

IEA Submission: Trade and Sustainable Development (TSD) Review

*Irish Exporters Association submission to the European
Commission's Directorate-General for Trade*

29 October 2021

Overview: The Irish Exporters Association

The Irish Exporters Association (IEA) is the leading independent representative body and voice for exporters based in Ireland. The IEA represents exporters and supply chain operators across the country and works at regional, national, and European level, representing its members in front of legislators to create a regulatory and legislative framework that supports, drives, and fosters Irish exports.

We assist our members to grow their exports to world markets and drive the growth and development of all exporting businesses based in Ireland. We provide a set of highly relevant business services and products to assist our members with international trade.

- We **represent** the needs of members in the development of policy, lobbying, intervention at Government and EU level and in the media. Brexit and the Diversification of Export Markets, Trade Compliance, Climate Change & Sustainability and their impact on Irish exporters are core to our work.
- We offer **trade services** in the form of practical training, support, and advice right across the supply chain including our Sustainable Supply Chains Training Programme, customs awareness short courses, Good Distribution Practice (GDP), export and import compliance, business travel support (visa and export documentation), route to market and general assistance with trade related queries.
- We have created **knowledge networks** among our membership to support our members in exploring new markets, route to market scenario planning, understanding customs and supply chain challenges and providing thought leadership through a series of events and webinars. Networking and connectivity remain an important part of membership benefits. Our Export Industry Awards programme is our flagship event that celebrates the achievements of exporting companies and highlights the importance of the export sector to Ireland.

The IEA represents the whole spectrum of companies within the export industry including SME's who are beginning to think about exporting for the first time right through to global multinational companies who are already extensively exporting from Ireland as well as the providers of key services to the sector. The IEA is the connecting force for Irish exporters, providing practical knowledge and support across the Island of Ireland and in foreign markets.

Introduction

We welcome the opportunity to contribute to DG Trade's review of the 15-Point Action Plan on Trade and Sustainable Development (TSD). The consultation is timely given the intensifying of global efforts to tackle the climate crisis and at a time when consumers and businesses are considering their carbon footprint and the supply chains that they operate in. Trade and sustainable development is a broad issue which requires a coherent and comprehensive policy approach.

Given that sustainable trade and investment is a key policy priority for this Association and that our membership covers businesses manufacturing and the various services involved in delivering goods to the point of destination, we continue to develop a suite of services to support IEA members operate in line with the overarching aims of the Paris Agreement and UN Sustainable Development Goals (SDGs) that are enshrined in the EU Green Deal and Ireland's Climate Action and Low Carbon Development (2021) Act. We believe we are well placed to contribute to this consultation given that our members are at the coalface of putting the European Commission's trade and sustainable development strategy into practice.

Recommendations

Question 1: The EU addresses sustainability challenges with cross-border implications in dedicated multilateral fora (e.g. on climate change and biological diversity) and via its autonomous measures (including legislative ones). Against this background, what should be the contribution of the EU trade policy to promote the transition to a greener, fairer and more sustainable economy? How should the implementation and enforcement of TSD chapters in FTAs complement and support the EU's multilateral and autonomous initiatives?

Response: *To promote the transition to a greener, fairer and more sustainable economy EU trade policy should continue to reinforce the three pillars of which the TSD is built on: binding commitments by Parties to a range of multilateral environmental agreements and conventions of the International Labour Organisation, structures to involve civil society organisations in the implementation of those commitments and a dedicated dispute settlement mechanism in which independent arbitrators make findings public of fact regarding compliance. The EU Green Deal and ambitions to become the first carbon neutral continent by 2050 should be incorporated further into ongoing and future trade talks and deals. While achieving carbon neutrality for the continent is commendable, it should not come at the expense of leaving EU businesses at a competitive disadvantage when it comes to trade. For this reason, the TSD should essentially better reflect the carbon-neutrality ambition.*

Question 2: What have been the main benefits of closer collaboration of the European Commission with the European Parliament, with the Member States, other relevant EU institutions and bodies and international organizations on the implementation and enforcement of TSD chapters? How should these partnerships be shaped going forward?

Response: *The close cooperation among the Commission, Parliament, Member States and relevant EU bodies and international organisations has brought about the inclusion of a major chapter in EU FTA's that encompasses the broad subject matter of sustainability. The inclusion of the TSD shows trade partners that the EU honours its international agreements and brings increased credibility to the Union. Engagement, particularly with the Parliament has ensured that the TSD is accountable and open to directly elected critique as the demands from EU citizens around sustainability intensify and develop. This feature will*

continue well into the future and is therefore important to have this avenue open for EU citizens.

To date the TSD chapter has served as an important tool to respond to citizen's concerns about trade, from an environmental and social point of view and will have to be developed to continually meet concerns. This will require greater dialogue with civil society and industry to effectively communicate what the TSD seeks to address and alleviate concerns about the EU forging trade agreements in a time when climate action is to the fore.

Question 3: How do you see the role and contribution of DAGs and/or other representatives of employers, trade unions, environmental and other non-governmental organisations in the monitoring of the implementation of TSD chapters? How can they better contribute to the monitoring of the implementation of TSD chapters?

Response: *As a newcomer to the EU-UK DAG we believe that they serve as an important avenue for industry groups to raise their members' very real concerns on the operation of trade deals in practice. Establishing a dedicated group at EU level, if not already in existence, to monitor the implementation on TSD chapters would be beneficial. Such a group would also contribute to raising awareness within the Member States on the TSD chapters which we feel is not being effectively communicated at present. We have concerns about the ability of the myriad number of representative bodies to have their voice heard due to the limited numbers of seats available to sit on the various DAGs.*

Question 4: The European Commission has created the Chief Trade Enforcement Officer and the Single Entry Point in 2020. What in your opinion is their distinct contribution to the implementation and enforcement of the EU's TSD chapters?

Response: *A key role of the Chief Trade Enforcement Officer is to strengthen the EU's trade agreements, which in turn covers the implementation of the TSD chapter. Given that an 'open, sustainable and assertive trade policy' is at the core of the Commission's revised trade strategy, a role of the Chief Trade Enforcement Officer needs to routinely verify that trade partners are upholding the provisions laid out in the TSD to which they have agreed to.*

Question 5: Is the level of transparency and available information on the implementation and enforcement of TSD chapters sufficient for civil society to follow and to contribute to these processes? Where do you see gaps? Do you have suggestions to address them?

Response: *Similar to our response to Question 3, we believe that more can be done to communicate the existence of TSD chapters in EU FTAs and why they exist, which is very much driven by what consumers are demanding – a trade policy that is fairer, greener and more sustainable. This could be addressed by calling on the Member States' Commission Representation offices to open dialogue with relevant groups, directly with the stakeholders via roundtables and through newsletters, webinars, events etc to heighten awareness and gather thorough feedback.*

Question 6: Are there any key additional environmental or climate commitments that should be covered by TSD chapters? What areas should the EU prioritise in TSD implementation, and what actions do you think should be pursued to make progress on those priorities?

Response: *As mentioned in our response to Question 1, the EU's ambition to become the first carbon neutral economy needs to be better reflected in the TSD's. Member States, including Ireland, are coming forward with carbon budgets to ensure the EU's aim is realised and this needs to be followed by our trading partners. Measuring carbon reductions made by trading partners and making data on the EU's reductions available to partners should be incorporated into the monitoring of TSD implementation. We feel a greater emphasis on helping position companies within the EU to build and invest in creating global competitive advantage arising from the ambition should be looked at.*

Question 7: Are there any other important topics not covered by the questions above that the TSD review should address?

Response: *We support the concept that enhancing sustainability in supply chains can further contribute to increasing their resilience, but supply chain actors need more information on what changes they must make in the months and years ahead. This is crucial. The TSD is an important tool in communicating measures that have been taken to ensure that trade is sustainable. We believe that the goal of the TSD needs to be better communicated on the ground to representatives of business and citizens to inform them that the EU is driving sustainable development through its trade strategy.*

On behalf of the IEA,

Simon McKeever
Chief Executive

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