# Human rights, social and environmental standards in international trade agreements

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The Committee on International Trade adopted the own-initiative report by Tokia SAÏFI (EPP, FR) on human rights and social and environmental standards in international trade agreements.

**Trade strategy as a means to promote European values:** recalling that, in accordance with the Lisbon Treaty, the Union's external action, of which trade is an integral part, should be guided by the same principles as those which inspired its creation, Members call, therefore, for the European Union's future trade strategy not to envisage trade as an end in itself, but as a tool for the promotion of European values and commercial interests and as an instrument for fair trade that can bring into general practice the effective inclusion and implementation of social and environmental standards. They consider that the EU should adopt an approach in its negotiations which is positive, yet also **legally binding**, in its negotiation of trade agreements.

**Human rights and social and environmental standards in multilateral trade relations:** Members hope for greater cooperation at multinational level between the WTO and the main United Nations institutions in the human rights field. The expertise of the UN High Commissioner for Human Rights expertise could be taken into account within WTO panels and the appeals body when cases of serious breaches of human rights are observed. In parallel, Members underline that closer cooperation with the ILO (International Labour Office) is essential. In this regard, they propose a series of measures to strengthen the role of the ILO within the WTO (for example, by granting observer status to ILO members within the WTO).

More generally, Members reaffirm that the objectives of maintaining and preserving an open and non-discriminatory multilateral trade system on the one hand, and protecting the environment and promoting sustainable development on the other hand, should be mutually supportive. Mechanisms exist for this purpose, in particular within the WTO, to bring together commercial interests and environmental imperatives. In this regard, Members call for:

- a rapid conclusion to the negotiations on reducing or removing tariff and non-tariff barriers for environmental goods and services, in order to promote new forms of employment policies and the creation of jobs meeting ILO decent work standards;
- progress in the negotiations concerning the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs);
- conclusion of the negotiation of a multilateral climate agreement, and in the meantime, the introduction, on the European side, for those industries that are actually exposed to carbon leakage, of a 'carbon inclusion mechanism' that complies with WTO rules, which would make it possible to combat the risk of CO2 emissions being transferred to third countries;
- once the international agreement on the climate has been negotiated and signed, that a genuine World Environmental Organisation be set up to enforce application of the commitments.

**Human rights and social and environmental standards in bilateral trade agreements:** Members firmly support the practice of including legally binding human rights clauses in the EU's international agreements. These clauses must also be included in all trade and sectoral agreements, with a clear and precise consultation mechanism modelled on Article 96 of the Cotonou Agreement. The same approach of systematic inclusion should also be applied to the chapters on sustainable development in bilateral agreements. Noting that future trade agreements may be concluded against the background of the current financial crisis, Members consider that this must not mean neglecting social and environmental standards

in order to achieve other goals. They call on the Commission to include systematically in all free trade agreements negotiated with non-EU countries a series of social and environmental standards that include:

- **a list of minimum standards** including the ILO's eight Core Labour Standards and, with regard to the environment and respect for human rights, the list of conventions on the environment and the principles of good governance as set out in the European regulation on the scheme of generalised tariff preferences;
- **a list of other conventions** that should be implemented gradually and flexibly, taking account of developments in the economic, social and environmental situation of the partner concerned (corresponding to the ILO's Decent Work Agenda).

Members demand that all future trade agreements provide for a **ban on the exploitation of child labour**, in particular in the extraction and processing of natural stone, and include a uniform European certification system which ensures that imported natural stone and natural stone products have been demonstrably produced along the entire value chain without the exploitation of child labour.

They also underline the importance of **constant monitoring of implementation of the agreement**. They propose an open and inclusive approach at all phases whether that of the impact assessment: on sustainable development up to and including the phase of regular reporting on the general progress of implementation of the commitments. They also consider that national parliaments as well as civil society should be involved in trade negotiations and in the monitoring of the implementation of agreements.

More generally, Members call for EU trade agreements effectively to provide for the highest levels of transparency, stringent public procurement standards and country-by-country reporting by businesses in both developed and developing countries, with a view to combating illicit capital flight. They urge the Union to assert the **right of access to natural resources** in negotiations of trade agreements and the rights of native and indigenous peoples with regard to access to essential natural resources. Agreements should, in particular, include provisions in regard to the purchase and ownership of land in least developed and developing countries.

As regards the **settlement of disputes**, Members call for new procedures, such as a complaints procedure open to the social partners, the establishment of appropriate bodies to settle disputes relating to social or environmental problems, or a dispute settlement mechanism with provision for fines or temporary suspension of certain trade benefits provided for under the agreement.

**Human rights and social and environmental standards in unilateral trade relations:GSP and GSP+**: Members underline that, to date, GSP+ has had a positive and visible impact with regard to ratification of these conventions, but less so with regard to their implementation. They therefore hope to place more emphasis on accompanying measures to improve implementation capacity. The Commission must launch investigations if consistent evidence indicates that some countries are not implementing the conventions in question, and where appropriate withdraw the preferences. Members consider that **a closer link could be established between human rights clauses and GSP+** in European Union agreements with non-member states.

They also call for:

- the simplification of the rules of origin so that countries that benefit from the Everything But Arms initiative and the GSP+ system may derive maximum benefit from the preferences granted;
- the full involvement of Parliament in drawing up the list of beneficiaries of GSP+ and the launch of investigations and the temporary suspension of GSP+;
- a proposal for a regulation banning the import into the EU of goods produced using modern forms of slavery, forced labour, especially forced labour of particularly vulnerable groups.

Lastly, Members call for Parliament to be kept informed during the negotiation pf international trade agreements and, in the light of the Lisbon Treaty, that Parliament’s representatives be granted observer status, enabling them to attend meetings and to access relevant documents.