sub-Committee/Board...).

IV. TSD IN TRADE AGREEMENTS

Implementation - EU-Korea FTA

Trade and Sustainable Development Sub-Committee (TSDC)

- *2012: promotion of green growth through the FTA, ratification of ILO Conventions;*
- *2013: ratification and implementation of ILO Conventions, biodiversity, Corporate Social Responsibility;*
- *2014: circular economy, CITES and wildlife trafficking, ratification and implementation of ILO Conventions, labour market policy developments, Corporate Social Responsibility.*

IV. TSD IN TRADE AGREEMENTS

Implementation - EU-Korea FTA

EU Domestic Advisory Group (DAG)

- *Members representing: the European Economic and Social Committee (also ensuring the Secretariat), trade unions, business associations, and NGOs.*
- *Meets regularly, works on documents on the implementation of the chapter.*

Civil Society Forum (CSF)

- *Regular meetings of members of the EU and Korea DAGs.*

Workshops

- *E.g. "labour workshop" hosted by the Korean DAG in the margins of the 2013 CSF, open to various stakeholders.*

International organisations

- *E.g. participation of the ILO in the 2014 TSDC for a session on developments and lessons learnt regarding ratification of fundamental and up-to-date ILO conventions*