



▶ 2022 All DAG meeting

Summary report

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Summary report

On 12 July 2022, the European Economic and Social Committee (EESC) facilitated and hosted the second All DAG meeting, gathering all the EU Domestic Advisory Groups (DAGs). Key stakeholders such as Ms. Maria Martin-Prat and Mr. Denis Redonnet (DG TRADE), President Christa Schweng (EESC) and Mr. Bernd Lange (EP-INTA) took part in the debates.

This meeting was an opportunity for EU DAG members to engage as a group and discuss the state of play and future of the DAGs under the EU Free Trade Agreements (FTAs), as well as the important role of trade and sustainability in promoting fair and inclusive growth worldwide and resilient supply chains.

The meeting was very timely, following the recent adoption (22 June 2022) of the European Commission (EC) Communication on the Trade and Sustainable Development (TSD) review: "The power of trade partnerships: together for green and just economic growth", which strengthens TSD enforcement and the role of the DAGs.

Opening statement

EESC President
Ms Christa Schweng

Ms Schweng welcomed this major positive development represented by the new EC Communication on TSD, which incorporates many priorities expressed in EESC opinions. Among these, Ms Schweng noted that the Communication recognises the essential role of DAGs in TSD enforcement, and she reaffirmed the EESC's support for DAGs and their activities. She underlined that the EESC wants to make sure that the DAGs achieve their full potential and deliver on their mission.

#1 – The New TSD Communication in action

The first session was dedicated to discussing and assessing the EC Communication on "The power of trade partnerships: together for green and just economic growth", a major rethinking of the EU approach to its trade and sustainable development chapters.

The session was chaired by Ms. Tanja Buzek, EESC DAG coordinator.

Deputy Director-General DG Trade,
European Commission
Ms Maria Martin-Prat

Ms. Martin-Prat started her intervention by thanking the DAGs for their responsiveness, stating that the EC counts on the DAGs' work to assist with TSD implementation, for both ongoing and new agreements. She noted that the EC needs to be able to engage and negotiate with trade partners, reconciling EU values with new geopolitical realities.

About the Communication, Ms. Martin-Prat outlined the new strategy built on six priorities to strengthen content and implementation of TSD chapters in FTAs. One of the main goals is for the FTAs to increase the effectiveness of the EU contribution to the Sustainable Development Goals (SDGs).

Ms. Martin-Prat then mentioned the Communication's focus on results; the introduction of roadmaps, with specific timelines for implementation; and the active engagement of partners, based on international standards.

As to the enhanced role attributed to civil Society (CS) – most notably the DAGs – Ms. Martin-Prat stressed the easier access to complaints procedure, with clear timelines for the Single Entry Point (SEP), and a stronger focus on enforcement in TSD chapters' compliance mechanisms. Furthermore, it is now possible to apply trade sanctions for breaches of ILO Conventions on fundamental labour principles and the Paris Agreement on climate.

Speaking of CS, Ms. Martin-Prat explained that it is expected to play a key role in engagement and guidance to ensure that TSD implementation matches the EU's

ambitions; constant feedback and timely, targeted inputs were welcome.

She concluded by noting that the Communication commits to enhanced interaction and collaboration with DAGs, including dialogue facilitation in third countries, monitoring of DAGs' implementation and more balanced representation. She promised that DAGs' representatives would also be invited to attend the TSD Member States' experts group, when required.

The Communication strikes a progressive balance between pragmatic dialogue with partners and TSD enforcement, with CS and DAGs in a prominent role.

Chair of the European Parliament Committee on international trade (INTA)

Mr Bernd Lange

Mr. Lange thanked the EESC and the DAGs for this opportunity and recalled his long-standing position of support for the DAGs and their role in TSD implementation.

Mr. Lange shared the European Parliament's (EP) appreciation for the Communication, in particular the introduction of roadmaps and milestones for implementation, and the clear monitoring perspectives. He underlined that the new enforcement procedure, with a dispute settlement mechanism envisaging trade sanctions as last resort, is a welcome complement to the existing dialogue-based system. He noted that compared to the unclear legal status of the previous relevant document on the matter – the EC's "Non-paper" – progress is apparent as the new Communication has a clear legal status and was adopted by the college.

Mr. Lange however regretted that the Communication did not provide a "model" TSD chapter, which could have been useful; the official explanation being the ad hoc nature of FTAs and the vast differences between trade partners and contexts. On this point, he observed that the new EU-New Zealand FTA will represent the Communication's first practical test. According to him, this FTA represents a wonderful translation of the Communication, probably the most progressive trade agreement and TSD chapter to date.

In perspective, Mr. Lange recalled that other FTAs are in the pipeline, like Australia, Mexico, and Chile: it is key that a common EU approach is applied to all these agreements, especially in the current geopolitical context.

In conclusion, Mr. Lange reaffirmed the EP's strong support for even more substantial DAG involvement accompanying the whole lifecycle of FTAs. A precondition of this is proper financing and improved cooperation between the EP and the DAGs.

The Communication is a welcome progress in terms of TSD enforcement and DAG's involvement; the new EU-New Zealand FTA is an excellent application of it.



Discussion, Questions & Answers

After the intervention by Mr. Lange, DAG members engaged in a discussion with the European Commission on important issues for their line of work.

The Vietnam DAG opened the session enquiring about TSD enforcement, the imposition of sanctions, roadmaps for adoption of ILO Conventions in partner countries and the apparent contradiction between sustainability and liberalisation of animal product trade. The Commission observed that dialogue, negotiation and engagement are the main approach for TSD enforcement, while the option of imposing sanctions should be a last resort. On the issue of roadmaps for adoption of ILO Conventions in Vietnam, the Vietnam FTA is followed closely by the European Parliament. However, it is difficult to ensure that partners respect their unilaterally adopted roadmaps. With regards to sustainability in animal product trade, the Commission noted that, although sustainability should be considered, the EU cannot enforce its standards on partner countries, but only assist them in improving their own via cooperation.

The Andean DAG called for a needs assessment to be conducted about DAG financial needs and the struggle to deal with growing commitments. It also proposed for activities to be project-based and issues to be identified based on impact and mutual interest criteria. The topics of maintaining institutional memory and holding predictable proceedings were also raised. The Commission stated that prioritisation is key to optimizing resources and that more attention should be paid to the work of EU Delegations with regards to project monitoring. At that point, the Moldova DAG advocated for the establishment of an institution similar to the EESC in Moldova and the improvement of social dialogue in the country in collaboration with social partners. The Moldova DAG is closely monitoring the review process of the Georgia and Moldova FTAs.

Regarding the involvement of DAGs in trade negotiations, the Singapore and UK DAGs asked the Commission how it planned to include the input of civil society in those agreements where there is no DAG or similar structure in place. To this question, the Commission replied that it already publishes documents before and during negotiations in order to collect the views of civil society, a process that can be improved based on feedback from existing DAGs. The final question was raised by the Korea and CETA DAGs about how to quantify the economic value of violations, especially in the absence of direct economic impact. The Commission remarked that, although sanctions are a very rare occurrence, there are already procedures and quantitative methods that allow to quantify those values. The Commission also recalled the fundamental reality of dealing with sovereign states, to be kept in mind when balancing dialogue and more forceful measures.



#2 - The 1st TSD case under the Single Entry Point – Process and Procedure

This session described the first ever TSD case under the Single Entry Point (SEP), recently filed by CNV International against Peru and Colombia under the TSD chapter of the Andean Community FTA.

CNV International - Senior Legal Advisor

Mr Ben Vanpeperstraete

Mr. Vanpeperstraete introduced the case by referencing its main issue, i.e., the unequal treatment of subcontracted workers in the mining sector. In particular, the complaint holds that anti-union violence and subcontracting misuse have been leading to workers' discrimination and to the violation of freedom of association and collective bargaining. The inadequate actions of Colombia and Peru would constitute violations of both the TSD chapter and a number of ILO conventions.

Key findings

Illegal outsourcing, justified with production needs, is actually mainly aimed at reducing labour costs, concealing employment relations and preventing collective bargaining. This has a very serious impact on the social sustainability of the entire mining sector in those countries, as up to 70% of mining sector workforce is outsourced,

The companies involved in this complaint engaged in an array of behaviours in open violation of TSD and ILO provisions, including the use of fixed-term contracts to impose lower salaries and prevent seniority accrual, and refusal to attend government-mandated conciliation

meetings and comply to arbitrations overseen by labour inspectorates.

This is a well-known issue under long-standing international scrutiny, including from national (US, Canada) and international (EP, ILO, OECD) actors.

Expectations and remedies

Result-based, time-bound and practical roadmap with regular reporting with Peru and Colombia in order to:

- Address the 2 specific cases.
- Address the structural issues related to anti-union violence and subcontracting misuse.

Next steps and open points

A preliminary assessment of this case is expected by the end of 2022. Being the first ever such case, it might constitute a precedent and clarify the EU's position on TSD complaints and approach towards trade partners.

While it is too early to determine whether the current SEP configuration is fit for purpose, there are a number of ex-ante issues that could be addressed to improve the SEP, mostly about insufficient clarity:

- No legal basis for SEP functioning
- TSD chapters' unclear/aspirational language
- Unclear procedures and accessibility – especially for non-EU entities
- Unclear standards/responsibilities
- Unclear remedies.

#3 – Effectiveness of the DAGs: Best practices & lessons to share

This session was structured as an exchange of lessons learned and best practices between different DAGs. The discussion was enriched by the contribution of Mr. Denis Redonnet, Deputy Director General of DG Trade, returning to the All-DAG meeting after his participation last year.

The session was moderated by Mr. Axel Marx, Deputy Director - Leuven Centre for Global Governance Studies.

DG Trade Chief Trade Enforcement Officer,
European Commission

Mr Denis Redonnet

Mr Redonnet thanked the EESC and its secretariat for organising this second All DAG meeting, a fundamental step towards its establishment as a recurring event and forum. He praised the All DAG as a good format; he also insisted on the importance of facilitating the interaction between EU DAGs and third country DAGs.

He welcomed the fact that most of the discussions from the past year, as well as the findings of the TSD review, are now reflected in the Communication. The progress is clear despite difficulties.

He then welcomed the fact that nearly all TSD issues were covered during recent DAG meetings, and underlined the improvement of the complaint mechanism on TSD infringement and the Single Entry Point (SEP) by DG Trade, with three main objectives:

- Clarify that DAGs can file complaints representing the interests of parties located in partner countries;
- Introduce a clear timeline for the handling of TSD complaints – 120 days for finishing a preliminary assessment;
- Improve transparency: publication of non-confidential information included in complaints to

increase broader awareness among stakeholders of the filed complaints.

Mr Redonnet explained that DG Trade does not foresee the transformation of the SEP into a formal legal instrument but prefers the current voluntary nature of this instrument, aimed at raising rather than solving issues. The SEP is an iterative process, which allows actors like non-EU civil society organisations to provide additional information/evidence to the initial complaints if needed. It is also important to ask ourselves how high the bar should be raised, and manage expectations/demands.

As for legal enforcement action, DG Trade continues to use the option of legal disputes. Mr Redonnet also assured that DG Trade has been working on any formal complaints that were raised about TSD Chapters implementation. On infringement procedures, he insisted on the necessity of panel transparency.

Furthermore, Mr Redonnet underlined the timely activities of DAGs focused on the specific implementation of trade agreement provisions, and praised the excellent cooperation between DG Trade, the DAG members and secretariats. Much of future successes will depend on DAGs' work and on a timely and complete flow of information.

In his concluding remarks, Mr Redonnet referred to the need to invest in the internal partnership with DG INTPA and in the external partnership with the ILO.

Concerning the absence of counterparts to the DAGs in some partner countries, he insisted on a potential problem of compliance with the legal text of the trade agreements, explaining that the EC cannot be prescriptive to partners as to how they structure their civil society involvement. In the context of Vietnam, a cooperative approach has proved to be successful. As for Canada, he underlined the joint work programme as a best practice for other DAGs.

"As shown in the TSD Communication, the Commission recognises the DAG's central role and sees the updated SEP as a key tool for monitoring and enforcement"



During the second part of this session, focus was put on a limited number of DAGs, and several DAG chairs and members took the floor to share lessons learned and best practices. The following tables present synthesise the main concepts expressed, by DAG and type.

<h2 style="margin: 0;">Vietnam</h2> <h3 style="margin: 0;">Discussion led by Ms. Judith Kirton-Darling (Chair)</h3>	
Context and issues	Very young DAG, established during the pandemic: no face-to-face meetings with Vietnamese counterparts yet.
	Counterparts' issues: low participation (6 CSOs as of now), unbalanced representation, pressing issue of CS space and voice.
	Vietnam has put into place a detailed roadmap for ILO Conventions ratification and implementation, but its application is lagging behind.
Lessons and best practices	Flexibility – 4 meetings online so far.
	Very good and important relationship with the EU Delegation.
	Work with ILO to monitor ratification and implementation of Conventions.

<h2 style="margin: 0;">Andean</h2> <h3 style="margin: 0;">Discussion led by Mr. Benedikt Wiedenhofer (Chair)</h3>	
Context and issues	One of the oldest DAGs, at its third mandate.
	Especially at the beginning, limited knowledge about who the local counterparts were and how they functioned. Difficulties in identifying them.
	Cooperation with DG INTPA to be improved, since EU development policies are also very relevant for TSD chapters and vice versa.
Lessons and best practices	To tackle the counterpart identification issues, the EU DAG drafted a document outlining DAG's functioning and members nomination. Inspired by a similar experience in Central America DAG.
	Informative document shared with available counterparts, followed by a dedicated joint meeting to discuss.

	Good cooperation with DG Trade to identify suitable counterparts - both relying quite heavily on EUDs.
	Invited a DG INTPA representative to the last DAG meeting. DG INTPA then shared a list of projects contributing directly/indirectly to TSD chapter's objectives, very useful for DAG to better target their own recommendations.
	Desk study on "Fair trade between the EU and the Andean Region", core topic for joint meeting later this year.

CETA	
Discussion led by Ms. Stephanie Ghislain (Chair)	
Context and issues	Very well-functioning DAG, suitable to be indicated as a best practice case among DAGs.
	However, the particularly favourable circumstances make it less easy to replicate in other contexts.
	TSD provisions language is sometimes vague – more general issue, not limited to CETA DAG.
	Issue with SEP: providing evidence of violations is a burdensome and uncertain process.
Lessons and best practices	Emphasized the capacity of the EU-CETA DAG to review the TSD chapter of the EU-CETA agreement.
	Trying to implement joint programmes, ideas and topics to work together.
	Instead of investing resources in desk studies, the CETA DAG might involve experts to prepare models for roadmaps, e.g. on climate protection.
	It is key to focus on issues with the greatest possibility of positive and concrete outcome – accurately pick battles.

Japan	
Discussion led by Ms. Stephanie Ghislain (Member)	
Context and issues	Japan has yet to establish its own DAG, and the Ministry of Foreign Affairs has control over topics and attendance. This hinders the normal functioning of the DAG-to-DAG dialogue and activities.
	Vagueness of TSD provisions, especially in terms of monitoring and enforcement – issue not limited to Japan DAG.
Lessons and best practices	ey to focus on issues with the best chances of positive/concrete outcome – pick the right battles.

Korea	
Discussion led by Mr. Tom Jenkins (Chair)	
Context and issues	First FTA of the new generation.
	Insufficient efforts by Korea -motivated by the absence of sanctions- to implement ILO conventions; doubtful whether legal amendments proposed by Korea are enough to meet the corresponding ILO requirements.
Lessons and best practices	The possibility of imposing sanctions would most likely speed up and increase the responsiveness of counterparts.
	Coordination and cooperation with ILO in order to avoid duplications.

UK	
Discussion led by Ms. Tanja Buzek, Ms. Luisa Santos, Ms. Tina Blohm (co-Chairs)	
Context and issues	Youngest of all DAGs, and a special case since its monitoring competency is not limited to TSD chapter, but covers the whole agreement. Wider range of topics.
	Fundamentally different agreement: not about establishing a new relationship, but dismantling an existing one. Completely different implications in terms of monitoring.
	Largest DAG too, which requires additional coordination efforts.
	Different interlocutors, dealing with colleagues in the EC that are not so familiar with DAGs and their workings.
	All these peculiarities make prioritisation crucial and particularly difficult.
	The inadequate use of existing bodies instead of DAGs by trade partners is a cause for frustration. The Japanese example is striking, and shows how the excessive -if justified- focus on structures and procedures comes at the expense of content.
	Excellent cooperation within the Presidency (EU-side) of the EU-UK DAG, while the UK side had not yet chosen a counterpart for this presidency.
	The very significant interest shown by European and national associations produced a large disparity between applications and available places (an admission ratio of 1:10).
Lessons and best practices	6 different sub-groups have been established to ensure representation despite the limited available positions.
	Roadmaps are generally a good tool for DAGs to prioritize their issues.
	A higher degree of activity on the ground by DAG members might be associated to better results.



Session 3 - Takeaways

Issues:

- Prioritization of the work of the DAG, especially with wider competences beyond the TSD chapter.
- EC responsiveness to DAG's inputs not always timely. Issue likely to worsen with higher workload.
- Organizational/procedural issues can and do divert attention and resources from content (Japan, UK).
- Roadmaps are not always upheld and enforcement is very difficult (Vietnam).
- Some DAGs suffer from extensive governmental intervention and control (Japan).
- TSD provisions are sometimes vague, mainly with regards to enforcement.
- For SEP: hard to provide evidence of violations.
- In certain contexts, it can be hard to identify local counterparts. These sometimes necessitates an initial effort of knowledge and information-sharing.

Best practices:

- Sub-groups can help ensure representation when the demand of participation is not satisfied by available positions (EU-UK DAG).
- When jointly agreed, roadmaps help DAGs prioritizing their issues and activities.
- SEP complaints show much promise and should be widely used (Andean DAG).
- Focus on activities and issues with the best mix of relevance and chances for success.
- Good working relationship with EUDs is key.
- Involvement of DG INTPA in DAG meetings and activities (e.g. sharing lists of projects contributing directly/indirectly to TSD).
- Work with ILO to monitor ratification and implementation of Conventions.

Points for further consideration:

- What determines the different degrees of success among DAGs?
- Could a higher degree of activity on the ground by DAG members be associated with better results?
- EC capacity in terms of DAG management.
- Cooperation with DG INTPA to link TSD chapters - EU development policies.



Concluding remarks

EESC DAG coordinator

Ms Tanja Buzek

Ms Buzek thanked the participants for their involvement in the frank exchanges and concluded the morning debates with four key messages:

1. **Keep the conversation going.** It is important to have active DAGs and finally also a living DAG Handbook, which reflects the DAGs functioning and activities, especially in light of the new EU-New Zealand FTA and its incoming DAG. It is also time that the DAGs have a proper web space: active involvement will be needed to determine what the expectations and needs are.
2. **Information flow is key.** The discussion confirmed what experience shows: it is paramount for DAGs to maintain and possibly extend the flow of information both internally and towards the wider work they are engaging. Annual implementation reports could be a good example of that, and the next meeting should be accordingly better timed to give input to these reports.
3. **DAGs are more than just meetings.** DAGs require significant, day-by-day work and attention. Much, if not most of DAG activity happens in between DAG meetings, the most obvious example being the monitoring and compiling issues.
4. **DAGs are living entities.** When problems arise, we can only solve with honest assessment and sharing of possible solutions. In difficult cases (e.g. Japan DAG), EU Delegations could and should be key interlocutors.

“Better communication and flow of information to learn from experience and improve DAGs’ impact.”

List of participating DAG member organisations

ACP Young Professional's network
Amfori
Both ends
BusinessEurope
CFDT (France) Le syndicat
CGIL (Italy) Italian General Confederation of Labour
ClientEarth
CNV (NL) Dutch Trade union
COCERAL
COTANCE/Euroleather
DGB (Germany) German Trade Union Confederation
ECDPM
EESC European Economic and Social Committee
ETF European Transport Workers' Federation
EPSU European Federation of Public Service Unions
ESF European Services Forum
ETUC European Trade Union Confederation
ETUCE European Trade Union Committee for Education
EUCOFEL (Fruit Veg Europe)
EU-LAT network
Eurochambres
Eurocommerce
Eurogroup for Animals
Euromontana
European Organisation of the Sawmill Industry (EOS)
Fair Trade Advocacy Office
Fairwatch
Fediol
FERN (forest)
FH (Denmark) Danish Trade Union Confederation
FIDH – International Federation for Human Rights
FO (France) Workers' Force
Fondation Nicolas Hulot
France Nature Environnement
Friedrich-Ebert-Stiftung
Humane Society Int'l/Europe
LO (Sweden) Swedish Trade Union Confederation
OIDHACO
Plataforma Europa Peru
SMEunited
Solidaridad
TCO (Sweden) Swedish Confederation of Professional Employees
UGT (Spain) General Union of Workers
UIL (Italy) Italian Labour Union

