***A new TSD benchmark: The EESC pushes forward the consensus on the future of sustainable trade***

**At its January plenary session, the European Economic and Social Committee (EESC) adopted an**[opinion](https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/power-trade-partnerships-together-green-and-just-economic-growth)**welcoming the EU's new approach to Trade and Sustainable Development (TSD) as laid out in the recent Communication on "The power of trade partnerships". The EESC supports the Commission’s comprehensive review setting a new benchmark on TSD and considers the introduced elements as part of the package in all trade agreements – be it future ones, those under negotiation or applied to existing agreements as much as possible. However, the new TSD plan is not exempt from shortcomings, and the EESC regrets that no action is being taken to involve civil society more thoroughly during the negotiation process.**

**This Communication summits a multi-year policy review process on how to strengthen labour, environmental and civil society provisions in EU free trade agreements (FTAs) to deliver real change on the ground – a process in which the EESC was front and center as rapporteur Tanja Buzek emphasised, "Our call for a** [**Next Generation TSD**](https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/next-generation-trade-and-sustainable-development-reviewing-15-point-action-plan-own-initiative-opinion) **built the overarching narrative of breaking down silos and looking beyond classic TSD chapters, recalling the EESC contribution to the TSD review in 2021. Today we are joining the consensus of the European Parliament and the Council that a new TSD approach is the only way forward".**

**The EESC has consistently held sustainability to be one of the drivers for trade policy, observing that an integrated approach is the new standard even beyond the EU's own trade network. This set of improvements is also essential for trade policy to gather the necessary political legitimacy and support to get negotiated trade agreements over the finish line. The EESC will monitor the roll out of the new approach and advise the institutions throughout.**

**Following key EESC recommendations**

**Remarkably, the Commission delivered on several EESC recommendations. The EESC welcomes the breakthrough of the possibility of trade sanctions as a last resort but notes this is limited to serious breaches of core TSD commitments, thus further clarification is needed. Detailed and time-bound roadmaps tied with civil society monitoring will become a key tool along with a focus on collective horizontal monitoring across EU services, institutional and international players. Concerning enforced TSD implementation, the rapporteur reiterated that while better defined and stringent roadmaps can assist with a country-specific approach, it is equally important to clarify the obligations at the level of the agreement. The EESC also stresses the importance of reinforcing roadmaps as leverage for pre-implementation efforts and urges their public disclosure.**

**Opportunities for further strengthening the DAGs and filling civil society gaps**

**The EESC supports the more ambitious involvement of Domestic Advisory Groups (DAGs) throughout the lifecycle of trade agreements, as they greatly benefit from a civil society monitoring mechanism. DAGs play a crucial role in making TSD chapters work, stressed Tanja Buzek; "they have established contacts with civil society counterparts in partner countries and can contribute with their valuable experience on the ground, which politicians and civil servants do not possess".**

**The EESC urges a clearly outlined role for the DAGs and accountability of the parties for the designated DAG bodies being fit for purpose, in particular when referring the role back to existing bodies. Commission services will also need to allocate sufficient resources to apply the reinforced TSD approach along with sufficient financial resources and technical assistance to DAGs.**

**The opinion also underlines that an apparent missing gap remains for civil society to lead negotiators on all EU trade agreements and provide input on key EU proposals”. The EESC urges the Commission to take action, starting with reinstating the permanent expert group on FTAs, a crucial step in the Commission's strategy to improve engagement with civil society in trade policy.**

**To-do-list: Just Transition and pursuing a multilateral ambition**

**The EESC regrets that the Communication did not follow the Paris Agreement in making Just Transition an overarching concept in trade agreements, taking in due account the imperatives of social sustainability next to the green one. "The newly established Coalition of Trade Ministers on Climate could be the welcome platform to promote this concept", commented Tanja Buzek. Likewise, streamlining sustainability in public procurement should focus on both environmental and social elements.**

**This opinion underlines the importance of the Geneva-based multilateral trade angle: the EESC encourages the promotion of the new TSD strategy within the World Trade Organisation (WTO) by building alliances aligned with its objectives. With environmental sustainability written into the WTO rulebooks for the first time, a closer cooperation with the WTO and the International Labour Organisation (ILO) is key to promoting decent work and labour standards via trade instruments. Going beyond bilateral talks and convening a conference on TSD with EU trade partners and like-minded countries to exchange experiences and best practices is the EESC’s concrete recommendation for a first step towards that goal.**

**Next steps for agreements in the pipeline**

**The EESC expects the new TSD strategy to be applied to trade agreements and negotiations – including concluded, but not yet fully ratified FTAs. In particular, it expects this to be the case for the EU-Canada Comprehensive Economic and Trade Agreement (CETA) with an early TSD review ongoing. Where reopening of concluded FTAs is not possible, the Trade Committee should be enabled to amend the TSD chapter as was done in the TSD chapter with New Zealand, suggests the EESC.**

**Background**

Since the EU-South Korea FTA in 2011, TSD chapters have evolved and been featured in all EU agreements, with commitments to respect multilateral labour and environmental agreements, and to prevent lowering protection levels to attract trade and investment.

In June 2022, after years of critical civil society advocacy and growing institutional expectations, the Commission set a path for the new TSD strategy. This prioritises a more proactive cooperation with trade partners, the mainstreaming of sustainability beyond the TSD chapters and a stronger role for civil society. While reconfirming the same binding commitments in all its TSD chapters, the Commission advocates better tailored implementation of its TSD objectives to the challenges, needs and capacities of each partner.