

# Checklist:

## An equitable and sustainable trade agreement?

This checklist provides an easy tool to score how far trade agreements, or the negotiation mandates for trade agreements, contribute to sustainable economies.

It is based on seven proposals for a fair and sustainable trade system developed by Friends of the Earth Europe ([www.foeeurope.org/new-trade-agenda](http://www.foeeurope.org/new-trade-agenda)).

The questions in this checklist represent by no means exhaustive criteria for sustainable trade agreements, but rather a simple 'sustainability check' on the contents of an agreement.



**Friends of  
the Earth  
Europe**

## TRANSPARENCY AND DEMOCRATIC SCRUTINY

European trade policy must be pillared on democracy and transparency. Currently, citizens and parliaments have too little say in how treaties are shaped and concluded.

Negotiation mandates are agreed behind closed doors with no proper involvement of parliaments and citizens and trade agreements are often shaped in favour of corporate rather than public interest. Making the full process, from the deliberations on the mandate to the final agreement, transparent and subject to democratic oversight is therefore imperative for making trade deals fair and sustainable.

## ENVIRONMENTALLY SUSTAINABLE TRADE

A fair and sustainable trade policy will discourage trade in unfair and polluting goods and services, and instead promote trade in fair and environmentally friendly goods and services. Such trade systems will contribute to drastically reducing greenhouse gas emissions. Trade of products from sectors largely responsible for these emissions, such as intensive agriculture and energy-intensive industry, should be discouraged while trade in green goods and services should be incentivised. Current trade agreements contribute to the expansion of these sectors, by lowering trade barriers regardless of the environmental footprint of the traded products.

## SUSTAINABLE INVESTMENT

Trade agreements should facilitate sustainable investments that benefit host communities and societies rather than solely foreign investors.

Current trade deals do the exact opposite by providing one-sided protection for multinational corporations often in polluting industries.

Instead trade agreements should specify how companies can be held accountable and incentivise governments to regulate their operations in the public interest.

### TO WHAT DEGREE CAN CITIZENS AND MEMBERS OF PARLIAMENTS INFLUENCE OR CONTRIBUTE TO THE FORM, AIMS AND OUTCOME OF THE TRADE AGREEMENT?

- Was the draft mandate subject to parliamentary debate at EU and national level, including participation of civil society?
- Were draft texts and consolidated negotiating texts made public, for the scrutiny of civil society?
- Was balanced and transparent consultation and participation guaranteed for all stakeholders at every stage of the process?
- Were the findings of the human rights and sustainability impact assessment fully incorporated in the trade agreement?

SCORE : /4

### HOW WELL DOES THE TRADE AGREEMENT PROMOTE TRADE IN 'GREEN' GOODS AND SERVICES?

- Does the mandate specify altering tariffs respective to the climate impact of goods and services, hence fostering the development of sustainable economies?
- Can governments tax imports according to their environmental impacts (to the same level as domestic producers)?
- Are goods and services that are responsible for high levels of greenhouse gas emissions, environmental impacts or human rights violations excluded from tariff reductions?
- Are mechanisms and criteria specified to encourage the trade of 'green' goods?

SCORE : /4

### TO WHAT DEGREE ARE CITIZENS, AFFECTED COMMUNITIES AND STATES ABLE TO HOLD INVESTORS ACCOUNTABLE AND ENSURE THEIR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT?

- Does the trade mandate exclude a dispute settlement mechanism that allows foreign investors to bypass domestic courts and challenge governments in an international dispute settlement body?
- Does the agreement include measures through which foreign investors can be held accountable at the international level for complicity in violations of human rights or environmental destruction, including details of how affected communities and civil society can gain access to legal remedy?
- Does the agreement allow governments to regulate foreign investment, including setting conditions such as hiring local workers or using local materials?
- Does the agreement include measures to harmonise corporate taxes at a higher level?

SCORE : /4

## HOW WELL DOES THE TRADE AGREEMENT SUPPORT SAFEGUARDING AND IMPROVING HIGH DOMESTIC STANDARDS FOR PRODUCTS AND SERVICES?

- Is the European precautionary principle – which asserts that products should only be allowed onto European markets when proven to be safe for consumers, the environment and public health – explicitly referred to in the mandate?
- Have regulatory cooperation mechanisms been excluded from the trade agreement?

SCORE : /2

## HOW WELL DOES THE INTERNATIONAL TRADE AGREEMENT ENABLE LOCAL, EMERGING AND SUSTAINABLE ECONOMIES?

- Does the mandate emphasise the importance of policy space necessary for domestic measures that would promote the protection of the environment, short food supply chains, and the protection of workers?
- Does the agreement encourage public procurement schemes to be geared towards local benefits and sustainability?
- Are subsidies and other incentives for the production and use of sustainable energy and clean goods and services protected from being challenged under the trade agreement?
- Are countries in the Global South able to asymmetrically shield domestic sectors from international competition to strengthen local economies and transition to a sustainable development model?

SCORE : /4

## HOW WELL IS LOCAL FOOD PRODUCTION PROTECTED AND SUPPORTED IN THE TRADE AGREEMENT?

- Does the mandate specify conditions for opening up agricultural markets in relation to upholding or improving food safety, environmental, labour and animal welfare standards?
- Are mechanisms in place that enable countries in the Global South to develop and protect regional food markets and help to build up food reserves?
- Are agricultural production and processing methods recognised as legitimate reasons to deny market access to certain imports?
- Does the agreement propose specific measures that would contribute to improved access to sustainable and healthy food for citizens?

SCORE : /4

## REGULATORY STANDARDS

*Products and services should be subject to high regulatory standards to ensure the protection of the environment, workers and consumers. International cooperation on regulation can be helpful, if it encourages a race to the top for sustainability and is led by experts in the respective fields. Trade agreements are not the right place for this kind of cooperation because environmental and social standards are usually treated as a barrier to trade. In a trade agreement, regulatory cooperation mechanisms open the door to corporate lobbyists to stop, delay or weaken new regulations.*

## LOCAL AND SUSTAINABLE ECONOMIES

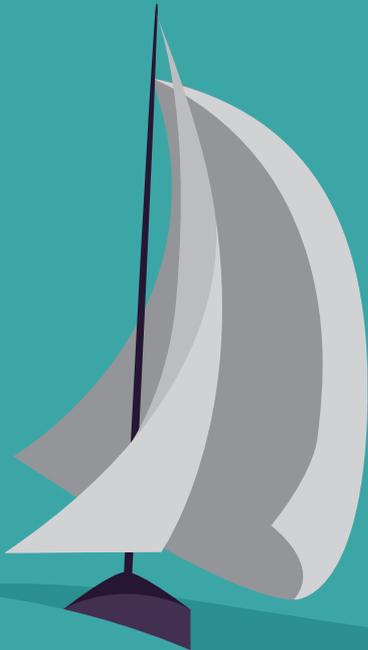
*Governments must be allowed and encouraged to set their economies on a sustainable path. This means they should be enabled to use social and environmental criteria for the procurement of goods and services. Current trade agreements can impede governments from building and strengthening local, sustainable economies and including important social and environmental objectives in public procurement. Unconditionally opening up markets by lowering tariffs, providing additional market access and protection for foreign investors puts pressure on local emerging industries.*

## SUSTAINABLE AGRICULTURE

*Agro-ecological and sustainable agriculture works towards a fair and forward-looking food system that respects planetary boundaries. Trade deals should support regions to become more self-sufficient when it comes to products that can be locally produced. Trade deals open up agricultural markets, promoting the intensification of industrial agricultural and livestock production, which has detrimental impacts on people, animals and the environment. Increased competition for arable land as a result of increasing trade in agricultural goods, contributes to deforestation and expropriation, predominantly in the Global South.*

## PRIMACY OF ENVIRONMENTAL AND HUMAN RIGHTS TREATIES

*International agreements on climate change, human rights and sustainable development ensure that countries work together to protect people and planet. Trade agreements should support and not hinder their implementation. Current trade treaties restrict the policy space available to governments to comply with their international obligations. Sustainability clauses are generally weak, and agreements are designed so that it is virtually impossible for affected communities and civil society to challenge violations of these clauses.*



### HOW WELL DOES THE AGREEMENT ENSURE THAT INTERNATIONAL OBLIGATIONS ON CLIMATE CHANGE, HUMAN RIGHTS AND SUSTAINABLE DEVELOPMENT ARE ENFORCEABLE AND PRIORITISED OVER TRADE RULES?

- Does the mandate demand binding and enforceable sustainability clauses, referring explicitly to key international treaties on labour and human rights, climate and the environment?
- Is the adoption and implementation of and adherence to key international environmental and human rights treaties a prerequisite for engaging in trade negotiations?
- Are sustainability obligations enforceable by the agreement's dispute settlement mechanism?
- Does the agreement contain a supremacy clause to ensure that, in case of a conflict, international treaties on labour and human rights, climate and the environment take precedence over trade and investment rules?

SCORE : /4

SCORE : /26



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