

THE POWER OF TRADE PARTNERSHIPS

TOGETHER FOR GREEN AND JUST ECONOMIC GROWTH

June 2022

The Commission has presented a plan to enhance the way that EU trade agreements promote climate and environmental protection and labour rights worldwide and create shared ownership to achieve concrete changes on the ground.

Harnessing the power of trade agreements is even more crucial now in the turbulent geopolitical context and the EU needs allies to address global sustainability issues together.



The Trade and Sustainable Development (TSD) chapters of EU trade agreements require both sides to effectively implement International Labour Organization conventions and Multilateral Environmental Agreements, such as the Paris Climate Agreement.

The new “Power of Trade Partnerships” Communication identifies actions across 6 priority areas:



1. A COMPREHENSIVE APPROACH ANCHORED IN MULTILATERAL AGREEMENTS AND COOPERATION

Cooperation is key to achieve lasting results on the ground. It will allow the EU and its partners to take joint ownership of the agreed sustainable development objectives. We will do it through the following actions:

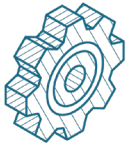
- Step up cooperation with trade partners to raise the level of compliance with international labour and environmental standards
- Provide technical and financial assistance to trade partners for reforms and capacity building



2. COUNTRY-SPECIFIC IMPLEMENTATION PRIORITIES

Our analysis shows that results are highly dependent on the specific situation of individual countries, so we want to pursue a more tailor-made approach through the following actions:

- Impact assessments will seek to identify country-specific sustainability priorities and providing detailed analyses of impacts early on
- We will negotiate, where appropriate, detailed and time-bound roadmaps with milestones



3. MAINSTREAM SUSTAINABILITY THROUGHOUT THE WHOLE TRADE AGREEMENT

In current trade agreements, trade and sustainable development (TSD) is covered in a dedicated chapter. We want to extend sustainability considerations to other areas of trade agreements by:

- Prioritising environmental goods and services, such as renewable energy, energy-efficient products and services
- Ensuring that impact assessments identify which provisions across the whole trade agreement are most likely to affect sustainability issues



4. COLLECTIVE MONITORING OF SUSTAINABILITY COMMITMENTS IN TRADE AGREEMENTS

Continued monitoring of commitments is crucial. We will enhance this aspect by combining resources through:

- An EU institutional approach to monitor the implementation of sustainability commitments, fully involving EU Delegations, Member States' capitals and embassies
- Supporting continuing involvement of the European Parliament in TSD implementation, for instance through inter-parliamentary contacts



5. REINFORCE THE ROLE OF CIVIL SOCIETY

Our extensive experience with stakeholder involvement shows that we need to maximise civil society's contribution to the sustainability aspects of trade agreements. We will do that by:

- An inclusive consultation process with civil society throughout the lifecycle and the entirety of trade agreements
- Updated Operational Guidelines for the Single Entry Point and timelines that the Commission will follow as general rule to treat TSD complaints
- Further strengthening the role of EU Domestic Advisory Groups by providing resources and support



6. STRENGTHEN THE ENFORCEMENT OF SUSTAINABILITY COMMITMENTS

When cooperation-based engagement fails, we will have more assertive enforcement tools to ensure compliance with sustainability commitments through the following actions:

- Extending the standard state-to-state dispute settlement compliance phase to the TSD chapter
- Including the possibility to apply, as a last resort, trade sanctions related to the Paris Climate Agreement and the ILO core principles