

4th Joint Statement

Canadian and European Union (EU) Domestic Advisory Groups (DAGs), established under the Trade and Sustainable Development (TSD) chapters of the EU-Canada Comprehensive Economic and Trade Agreement (CETA)

Introduction

Following our DAG-to-DAG meeting on Monday 24 April 2023, our workshop on Tuesday 25 April, the Civil Society Forum hosted by the European Union on Tuesday 25 April and Wednesday 26 April, and the CETA TSD Committee on Thursday 26 April, the Domestic Advisory Groups of Canada and the European Union jointly state the following:

1. We are very happy to meet again in person for the first time since the beginning of the COVID-19 pandemic at our DAG-to-DAG meeting on 24 April 2023. The meeting was held in a great spirit and with renewed enthusiasm for cooperation between our DAGs. During the meeting we shared an overview of the work of our respective DAGs since the 2022 joint online meeting, and identified opportunities for fruitful cooperation on joint priorities.
2. We are strongly committed to continuing and enhancing this cooperation both amongst our DAGs and between our DAGs and the CETA parties, which can only be achieved through a more regular interaction amongst our DAGs, as well as through a more consistent and constructive relationship with the CETA parties.
3. Though we wish to draw attention to a number of issues in our 2022 Joint Statement (attached) that persist and still need to be addressed, we acknowledge the significant changes in the global geopolitical context, prompting the DAGs to identify and draw attention to the most pressing challenges that have emerged from this new context:
 - perpetual supply chains disruptions¹;
 - increasing climate emergency²;
 - endangered biodiversity³;
 - Russia's war of aggression against Ukraine⁴;
 - various dependencies on major global actors, such as China and Russia⁵;
 - global competition for critical raw materials and consequent calls for strategic autonomy, taking into account the free, prior, and informed consent of Indigenous Peoples⁶;

¹ [Global value chains: Potential synergies between external trade policy and internal economic initiatives to address the strategic dependencies of the EU, study requested by the European Parliament, March 2023.](#)

² [Joint press release on Canada-EU relations, 7 March 2023.](#)

³ [Kunming-Montreal Global Biodiversity Framework.](#)

⁴ [Council of the EU, Foreign Affairs Council, 24 April 2023.](#)

⁵ [Speech by EU Commission President on EU-China relations, 30 March 2023.](#)

⁶ [UN Economic and Social Council draft report](#)

- erosion of labour rights and protections;
- labour shortages⁷;
- inflation and increasing cost of living⁸.

In view of this, we wish in particular to:

4. Draw attention to the perpetually disrupted supply chains that have brought to a halt many activities and operations, some of which are still in the process of relaunching. Global supply chains have thus shown lack of resilience and sustainability, increasing the cost of supply chain operations, exposing the erosion of workers' rights and protections across many supply chains around the globe, as well as pointing to a lack of flexibility of IT systems running the supply chains.
5. Highlight the shared commitment of the Government of Canada and the EU to achieve an economy with net-zero greenhouse gas (GHG) emissions, and emphasise the importance of intensifying efforts towards a Just Transition anticipating and managing change through social dialogue. Of note, there's a shift away from the use of 'just transition' to 'sustainable jobs' as more appropriate in the Canadian context⁹. Given the importance of global shipping for moving 90 per cent of world trade while accounting for nearly 3 per cent of global GHG emissions, the decarbonisation of the industry in an inclusive process of shipowners, workers and communities is of collective interest and an opportunity to lead by example¹⁰.
6. Stress that potential and stronger role should be given to the respective EU-Canada civil societies actors to address natural and man-made disasters and emergencies including those linked to climate changes and crises. EU-Canada civil society, economic and social actors must be better prepared to address also future challenges with enhanced knowledge sharing on crisis management environment and make respective civil protection activities even more inclusive.
7. Underline the critical importance of disruptions caused by the Russia's war of aggression against Ukraine, primarily a significant humanitarian crisis, followed by energy crisis, food security crisis, disruption to the supply of critical raw materials and other commodities, rising defence expenditure (redirected from other priorities), and other critical disruptions.
8. While understanding that the EU has adopted a new TSD approach in its bilateral Free Trade Agreements (FTAs), we wish to stress that in a new geo-economic era of "friend-shoring" it is even more critical to not only uphold but to enforce the strongest labour rights and protections in trade. The DAGs seek to integrate the EU's new approach to TSD in CETA, in particular the application of sanctions as a last resort upon non-compliance with the TSD, the

⁷ [ETUI Policy Brief, Labour shortages – turning away from bad jobs, March 2023.](#)

⁸ [European Parliament resolution of 15 March 2023 on the European Semester for economic policy coordination: Employment and social priorities for 2023.](#)

⁹ [Canadian Sustainable Jobs Act](#)

¹⁰ [Maritime Just Transition Taskforce.](#)

trade and labour and the trade and environment chapters of CETA. The DAGs are thus eager for the CETA parties to make meaningful, transparent and swift progress towards their sustainable development and TSD review commitments, achieving "effective enforceability of CETA provisions on trade and labour and trade and environment", as indicated in article 10 of the Joint Interpretative Instrument (JII). To this end, the ongoing TSD early review foreseen in the JII remains a priority for the Canadian and EU DAGs.

Calls

1. We call on the CETA parties to reinforce their consultation with and support of the Canadian and EU DAGs, who with their strong civil society networks are best placed to monitor and draw attention to fast-emerging issues on the ground. To this end, we call on the CETA parties to pursue a more consistent and constructive relationship with the Canadian and EU DAGs, including a relevant follow-up on the annual joint statements that the DAGs communicate to the CETA parties.
2. We call on the CETA parties to have a continued and focused priority on ensuring the sustainability and resilience of supply and value chains including but not limited to issues of digitalisation and inclusiveness, due diligence, decent work, forced and child labour¹¹, freedom of association, collective bargaining, right of information and consultation, gender equality and equity, and 2SLGBTQI, occupational health and safety, quality public services and transparency of environmental, animal, and labour and human rights impacts. Special attention should be also devoted to action aimed at addressing the climate emergency and cost-of living crisis.
3. We call on the CETA parties:
 - to align the EU's new approach to the TSD chapters in CETA, in particular as a last resort, to apply trade sanctions for material breaches of the TSD, the trade and labour and the trade and environment chapters; and
 - regarding the Paris Climate Agreement and the ILO fundamental labour principles, to be ambitious in exploring a range of options to strengthen the enforceability of the TSD chapters, and to ensure further and continued involvement and consultation of the EU and Canada DAGs and civil society during this process.
4. Based on the results of the ongoing five-year sustainability impact assessment carried out by the EU, we call on the CETA parties to look closely into any negative and positive effects of CETA on the 17 UN Sustainable Development Goals, in particular Goal 5: Gender Equality,

¹¹ [Fighting Against Forced Labour and Child Labour in Supply Chains Act.](#)

Goal 8: Decent Work and Economic Growth, Goal 10: Reduced Inequality, and Goal 13: Climate Action, and to act if the assessment shows that remedy is required.

5. We encourage the CETA parties to continue their constructive dialogue on greater alignment between trade and respect for the rights of Indigenous peoples in the work of CETA, building on direct and meaningful dialogue with their respective Indigenous Peoples. This could include learning from Canada's experience with the Indigenous Peoples Economic and Trade Cooperation Agreement (IPETCA) and Indigenous knowledge systems.
6. We urge the CETA parties to work together in this and other international economic fora to implement their environmental commitments and develop best practices and consensus approaches to carbon pricing to:
 - create a level playing field for trade in reduced carbon, sustainably produced goods;
 - ensure decent work and protections for workers;
 - maintain and reinforce their collaboration on protecting biodiversity; and
 - support the implementation of related multilateral initiatives such as the Sustainable Critical Minerals Alliance¹² between Canada, Australia, France, Germany, Japan, the United Kingdom and the United States.
7. We encourage the CETA parties to intensify the cooperation activities with social partners and civil society that prioritize the highest standards of labour rights and protections, and human rights under the implementation of the fundamental ILO Conventions, the ILO Tripartite Declaration on Multinational Enterprises (MNEs) and the OECD Guidelines for MNEs and commit ourselves to involve proactively the ILO and OECD in our own monitoring work.
8. We invite the CETA parties to arrange for a mid-term meeting with the DAGs in-between the annual Civil Society Fora, to evaluate progress made in the collaboration with the DAGs and to explore joint work programme priorities. To be able to continue to fulfil our role of effectively monitoring CETA implementation and providing regular advice to the parties, we call on the CETA parties to:
 - Continue to provide and reinforce resources to facilitate more regular joint DAG meetings;
 - Ensure full transparency about all their activities under CETA relevant to the sustainable development chapters;
 - Involve civil society more closely when discussing in any CETA implementation committees set by the parties.
9. The Canadian Environmental DAG (CEDAG) and the Canadian Labour DAG thank the EU DAG, the European Economic and Social Committee, and the European Commission for

¹² [Government of Canada, Critical minerals strategic partnerships.](#)

facilitating the organization of these meetings. All the DAGs are looking forward to their next joint meeting and to continuing their future fruitful cooperation.

Dated 20 June 2023
