



**2022/2692(RSP)**

14.7.2022

# **DRAFT MOTION FOR A RESOLUTION**

further to Question for Oral Answer B9-0000/2022

pursuant to Rule 136(5) of the Rules of Procedure

on the outcome of the Commission's review of the 15-point action plan on  
trade and sustainable development  
(2022/2692(RSP))

**Bernd Lange**

on behalf of the Committee on International Trade

**B9-0000/2022**

**European Parliament resolution on the outcome of the Commission’s review of the 15-point action plan on trade and sustainable development (2022/2692(RSP))**

*The European Parliament,*

- having regard to the Commission non-paper of 26 February 2018 entitled ‘Feedback and way forward on improving the implementation and enforcement of Trade and Sustainable Development chapters in EU Free Trade Agreements’ (the 15-point action plan),
- having regard to the Commission communication of 22 June 2022 entitled: ‘The power of trade partnerships: together for green and just economic growth’ (COM(2022)0409) (TSD review communication),
- having regard to the United Nations 2030 Agenda for Sustainable Development,
- having regard to the core conventions of the International Labour Organization (ILO),
- having regard to the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration),
- having regard to the UN Framework Convention on Climate Change, including the Paris Agreement of 2015,
- having regard to the assessment reports of the UN Intergovernmental Panel on Climate Change,
- having regard to the 1992 Convention on Biological Diversity and its protocols,
- having regard to the 1975 Convention on International Trade in Endangered Species of Wild Fauna and Flora,
- having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640),
- having regard to the Commission communication of 20 May 2020 entitled ‘EU Biodiversity Strategy for 2030 – Bringing nature back into our lives’ (COM(2020)0380),
- having regard to the Commission communication of 23 February 2022 on decent work worldwide for a global just transition and a sustainable recovery (COM(2022)0066),
- having regard to the Commission communication of 20 May 2020 entitled ‘A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system’ (COM(2020)0381),

- having regard to its resolution of 26 November 2020 on the EU Trade Policy Review<sup>1</sup> and to the Commission communication of 18 February 2021 entitled ‘Trade Policy Review – An Open, Sustainable and Assertive Trade Policy’ (COM(2021)0066),
- having regard to the question of the Committee on International Trade to the Commission of 16 January 2018 on trade and sustainable development chapters in EU trade agreements<sup>2</sup>,
- having regard to the non-paper of 8 May 2020 from the Netherlands and France on trade, social economic effects and sustainable development,
- having regard to its resolution of 17 February 2022 on human rights and democracy in the world and the European Union’s policy on the matter – annual report 2021<sup>3</sup>,
- having regard to its resolution of 13 March 2018 on gender equality in EU trade agreements<sup>4</sup>,
- having regard to the EU Gender Action Plan (GAP) III, published on 25 November 2020 (JOIN(2020)0017), and to Parliament’s resolution of 10 March 2022 thereon<sup>5</sup>,
- having regard to the Commission’s annual reports on the implementation and enforcement of EU trade agreements,
- having regard to the opinion of the European Economic and Social Committee of 20 October 2021 entitled ‘Next Generation Trade and Sustainable Development – Reviewing the 15-point action plan’,
- having regard to the non-paper of the European Economic and Social Committee of October 2021 entitled ‘Strengthening and Improving the Functioning of EU Trade Domestic Advisory Groups’,
- having regard to the ILO and Commission handbook on the assessment of labour provisions in trade and investment arrangements, published in 2017,
- having regard to the handbook on the implementation of the chapter on trade and sustainable development in the trade agreement between the EU and Ecuador, published in 2019,
- having regard to the report of May 2022 on the final outcome of the Conference on the Future of Europe, and in particular proposal 19(4) therein,
- having regard to the question to the Commission on the outcome of the Commission’s review of the 15-point action plan on trade and sustainable development (O-0000xx/2022 – B9-00xx/2022),

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<sup>1</sup> OJ C 425, 20.10.2021, p. 155.

<sup>2</sup> (O-000098/2017 - B8-0617/2017).

<sup>3</sup> Texts adopted, P9\_TA(2022)0041.

<sup>4</sup> OJ C 162, 10.5.2019, p. 9.

<sup>5</sup> Texts adopted, P9\_TA(2022)0073.

- having regard to Rules 136(5) and 132(2) of its Rules of Procedure,
  - having regard to the motion for a resolution of the Committee on International Trade,
- A. whereas the EU is committed to an open and rules-based trading system that is fair, inclusive and sustainable; whereas EU trade policy is an important geo-economic tool; whereas a positive and proactive trade agenda is crucial for Europe's economic prosperity, competitiveness, innovation and the creation of new high-quality jobs;
  - B. whereas the EU, being the world's largest trading bloc, is in a unique position to cooperate and engage globally and bilaterally with partner countries to enhance the respect of international labour standards and environmental rules through its trade policy and trade agreements;
  - C. whereas all modern EU trade agreements include trade and sustainable development (TSD) chapters; whereas since 2018, the 15-point action plan has guided their implementation and enforcement; whereas Parliament has systematically called for improvement of the implementation and effective enforcement of the TSD chapters and for the possibility to use sanctions as a last resort;
  - D. whereas in June 2021, the Commission launched an in-depth review of the TSD 15-point action plan with the objective of strengthening the ability of trade agreements as a whole to champion sustainable trade in cooperation with trade partners;
  - E. whereas the EU, through its trade policy and external action, together with Parliament, through its legislative activity and parliamentary diplomacy, have consolidated the idea that the conditions in which goods and services are produced in terms of human rights, the environment, labour and social development are of the same relevance as the trade of those goods and services itself;
1. Welcomes the publication of the outcome of the TSD review; highlights that a comprehensive review and stronger focus on implementation and enforcement of TSD chapters have been longstanding demands of Parliament; takes note that the Commission has identified scope for improvement in six policy priorities;
  2. Takes notes with satisfaction of the Commission's intention to reinforce TSD chapters as cooperative instruments and to make use of early gap analysis to identify country-based implementation priorities with the involvement of civil society; notes that the ILO, the UN Environment Programme and the Multilateral Environmental Agreements should be consulted when defining implementation gaps; considers detailed, time-bound implementation roadmaps a useful tool to achieve desired results;
  3. Reiterates the need for a thorough scoping exercise prior to the launch of new FTA negotiations; calls on the Commission to include TSD chapter-relevant content in this scoping exercise;
  4. Supports the Commission's plan to streamline sustainability throughout FTAs in order to contribute to a carbon-neutral economy, and prioritise market access for environmental goods and services as well as access to raw materials and energy goods that are essential for the functioning of a carbon-neutral economy, provided they respect

sustainable practices and do not harm human rights, labour rights and the environment in non-EU countries, and respect the UN principle of free, prior and informed consent; calls for comprehensive sustainable impact assessments to identify provisions beyond TSD chapters that open opportunities for or that may represent a challenge to achieving sustainability objectives;

5. Recalls that Parliament has called for the role of EU Delegations in monitoring the implementation of TSD commitments to be strengthened; calls for sufficient financial and human resources to be allocated to EU Delegations to that effect and for streamlined work across the Commission's services to ensure adequate engagement on trade-related sustainability concerns, and for the coordination and conducting of capacity-building programmes with the aim of promoting sustainable development; calls on the Commission and the Member States to make the best use of the Team Europe approach to ensure coordination and coherence when engaging with partner countries on trade-related sustainability concerns;
6. Welcomes the creation of the Chief Trade Enforcement Officer (CTEO) function and the redesigned Single Entry Point as important steps to reinforce the implementation of TSD commitments, recalls the Commission's commitment to give equal importance to alleged breaches of TSD provisions as to alleged breaches of market access commitments; notes that, to date, only one complaint relating to TSD infringements has been lodged through the Single Entry Point; underlines the importance of including clear and precise commitments in future TSD chapters;
7. Supports a stronger structured role for domestic advisory groups (DAGs) throughout all stages of the lifecycle of trade agreements and urges for them to be assigned a monitoring role concerning the concrete implementation of all matters impacting sustainability in FTAs, including oversight of implementation roadmaps; calls for sufficient financial resources and technical assistance to be allocated to DAGs to enable them to properly carry out their tasks; emphasises that Parliament's Committee on International Trade (INTA) has committed to holding an annual debate with representatives of DAGs; considers closer exchange between Parliament's monitoring groups and standing rapporteurs, on the one hand, and the DAGs, on the other, to be of significant value to both; calls for functioning DAGs also to be set up in partner countries and regions, in line with the recommendations of the European Economic and Social Committee and the opinions of EU DAGs; welcomes the fact that DAGs can also submit collective complaints and that an EU-based complainant can present the TSD-related concerns of an entity located in a partner country; calls on the Commission to ensure that civil society organisations, in addition to DAGs, are also able to submit collective complaints;
8. Stresses that further aligning TSD enforcement with the general state-to-state dispute settlement and extending the compliance stage to disputes under TSD chapters will result in better implementation and enforcement of the recommendations of the panel of experts reports; is of the view that the nationally determined contributions – as tangible commitments by the parties to the Paris Agreement – should be an essential factor in assessing whether any violation of the Paris Agreement has taken place; calls for arbitrators in charge of such disputes to have proven expertise in the relevant fields;

9. Stresses the importance of carrying out *ex post* assessments of the environmental and social impacts of all provisions of FTAs, and for a review of the effectiveness of TSD provisions;
10. Welcomes the fact that Parliament's longstanding call to use trade sanctions as the recourse of last resort against instances of serious violations of TSD commitments, namely the ILO fundamental principles and rights at work, and of material breaches of the Paris Agreement, are included in the outcome document; hopes that conditions will be met at the 15th Conference of the Parties to the Convention on Biological Diversity in December 2022 to make the Convention enforceable as envisaged in the TSD review communication;
11. Notes that the Commission has not put forward a model TSD chapter, while acknowledging that all the elements of the TSD review communication must be developed in a tailored-made fashion depending on the trading partner in question;
12. Expects the principles of the outcome of the review of the TSD 15-point action plan to be reflected in all EU trade agreements under negotiation and future trade agreements submitted to Parliament for consent, as well as the modernisation of all FTAs in force, using the dedicated review clauses included in existing agreements or other appropriate procedures;
13. Considers the outcome of the TSD review an important step in ensuring that trade agreements fulfil the longstanding demands of Parliament and the expectations of civil society and citizens while guaranteeing that EU trade agreements remain negotiable and attractive for partners;
14. Remains committed to continuously stepping up parliamentary work in scrutinising TSD commitments and their implementation throughout the whole lifecycle of trade agreements, including through dedicated monitoring groups, specific parliamentary missions of the European Parliament and possible joint parliamentary monitoring committees with partner countries; asks the Commission to report periodically to Parliament, through the INTA Committee or the dedicated monitoring groups, on the progress achieved regarding TSD commitments and their implementation by partner countries;
15. Stresses that in order for economic opportunities created by trade agreements to benefit both women and men, gender needs to be mainstreamed in the whole process from sustainability impact assessment to implementation, including via dedicated gender chapters;
16. Reiterates that, as indicated in the Trade Policy Review, all future EU FTAs should include a chapter on sustainable food systems that is linked to the TSD chapter;
17. Stresses that the EU, as the world's biggest trading bloc, needs to be ambitious in its World Trade Organization-compatible efforts when designing additional autonomous instruments to support global climate action, the fight against biodiversity loss and deforestation, improve animal welfare, establish rules on corporate sustainability, due diligence and forced labour, advance the circular economy and the green energy transition and ensure decent work worldwide, and encourage its trading partners to

comply with them, using dialogue and tariff preferences; calls on the Commission to use TSD chapters to promote the ratification of the ILO Conventions included in the MNE Declaration;

18. Underlines that multilateral action is the best way to achieve the global transition to a carbon-neutral, inclusive and sustainable economy where the rights of workers are respected and urges the EU to step up its work to this effect at the multilateral level, notably within the World Trade Organization and by fostering closer collaboration with the ILO, UN Environment Programme and the Multilateral Environmental Agreements;
19. Instructs its President to forward this resolution to Commission, the Council, the European Economic and Social Committee, the governments and parliaments of the Member States, the International Labour Organization, the United Nations Environment Programme and the Multilateral Environmental Agreements.