

Post-Conclusion Treaty Options in EU-Latin America FTAs: 'Injecting' Sustainability Innovations in Existing EU Trade Partnerships



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1. Introduction

Sustainability commitments, including those present in Free Trade Agreements (FTAs), must be constantly updated. This is so because States' efforts to effectively reach sustainable development – including its economic, social, and environmental dimensions – is a global endeavour. However, renegotiating FTAs is not an easy goal. Reopening the text of an FTA can be a burdensome exercise for the parties that require continued dialogue over a long period of time.¹ Moreover, amending an FTA may also be undesirable or infeasible. In light of these practical difficulties, less politically cumbersome options to support the Parties' ambitions should be considered.

The present report seeks to address useful options that are available to the EU and its trade partners, in a non-technical manner. In particular, it focuses on instruments that can be implemented after the adoption of the treaty text by the parties (that is, post-conclusion instruments). It examines what post-treaty implementation instruments may be used by the EU and its trading partners in Latin America. After setting out the EU's highest ambitions based on the recently concluded EU-New Zealand FTA, this paper analyses the FTA relationships between the EU and its Latin American trading partners. Its emphasis is placed on the use of committee and council decisions. By doing so, it offers a novel perspective on how these instruments may prove themselves useful to expand sustainable development ambition.

2. Setting the Stage: Highest Climate Ambitions in the EU's Trade and Sustainable Development Policy

The EU-New Zealand FTA is one of the first FTAs concluded² following the adoption of the EU's new policy agenda to address trade and sustainable development issues.³ As such, it serves as an illustration of the EU's level of ambition to address the climate crisis through FTAs. However, there are two caveats to the insights that can be drawn from this agreement. First, the EU-New

¹ Illustratively, efforts to modernize the trade pillar of the EU-Mexico Global Agreement were formally launched in 2016 and an agreement in principle was reached in April 2018. However, as of February 2024, negotiations over the final agreement have not yet concluded.

² Negotiations concluded on 20 June 2022. Agreement signed on 9 July 2023. Entry into force 1 May 2024.

³ Commission, 'The power of trade partnerships: together for green and just economic growth' (Communication) COM(2022) 409 final.

Zealand FTA was concluded between developed countries and thus does not directly address the development concerns shared by the EU's developing country trading partners. Second, the dispute settlement innovations introduced by the EU-New Zealand FTA are a clear break with existing EU FTA practices, and – given their economic significance for all trading partners – unlikely to be easily replicated in other FTAs through post-implementation instruments.

Chapter 19 (Trade and Sustainable Development) of the EU-New Zealand FTA has provisions specific to climate change, as well as other topics that are also highly relevant to climate change. The most notable advancement lies in Article 19.6.2 to “effectively implement the UNFCCC and the Paris Agreement, including commitments with regard to Nationally Determined Contributions”. Pursuant to Article 19.6.3, this includes the “obligation to refrain from any action or omission which materially defeats the object and purpose of the Paris Agreement”.⁴

A further innovation with this provision is the application of dispute settlement. Articles 19.6.2 and 19.6.3 are both subject to dispute settlement, although there is only the possibility of the successful Party taking retaliatory action to force compliance in the event of a breach of Article 19.6.3 (i.e. where an action or omission has materially defeated the object and purpose of the Paris Agreement).

Climate change is directly addressed in a number of provisions beyond Chapter 19. The Parties agreed to strengthen their cooperation on trade-related aspects of fossil fuel subsidy policies and measures bilaterally and in international fora. They also agreed to work together and encourage other WTO Members to advance reform and pursue new fossil fuel subsidy disciplines in the WTO.⁵ Finally, the Parties committed to eliminate customs duties on each other's environmental goods.⁶

⁴ Article 19.6.3.

⁵ Article 19.7.4.

⁶ See Articles 2.5 (Elimination of customs duties), and 19.11.2 (Trade and investment supporting sustainable development).

3. Overview of EU-Latin America trade relations

This report examines the relationship between the following EU trading partners: Mexico, Chile, Mercosur, the Andean Community, and Central America. The EU either has already concluded or is currently negotiating, FTAs with each of these trading partners. To better comprehend the state of play, the report briefly addresses the post-treaty decisions and interpretations to comprehend of each trade relation. That is, how post-implementation instruments are adopted and applied in each case of the trading relationship. Finally, the legal value of adopting post-implementation instruments for each trade relationship is addressed.

EU-Mexico Global Agreement

To facilitate treaty implementation and cooperation on sustainable development, the EU-Mexico Global Agreement established a Joint Council and Joint Committee,⁷ which have the power to create stronger norms governing the linkage between trade and sustainable development through binding decisions, or to adopt post-treaty instruments shaping the interpretation of the Global Agreement. In practice, these treaty bodies have primarily served as forums for diplomatic cooperation on sustainability and sources of information-sharing between the parties. For instance, in 2023, the Joint Committee restated the parties' commitment to their sustainable development agenda and that the World Trade Organization's (WTO) "13th Ministerial Conference (MC13) can deliver successful outcomes".⁸

Notwithstanding the fact that the Joint Council and Joint Committee maintain powers to adopt post-treaty actions, these institutions have largely served to supplement cooperation on environmental protection within other forums. Likely owing to these limitations, in 2018, the EU and Mexico agreed to create a specialised Trade and Sustainable Development Sub-Committee (TSD Sub-Committee) under a future modernised EU-Mexico FTA.

⁷ Articles 45 and 46(1) EU-Mexico Global Agreement.

⁸ EU Commission, '16th Mexico-EU Joint Committee on Trade Issues' (16 February 2023) <circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/e6d7f4fa-4b64-486c-bb21-b7973384e4c8/details> accessed 7 November 2023, at 7-8.

EU-Chile

The modernized agreement establishes a Trade Council “which shall oversee the fulfilment of the objectives of this Agreement and supervise its implementation”.⁹ The Council “shall have the power to adopt decisions in the cases provided for in this Agreement, and to make appropriate recommendations, following its rules of procedure”¹⁰ and to “adopt decisions to *amend this Agreement*”(emphasis added) including those related to Annex XXI on Sub-Committees.

Regarding the current practice and post-treaty actions, the EU and Chile discussed environmental issues within various committees derived from the EU-Chile agreement, covering topics the modernised version has included in its text. The latest Joint Statement on Trade and Sustainable Development was issued in December 2022, and it highlighted that the Parties to the Agreement are committed to promoting sustainability by balancing economic growth with the protection of decent work, the climate, and the environment, guided by shared values and priorities like supporting green transition and responsible value chains. They also emphasized the effective implementation of the UNFCCC and the Paris Agreement, including their commitments to reduce greenhouse gas emissions. Upon the modernised agreement's entry into force, the Parties plan to conduct a formal review process to potentially add provisions related to enforcement mechanisms and explore the inclusion of the Paris Agreement as an essential element of the Agreements, regardless of the review's outcome.

Based on existing committee engagement between the EU and Chile, these treaty bodies have primarily served as forums for exchanging information and coordinating cooperation activities. Nevertheless, upon the entry into force of the modernised EU-Chile agreement, the Trade Council has the capacity to introduce legally relevant decisions which could advance sustainable development commitments within the agreement. Furthermore, in December 2022, in a Joint Statement on Trade and Sustainable Development issued in the context of the

⁹ Article 26.2.4 Trade and Sustainable Development. EU-Chile modernized agreement https://www.subrei.gob.cl/docs/default-source/acuerdos/acuerdo-marco-avanzado-ue/chapter-26-trade-and-sustainable-development.pdf?sfvrsn=46902518_2

¹⁰ Article 33.1.4. Institutional and final provisions. EU-Chile modernized agreement https://www.subrei.gob.cl/docs/default-source/acuerdos/acuerdo-marco-avanzado-ue/chapter-33-institutional-and-final-provisions.pdf?sfvrsn=81e0c7b6_2.

culmination of the negotiation of the agreement, it was stated that once the agreement enters into force, the Trade Council will look for “the incorporation, as appropriate, of *additional provisions* that may be deemed relevant by either Party at that time [...]. Such additional provisions may relate, in particular, to further *enhancing the enforcement mechanism of the Trade and Sustainable Development chapter*, including the possibility to apply a compliance phase, and relevant countermeasures as last resort.” (emphasis added)¹¹

EU-Central America Association Agreement

The Central American countries involved in the EU-Central America Association Agreement are Panama, Guatemala, Costa Rica, El Salvador, Honduras, and Nicaragua. In its advisory group, partner countries have undertaken commitments to ensure a high level of labour and environmental protection in their domestic legislation, to strive to improve laws and policies in these areas, and not to lower these levels in order to attract trade or investment. They have also expressed the will to cooperate in areas related to trade and, respectively, labour, the environment, and sustainable development. This includes the facilitation of trade and investment in environmental technologies and services, the promotion of renewable energy and energy-efficient products, and the promotion of corporate social responsibility (CSR), and trade in products subject to ethical or fair trade schemes. This positive outlook can lead to similar understandings such as the already-existing Cooperation may also include trade-related aspects of the sustainable management of forest resources, the promotion of sustainable fishing, and other relevant areas. The Parties have also committed to monitoring the impact of the Agreement.¹²

EU-Andean Community

The EU-Andes agreement includes a provision to establish specialized bodies, amongst them a Sub-committee on Trade and Sustainable Development.¹³ The functioning of this subcommittee is defined in Article 280.2, by which: “[t]he Parties hereby establish a Sub-

¹¹ EU-Chile. Joint Statement on Trade and Sustainable Development by the European Union and Chile. " December 2022. <https://circabc.europa.eu/rest/download/96cfa19-80fe-4455-b63b-ea36adf2635a?>

¹² The EU-Central America Domestic Advisory Group. See: <https://www.eesc.europa.eu/en/sections-other-bodies/other/eu-central-america-domestic-advisory-group#downloads>

¹³ Article 15.1.(f). EU-Andes Agreement

committee on Trade and Sustainable Development. The Sub-committee on Trade and Sustainable Development shall comprise high-level representatives from the administrations of each Party, responsible for labour, environmental, and trade matters”.¹⁴ The Sub-committee has several key functions. First, it is responsible for monitoring and taking action to achieve sustainable development objectives. Second, it can provide recommendations to the Trade Committee for adequately implementing this aspect of the agreement. Third, it identifies areas of cooperation and ensures the effective implementation of such cooperation. Additionally, it assesses the agreement's impact on labour and the environment when necessary. Lastly, it can address any other matters related to its scope of application while also recognizing the existence of specific dispute resolution mechanisms outlined in Articles 283, 284, and 285.¹⁵

As an example of the resolutions adopted by the Sub-Committee, it can be noted that Joint Statements have been produced to inform civil society of the topics the sub-committee covers. Following the 8th meeting TSD sub-committee meeting, held in November 2021, the Parties issued a Joint Statement declaring that the European Union is committed to meeting climate commitments despite the energy crisis and aims to strengthen sustainable strategies and that they are also engaging in climate diplomacy to assist other countries in transitioning to a zero-carbon economy.

EU-Mercosur

The EU-Mercosur FTA has not yet been concluded. As a result, there is no institutionalized committee or council similar to other EU trading partnerships that can adopt decisions. However, recent communications between the EU and Mercosur – the so-called ‘side-letters’ – can shed light on the state-of-play of negotiations and what issues could, in the future, be resolved through post-implementation instruments. A February 2023 draft Joint Instrument proposed by the EU¹⁶ includes the acknowledgment that 90% of deforestation in the world is due to agricultural expansion; a pledge not to lower labor and environmental standards to attract investment; and an agreement to combat illegal logging, among others. The proposed Joint Instrument also

¹⁴ Article 280.2. EU-Andes Agreement

¹⁵ Article 280.6 EU-Andes Agreement

¹⁶ Friends of the Earth Europe, *EU-Mercosur Joint Instrument* (Feb 2023), <https://friendsoftheearth.eu/wp-content/uploads/2023/03/LEAK-joint-instrument-EU-Mercosur.pdf>.

expands on Article 6 of the TSD Chapter of the draft agreement, mentioning the ‘timely communication and implementation of successive and progressive Nationally Determined Contributions (NDCs) reflecting the highest possible ambition, in accordance with Articles 4.2 and 4.3 of the Paris Agreement’, and other obligations already undertaken under the Paris Agreement, such as the ratchet mechanism of progressive ambition. The document further mentions “legislative, regulatory and policy action aiming at making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, in accordance with Article 2.1.c. of the Paris Agreement”.

Mercosur’s response, in September 2023,¹⁷ does not directly address the EU proposal, but instead sets a framework for further negotiations, accepting to negotiate a joint trade and sustainable development instrument that builds on text negotiated in 2019, in the context of the new circumstances of the global economy and the strategic value of the agreement. In doing so, Mercosur’s response, *inter alia*, rejects any incorporation of sanctions and any unilateral imposition of EU legislation. Regarding the latter issue, negotiations are likely to be impacted by the EU’s new anti-deforestation rules, Carbon Border Adjustment Mechanism (CBAM), and due diligence requirements such as the Corporate Sustainability Due Diligence Directive (CSDDD),¹⁸ as all proposals have ramifications that will significantly impact global value chains.

4. Value of Post-Implementation Decisions

To properly examine the effects of post-implementation decisions, a few preliminary considerations are necessary. First, there is a difference between formal amendments and other instruments that do not change the actual text of the treaty, that is, ‘joint declarations’, ‘decisions’, and ‘interpretative statements’. Formal amendments are rather strenuous processes and governed by rigid rules either under the FTA itself or – for ‘multilateral treaties’ where there

¹⁷ Valor Econômico. “Exclusivo: A íntegra da resposta do Mercosul à EU para concluir o acordo” (2023). Online: <https://valor.globo.com/opiniao/assis-moreira/coluna/a-integra-da-resposta-do-merc-sul-a-ue-para-concluir-o-acordo.ghtml>

¹⁸ European Parliament, P9_TA(2023)0209, *Corporate Sustainability Due Diligence, Amendments adopted by the European Parliament on 1 June 2023 on the proposal for a directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))* (Ordinary legislative procedure: first reading), https://www.europarl.europa.eu/doceo/document/TA-9-2023-0209_EN.pdf.

are no such rules – based on Article 40 Vienna Convention on the Law of Treaties (VCLT). Hence, they are generally rarely used. Consequently, there is an incentive to adopt more flexible approaches that are still legally relevant but do not reach the level of an amendment.

The various instruments that the parties, either bilaterally or unilaterally, introduce after the treaty's conclusion may significantly impact the treaty's application and interpretation. Even though they do not amount to a formal amendment, these instruments may substantially change the operation of a term, allowing for clarifications that previously could not be derived by the agreement's text. Depending on the precise wording and nature of the instrument, an instrument may substantially alter the interpretation and application of a treaty provision.

The ideal option is to issue Joint Declarations by the official FTA institutions or the FTA parties themselves, which would be understood as a form of subsequent agreement under Article 31.3(a) of the VCLT. The probative value of these instruments has been generally and consistently high and dispositive. Such instruments could be generated through the internal bodies of the FTAs, i.e. the committees and sub-committees, that oversee the application and implementation of the agreement.

5. Key recommendations

The recommendations of the present section are tailored to each trade relation presented in the previous sections.

EU-Mexico

The current EU-Mexico Global Agreement creates limited scope for adopting post-implementation instruments. As such, the Joint Council or, where empowered, the Joint Committee could adopt recommendations to frame the key areas of cooperation on the climate crisis and broader trade-related sustainability. This could be impactful in setting the conditions for future cooperation following the adoption of the modernized trade pillar.

Following the conclusion and adoption of the modernized EU-Mexico FTA, the Joint Council and Committee could adjust the schedules of commitments and concessions, as well as redesign preferential rules of origin. Such effects can simultaneously promote trade in sustainable goods and services, and support the development of inter-regional value chains that underpin

the broader green transition. Moreover, depending on the powers delegated to the TSD Sub-Committee, the Parties could adopt interpretative instruments to clarify the scope of level-playing-field obligations and non-regression clauses under the TSD Chapter.

EU-Mercosur

While treaty negotiations over the EU-Mercosur FTA have not concluded, the exchanges between trading partners discussed in Section 2 demonstrate the difficulties of accommodating the parties' environmental and economic interests. To resolve these disagreements, the Parties may gradually clarify the treaty disciplines – both within the TSD chapter and the FTA more broadly – through post-implementation decisions. While these instruments are unlikely to resolve institutional disagreements, such as whether economic sanctions could be imposed for breaches of TSD obligations, they may provide opportunities for setting the budget for cooperation activities and even defining the specific issues that can be addressed through this cooperation, including over the design and impact of EU unilateral trade measures adopted under its new trade and sustainable development agenda and the European Green Deal.

EU-Andean Community

The EU-Andean Community administration committee could discuss how the relationship between trade and NDCs could be made more explicit, as its current text does not refer to them. Another way to advance the environmental ambition of trade agreements could be to include in future amendments provisions recognizing climate change in the Preamble or general objectives of the agreement and not only within the trade and sustainable development chapters.

Nevertheless, the agreement between EU-Andean Community does not incorporate specific provisions on sustainable agriculture, energy, or mining. Hence, this agreement could be further amended to reflect the challenges and interests of the Parties in these areas. A second way to advance in this path would be to follow the practice established in the EU-New Zealand agreement of specific trade liberalization of environmentally friendly goods and services. This option would elevate trade in environmental-sensitive products from recognition and cooperation schemes to actual preferential market access, promoting both economic growth and sustainable development. Finally, the agreements could disincentivize the trade of polluting or non-sustainable products in the identified areas to promote greener trade.

EU-Chile

Within the EU-Chile relation, the Parties may add provisions and enhance the enforcement mechanism of the TSD chapter. Officials of the EU and Chile may draw on commitments included in other EU agreements. For example, the EU-Kenya agreement provides specific commitments to help finance cooperation activities. Moreover, the parties may adjust their schedules of commitments and concessions in order to encourage trade in sustainable goods and services.

EU-New Zealand

For the EU-New Zealand trade relation, a joint declaration or a committee decision should introduce a specific timeline for phasing out fossil fuels, using the wording of the UK-New Zealand FTA that incorporates binding commitments. Further, it can also incorporate a Work Plan within one year of the date of the first meeting of the Committee on Trade and Sustainable Development. The Work Plan can identify areas of interest for both Parties to increase their level of cooperation.

Conclusion

This Report sought to provide critical insights into the relations between the EU and its trading partners, particularly those in Latin America and New Zealand. In doing so, it provided clarity on the level of ambition of each of the trade relations analysed. It identified that amendments to an FTA can be a burdensome option for the Parties to expand the sustainability agenda in its trade relationship. Not discouraging this possibility, this report held that, beyond amendments, the EU and its partners can use council and committee decisions to push the sustainability agenda forward in a more flexible manner. This report also offered examples of these council decisions to elucidate the possibilities that they present.

The report also underscored the legal value of these decisions. The various instruments that the parties, either bilaterally or unilaterally, introduce after the treaty's conclusion may significantly impact the FTA's application and interpretation. Even though they do not amount to a formal amendment, these instruments may substantially change the operation of a

provision, allowing for clarifications that previously could not be derived by the agreement's text. Hence their usefulness.

The Report also provides model clauses (see [Annex](#)), which can be classified as understandings or interpretative clauses - for each of the trade relationships studied - with a view to further upgrading sustainability in trade relationships. These decisions, as the report reveals, can be used in practical terms to advance sustainability in various ways. These decisions adopted by an FTA committee or council can be a useful way to promote trade liberalization of green goods and, by doing so, support sectors with low carbon intensity.¹⁹

Parties can take two recent developments as inspiration. First, the Singapore-Australia Green Economy Agreement builds on the bilateral trade, investment and environmental relations between the parties. It establishes the foundation for facilitation the flow of environmental goods and services, green and transition finance and clean energy. It presently spans 7 key areas: (i) trade and investment; (ii) standards and conformance assessments; (iii) green and transition finance; (iv) carbon markets; (v) clean energy, decarbonisation, and technology; (vi) skills and capabilities; and (vii) engagements and partnerships. Second, the Agreement on Climate Change, Trade and Sustainability (ACCTS) also seeks the liberalization of trade in environmental goods through tariff elimination. In particular, it addresses the Liberalisation of environmental goods and services, reform of fossil fuel subsidies, and guidelines for eco-labelling programmes. Both of these create the framework to collaborate on the key green economy areas.

In this sense, areas can be identified, within the category of green goods, to identify and reduce tariff and non-tariff barriers, an approach adopted already by Parties outside of the EU.²⁰ As such, understandings and interpretative clauses can be used to push sustainability forward via the adoption of similar practices from non-EU Agreements. Even if Parties have already

¹⁹ A similar approach was done in the context of the Australia-Singapore Green Economy Agreement, Article 9(a)(iii).

²⁰ Article 9(a)(iv) of the Australia-Singapore Green Economy Agreement and the Agreement on Climate Change, Trade and Sustainability (ACCTS).

committed to such tariff liberalization – which is in the case of EU-New Zealand²¹ – these efforts may be intensified by committee and council decisions. For instance, partners can agree – via council decisions – to progressively identify goods and services, beyond those already covered, that would facilitate the transition to a greener, circular, or in general more sustainable economy. Similarly, trade partners can identify initiatives and schemes to promote trade in green goods through trade facilitation and regulatory cooperation.

²¹ See Articles 2.5 (Elimination of customs duties), and 19.11.2 (Trade and investment supporting sustainable development).

Annex: Model Joint Instruments

EU-Mercosur Joint Instrument

EU-MERCOSUR JOINT INSTRUMENT DRAFT - SENSITIVE VERSION OF FEBRUARY 2023 PREAMBLE

Recalling historic links between the regions and shared values;

Having concluded negotiation for a comprehensive Association Agreement (AA) between the two regions;

Recalling the need to take urgent action to tackle the triple planetary crisis of climate change, biodiversity loss and pollution, as clearly pointed out by the most recent scientific evidence, including the Sixth Assessment Report of the IPCC published in August 2021, the 2019 IPBES global assessment report on biodiversity and ecosystem services, the 2022 Global Land Outlook and the IRP Global Resources Outlook 2019;

Recalling international commitments (as mentioned in the AA):

Rio Conference (UNCED) and subsequent Sustainable Development Conferences > 2030 Agenda for Sustainable Development

UN Declaration on Human Rights and UN Declaration on Rights of Indigenous Peoples

UNFCCC/ Paris Agreement and the need to pursue its objectives in an ambitious manner

Convention on Biodiversity (CBD) and the Kunming-Montreal Global Biodiversity Framework and other biodiversity related Multilateral Environmental Agreements (MEAs), in particular the Convention on Migratory Species, the Convention on International Trade in Endangered Species of Flora and Fauna and the Ramsar Convention on Wetlands

Montreal Protocol on Substances that Deplete the Ozone Layer UN Convention to Combat Desertification

Global Forest Goals set out in the UN Strategic Plan on Forests

ILO Declarations

Convinced that the Agreement will be beneficial to both sides and further strengthen relations;

Determined to make the best use of the agreement to support a green transition, promote responsible and sustainable value chains and address the interlinked challenges of climate change, biodiversity loss and pollution;

Convinced that healthy ecosystems and the services they provide represent the foundation for sustainable development and long-term sustainable growth is dependent on nature;

Reiterating the urgency of achieving SDG target 15.2 "By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally"

Acknowledging with concern that according to the latest FAO data almost 90% of deforestation worldwide is due to agricultural expansion;

Reaffirming their commitment to effectively implement the Paris Agreement as well as to the CBD, and to pursue the objectives of these agreements and instruments in an ambitious and mutually supportive manner;

Highlighting in this respect the important role of ecosystem protection, restoration and sustainable use and management, including tackling emissions from Land Use, Land-Use Change and Forestry, and of increasing the implementation of Nature-Based Solutions in line with UNEP/EA.5/Res.5 to achieve the 2030 Agenda for Sustainable Development and the objectives of the Paris Agreement and the Convention on Biological Diversity;

Convinced that ratification and implementation of the Agreement will contribute to a sustainable post-COVID-19 recovery;

Underlining the mutually reinforcing nature of the two sides' economic, social and environmental objectives;

Determined to work together so that the trade relationship enhances sustainable development, in particular in support of a just transition to a green and low emissions net zero economy by or around mid-century.

This joint instrument, provides, in the sense of Article 31 of the Vienna Convention on the Law of Treaties, a statement of what Mercosur and the European Union agreed in a number of provisions under the EU-Mercosur Agreement that have been the object of public debate and concerns over an agreed interpretation thereof.

Under the Trade and Sustainable Chapter, the EU and Mercosur agreed to renew their commitment to sustainable trade. Given the high level of public interest, particularly in the fields of environment, labour, and human rights, the EU and Mercosur have agreed to the following shared interpretation:

Non-regression and High and Effective Levels of Environmental and Labour Protection

In Article 2.2 of the TSD Chapter, the EU and Mercosur express their intention to strive to improve their relevant laws and policies so as to ensure high and effective levels of protection of the environment and of labour rights. This is in line with their overall objective expressed in Article 1 of the TSD Chapter to implement the trade agreement in a manner that contributes

to sustainable development. These provisions will avoid a "race to the bottom" with regard to environmental and labour protection.

In addition, the EU and Mercosur commit in Article 2.3 of the TSD Chapter not to lower their environmental or labour standards with the intention of attracting foreign trade or investment. Furthermore, under Articles 2.4 and 2.5, the EU and Mercosur agree that they shall not fail, through action or inaction, to effectively enforce their domestic legislation, or allow derogations from such legislation, in order to encourage trade or investment.

Furthermore, the promotion of sustainable economic and social development is among the guiding principles underpinning the Political and Cooperation part of the Agreement. In addition, in Art 26, the parties commit to step up cooperation with a view to strengthening implementation of international commitments in the field of environment and labour protection.

While reasonable discretion should be permitted for budgetary allocations between different policy or enforcement priorities, the EU and Mercosur understand that effective enforcement of environmental and labour laws requires that the resources allocated to relevant bodies responsible for enforcement of labour and environmental law at every level of government be maintained at a level such that domestic laws can be effectively implemented, monitored and enforced.

2. Climate Change

The commitment in Article 6.2 of the TSD Chapter and Article 29 of the Political and Cooperation chapter to effectively implement the UNCCC and the Paris Agreement in line with the best available science includes:

Timely communication and implementation of successive and progressive Nationally Determined Contributions (NDCs) reflecting the highest possible ambition, in accordance with Article 4.2 and 4.3 of the Paris Agreement, and that therefore there will be no reduction in the level of ambition of each Party's NDC, including with respect to deforestation targets existing on 28 June 2019, i.e. the date of the political agreement on the EU-Mercosur text, and as reflected in each Party's national laws;

Pursuit of domestic mitigation measures, with the aim of achieving the objectives of such NDCs, in accordance with Article 4.2 of the Paris Agreement;

Engagement, as appropriate, in adaptation planning processes and the implementation of actions, in accordance with Article 7.9 of the Paris Agreement, with the aim of contributing to the global goal on adaptation established in Article 7.1 of the Paris Agreement;

Submission and periodical update of an adaptation communication, in accordance with Article 7.10 of the Paris Agreement;

Submission of long-term low greenhouse gas emission development strategies, in accordance with Article 4.19 of the Paris Agreement, and timely implementation thereof;

Legislative, regulatory and policy action aiming at making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, in accordance with Article 2.1.c. of the Paris Agreement;

Reflection of the best available science in all aspects of implementation;

Updating and enhancing actions and support to the Paris Agreement objectives and goals by taking into account the outcome of the periodical global stocktake, in accordance with Articles 4.9 and 14 of the Paris Agreement;

Any further decisions made by the governing bodies of the UNFCCC and the Paris Agreement.

Recalling the objective in Article 1 of the TSD Chapter of integrating sustainable development in the Parties' trade and investment relationship, information submitted by each Party to the UNCCC Secretariat under Article 13 of the Paris Agreement will be taken into account in the monitoring of progress in effective implementation of the Paris Agreement in

Article 6 of the Trade and Sustainable Development Chapter of the EU - Mercosur Agreement.

3. Biological Diversity

The commitment to effectively implement multilateral environmental agreements in Article 5.3 of the TSD Chapter, including the Convention on Biological Diversity (CBD) implies, i.a.

Timely revision, updates, communication and implementation of National Biodiversity Strategies and Action Plans (NBSAPs), in accordance with Article 6a of the CBD and COP decision 15/6, including:

communication of national targets as foreseen in paragraphs 6 and 7 of the same decision and communication of national reports as foreseen in paragraphs 11 and 13;

taking the outcomes of the global reviews into account in future revisions and implementation of their NBSAPs, as foreseen in paragraph 20.

Effective implementation and monitoring of the Kunming-Montreal Global Biodiversity Framework (KMGBF) as agreed by the Conference of the Parties of the CBD in Decision 15/4, as well as Decisions 15/5, 15/7, 15/8 and 15/9, in particular the monitoring, reporting on and review of implementation of the KMGBF as well as the mobilization of resources and sharing of benefits of the use of Digital Sequence Information on Genetic Resources.

Integration of the conservation and sustainable use of biodiversity into relevant sectoral or cross-sectoral plans, programmes and policies, and their implementation, in accordance with Article 6b of the CBD.

Any further decisions made by the governing bodies of the CBD.

The EU and Mercosur also highlight that Article 7.2 of the TSD Chapter further elaborates how the Parties intend to address trade-related aspects of biodiversity when implementing the agreement. Furthermore, in Article 27 of the Political and Cooperation Agreement, the parties commit to enhance environmental cooperation, including in the area of biodiversity, with the aim to contribute to the protection, conservation, and sustainable use of natural resources.

4. Forests

The EU and Mercosur agree in Article 8 of the Trade and Sustainable Development chapter of the agreement to:

combat illegal logging and related trade and promote trade in forest products from sustainably managed forests.

Furthermore, the commitment on implementation of the Paris Agreement in Article 6.2 of the TSD Chapter requires them to:

take effective action to conserve and enhance sinks and reservoirs of greenhouse gases, including forests (Article 5 Paris Agreement.)

In Article 29 the Political and Cooperation Chapter of the Agreement, the parties also commit to enhance cooperation and policy dialogue on deforestation and forest degradation and restoration, with the objective to strengthen domestic policies.

In addition, the two sides are signatories to the Glasgow Leaders' Declaration on Forests and Land Use, where both sides committed to:

trade and development policies, internationally and domestically, that promote sustainable development, and sustainable commodity production and consumption, that work to countries' mutual benefit, and that do not drive deforestation and land degradation.

halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation. To this end the EU and Mercosur will set an interim target of reduction of deforestation of at least 50% from current levels by 2025.

In addition, the two sides are committed by 2025 to make significant progress in restoration of forests, maximizing the contributions to biodiversity conservation, climate change objectives and other co-benefits, such as those included in relevant national strategies and policies, the respective NDCs or international initiatives such as the Bonn Challenge or the G20 Global initiative on land restoration;

The EU and Mercosur recognize that forests have a key role to play in climate change mitigation and adaptation, as well as in the conservation and sustainable use of biological diversity. Therefore, the two sides will monitor the state and extent of forests so that their role as sinks

or as sources of greenhouse gas emissions and ecosystem service providers can be better understood and action taken. In accordance with Decisions of the UNFCCC the role of forests in climate change emissions and carbon storage shall be reflected in their Nationally Determined Contributions under the Paris Agreement and reporting thereof, including actions to reduce deforestation and increase afforestation.

The EU and Mercosur will cooperate on measures to ensure that the products that EU and Mercosur citizens consume do not contribute to deforestation and forest degradation.

Both parties recognize the importance of taking action to eliminate sources of wildfires in or near forest areas, to further reduce deforestation and forest degradation.

Recalling Principle 10 of the Rio Principles, the EU and Mercosur also recognise that effective national and regional frameworks on rights of access to environmental information, public participation in the environmental decision-making process, and access to justice in environmental matters and their regular review are crucial for the implementation of environmental policy, including in ensuring that drivers of deforestation are properly addressed.

Articles 11.2, Article 13(n) and 13(o) of the TSD Chapter provide for the EU and Mercosur to cooperate on sustainable supply chains, including supply chains of products not linked to deforestation. Improved traceability, transparency and due diligence will be a key means to develop sustainable supply chains. This will be a priority during implementation, and to this end they will promote and support actions by the private and public sector.

5 Labour Rights

Both the EU and Mercosur are committed to the protection of labour rights and recognize the role of the International Labour Organisation as the key multilateral organisation in this field.

The EU and Mercosur understand that the obligation in Article 4.4 of the Trade and Sustainable Development (TSD) Chapter of the Agreement and Article 45bis of the Political Dialogue and Cooperation chapter to make continued and sustained efforts to ratify the fundamental ILO Conventions and other relevant Conventions imposes an ongoing obligation on a Party that has not ratified such a Convention to make efforts in this regard, while respecting the sovereign right of a Party to enter into additional international obligations. The commitment to respect, promote, and effectively implement the ILO core labour standards is binding on both the EU and Mercosur, in accordance with Article 4.3 of the TSD Chapter.

In implementation of these commitments, the EU and Mercosur intend to place a specific focus on the eradication of child labour as well as on freedom of association and the effective recognition of the right to collective bargaining. The EU and Mercosur understand that the commitment to the effective implementation entails that each Party adopts relevant laws and regulations and exercises its jurisdiction and control by establishing a system for ensuring compliance with the requirements of the ILO core labour standards.

Furthermore, in line with the commitment to promote decent work in Article 4.10 of the TSD Chapter, Article 45bis of the Political Dialogue and Cooperation chapter and the ILO Declaration on Social Justice for a Fair Globalization of 2008, the EU and Mercosur underline the principle of social dialogue, which is a guiding principle of the ILO, and understand that the ratification of fundamental and other relevant ILO Conventions should be carried out in a manner consistent with this principle.

6. Cooperation

The Parties have agreed in the Trade and Sustainable Development and Political Dialogue and Cooperation Chapters to promote the development of international trade in such a way as to contribute to the objective of sustainable development.

In order to achieve this objective, Mercosur and the EU highlight the importance of interregional cooperation and agree to prioritize in particular the following areas:

the implementation of multilateral commitments in the areas of climate change, biodiversity and the environment and of ILO labour standards;

the development of sustainable value chains across the EU and Mercosur, including by improving traceability, transparency, due diligence as well as the promotion of circular economy and resource efficiency; the conservation and sustainable management of natural resources;

support for the role of indigenous and local communities in forest protection; the promotion of research and development, e.g. in the field of satellite monitoring of deforestation and forest fires.

The Parties emphasise that such cooperation should not only involve governments, but also businesses, academia, and civil society, in line with their respective roles in promoting sustainable development.

7. Human Rights

In Art 11 of the Political Dialogue and Cooperation chapter, the EU and Mercosur have committed to cooperate on the promotion and protection of human rights, including the ratification and implementation of international human rights instruments. This includes the rights of indigenous peoples, as defined inter alia in the UN Declaration on the Rights of Indigenous Peoples as well as, where relevant, in the Parties' Constitutions. It is understood that such rights include rights to land under traditional use by such communities.

8. Civil Society

Pursuant to Article 10 of the Political and Cooperation agreement, Mercosur and the EU highlight the key role of civil society organisations in the effective implementation of the Agreement. Through the establishment of a consultation mechanism and the promotion of interaction between the representatives of their civil society, the Agreement will leverage a

broad-based involvement of civil society actors, including non-governmental organizations, business and employers' organizations and trade unions.

The active involvement of civil society organizations will play a key role in the monitoring and implementation of all aspects of the agreement, including the trade and sustainable development objectives.

9. Monitoring and Review

Pursuant to the institutional provisions of the Trade and Political and Cooperation Agreement [parts], the Parties will meet to monitor and assess implementation of the Agreement and to oversee the fulfilment of its objectives, as set out in Article 1.2, Chapter 1 [Initial Provisions] of the Trade [part], which include (but are not limited to) the development of international trade and of trade between the Parties in a manner that contributes to sustainable development as well as the establishment of a framework for the participation of civil society to support the effective implementation of this Agreement. As these objectives are mutually reinforcing, the Parties will seek to build synergies between them using the mechanisms established in the Agreement, as well as other domestic mechanisms, as appropriate.

The Agreement provides for a specific forum to monitor the implementation of the Trade and Sustainable Development Chapter, as set out in Article 14 of the TSD Chapter.

The Parties agree that to ensure an effective implementation of TSD commitments they will develop a roadmap towards meeting these commitments and put in place a series of actions and cooperation activities.

EU-Chile Joint Instrument

The Joint Statement agreed in December 2022 provides more clarity on the interpretation of key provisions, including addressing the urgent threat of climate change, protecting, and conserving the environment. Furthermore, the joint statement mandates Parties to initiate a formal review process of the agreement's trade and sustainable development aspects, including enhancing the enforcement mechanism of the Trade and Sustainable Development chapter. Hence, an element that could be further expanded is cooperation and commitment of technical and financial resources, for which the joint statement agreed between the EU and Kenya may become an example.

JOINT STATEMENT
ON TRADE AND SUSTAINABLE DEVELOPMENT BY THE
EUROPEAN UNION AND CHILE

The Parties,

RECALLING their shared values and the strong cultural, political, economic and cooperation ties which unite them;

RECALLING their commitment to modernise and replace the EU-Chile Association Agreement, concluded in 2002, to reflect new political and economic realities;

REAFFIRMING their commitment to strengthen cooperation on bilateral, regional and global issues of common concern;

CONVINCED that the modernised EU-Chile Agreement and the interim Free Trade Agreement (the Agreements) [titles to be confirmed] will be beneficial to both Parties in fuelling economic recovery from the COVID-19 crisis, generating growth in a geopolitical context marked by heightened instability, and further strengthening their ties;

[RECALLING their international commitments (as mentioned in the interim Free Trade Agreement [titles to be confirmed] related to the protection of the environment;]

DETERMINED to ensure that the Agreements fosters sustainability, so that economic growth goes together with the protection of decent work, the climate and the environment, in full adherence to the Parties' shared values and priorities, including support for green transition and promoting responsible and sustainable value chains;

[RECALLING the need to take urgent actions to tackle the climate crisis;]

RECOGNISING that an inclusive involvement of civil society in the implementation of the Agreements is essential for a timely identification of challenges, opportunities and priorities, and to monitor respective agreed actions, [and]

[RECALLING the commitment to initiate a formal review process of the interim Free Trade Agreement, agreed in the Joint Statement subscribed in December 2022,]

Express their joint intent to swiftly conclude the Agreements and subsequently cooperate on the implementation of their sustainability aspects guided by the following considerations:

[Commit, in the context of the Rendez-Vous clause, to further explore strengthening mutual mechanisms for the effective implementation and application of TSD commitments, within the initial review period. Such exploration in the furtherance of mutual compliance may include

implementation roadmaps, financial and technical assistance, encouragement of participatory approaches as well as ways to address potential divergences in the implementation of agreed commitments.]

EU-Andean Community Joint Instrument

For the case of the EU-Andean Community agreement, it may be recognized that there is a need to update and modernize the provisions related to the environment. Particularly, the agreement does not explicitly refer to NDCs and this could be added to a reviewed version. Hence, based on the EU-Chile modernized agreement, the proposed joint statement refers to the need to include a reference to the NDCs, as well as expand the scope of the agreement by the inclusion of new topics of interest, amongst them, but not limited to; Trade and Sustainable Management of Fisheries and Aquaculture, Trade and Wild Flora and Fauna, energy and raw materials, and green transition. Also, as in the case of Chile, it is mentioned that there is a need to strengthen dispute settlement mechanisms, cooperation, and technical and financial resources commitments.

JOINT STATEMENT ON TRADE AND SUSTAINABLE DEVELOPMENT BY THE EUROPEAN UNION AND COLOMBIA, ECUADOR AND PERU

The Parties,

RECALLING their shared values and the strong cultural, political, economic, and cooperation ties that unite them;

RECALLING the need to modernise and replace the EU-Colombia-Ecuador-Peru Agreement, concluded in 2013, to reflect new political and economic realities;

REAFFIRMING their commitment to strengthen cooperation on bilateral, regional, and global issues of common concern;

CONVINCED that a modernised EU-Colombia-Ecuador-Peru Agreement will be beneficial to both Parties in fuelling economic recovery from the COVID-19 crisis, generating growth in a geopolitical context marked by heightened instability, and further strengthening their ties;

RECALLING their international commitments (including those mentioned in the EU-Colombia-Ecuador-Peru Agreement) related to the protection of the environment;

DETERMINED to ensure that the Agreements foster sustainability, so that economic growth goes together with the protection of decent work, the climate, and the environment, in full adherence

to the Parties' shared values and priorities, including support for green transition and promoting responsible and sustainable value chains; and

RECALLING the need to take urgent actions to tackle the climate crisis;

RECOGNISING that an inclusive involvement of civil society in the implementation of the Agreements is essential for a timely identification of challenges, opportunities, and priorities, and to monitor respective agreed actions,

Express their joint intent to modernize the commitments included in Title IX on Trade and Sustainable Development in order to include new dispositions to reflect new political, social, economic, and environmental realities and subsequently cooperate on the implementation of their sustainability aspects guided by the following considerations:

1. As regards their joint objective of addressing the urgent threat of climate change, the Parties underline their commitment to effectively implement the United Nations Framework Convention on Climate Change and the Paris Agreement adopted thereunder, including their commitments with regard to their respective Nationally Determined Contribution. For this, it becomes of the utmost importance to update Article 275 on Climate Change to explicitly include reference to Nationally Determined Contributions (NDCs), as included in recent EU agreements.²²
2. As regards their joint objective of protecting and conserving the environment and sustainably managing their natural resources, the Parties underline their commitment to effectively implement the multilateral environmental agreements and protocols to which they are respectively a party, including the Convention on Biological Diversity (CBD).
3. To expand the scope of the agreement by the inclusion of new topics of interest amongst them, but not limited to, Trade and Sustainable Management of Fisheries and Aquaculture, Trade and Wild Flora and Fauna, energy and raw materials, and green transition.
4. Strengthen the dispute settlement mechanism by initiating a formal review process of its trade and sustainable development aspects in order to consider the incorporation, as appropriate, of additional provisions that may be deemed relevant by either Party at that time, including in the context of their respective domestic policy developments and their recent international treaty practice, as the Parties may consider appropriate. Such additional provisions may relate, in particular, to further enhancing the enforcement mechanism of the

²² For instance, Article 26.10(a) of the EU-Chile Interim Free Trade Agreement states: "Pursuant to paragraph 1, each Party shall: (a) effectively implement the UNFCCC and the Paris Agreement adopted thereunder including its commitments with regard to its Nationally Determined Contribution."

Trade and Sustainable Development chapter, including the possibility to apply a compliance phase, and relevant countermeasures as last resort.

The Parties note that their joint objective of enhancing the inclusive participation of civil society and of regularly exchanging views with their respective Domestic Consultative Group, including on relevant technical assistance projects, comprises the trade and sustainability aspects of the Agreements. The Parties underline their commitment to promote and facilitate the interaction between their respective Domestic Consultative Groups through the means they consider appropriate, including periodical meetings. The Parties express their intention to support the Domestic Consultative Groups in line with their domestic legislation and policies. The Parties will seek views and participation of the civil society on matters related to the implementation of the Chapter, including on the follow-up of commitments taken by the Parties.

Commit, in the context of the Rendez-Vous clause, to further explore strengthening mutual mechanisms for the effective implementation and application of TSD commitments, within the initial review period. Such exploration in the furtherance of mutual compliance may include implementation roadmaps, financial and technical assistance, encouragement of participatory approaches as well as ways to address potential divergences in the implementation of agreed commitments.

The Parties will aim to conclude the review process within 12 months, and to incorporate any agreed outcome of the review process by amending the Agreements in accordance with Articles YY of the EU-Colombia-Ecuador-Peru Agreement.

EU-Central America Joint Instrument

DECLARATION ON TRADE, COOPERATION AND SUSTAINABLE DEVELOPMENT BY THE EUROPEAN UNION AND CENTRAL AMERICA

The Parties,

RECALLING the need to modernise the EU-CA Agreement, concluded in 2012, to reflect new political and economic, social, and environmental realities;

REAFFIRMING their commitment to strengthen cooperation on issues of common concern, including climate change, biodiversity loss, and pollution;

CONSCIOUS of the vulnerability of the CA region to the adverse impacts of climate change and the priority to adopt appropriate mitigation measures;

CONVINCED that a modernised EU-CA will be beneficial to the Parties in fuelling economic recovery from the COVID-19 crisis;

RECALLING their international commitments, including those mentioned in the EU-CA Agreement related to the protection of the environment and the need to update these commitments to reflect new and emerging instruments;

DETERMINED to ensure that the Agreements foster sustainability, so that economic growth goes together with the protection of decent work, the climate, and the environment, in full adherence to the Parties' shared values and priorities, including support for green transition and promoting responsible and sustainable value chains;

RECOGNIZING: the different provisions of the EU-CA Agreement, especially those related to trade and sustainable development and cooperation, among others;

AWARE of the recent developments in the trade and sustainable development field, specially the EU Green Deal and the subsequent actions and initiatives taken in that context, including preventing the trade in raw materials and products causing deforestation and land degradation, its impacts on the productive sectors of the CA countries and the need to promote and strengthen cooperation in this field;

RECALLING the need to take urgent actions to tackle the climate crisis, biodiversity loss, and pollution as a main threat to our societies;

RECOGNISING that an inclusive involvement of civil society in the implementation of the Agreements is essential for a timely identification of challenges, opportunities, and priorities, and to monitor respective agreed actions,

Express their joint declaration to modernize the commitments included in Title VIII on Trade and Sustainable Development ²³and in other provisions of the EU-CA Agreement, in order to reflect new political, social, economic, and environmental realities and subsequently cooperate on the implementation of their sustainability aspects guided by the following considerations:

1. As regards their joint objective of addressing the urgent threat of climate change (including mitigation and adaption actions), the Parties underline their commitment to effectively

²³ Title VIII establishes the obligations assumed by the Parties in environmental matters, under the commitment to effectively apply the environmental legislation of each country and promote a cooperative approach to identify joint and collaborative solutions to better achieve the objectives of sustainable development, through the implementation of mechanisms for civil society participation, including a regional forum for dialogue organized and facilitated by the governments, open to all economic, social or environmental stakeholders interested in sustainable development issues.

implement the United Nations Framework Convention on Climate Change and the Paris Agreement adopted thereunder, including their commitments with regard to their respective Nationally Determined Contribution and other national plans and strategies, as included in recent EU agreements.

2. As regards their joint objective of protecting and conserving the environment and sustainably managing their natural resources, the Parties underline their commitment to effectively implement the multilateral environmental agreements and protocols to which they are respectively a party, specially the Convention on Biological Diversity (CBD), its Nagoya Protocol on Access to Genetic Resources and Benefit Sharing and the Global Biodiversity Framework.

3. The Parties recognize that Multilateral Environmental Agreements are key elements to achieve sustainable development and address effectively national, regional, and global concerns. The Parties will consider in good faith the new international agreements and negotiating process in order to determine whether to sign, ratify, accede, and eventually implement, emerging legal regimens in critical areas such as conservation and sustainable use of biodiversity in areas beyond national jurisdiction, plastic pollution instruments, pandemic prevention treaties, intellectual property and genetic resources, among others.

4. Cooperation and political dialogue elements related to new international commitments in the areas of climate change and biodiversity and other multilateral environmental negotiations should be strengthened.

5. Cooperation should also be more concretely linked with processes of interest in the region, such as:

- a) The effects of EU environmental policies on trade in the region, especially in the area of agricultural and industrial chemicals.
- b) Improving the implementation and enforcement of regulations of special interest, such as forestry - including provisions on land use change, deforestation, and others - waste management, sustainable agriculture, and climate change adaptation.
- c) Promote building incentive systems of different nature (payment for environmental services, electric vehicles, energy efficiency, green taxes, among many others) It is critical to maintain the policy and regulatory space on these matters, which are closely related to the region's commitments in its NDCs.
- d) Emerging issues such as Nature-Based Solutions, the plastic life cycle, its effects, and legal and policy responses, should be given priority.

6. To refine the commitments agreed in the agreement by the inclusion of new topics of interest to be determined by the appropriate bodies reflecting the current status of the discussions in the field of trade and sustainable development.

7. The Parties note their joint objective of enhancing the inclusive participation of civil society in the light of new international developments in the region, including relevant interpretation of judicial bodies.

EU-New Zealand Joint Instrument

JOINT STATEMENT ON TRADE AND SUSTAINABLE DEVELOPMENT BY THE EUROPEAN UNION AND NEW ZEALAND

The Parties,

RECALLING the obligation in Article 19.6.5 to “work together to strengthen their cooperation on trade-related aspects of climate change policies and measures bilaterally and regionally”;

RECALLING their recognition in Article 19.6.1 of the role of trade in combatting climate change and its impacts; and

NOTING the powers afforded to the Committee on Trade and Sustainable Development under Article 24.4.6;

RESOLVE to:

1. Develop a written work plan (the Work Plan) within one year of the date of the first meeting of the Committee on Trade and Sustainable Development. The Work Plan will:
 - a. identify specific activities to be undertaken by the Parties within the following three years that will strengthen their cooperation pursuant to Article 19.6.5;
 - b. provide sufficient detail of the nature and purpose of the planned activities so as to enable the Parties to implement them;
 - c. be updated at least every three years so as to ensure that the cooperation programme operates in a continuous manner;
 - d. be subject to amendment as agreed by the Parties; and

- e. include at least some activities that involve third countries with a view to increasing the climate-related ambition of those countries where possible.
2. Review progress in implementing the Work Plan at regular meetings of the Committee on Trade and Sustainable Development and include a report on such progress in the reports of the Committee as required under Article 19.15.3.

Conduct a review within five years of the date of entry into force of the Agreement to determine the extent to which cooperative activities undertaken pursuant to the Work Plan have been successful in strengthening the Parties' cooperation on trade-related aspects of climate change policies and measures and whether such activities have advanced the role of trade in combatting climate change and its impacts.

EU-Mexico Joint Instrument

JOINT STATEMENT ON TRADE AND SUSTAINABLE DEVELOPMENT BY THE EUROPEAN UNION AND THE UNITED MEXICAN STATES

The Parties,

RECALLING their shared values and shared commitment to the highest standards of labour, safety, environmental and consumer protection;

RECALLING the announcement of a modernised Agreement in Principle in 2018 to deepen their economic ties while addressing the risks created by the Climate Crisis;

RECOGNISING their shared obligations under the Paris Agreement, the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and the United Nations Framework Convention on Climate Change (UNFCCC);

REAFFIRMING their commitment to strengthen cooperation on bilateral, regional, and global issues of common concern;

CONVINCED that a modernised EU-Mexico Global Agreement will prove beneficial to both Parties in generating growth, ensuring economic stability and security, and promoting sustainable development

RECALLING the need to take urgent actions to tackle the climate crisis;

RECOGNISING that inclusive involvement and engagement with civil society in the implementation of the modernised EU-Mexico Global Agreement is essential for the timely identification of challenges, opportunities, and priorities,

Express their shared desire to conclude the modernised EU-Mexico Global Agreement Chapter on Trade and Sustainable Development ('TSD Chapter'), and reinforce their commitment to sustainable development in light of the challenges posed by the Climate Crisis. To ensure effective cooperation in adopting and implementing the TSD Chapter, the Parties will focus their efforts on the following areas:

1. The EU and Mexico will strengthen their efforts to ensure the envisaged TSD Chapter reflects and supports their highest-level commitments to sustainable development. The chapter should enable the Parties to pursue their climate policies as expressed in their respective nationally determined contributions under the Paris Agreement.
2. To this effect, the EU and Mexico agree to intensify cooperation through regular meetings under the High-Level Dialogues on Environment and Climate Change and within multilateral and regional forums, including the UNFCCC Conference of the Parties and Summit of Leaders of the EU and the Community of Latin American and Caribbean States.
3. The Parties will discuss opportunities for ensuring that the envisaged TSD Chapter allows for the effective implementation of their shared commitments to sustainable development, addresses areas and concerns of mutual interest, and is consistently reflected within the modernised EU-Mexico Global Agreement as a whole. To this effect, the Parties will ensure that their commitments to market access and energy are consistent with these highest ambitions.
4. The Parties will ensure that the envisaged domestic advisory groups and the civil society forum are sufficiently supported in facilitating and monitoring the effective implementation of the envisaged TSD Chapter, and their contributions are taken into consideration by the TSD Sub-Committee.
5. As regards their joint objective of ensuring the effective resolution of disagreements over compliance with or the interpretation of the Parties' commitments under the envisaged TSD Chapter, the Parties agree to continue their dialogue on the appropriate means of dispute settlement.
6. The Parties agree to continue their existing cooperation on sustainable development within the Joint Committee of the EU-Mexico Global Agreement.

*With thanks and recognition to
experts and partners from:*



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