

# **SUSTAINABLE AND FAIR: RETHINKING THE EU TRADE AGREEMENT MODEL**



Saturday, 9 October 2021, 10.00-11.30 am CEST



Margarida Marques,  
MEP  
Host



María Martín-Prat, Deputy  
Director General, DG Trade,  
European Commission  
Key note speaker



Pascal Lamy,  
President Emeritus  
Institut Jacques Delors



Mathilde Dupré,  
Institut Veblen



Sergi Corbalán,  
Fair Trade  
Advocacy Office

**Online:** See the website of event [here](#)

## **Objective**

This event was hosted on 9 October 2021 by the Member of the European Parliament, **Margarida Marques (S&D, Portugal)**, in cooperation with the Fair Trade Advocacy Office in the context of the **European Youth Event (EYE) 2021**. The event highlighted the need to rethink and reshape the EU trade agreements, and EU trade policy more generally, to make it a better tool for sustainable development. It also explored the vision of the youth on the matter and heard their demands to tackle climate change and social inequality through trade agreements.

Setting the scene, Ms. Marques highlighted how timely the discussion is considering the current [revision on Trade and Sustainable Development](#) ('TSD') and emphasised that EU TSD chapters stand out as compared to other countries TSD approaches for coverage of provisions and high level of reach. However, the question remains if they are enough and, specially, if they are aligned with the EU's Green Deal.

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## ***'Linking Trade and Sustainability is not an option any longer, is our mandate'***

**María Martín-Prat**, Deputy Director General DG Trade, European Commission, affirmed that the use of EU policy as leverage for EU trade values is a decision made by the EU and that to support EU values and standards related to human rights, environmental and sustainability is not an option but the mandate of the European Commission.

She pointed out that the [trade policy review communication of February 2021](#), as title itself indicates, is open, assertive, and sustainable. Confirming that **sustainability is central issue** in the discussion and that it is clear by manner how the EU positions itself that trade policy, environmental policies and value-based policies are mutually supportive.

Martín-Prat affirmed that in negotiating TSD chapters the EU is using considerable leverage to obtain broad sustainable development commitments from trading partners than no other trading partner seeks to negotiate. The EU also invests considerable resources and efforts to ensure implementation of these commitments through engagement to improve the situation on the ground. Enforcement of commitments, or consideration of sanctions, are a matter of last resort,

Referring to other tools the EU has in hand for sustainable development, she referred to a package of autonomous measures, including Sustainable Corporate Governance Initiative, that would help companies

to better manage sustainability-related matters in their own operations and value chains as regards social and human rights, climate change, and environment.

Finally, she **called on young people to engage if we want the world to change**; reminding also that this is collective work across society

### ***‘Greening EU trade policy means resorting to a wide range of avenues’***

**Pascal Lamy**, President Emeritus, Institut Jacques Delors, reflected that traditionally EU trade policy has focused mainly on reducing obstacles to trade, opening markets, and making our economies more efficient so they can grow further. But that is not the only purpose as EU trade policy has also facilitated trade in developing countries to help them grow more thanks to a better access to EU market.

Mr. Lamy indicated that the EU Green Deal has become a major strategic axis for EU policy for the years to come. Greening EU trade policy will require using a wide range of avenues, of policies and trade instruments at multilateral, bilateral and autonomous level.

In his opinion, **targeting all these different fronts would be the way forward for the EU to accelerate transition towards green policy.**

Relevantly, he highlighted that in so far as the EU wants to keep as a priority the assistance to developing countries so they can develop their economies through trade opening, the **EU needs to be careful designing new requirements** as developing countries will have a hard time coping with the EU’s new higher requirements. Thus, the EU needs to find the right way for articulating its different goals while not forgetting that the planet includes poor countries that need the access to the EU market.

### ***‘Less optimistic about the current situation on sustainable development’***

**Mathilde Dupré**, Codirectrice, Institut Veblen, presented a vision on what the EU is doing on sustainable development that is less optimistic than what the previous speakers presented.

For Ms. Dupré, **sustainable development is taking a more prominent role in the public debate on trade policy but the changes in trade rules remain far too slow**, especially in light of environmental crisis.

The obligation to ratify international obligations, as the Paris Agreement, is not enough if it does not lead to concrete consequences. Paris Agreement must be essential clause in future FTAs.

She agreed with Mr. Lamy on the fact that the establishment of environmental criteria should be done unilaterally by the EU. However, in the meantime, bio-measures should also be incorporated in FTAs (as would be the case for eggs in the EU-Mercosur agreement) and sustainability impact assessment should be timely presented and their conclusions must be considered, to avoid another case as EU-Mercosur.

Her final remark was clear: the **EU can no longer accept to ratify agreements that do not meet environmental commitments.**

## **‘Trade policy will not work for sustainable development, unless it enables citizen-led social innovations’**

**Sergi Corbalán**, Executive Director, Fair Trade Advocacy Office, highlighted the role of the EU as enabler of citizen-led social innovations such as Fair Trade initiatives and was clear in expressing that EU trade policy, in order to be fair and sustainable, must have a bottom-up and top-down approach.

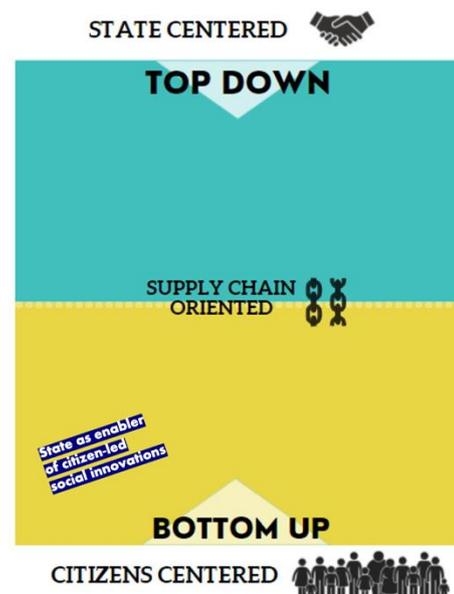
As top-down measures, he referred to the need to improve and strengthen the functioning of TSD chapters as well as the functioning of EU trade Domestic Advisory Groups and involvement of civil society. Connectedly, Mr. Corbalán highlighted the need to have the Paris Agreement and the core ILO conventions as essential elements of future and past trade agreements.

Announcements such as import ban on products involving forced and child labour cannot be the end action and that accompanying measures are needed to address the root causes of the problems leading to forced and child labour.

On supply chain-oriented level, mandatory Human Rights and Environmental Due Diligence needs to be introduced but this cannot mean companies moving cost of compliance to weak part of the supply chain.

**These rules must result in improved behaviour of companies, for them to treat and pay better their suppliers.**

Mr. Corbalán stated that that **trade policy needs to cover the bottom-up approach led by citizens and cannot be only about countries and companies.** For example, through the existing *EU Fair and Ethical city award*. Nonetheless, Mr. Corbalán made it clear that there is more to bottom-up Fair Trade linked initiatives than the Fair Trade towns: universities, regions, etc. and that those should have a space to convene; and the European Commission – through an annual Fair Trade week – should enable space for exchange.



## **Concluding remarks**

Ms. Marques thanked all panellists and participants for their active participation and questions, which made the debate very rich. She concluded that the discussed topic is relevant, and that EU trade policy alone is not enough to achieve the needed change at global level towards a fairer and more sustainable society.

As the European Commission has confirmed that sustainability is priority, there is expectation for stepping up the efforts on sustainable development at EU and non-EU level. Remembering that the EU, as global leader, carries a duty to support partner countries achieving sustainable development.

EU trade policy must aim at promoting trade while fostering sustainability in its economic, social, and environmental dimensions; but more needs to be done.