



## COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA)

### MEETING OF THE CIVIL SOCIETY FORUM OTTAWA, 12 NOVEMBER 2019

## JOINT REPORT

### Introduction

Canada and the European Union (EU) are committed to facilitating an annual Civil Society Forum (CSF) (CETA Article 22.5) on the sustainable development aspects of CETA. This dialogue is an important mechanism for European and Canadian stakeholders to exchange views between themselves and with the governments from both sides on the implementation of three chapters: Chapter 22 (Trade and Sustainable Development), Chapter 23 (Trade and Labour) and Chapter 24 (Trade and Environment).

The second CSF took place in Ottawa on November 12<sup>th</sup>, 2019, with more than 100 leaders from business and civil society, including Indigenous leaders and youth ambassadors, from across Canada and Europe joining in person, or connecting via web streaming. An additional 60 participants from federal, provincial, territorial, and European bodies joined in-person and online.

### Report

The CSF provides an opportunity for civil society to better understand what the government of Canada and the EU are doing to implement the labour, environment and sustainable development provisions of CETA, and to provide their views on these issues. Expanding on the programme of the first CSF held in Brussels in 2018, this year's programme comprised a full day of discussions under four thematic headings: long-term approach to climate change, including mitigation and adaptation; Canada-EU cooperation on labour standards with third free-trade agreement (FTA) partners; the Early Review of the Trade and Sustainable Development (TSD) chapters; and other CETA trade and sustainable development issues (the full programme is available [here](#)).

The TSD Committee Co-Chairs, officials representing Global Affairs Canada (GAC) from Canada and the European Commission (DG TRADE) from the EU, presided over the CSF. They and other government officials made introductory and closing remarks, and provided a summary of the achievements made during the previous year of the Trade and Sustainable Development Committee. The thematic sessions were moderated by members of Canada's CETA Domestic Advisory Groups. Comments from online and in-person participants generated conversation throughout the day.

At the end of the day, the moderators presented a summary for each of the sessions which are available to view online [here](#) [ENG version links to [English version without interpretation](#) – FR version links to [French version with interpretation](#)]. The following is a written reflection of those summaries.

### **Summary of Session I – Trade and Environment – Long-term approach to climate change, including mitigation and adaptation**

The session was moderated by the Director of International Law at the Centre for International Governance Innovation and Co-Chair of the Canadian Environment Domestic Advisory Group. The session started with a discussion on planetary boundaries, the importance of accountability for greenhouse gas (GHG) emissions, and ways to disentangle the historic correlation between economic and GDP growth and growth in pollution, including GHG emissions. New technologies may change that profile in the future. Several participants stressed that increased trade under CETA should not result in increasing GHG emissions. The moderator encouraged civil society in Canada and Europe to keep engaging on the issue.

Participants suggested that in order to meet the Paris goals, the Canadian and EU governments need to move towards zero net emissions, which will require new industries and innovation. Participants suggested that the creation of global carbon markets, a major objective of the implementation of the Paris Agreement (Article 6), should be looked at under CETA. Participants added that CETA should be leveraged to help shape trade in a way that addresses social, economic and environmental issues.

Other comments included a call to industries to play a role in dealing with climate adaptation; the need to consider differential access to resources; and how climate change differentially affects communities. Several participants expressed optimism that the opportunities created by CETA have the potential to allow clean technology industries to collaborate in ways that foster industrial growth without increased GHG emissions. Participants were reminded that new environmental technologies can inadvertently impact the environment in other ways, such as increased mining activities to extract raw materials.

Participants also encouraged Canada and the EU to continue working together with civil society to ensure that women, Indigenous businesses and SMEs can take advantage of opportunities in sectors such as clean technology, and that their perspectives are considered in the implementation of CETA's environment provisions.

## **Summary of Session II – Trade and Labour – Canada-EU Cooperation on labour standards with third FTA partners**

Session II was moderated by the Assistant Professor of Industrial Relations at York University in Toronto, part-time consultant for the International Labour Organization (ILO), and member of Canada's Labour Domestic Advisory Group under CETA. While Canada and the EU are certainly like-minded in regards to promoting high labour standards, participants expressed concerns that collective bargaining in both Canada and the EU has weakened. It was suggested that civil society and business could do more to exchange information, develop tools, and agree on a common framework through which they could take concrete actions collaboratively.

In reaction to comments made during the session, Canadian and EU officials highlighted to the participants that on the margins of the TSD Committee meeting, Canada and the EU would host a joint workshop with labour and civil society organizations on collective bargaining, in particular in the current context of technological changes. They also stressed the potential to cooperate in third countries such as Vietnam, with which both Canada and the EU have agreements with labour provisions. As a policy principle, Canada and the EU agreed on the importance of having labour provisions in their agreements, citing evidence from an ILO study, which found that trade agreements that include labour provisions had seen greater increases in trade than those that did not, disproving the argument that labour provisions act as a barrier. Canada and the EU have cooperated closely on the recently adopted ILO Violence and Harassment Convention, 2019 (C-190), the first international standard on violence and harassment in the work place. Officials noted that recent outcomes of G7 and G20 in regards to labour and employment have been promising, with the G7 under France's Presidency largely focused on labour issues. Officials acknowledged the importance of implementing at home what we are encouraging in third countries, including good working relations and social dialogue within the EU and Canada.

## **Summary of Session III – The early review of the TSD chapters**

The York University representative also moderated session III, which focussed on Canada and the EU's ongoing discussions on the early review of the Trade and Sustainable Development chapters, including with a view to their effective enforceability, pursuant to their commitment in the CETA Joint Interpretive Instrument (JII), Article 10 a.,. She noted the meeting of Canada and the EU's CETA advisory groups, which took place the day prior to the CSF, allowing them to flesh out further some of the differences between Canada and the EU's positions on the review. Through their joint statement and the comments made during the Civil Society Forum, civil society in Canada and the EU have indicated they are ready to work together. Participants indicated their interest in being consulted and regularly informed, as well as their readiness to advise the Canadian and EU governments on alternative proposals on the way forward. Comments on the way forward included some who expressed their preference for sanctions as the most effective option, while some cautioned that if a solution is pushed too hard when some stakeholders are not on board, progress on enforceability could be derailed. There is unanimity on the need for meaningful

discussions on the way forward, and agreement from Canadian and EU advisory groups to work together to come to mutually beneficial solution.

In reaction to the comments in session III, Canadian and EU officials found the discussions very useful and welcomed the Joint Statement of the CETA advisory groups. Officials acknowledged the interest of civil society in being informed and involved, and noted there are still different views on the way forward.<sup>1</sup> The Parties share the commitment (made in Article 10 a. of the JII) to advance the Early Review of the implementation of the trade and sustainable development chapter provisions, including with a view to their effective enforceability, and are looking at moving the process forward. The session demonstrated that while there were many views expressed, all are committed to reflect and work collaboratively to identify a way forward. There will be opportunities for Canada and the EU to engage further with civil society in order to find a way to deliver on the JII commitment.

#### **Summary of Session IV: Any other CETA Trade and Sustainable development Issues**

The President of the Fisheries Council of Canada and Co-Chair of the Canadian Environment Domestic Advisory Group moderated session IV. Discussions began with a presentation on joint Canada-EU activities on gender and trade issues, including a trade mission to the EU, webinars, a roundtable in Montreal, and participation in the Trade for Her Summit. Initiatives are moving forward on themes such as gender equality in standards, empowering women, and financing programming to enable women and their businesses to take advantage of the provisions under CETA.

There was a presentation on corporate social responsibility (CSR), followed by a discussion on how Canada and the EU could continue to encourage business to adopt responsible business conduct. This was followed by an exchange on voluntary initiatives and mandatory instruments as well as the best way to move forward. Some participants urged Canada and the EU to be mindful that this could possibly create a regulatory burden on industry. Participants encouraged the Canada and the EU to recognise that CSR and responsible business conduct (RBC) contributes to the achievement of the Sustainable Development Goals (SDGs). Canada and the EU were asked to clarify where responsibility lies for CSR issues. In Canada, as in the EU, RBC/CSR involves several departments and agencies.

A representative from the Assembly of First Nations read a statement in support of Indigenous peoples with a call for a CETA Joint Committee Recommendation in which the Parties reaffirm their commitment to the UN Declaration on the Rights of Indigenous Peoples and consider activities to facilitate Indigenous business access to CETA benefits.

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<sup>1</sup> For more information on these exchanges, please see the Report of the Trade and Sustainable Committee meeting, November 13, 2019, available here: [https://trade.ec.europa.eu/doclib/docs/2020/january/tradoc\\_158604.pdf](https://trade.ec.europa.eu/doclib/docs/2020/january/tradoc_158604.pdf)

Online comments addressed biodiversity, animal welfare and overfishing, and included the suggestion that Canada and the EU make better use of technology to reach the public on matters related to trade agreements, and engage civil society more widely.

EU and Canadian officials appreciated the interest in biodiversity and illegal trade in endangered species, and the discussion on how trade agreements can improve inspections along the supply chain, and took note of the high interest in CSR. Both were pleased with the work on trade and gender and encouraged participants to look at the Canada-EU work plan for implementing CETA Trade and Gender Recommendation, and in response to comments, noted that the SDGs are one of the main deliverables in TSD Chapter 22. In response to questions on how Canadian and EU governments would respond to outcomes of the CSF, the officials said the concerns raised during the forum will either be taken on under the TSD Committee's work or conveyed to relevant organizations for consideration.

The importance of cross-cutting issues was also clear in the discussions, such as the transition to new industries, and clean energies to lower greenhouse gas emissions, which involves dealing with provisions on environment as well as changes in the workforce. Good progress has also been made in gender and trade, an area where Canada and the EU could also consider cooperating in third countries.

## **Conclusion**

The CSF was evaluated positively by participants, who look forward to seeing Canada and the EU continue with concrete actions on their commitments while considering the suggestions made by civil society leaders. The Co-Chairs thanked participants for their valued reflections and input, noting it would be taken into consideration in the TSD work plan for the coming year. "It is crucial to have civil society's support to ensure trade can contribute to sustainable development, promote fair labour practices and protect the environment. Leaders from business and civil society are key drivers for CETA's success on these fronts through their knowledge, passion and deep commitment to making the world a better place," said Canada's Co-Chair for the TSD Committee.

"Increased trade under CETA has brought unprecedented success," said the TSD Committee Co-Chair for the EU. "We want the benefits to be shared more widely...The exchange with stakeholders during the CSF represents a good start, which Canada and the EU hope will help CETA to achieve results." The CSF puts Canada and the EU on course for a balanced representation of economic, social and environmental interests throughout the implementation of CETA, and Canada and the EU look forward to continuing to chart this course together at the next Forum in 2020.