



Negotiations for a Deep and Comprehensive Free Trade Area (DCFTA) between the European Union and Tunisia.

## The EU Proposal on Trade and Sustainable Development

### FACTSHEET

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The present document aims at providing a general overview of the European Union's (EU) proposal for a chapter on Trade and Sustainable Development in the Free Trade Area (DCFTA) envisaged between the EU and Tunisia. The text of the EU proposal was presented to Tunisian experts in October 2015 and is now available on the website [link] of the European Commission.

#### Rationale and context

Sustainable development has gained considerable international attention in recent years and the EU has made a commitment to support it in its internal and external policies.

Since the 1990s, the international community, under the aegis of the UN, has expressed its support for the concept of sustainable development in its three interrelated and mutually reinforcing economic, social and environmental dimensions. Most recently, a UN Summit in New York in September 2015 adopted the "2030 Agenda for Sustainable Development", which includes 17 Sustainable Development Goals (SDGs). Furthermore, the "Means of Implementation" of the 2030 Agenda, which are covered by the Addis Ababa Action Agenda adopted in July 2015, establish a very clear link between trade and sustainable development, including a commitment to "integrate sustainable development into trade policy at all levels".

Accordingly, a full-fledged chapter devoted to trade and sustainable development was incorporated in the EU's DCFTA proposal. The aim is to address sustainable development issues of relevance to trade in a comprehensive and efficient way, while respecting the specificities of each partner.

#### Main objectives

The EU's proposal for a Trade and Sustainable Development Chapter aims at anchoring the DCFTA's commitments on sustainable development into the international consensus described above to ensure

coherence between the DCFTA and multilateral governance on these matters.

Accordingly, article 1 of the chapter refers to the main international political documents and declarations on sustainable development of relevance in the trade context. It also includes a commitment by the parties to pursue sustainable development in their trade relations.

#### Essential principles

Firstly, the proposal sets out key principles in relation to trade and sustainable development. This notably concerns the **parties' right to regulate**.

The aim of the chapter is not to harmonise domestic legislation. The parties seek through a joint commitment to a **high level of labour and environmental protection** in the full respect of their international obligations and to an **effective implementation of the parties' respective legislation in the fields of labour and the environment**. In this regard, the proposal seeks a commitment by the parties not to relax their domestic legislation in these fields for the purpose of encouraging trade or investment (articles 2 and 3).

As a third element, the proposal lays down obligations with regard to **multilateral governance and agreements** on labour and the environment. This is the purpose of articles 4 and 5, which put particular emphasis on the Core Labour Standards and fundamental conventions of the International Labour Organisation (ILO) as well as on key Multilateral Environmental Agreements (MEAs), such as the UN Convention on Biological Diversity (CBD), the UN Convention on International Trade in Endangered Species (CITES) and the UN Framework Convention on Climate Change (UNFCCC).

Articles 6 to 9 address areas of specific relevance in the context of the DCFTA and aim at identifying **trade and investment practices** that have a strong

potential to **advance sustainable development objectives**. These include:

- the sustainable management of natural resources (e.g. biodiversity, forests and fisheries),

- fair and ethical trade,

and

- corporate social responsibility (CSR).

These Articles are complemented by provisions, which address good practices related to scientific information, **transparency** and the **assessment of the impact** of the DCFTA on sustainable development (articles 10 to 12).

The proposal also encourages **strong cooperation** between the parties on trade-related sustainable development issues of common interest. Article 13 complements general commitments to dialogue by identifying possible areas of cooperation between the parties as well as possible forms of cooperation and outputs.

Furthermore, the proposal foresees an **institutional set-up** for monitoring the implementation of trade and sustainable development provisions. This includes both a government-to-government dialogue in a dedicated committee on trade and sustainable development, and

the involvement of civil society from both the EU and Tunisia.

To ensure a **strong role for civil society**, the proposed set-up foresees both

- consultative domestic advisory groups for interaction between each party and its own civil society,

and

- a civil society forum bringing together the civil societies of both parties and allowing for their joint interaction with the parties.

These platforms are to be based on a balanced and independent representation of civil society in accordance with the three dimensions of sustainable development, including trade unions, employers, environmental groups, and other non-governmental organisations (articles 14 and 15).

Finally, this institutional set-up is complemented in articles 16 and 17 by **a formal mechanism to resolve disputes** that might arise between the parties. This dispute settlement mechanism is specific to the trade and sustainable development chapter. It is based on dialogue, transparency, a role for civil society and independent external advice.