

Sustainable development and environment in TTIP

Moving from empty language to equal consideration

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1. Existing trade policy counteracts sustainable development

1.1. Failed promise in EU sustainable policymaking

While the principles of sustainable development are clearly set forth in the EU's foundational treaties, the record of real policy application in EU trade policy is less encouraging. Constitutional ambitions and requirements notwithstanding, environmental protection and sustainability measures are relegated to secondary consideration whenever commercial interests are at stake.

The Commission currently treats sustainable development as perfunctory – an unwanted stepchild to the overall agreement. As long as this hierarchy of priorities continues, sustainable growth and development will be limited. EU trade policy must equally incorporate the pillars of social cohesion, environmental protection and economic expansion; these same principles must be interwoven into every aspect of the EU's trade policies going forward.¹

1.2. TTIP should set a new standard for sustainable trade

The nature of existing trade policy is inherently imbalanced – not in terms of imports and exports, but in the forked approach to commerce and sustainability. At the same time, the scope of trade agreements is shifting; long-gone are the days when liberalisation simply meant lowering tariffs. In this regard, T&E and ClientEarth embrace TTIP's potential to catalyse bilateral agreement on and enforcement of sustainability targets. However, this optimism depends on the inclusion of enforceable and strong environmental and labour protection provisions in the final TTIP agreement, in particular in the Sustainable Development chapter. However, the current position of the Commission on sustainable development in TTIP is similar to the previous weak approach. The United States approach demonstrates more commitment to sustainability by making the few labour and environmental aspects of its trade agreements enforceable.

1.2.1. Nine recommendations for a new sustainable trade framework

Neither the European or American approach has proven adequate. The EU's proposed Sustainable Development chapter, and the US' anticipated Environment and Labour chapters, contain only a few weak commitments to the values they profess to uphold. We maintain that the final TTIP text must include a stronger commitment to sustainable development, negotiated in full transparency, and incorporating the following 9 points:

1. Application of state-to-state dispute settlement to the provisions of the Sustainable Development chapter;
2. Adoption and effective implementation of core environmental agreements as a condition for final conclusion;
3. Absolute protection of states' rights to regulate *via* a Clean Hands clause and an extension to the scope of the exceptions clause, while also removing provisions that allow challenges to current and future standards;

4. Incorporation of a stronger role for civil society in the monitoring and enforcement of the agreement's environmental aspects;
5. Introduction of bilateral environmental safeguard clauses;
6. Integration of environmental protection requirements into every chapter of the agreement text;
7. Cooperation on the removal of unsustainable subsidies while simultaneously promoting those that are sustainable;
8. Prohibition of environmental dumping;
9. Centralisation of sustainable development as an essential element of all current and future trade agreements.

These proposals chart a clear path away from the European Commission's current 'green-washing' of trade agreements and closely match the European Parliament's request for a new approach to sustainable development and trade.

2. Conclusions

Trade volumes are expanding at the same time as the scope of agreements widens. As part of this evolution, negotiations must now progress beyond lip-service treatment of sustainability objectives and create real, enforceable commitments to environmental and social protections.

Trade and sustainability are not incompatible; rather, they can complement one another if properly guided. T&E and ClientEarth's joint-report outlines the parameters under which trade liberalisation can be achieved sustainably. The direct applicability of this joint report is to TTIP, but it also provides a flexible blueprint for the revision of existing free trade agreements and those negotiated in the future.

There is clear support for an overhaul of EU trade policy to incorporate sustainability objectives. The European Parliament recently stipulated to the Commission that the final TTIP agreement must 'lead to an ambitious, comprehensive and balanced trade and investment agreement of a high standard that would promote sustainable growth with shared benefits.'² As is, failure to fundamentally revise the sustainable development chapter not only damages the EU's external credibility, but could lead to the rejection of the overall agreement.

For more information

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Endnotes

¹ Brundtland, G., Khalid M., et al., "Our Common Future," (United Nations World Commission on Environment and Development, 21 May 1987), <http://www.un-documents.net/our-common-future.pdf>.

² European Parliament resolution of 8 July 2015 containing the European Parliament's recommendations to the European Commission on the negotiations for the Transatlantic Trade and Investment Partnership (TTIP) (2014/2228(INI)) at 2. (d) (ii).