



COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA)

MEETING OF THE COMMITTEE ON TRADE AND SUSTAINABLE DEVELOPMENT OTTAWA, 13 NOVEMBER 2019

JOINT REPORT

The second meeting of the Committee on Trade and Sustainable Development (TSD), established under CETA, took place on 13 November, 2019, in Ottawa. Officials from Canada and the EU held constructive exchanges throughout the day. Canada and the EU reviewed progress on the first year of the joint 2018-2019 TSD Committee work plan which included activities under trade and labour, trade and environment, cross-cutting commitments on Gender, and Responsible Business Practices, and the Early Review of the TSD chapters. The Parties provided updates on existing and new developments in policies and legislation in each of the areas discussed. Commitments were made to reconvene by teleconference in the near-term once the Parties' respective new leadership is in place, to concretize the 2019-2020 work plan, and when finalized, to publish it on their respective CETA websites. The Committee was joined at the end of the day by the Chairs of Canada and the EU's CETA Domestic Advisory Groups (DAGs), during which the TSD Committee summarized the meeting's discussions and welcomed their feedback on the TSD work plan, as well as on CETA's Civil Society Forum (CSF), held on the previous day.

Responsible Business

In the first year of the TSD committee's work, the EU and Canada exchanged contact points and compared respective approaches to support Corporate Social Responsibility (CSR)/Responsible Business Conduct (RBC) practices. Respective representative organisations (CSR Europe and United Nations (UN) Global Compact Network Canada (UNG CNC)) were in contact and the Parties exchanged perspectives with respect to the opportunities and challenges businesses are facing. To help businesses with this endeavour, the UN Global Compact Network Canada shared with its EU counterparts a handbook it developed for SMEs on implementing the Organization for Economic Cooperation and Development (OECD) Guidelines, as well as a compendium on how companies can contribute to the Sustainable Development Goals (SDGs). CSR Europe and the UNG CNC explored further possibilities for sharing experiences with businesses.

Canada and the EU discussed future collaboration related to CSR and RBC, and both Parties emphasized that they share many common objectives in this area and welcome the possibility to identify further initiatives for collaboration in the near future. The EU noted that Parties' efforts to raise awareness, create networks, provide training and promote the OECD Guidelines for Multinational Enterprises is key to advancing RBC globally. Parties agreed to collaborate by identifying opportunities and initiatives to connect their respective businesses that are dedicated to RBC in order to share best practices and develop a network that encourages and promotes responsible business. The EU was also interested in learning more about Canada's position related to the negotiation of a legally-binding instrument (LBI) on business and human rights lead by the UN.

The Trade and Gender Recommendation

Officials from both sides noted that over the first year, good progress has been made with more than 10 activities implemented, including trade missions for women exporters, workshops on trade and gender and bilateral video conferences to share information on policies, laws and best practices on a range of issues including supporting women's entrepreneurship and conducting impact assessments of free trade agreements. Planning for the year ahead is underway and will include a report to the CETA Joint Committee meeting in 2020. Other potential activities for 2019-2020 may include: video conferences or webinars on trade and gender and standards, trade and gender and financing, and trade and gender and development, which may include a discussion on third party co-operation.

Multilaterally, Canada and the EU also agreed to deepen co-operation on trade and gender leading up to the 12th Ministerial Conference of the World Trade Organization (WTO) in June 2020 in Kazakhstan. This work would follow up on the implementation of activities under the Buenos Aires Declaration on Trade and Women's Economic Empowerment signed at the 11th Ministerial Conference in December 2017.

Trade and Indigenous peoples

The Parties added this item to the meeting's agenda following a proposal made during the Civil Society Forum the previous day by Canada's Assembly of First Nations', to advance the participation of Indigenous peoples in trade under CETA. A short discussion was held on Canada's approach to integrating Indigenous peoples into trade agreements. Canada and the EU agreed to hold a future session during which Canada can elaborate further on its approach and the Parties will discuss next steps.

Trade and Labour

The Parties summarized cooperation during the first year of collaboration under the TSD Committee, which included a mapping of respective labour initiatives, including support to current International Labour Organization (ILO) projects, and the identification of synergies and areas of potential joint cooperation in third countries. (On the margins of the TSD Committee meeting Canada and the EU hosted a joint workshop with labour and civil society organizations on collective bargaining in the current context of technological changes.) The Parties also exchanged their experiences on labour-related activities under their respective agreements with Peru and Vietnam.

Looking forward, each Party provided updates on domestic and international multilateral initiatives, which included status updates on their respective ratification and implementation of ILO Conventions, explanations of their respective internal mechanisms to enforce international labour commitments, and summaries of current ILO technical assistance and capacity building projects in third countries. The discussion touched on a number of policy areas, including: combatting forced and child labour; addressing violence and harassment in the workplace; the new challenges brought on by the platform economy; and developments in occupational health and safety.

The Parties also discussed ways through which further engagement could be undertaken, to link trade and labour in international fora, such as the WTO, the G7 and G20. Canada and the EU also identified countries within which they can work together on technical assistance projects in third countries, such as Vietnam, where there are historic changes taking place in the area of freedom of association and collective bargaining, prompted in large part by FTAs (CPTPP, EU-Vietnam Agreement). Both sides also raised potential cooperation in Honduras, Ukraine, and Bangladesh.

Trade and Environment, and the “CETA Joint Committee Recommendation on Trade, Climate Action and the Paris Agreement”

On January 24, 2019, the Parties hosted a conference, “CETA: Taking Action for Trade and Climate” in Brussels, to follow up on the September 2018 “Recommendation on CETA, climate action and the Paris Agreement” adopted by the CETA Joint Committee. Over 130 participants from business, civil society, Member States and international organisations convened, with the objective to explore how to best leverage CETA’s institutional and legal framework to support implementation of the Paris Agreement. Participants suggested several follow up actions including supporting SMEs in the clean tech sector. In this context, on November 6-7 2019, Canada and the EU held a workshop on clean technology for SMEs during the Cleantech Export Week. As part of the TSD Committee work plan under the Trade and Environment Chapter, Canada and the EU also delivered a joint presentation to the WTO Committee on Trade and Environment in May 2019, entitled “Implementation of the CETA Environment and Sustainable Development Chapters: Links to Climate Action.”

The Parties discussed developments in their respective domestic environment and climate policies. The EU spoke about its upcoming European Green Deal, which includes a law to enshrine climate neutrality in legislation, and its ongoing priorities of climate, biodiversity, and the circular economy. Canada highlighted progress in implementation of the Pan Canadian Framework on Clean Growth and Climate Change. Canada also underlined its work on nature-based solutions, sustainable finance and its strategy on Zero Plastic Waste.

Key areas of cooperation identified were climate change, biodiversity, plastics pollution and circular economy, with clean tech as a cross-cutting theme. These areas were consistent with outcomes of the Civil Society Forum and the TSD Committee work plan. Canada and the EU discussed additional potential cooperation areas such as climate adaptation, just transition and coal-phase out, but noted that these topics may

be more appropriately addressed through other Canada-EU fora. Both Parties agreed to share more information on their wide breadth of international activities undertaken with third countries. Canada and the EU discussed potential cooperation activities such as collaboration in the context of the World Circular Economy Forum, which Canada is hosting in 2020; cooperation on an EU study on trade and biodiversity; and a continuation of the clean technology workshop for SMEs held in Montreal in November 2019.

The Co-Chairs of the TSD Committee also agreed to reach out to the Co-Chairs of other CETA committees to look for further opportunities for bilateral engagement on sustainability. The session ended with an exchange on multilateral environment agreements, including the Paris Agreement, the Gothenburg Protocol, the Nagoya Protocol and the Convention on International Trade in Endangered Species.

TSD Early Review

In 2018, Canada and the EU committed to intensify their efforts to conduct an Early Review of the Trade and Sustainable Development chapters, including with a view to their effective enforceability, pursuant to their commitment in Article 10 a) in the CETA Joint Interpretive Instrument. The Parties devised a joint work plan which includes at least three dedicated meetings on this issue in order to propose solutions and outcomes at the second CETA Joint Committee meeting and subsequent Joint Committee meetings as pertinent. Canada and the EU held a first dedicated meeting in February 2019, followed by several interactions to discuss the two Parties' proposed approaches.

Canada's approach is to add an additional step to existing enforcement mechanisms of the labour and environment chapters, which would consist of voluntary mediation and a schedule of fines. The EU's approach is to review the implementation of TSD chapters article by article to identify potential shortcomings or non-compliance issues and then consider jointly appropriate solutions. The two Parties agreed to continue the dialogue on TSD early review in order to advance discussions and find a solution acceptable to both Parties, which would not require re-opening the Agreement.

Further to the DAGs' joint statement requesting greater transparency and engagement on Early Review, the Parties agreed that by Spring 2020, they would meet and explain both the Canadian and EU proposals with their respective DAGs, and seek their views. Canada and the EU also agreed to continue providing updates on progress to their respective DAGs. Finally, the Parties agreed to report on progress of the Early Review of the TSD Chapters at the next meeting of the CETA Joint Committee.

TSD Committee – CETA Domestic Advisory Group Dialogue

Representatives of the Canadian and European CETA DAGs joined the TSD Committee meeting, during which TSD Committee co-chairs provided a summary of discussions and the ideas for potential collaboration in the coming year. The TSD Committee acknowledged the "Joint Statement of the Canadian and European Domestic Advisory Groups" presented to the TSD Co-Chairs during the Civil Society Forum on the previous day, and agreed to share the draft 2019-2020 work plan of the TSD Committee for the year ahead when ready. The DAGs expressed appreciation for the opportunity to

access the TSD Committee, and provided feedback on the TSD Committee’s progress to date and plans going forward, as well as on the Civil Society Forum.

Meeting Participants

Canadian Delegation	European Union Delegation
<p>Government of Canada Officials</p> <p>Global Affairs Canada Environment and Climate Change Canada Employment and Social Development Canada Ministry of Economic Development, Job Creation and Trade, Government of Ontario (online)</p> <p>Provincial Government Representatives</p> <p>Alberta Economic Development, Trade and Tourism (online) Nova Scotia Department of Intergovernmental Affairs Nova Scotia Department of Lands and Forestry Government of Manitoba (online) Ministère de l'économie et de l'innovation, Gouvernement du Québec Ministry of Trade and Export Development, Government of Saskatchewan (online)</p> <p>CETA Domestic Advisory Group Representatives</p> <p>Canadian Labour Congress and Labour DAG Vice-Chair Federally Regulated Employers – Transportation and Communications and Labour DAG Vice-Chair Canadian Fisheries Council and CEDAG Co-Chair Centre for International Governance Innovation and CEDAG Co-Chair</p>	<p>European Union Officials</p> <p>EC Directorate-General for Trade EC Directorate-General for Environment EC Directorate General for Climate Action EC Directorate-General for Employment, Social Affairs and Inclusion</p> <p>Delegation of the European Union to Canada</p> <p>CETA Domestic Advisory Group Representatives</p> <p>European Trade Union Confederation and EU DAG Chair Fondation Nicolas Hulot pour la Nature et L'homme</p>