



JOINT STATEMENT OF THE 3rd MEETING OF THE COMMITTEE ON TRADE AND SUSTAINABLE DEVELOPMENT UNDER THE KOREA-EU FTA

Brussels, Belgium, 8 December 2014

The Republic of Korea and the European Union (EU) held the third meeting of the Committee on Trade and Sustainable Development (the Committee) under the Korea-EU Free Trade Agreement (FTA) in Brussels on 8 December 2014.

The Committee was co-chaired by Marc Vanheukelen, Director for Sustainable Development, Economic Partnership Agreements, Agri-Food and Fisheries, Directorate-General for Trade at the European Commission; and Mr Hunsoo Lee, Acting Director General of International Cooperation Bureau at the Korean Ministry of Employment and Labor; and Mr Heesong Cho, Director of International Affairs Division at the Korean Ministry of Environment for Korea.

In line with the joint statement of the 2nd meeting of the Committee, agenda space was provided for the Co-Chairs of the Civil Society Forum (CSF) to present the work of the Domestic Advisory Groups (DAGs) since the last Committee meeting. The Co-Chairs provided updates in relation to the composition and function of DAGs for both sides and a summary of their work on opinions on Emission Trading System (ETS), Liberalization of Environmental Goods and Corporate Social Responsibility (CSR) to be presented at the CSF, as well as their work in follow up to their previous opinions on labour rights and green growth.

The Committee welcomed the Co-Chairs' presentation and encouraged further work and discussions both in each DAG and between the DAGs through the CSF. The EU also welcomed the renewed membership of the Korean DAG, including the broader representation of unions and employers.

The Committee agreed to present the summary of the discussion of the 3rd meeting of the Committee to the 3rd meeting of the CSF to be held in Brussels on December 9.

The environment segment opened with an EU presentation on the Emissions Trading System (ETS), the flagship of the EU climate policy. The EU presented how emerging carbon markets in Europe and East Asia could also be an interesting business opportunity. Korea also updated on recent developments of the Korean ETS since last September, which will be enforced from 2015. The parties agreed to work further on the preparation of an EU-Korea ETS cooperation project under the Partnership Instrument to share experience on the EU's regulatory approach both with the public and the private sector which is to be launched by end 2015 and run for three years.

This was followed by a presentation on policy developments on green growth and the circular economy. Korea introduced main environmental policies in the area of Creative Economy of Korea, such as construction of environment-friendly energy towns, nurturing of upcycling industries and enactment of the Act on the promotion of resource circulating society. The EU in particular updated on the work on environmental footprint for products and organisations across various sectors involving stakeholders also from third countries and encouraged the participation of Korean industry. It also invited Korea's views about a proposal to organise an eco-innovation forum in Korea together with the United Nations Environment Programme (UNEP) in the fall of 2015. Both the EU and Korea recognised the usefulness of such a forum and agreed to continue to further discuss the related matters.

The Committee then discussed a number of key Multilateral Environmental Agreements, notably the Minamata Convention and CITES, and exchanged information on wildlife trafficking and on illegal logging.

On the Minamata Convention on mercury, both the EU and Korea are signatory and in the process of ratification, following which this could be an interesting area for cooperation in the implementation phase.

The EU updated on its Communication on its approach on wildlife trafficking and ongoing stakeholder consultation on how to strengthen it, including through closer cooperation with partner countries. The EU invited Korea to continue the good cooperation in CITES, including regarding the implementation of new listings. During this item, the EU also expressed a desire to strengthen cooperation on fisheries. Korea introduced its national policy in the area of wildlife trafficking.

The EU outlined its main instruments to combat illegal logging and associated trade, noting that they would be reviewed in 2015. Korea stated that a legislative proposal addressing trade in illegally harvested timber was under development. Both sides agreed to exchange experience in the light of those ongoing developments.

The labour policy segment was introduced by a presentation of the International Labour Organisation (ILO) on developments regarding the ratification of fundamental (in particular those relating to forced labour, and freedom of association and the right to collective bargaining) and up-to-date ILO conventions and on lessons learned from other countries regarding obstacles to ratification and ways to address them. The ILO also offered to continue to provide technical cooperation and advice in this relation to these issues as well the effective implementation of ratified conventions in particular in relation to non-discrimination in respect of employment and occupation.

The Committee discussed labour issues, including ILO fundamental Conventions, in particular on freedom of association and collective bargaining and on forced labour, including measures to address unfair labour practices. The Parties also discussed their commitment under the FTA to respect in their laws and practices the ILO fundamental principles and rights at work.

The Parties also updated each other on work towards ratification and effective implementation of ILO fundamental, priority and other up-to-date conventions, as well as on labourmarket policy developments which may have an impact on trade and/or investment.

The EU informed on its contribution to the adoption of the new Protocol supplementing ILO Convention No. 29 on Forced Labour. It underlined its commitment to promote decent work as well as the eradication of forced labour and informed on steps taken to enable a swift ratification of the Protocol by EU Member States. The EU also made a presentation on social dialogue at EU level and informed on recent developments aimed at strengthening the role of social partners.

Regarding ILO Conventions, Korea informed that it had recently ratified the Maritime Labour Convention. Korea also informed that the government would continue to have dialogues with the ILO and make other additional efforts to ratify more Conventions. Korea explained its recent policy efforts to achieve a 70% employment rate and progress that has been made.

The Parties agreed to share, before the next TSD Committee meeting, texts setting out progress to date and further intended steps toward ratification of ILO fundamental and other up-to-date conventions, and exchange the information with the CSF.

Regarding cooperation under Annex 13 of the FTA, Korea and the EU discussed recent developments regarding the launch of the negotiations on an Agreement on Environmental Goods. The Parties reiterated their commitment to and high level of ambition for this initiative. The Parties agreed to work towards substantial results by the end of 2015 in view of the 10th WTO Ministerial Conference and the climate negotiations.

The Parties also discussed implementation of the international guidelines and principles in the area of Corporate Social Responsibility (CSR) and agreed to pursue talks on this matter in the future. The EU suggested further discussion on the operation of EU and Korean companies bilaterally and in third countries, the role of OECD National Contact Points in this respect, and the possibility for the Parties to work together to ensure that their companies observe the international CSR principles and guidelines to which both Parties subscribe. In this respect, the Committee encouraged the CSF to provide further advice on such matters.

The Parties also discussed possible areas of cooperation on Environmental Mark of Korea and Eco-Label of the EU to contribute to sustainable consumption and production (SCP) in the EU and Korea. The Committee recognised the benefit of further exchanges in this area and agreed to continue dialogue and cooperation on this point, including with a view to holding a technical meeting between officials in 2015.

Finally, the EU made a brief presentation of the new Partnership Instrument, which will finance activities in a number of areas of key interest to the EU and deal with specific aspects of the EU's economic diplomacy. The Committee agreed that the EU Delegation to Seoul would meet with relevant Korean ministries to discuss appropriate projects related to Trade and Sustainable Development, including on labour and environment, which could be taken forward under the Partnership Instrument.

The Committee welcomed the open and constructive discussion at its 3rd meeting and decided to pursue the dialogue between the Parties and the CSF. The Committee agreed that the ambitious Trade and Sustainable Development chapter in the FTA shows the Parties' common commitment to the overarching objective of sustainable development, which must be lived up to in implementation – both in spirit and in letter. The Committee tentatively agreed to hold its 4th meeting before the end of September 2015 in Korea and that it should meet before the Trade Committee.