

Sustainability Impact Assessment on the Negotiations for the Modernization of the Trade Pillar of the EU – Mexico Global Agreement Stakeholder Consultation

Roundtable on Human Rights, Environmental, and Social Issues

When: Thursday November 30 // 14h – 15h30

Where: Rue Belliard 99-101, 1000 Bruxelles, Belgium

Partnering Host Venue: EESC

The roundtable focusing on human rights, environmental, and social issues started with an introduction and announcement of Chatham House Rules by the meeting chair where he explained that the main objective of this meeting is to gather information from stakeholders working on sustainability issues in order to share these views with DG Trade for incorporation into the negotiations.

After a brief description of the outreach process of the EU-Mexico SIA and a brief introduction to the SIA itself, the chair provided an overview of the reasoning behind the need for a modernization of the Global Agreement.

The original FTA between the EU and Mexico is a broader political agreement of cooperation. Both the EU and Mexico were under different circumstances and there is currently a new international context under which the trade agreement must be updated. The EU trade model has changed considerably since 1997. The original agreement was focused on eliminating tariffs and shallow measures as opposed to deep integration. The measures addressing deep integration including NTBs were covered much less intensively than the current generation of trade agreements. Additionally, the EU has increased in size from 15 to 24 countries since the original agreement was implemented. Simultaneously, Mexico has become an emerging and dynamic economy, seeing a growth of its middle class. There have been new opportunities in terms of market access. Global value chains have additionally become much more prominent and central to the conversation about trade integration. NTBs, intellectual property issues, and rules of origin additionally are of growing significance in trade issues.

Finally, along with the growing technicality of trade, the last decade has additionally seen increased attention to non-trade issues, such as human rights, social issues, and environmental concerns. The rise of non-trade issues has been central to the implementation of EU policy and frameworks in the last decade. The first landmark of this inclusive approach was the EU-Korea FTA which has served as a basis for future negotiations, particularly the new chapter on sustainable trade and development with provisions on labour, environmental issues, and human rights. The second key document that has structured the actions of DG Trade in these fields is the EU's Trade for All Strategy which defines a number of rules and prioritizes SIAs. The third landmark regards the new commitments on transparency and trade negotiations. And the fourth has to do with climate action and how the EU has tried to make EU trade policy more sustainable from an environmental perspective.

There is thus a clear willingness to promote a model that is more socially and environmentally responsible. The meeting chair explained that through SIAs we can improve this model. EU-Mexico trade trends have increased in the last decade, and have done so in the favour of the EU. Industrial goods and agricultural trade have doubled in the last few years. This SIA aims to complement DG Trade's analysis by combining quantitative and qualitative analysis to assess the impact on trade figures in different sectors which will have an impact on those involved.

A discussion with stakeholders followed the introduction.

The representatives expressed concern over the timing of the stakeholder consultations stating that it seems quite late to be initiating this considering that the negotiations are to be finalized by the end of 2017. The representatives inquired as to why they were being consulted so close to the conclusion of the negotiations, and why participant numbers are lower than what they would have expected.

In response, the meeting chair underlined that the commission requested LSE Consulting to organize the stakeholder consultation on a sped up timeframe in order to receive inputs prior to the conclusion of the negotiations. This has its advantageous being that inputs could then be taken into consideration prior to the conclusion of the negotiations, but also has its downfalls as the quick organization of the meetings did not allow a long enough registration period for a larger participant group. It was also suggested that perhaps relevant stakeholders are occupied with the WTO Ministerial taking place in Buenos Aires shortly. Alternatively, the increased attention on renegotiations of NAFTA are perhaps overshadowing EU – Mexico negotiations.

In response to the question of why the negotiations are to be concluded in 2017, it was suggested that the negotiations are perhaps rushed because of the international context of the world's current realities.

A representative explained that this may be more problematic for those stakeholders in Mexico than in the EU considering that the consultation workshop on the Mexican side will not be held until early January which is after the supposed conclusion of the negotiations.

The conversation then continued with a discussion on the monitoring of the effectiveness of this process. Frequent updates on the SIA website were suggested as well as measures to ensure that the information is conveyed well. A database of contacts is regularly reached out to allowing for an assessment of the response rate. A representative explained that some NGOs and stakeholders don't have time or resources to devote to SIAs, and thus this becomes a matter of priorities.

The chair explained that there may be issues in the process that it does not yet take into consideration. This, was suggested, is the reasoning behind this conversation as the stakeholders were invited to contribute their views on any outstanding issues. The chair emphasized that the team prioritizes connecting stakeholder inputs to the negotiations by coordinating with all team members to ensure each analysis incorporates the inputs from the consultations.

Another representative echoed the need for channels to contribute throughout the process beyond the roundtable. The representative underlined the importance of knowing the ability to contribute throughout the entire process was available.

A participant followed by explaining that they undertake considerable work regarding mechanisms to ensure civil society participation and monitoring of human rights throughout the implementation of trade agreements. Regarding this civil society mechanism – the representative mentioned that they have discussed with DG Trade the importance of not limiting the components of issues to certain chapters or pillars. The representative emphasized the importance of recognizing human rights across all chapters rather than only in the sustainability chapter. It was mentioned that in recent trade agreements there is quite a diverse representation from the EU, but the same is needed on the Mexican side. Another concern addresses the fact that most SIAs only reference ILO conventions, where the community would like to see links to human rights conventions as well. The representative stated that specific mechanisms and committees to tackle human rights are

particularly desired in the agreement text in the form of an effective human rights clause. A human rights clause that includes a mechanism to suspend the trade agreement when there is a violation against a human rights commitment was suggested along with a mechanism to bring complaints to the participating parties.

It was mentioned that regarding environmental protection, having a good level of meaningful public participation is crucial.

A representative followed by highlighting the role of human rights defenders and activists, recognizing that violations against them in Mexico are widespread. It is important that in the trade agreement, human rights defenders have access to platforms to report violations. The representative expressed the need for a focus on regular dialogue of the situation on the freedom of activists, perhaps through the inclusion of specific cases in periodic reviews.

The conversation then continued with a participant outlining the difference between general human rights violations that are not directly impacted by the trade agreement, and those that are directly impacted. The example was given of energy reform measures within the agreement negotiations. As windmill farms in Oaxaca, Mexico were installed, there was a large presence of indigenous communities living on the territory, and as a consequence, there have been environmental and human rights concerns. The representative underlined the importance of carefully considering the clashes of unintended consequences such as local human rights violations derived from the promoting of clean energy.

The discussion then turned to the EU's new model of trade agreements which was argued to no longer discuss values. A representative expressed her confusion as the sustainable development chapter of the trade negotiations focuses on ensuring basic implementation of environmental agreements, but that it is not necessary to be engaged in trade of environmental products to recognize that another party is failing to live up to its commitments. The participant inquired why a sustainability issue must be directly affected by trade to be considered in the negotiations. A similar concern was echoed by a second participant who questioned why the Global Agreement is called global if it doesn't allow components not specific to trade to be included. The representative did, however, recognize that this opens the topic of business and human rights. It was suggested that the role of businesses should be monitored to assess if they are upholding ILO standards and other social/human rights commitments to include in the reporting mechanisms. The participant underlined that this should encourage both the EU and Mexico to move towards the implementation of binding mechanisms.

In response, the chair assured the participants that all inputs are welcome for discussion, whether they are directly or indirectly affected by trade. The meeting chair continued that it is indeed this an aspiration to develop a model that is not defined as trade specific. On the other hand, the question arises as to why the framework of a trade agreement should be used if there are international conventions to approach state failures to uphold commitments.

The conversation then turned to a report published by Brot fur die Welt concerned with the issues surrounding the EU's requirement that Mexico sign the intellectual property agreement. The participant explained that there this produces issues for Mexican corn farmers as this provision effects seed exchange between farmers that rely on this production. The representative emphasized the cultural and economic, as well as nutritional, importance of this crop. The participant added that the report additionally speaks to the concerns human rights violations as a consequence of

megaprojects which under ILO 169 are required to conduct public consultations, but commonly do not.

On a similar note, the meeting concluded with the call for the inclusion of animal welfare in the negotiations' sustainable development chapter. A representative explained that the link between trade, large scale industrial agricultural and animal farming and animal welfare often fails to be made. The participant explained that animal welfare belongs in not only the sustainable development chapter, but also in the SPS chapter for different reasons. The concern stems from the fact that Mexico has one of the richest areas of biodiversity and the EU is one of the biggest consumers of wildlife products.

The meeting came to a conclusion with the chair's response that the inception report does mention wildlife protection but that further input would be appreciated for a case study. The chair thanked the participants.