



**EU-Ukraine DCFTA**

**Workshop, Brussels, 6 November 2019**

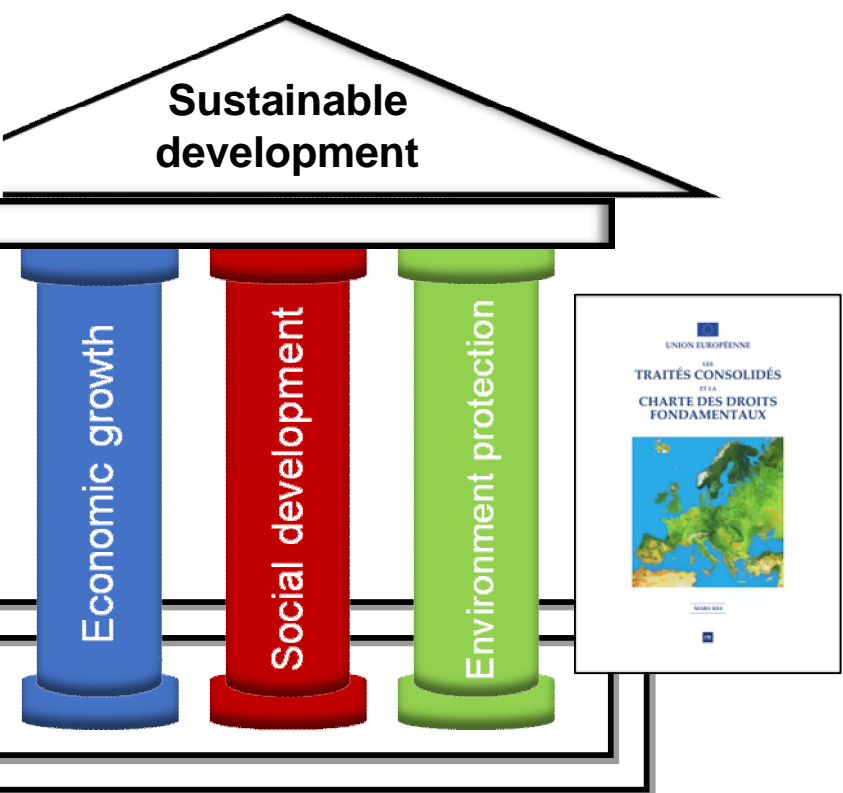
# Trade and Sustainable Development (TSD) chapter

## This presentation will focus on the following elements:

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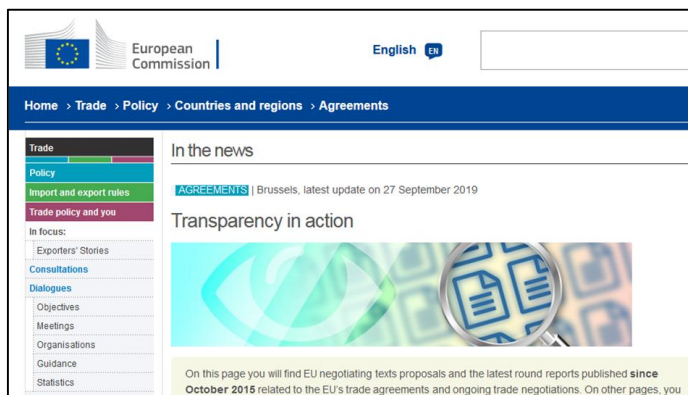
- The starting point: **definition** of sustainable development
- Contribution to sustainable development of the EU and partner countries as an **overarching objective** of EU external policies and trade agreements
- „New generation” Free Trade Agreements (FTAs) with **Trade and Sustainable Development (TSD) chapters**
- **Structure** of a TSD chapter and its **main elements**
- **Institutional set up** and **monitoring mechanism**, the role of civil society representatives
- Examples of **practical implementation** of TSD provisions
- **Transparency** and **recommendations to the Parties**

# Sustainable development consists of three equal pillars. It became an overarching objective of EU trade agreements



- The concept of sustainable development assumes interactions between three equal pillars: **economic growth, social development** and **environment protection**.
- Sustainable development** is also defined as „a development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs”.
- Based on EU Treaty, **sustainable development** of the EU and partner countries combining three pillars, as well as immediate and long-term goals became an **overarching objective of EU trade agreements**.
- Effective implementation of Trade and Sustainable Development chapters contributes to achievement of **Sustainable Development Goals (SDGs)**.

# The „new generation” EU FTAs include a Trade and Sustainable Development (TSD) chapter, with the following elements:



of pictures: logo owners (ILO, UNFCCC, CBD, CITES);  
/com; European Commission (DG TRADE)

- **Effective implementation** in law and practice of international obligations, i.e. ratified conventions of the International Labour Organisation (ILO) and Multilateral Environmental Agreements (MEAs).
- The **right of the Parties to regulate** and to adopt own policies, laws and regulations, in line with international standards and agreements.
- The Parties shall **strive towards high level of labour and environmental protection and not to lower standards** to attract trade or investment.
- The Parties shall ensure **transparency** by publishing laws and regulations and by giving an opportunity to interested parties to provide comments on proposals.
- The Parties comit to monitoring and assessing **impacts** of TSD chapter on sustainable development through their participative processes.

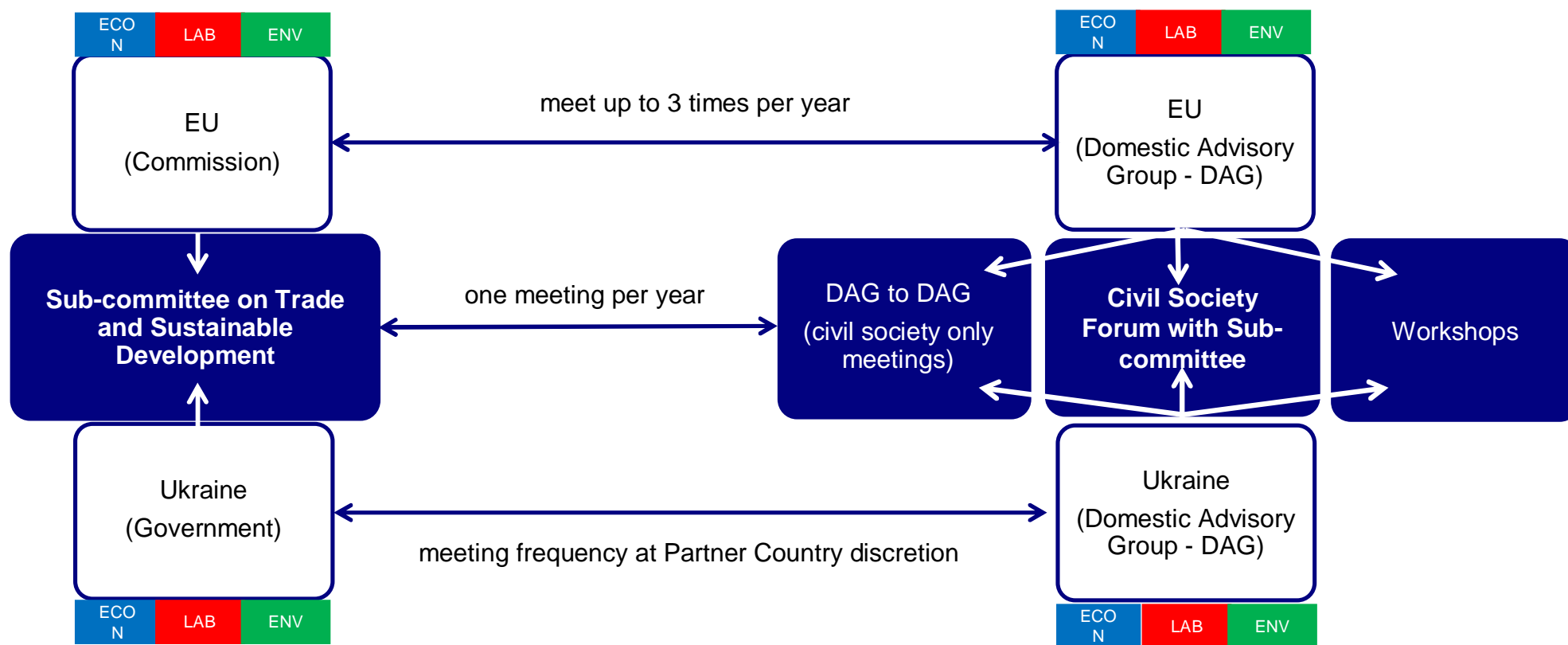
## The „new generation” EU FTAs include a Trade and Sustainable Development (TSD) chapter, with the following elements (cont.)



Source of pictures: pixabay.com

- **Promotion of trade and investment** in environmental goods, services and technologies, renewable energy and energy-efficient products and services.
- **Cooperation** contributing to achieving objectives of the Agreement, improvement of labour and environmental policies, promotion of corporate social responsibility (CSR) practices and sustainable management of natural resources (forestry and fish stocks).
- **Dialogue** among civil society (advisory groups) and between them and own Government representatives.
- **Institutional dialogue** between the Parties in a Sub-committee, as well as between them and civil society representatives in the Civil Society Forum.
- **Dispute settlement** through Government consultations and recommendations of a Group of Experts, however, with no application of sanctions.

# TSD chapters have a unique institutional mechanism bringing together the Governments and civil society representatives





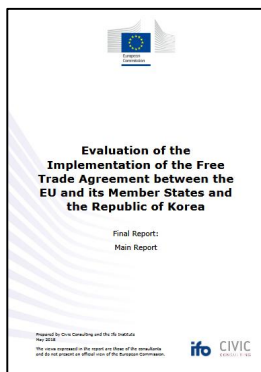
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# Implementation of TSD provisions in practice - examples



# Development and implementation of domestic policy and legislation, capability building, monitoring and analysis of impacts



of pictures: logo owners (ILO, UNFCCC, Paris Agreement ; UNEP), ITC ILO, World Bank Group, DG TRADE

- Participating in **public consultations** on developed legislation, policies, strategies and plans. Providing comments and monitoring their implementation, e.g. National Energy & Climate Change Plan, climate change policy and commitments, emission reduction, or the approximation to the EU law in the area of labour

- Proposing and contributing to **assistance projects**, and other **cooperation activities**, e.g. **studies, workshops, study visits, etc.**

- to develop plans (e.g. on climate change), and capabilities e.g. for social partners or labour inspection

- to exchange best practice, e.g. on health and safety at work, social dialogue, social protection, forestry, green procurement, renewable energy, energy efficiency, environmental goods, or transition to formal economy

- Monitoring and analysis of DCFTA's economic, social, environmental and human rights impacts.**



# TSD chapters suggest also areas for engagement involving businesses to support sustainable trade and investment



EU4Business

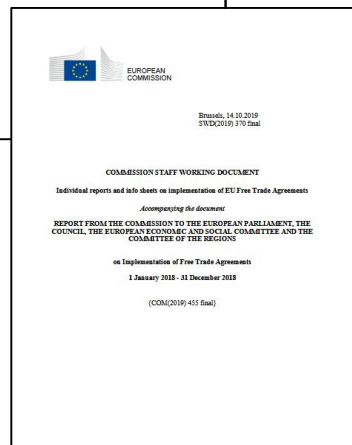
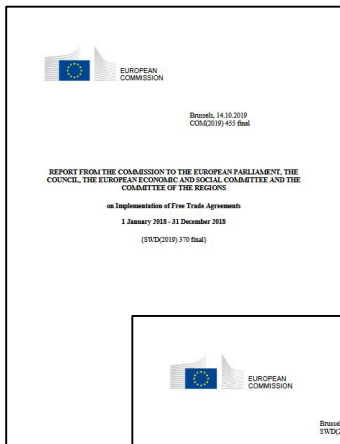


- **Promoting Corporate Social Responsibility (CSR) practices**, e.g. seminars to exchange best practice, including with OECD National Contact Points
- **Respect for labour (decent work) and environmental standards in global supply chains** (ILO and OECD)
- **Encouraging investment and monitoring and analysing its impact on sustainable development**, e.g. based on a set of indicators developed by OECD (2019):
  - productivity and innovation
  - employment creation and job quality
  - skills development
  - gender equality
  - carbon footprint
- **Support for SMEs**: e.g. information about market access provided by EU Trade Helpdesk, advice through Business Support Organisations (EU4Business), the Think Small First Principle, exchange of best practice

# Transparency, recommendations to the Parties and follow-up

[ec.europa.eu/commission/presscorner/detail/en/ip\\_19\\_6074](https://ec.europa.eu/commission/presscorner/detail/en/ip_19_6074)

The screenshot shows the 'Ukraine' section of the European Commission's press corner. It features a search bar, social media links, and a list of news items. A prominent article is titled 'EU and Ukraine have progressively applied their Deep and Comprehensive Free Trade Agreement (DCFTA) since 1 January 2016'. Below the text are several bar charts: 'Ukraine: Trade in goods', 'Ukraine: Trade in services', and 'Ukraine: Foreign direct investment'. The charts compare EU and Ukraine trade data from 2015 to 2017. At the bottom, there are sections for 'Ukraine: Trade in goods', 'Ukraine: Trade in services', and 'Ukraine: Foreign direct investment' with corresponding data visualizations.



Source of pictures: European Commission and DG TRADE

- **Annual FTA implementation report with a detailed Annex:** published by the European Commission on 14 October 2019. It outlines recent developments in implementation of all FTAs, incl. their TSD chapters.

- **Reports** from annual Committee and Sub-committee meetings: published on **DG TRADE website** in the section on countries and regions.

- **Online monitoring** of the Association Agreement announced by the Ukrainian Government.

- **Recommendations to the Parties** and follow-up:

- Concrete recommendations outlining expected actions related e.g. to policy, legislation or other measures (e.g. capacity building, consultations, etc.)

- Proposals for cooperation activities, e.g. workshops, exchange of best practice or joint projects.

- Call on the Parties to follow-up, discuss at the next Sub-committee meeting and report back to the civil society at the Civil Society Forum.