

# CONCORD response to the consultation on “A renewed trade policy for a stronger Europe” (November 2020)

*CONCORD is the European Confederation of Relief and Development NGOs. We are made up of member organisations representing more than 2600 NGOs and are supported by millions of citizens across Europe. We are a member-led organisation which means that the members give the strategic direction of the Confederation.*

## Introduction

CONCORD, the European Confederation of Development and Relief NGOs, welcomes the consultation concerning “A renewed trade policy for a stronger Europe”. This is an opportunity for the EU to use its leadership in the multilateral trade system to **accelerate worldwide progress on the implementation of the 2030 Agenda for Sustainable Development and the Paris Agreement**.

In this context we would like to remind the European Commission of its **legal obligation to ensure Policy Coherence for Development (PCD)**, rooted in Article 208 of the Lisbon Treaty (2009) and reiterated in the European Consensus on Development (2017). This means that the EU must take into account the objectives<sup>1</sup> of development cooperation in its policies which might affect developing countries. The renewed EU Trade Strategy has been made a PCD priority for the European Commission in 2020, showing that the Commission considers this initiative to have an impact on partner countries.

It is therefore of concern that the consultation note does **not even mention the principle of Policy Coherence for Sustainable Development (PCSD)**. The note does not refer to any intentions of reducing negative spill-over effects of EU trade policy on developing countries, although we know that this needs to be addressed. Nor does it touch upon how a renewed trade policy could contribute to supporting countries to achieve sustainable development. The 2019 Sustainable Development Report states for example that the majority of EU Member States generate large negative impacts through trade, including CO2 emissions, biodiversity loss, and water scarcity.<sup>2</sup> We welcome that the European Commission seeks to promote coherence between its trade policy and the Sustainable Development Goals as indicated in question 8. But this must go beyond “promoting” the goals to “ensuring” coherence with the SDGs, and it must be made a true and meaningful priority accompanied by concrete measures. Otherwise, EU trade policy continues to risk undermining not only the

---

<sup>1</sup> From the Lisbon Treaty, article 208: “Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries.”

<sup>2</sup> [The 2019 European Sustainable Development Report](#)

objectives of other EU policies (such as the Green Deal) but also partner countries' possibility to achieve the SDGs.

CONCORD Europe therefore calls for the firm inclusion of a policy coherence for sustainable development (PCSD) perspective in the EU's new Trade Strategy. Applying a PCSD approach to the upcoming EU trade policy would pay more attention to the social and environmental impact of trade and trade liberalisation. **A sustainable development aligned EU trade policy should not prioritise the economic dimension over the social and environmental dimension.** The EU should move away from growth as the main economic driver and centre our economy on well-being for the people and the planet. Therefore, sustainable development impact assessments of trade initiatives must better assess possible negative impacts on human rights, social development including inequalities, and the environment. This includes examining what provisions need to be changed in EU trade and investment agreements to build societies that protect human rights, contribute to achieving gender equality, and provide sustainable development, livelihoods and the environment.

We observe that the note does not consider **fair and resilient trade partnerships with developing countries**, apart from mentioning the number of free trade agreements signed. Fair and resilient trade partnerships with developing countries means that the EU would only enter into trade negotiations with the intention of creating *mutual* benefits, to respect PCSD principles. This means acknowledging key conflicting interests and conceding EU own interests if the proposed agreement might risk undermining the partner countries' ability to achieve sustainable development. This also requires the willingness to listen to the voices of civil society and the millions of Micro, Small and Medium Enterprises (including small farmers).

Europe could make a useful contribution to Africa by supporting the development of sustainable domestic economies in African countries. With regard to regional trade integration between African countries, including current initiatives such as the Africa Continental Free Trade Area, the EU must adopt a nuanced approach in its support and acknowledge that certain risks accompany the creation of such an African free trade area. For example, there are risks that the fast production of local products is impossible due to the lack of access to adequate infrastructure or energy. This may lead to non-African products entering the African continental free trade area, at the detriment of African entrepreneurs, SMEs or small scale farmers. The EU should support attempts that aim to ensure that the AfCFTA does not contribute to rising inequalities within the African continent, and does not have unintended adverse impacts on women's rights. In this context, the EU should support processes that take into account concerns raised by African Civil Society active on this issue and others who will be directly impacted by the initiative. Knowledge and technology transfer, the development of human capital, local value chains, a green economy, small and medium-sized enterprises and job creation should now be given priority over huge investments in extractive industries and big infrastructure projects. At the invitation of African leaders and in an urge to compete with China, the European private sector and policy-making world may have overemphasised these big investments in the past years. **Cooperation on trade and investment must therefore aim to increase the industrialisation and diversification of African economies and enable the regulatory space of African countries to develop their economic policies and protect and support their small-scale entrepreneurs and farmers.** The

EU must recognise that its trade agreements with African countries and regions can stand in the way of enhancing African economic integration and intra-African trade. We therefore recommend that the EU does not pursue the broadening and deepening of its FTAs and EPAs with Africa.

We also acknowledge that gender equality receives more and more attention in trade agreements but there is still work to be done. Building on the commitment by the European Commission in the Communication “A Union of Equality: Gender Equality Strategy 2020-2025”<sup>3</sup> to **actively promote gender equality through its trade policy**, we look forward to seeing how the new EU Trade Strategy will ensure that trade-related aspects of gender are adequately addressed in trade agreements and that it considers the gender impact of trade initiatives.

To orient EU trade policy towards sustainable development, the European Commission should start by **reforming the trade policy decision-making process**. This means providing more openness, transparency and inclusiveness at all stages of the EU’s trade negotiations. In particular the EU should enable/allow more involvement of other stakeholders, including CSOs, also in partner countries, in negotiations.

The EU must do more to ensure that trade does not contribute to or consolidate practices that have negative social and environmental impacts, including human rights violations, social dumping, child labour, deforestation, environmental degradation, greenhouse emissions, etc. The renewal of the EU’s Trade Strategy therefore provides a unique opportunity to introduce sustainable trade agreements, i.e. a new model in which trade liberalisation and economic growth are no longer the primary goal, but where trade policy is supporting nationally owned strategies to restructure economies in line with sustainable development strategies, thereby contributing equally to the social, environmental and governance dimension of sustainable development. Human rights, labour rights, land rights, and the protection of our environment would take priority over corporate and private interests. Trade agreements would no longer increase but rather help to reduce inequalities of any kind, including gender inequalities. **This would require a bold transformation of EU trade policy**, restructuring not only the Sustainable Development Chapters in EU trade agreements, but re-developing the trade measures with a new perspective and approach.

### **Question 1: How can trade policy help to improve the EU’s resilience and build a model of open strategic autonomy?**

As the consultation note states, the Covid-19 crisis has brought a number of vulnerabilities to light, both globally and inside the EU. It is indeed unlikely that the EU would be self-sufficient in producing for example certain complex critical health products. This is even more true for other, smaller regions, less developed countries, etc. The richest countries that reacted the quickest got hold of the masks, the ventilators, the pharmaceutical ingredients, etc. This was the case even within the EU. Poor developing countries in the meantime, immediately felt strong negative effects on their exports, revenues and the value of their currencies because

---

<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0152&from=EN>

of the spread of Covid-19, so that they were already seriously weakened before the infection started spreading also there<sup>4</sup>.

As the above lessons from COVID-19 show, we should not only look at how to build the EU's resilience but how to build global resilience, as the world is deeply interconnected. There are indications that sustainable and inclusive businesses are more resilient. They adapt more smoothly to crisis situations because they build strong partnerships in their supply chains and involve workers in business governance. The EU's renewed Trade Strategy should therefore promote and engage with sustainable and inclusive business actors. It should take the needs and interests of small-scale and sustainable and inclusive businesses into account when negotiating trade agreements, and be sure to avoid putting them in situations of unfair competition.

See also our answer to Question 13.

**Question 2: What initiatives should the EU take – alone or with other trading partners - to support businesses, including SMEs, to assess risks as well as solidifying and diversifying supply chains?**

The Consultation Note indicates that "risks" relate on one hand to foreign investments in the EU and foreign unfair business practices, and to narrow supply chains on the other hand.

Private investments are necessary in principle but must be gauged by their effects on reducing poverty and social inequality and be legally bound to minimum social, ecological and human rights standards. In this context, the UN Principles on Business and Human Rights and the EITI (Extractive Industries Transparency Initiative) have to be taken into consideration as a guide for restructuring economic relations.

EU trade and investments abroad trigger particular risks. The greatest risk is that environmental, social and human rights are not respected along the supply chains that EU investors and trade are involved in. In this context it is important to set up a legislative framework requiring mandatory environmental and human rights corporate due diligence across supply chains and access to remedy in case of violations. We welcome the European Commissioner for Justice, Didier Reynders, announcement that legislation on mandatory human rights and environment due diligence for European companies will be introduced in 2021 as part of the Commission's 2021 work plan and the European Green Deal. This should also include the responsibilities of *investors* with regard to the human rights, social and environmental impacts of their investments. In cases where investors violate standards they should be denied benefits from trade deals.<sup>5</sup> Human rights violations should be subject to national justice systems in host and countries of origin of the companies. In addition we call for effective sustainable development chapters in EU trade agreements, EU legislation that makes human rights due diligence mandatory and that introduce liability for human rights violations by EU enterprises abroad.

---

<sup>4</sup> See for example [COVID-19, least developed countries and financial support](#) Trade for Development April 2020

<sup>5</sup> This also requires an expansion of the non-financial reporting directive to ensure transparency of companies' ESG considerations, which is part of the sustainable finance package

As for supply chains, it is clear that the creation of global value chains in the past decades and the proliferation of bilateral free trade agreements has led to increased trade, increased transport, long value chains, the reallocation of production and increased concentration of production in certain countries. These long value chains - that take products around the world several times for little additional profit - have been questioned by civil society for a long time, in particular with regard to products that can easily be produced at home. While it is clear that we are not able to be completely self-sufficient and produce all products domestically, there is a need to question the import of products that countries and regions can produce themselves, perhaps not at the same low cost, but still more sustainably, without having to travel thousands of miles. The EU Free Trade Agreements aim to liberalise trade as much as possible regardless of the social or environmental costs. This is not a long-term perspective that supports the pursuit of social, environmental and economic goals as defined in the 2030 Agenda

## Supporting socio-economic recovery and growth

### **Question 3: How should the multilateral trade framework (WTO) be strengthened to ensure stability, predictability and a rules-based environment for fair and sustainable trade and investment?**

The European Commission makes frequent use of the term “sustainable trade and investment”. This term is however not clearly defined. Respecting the principles laid out in the 2030 Agenda, it should mean that trade and investment contribute to sustainable development for all. It should not mean that trade and investment must last a long time.

The WTO provides a forum for free trade negotiations and the conclusion of multilateral free trade agreements. It monitors the implementation of these agreements and provides for a dispute settlement mechanism that ensures that the agreements are respected. The WTO does however not deal with other issues, such as fair pricing and taxation, respect for human rights, labour rights, the environment, access to medicines, or impact of trade on climate, to name a few examples. While the WTO cannot deal with every single aspect related to trade, its mandate still needs to be broadened to take a holistic view on trade which includes and balances the economic dimension of sustainability with the social and environmental dimensions.

The failure to address concerns of developing countries, while pushing agendas that strengthen the position of already industrialised countries, has unfortunately undermined the credibility of the WTO. The e-commerce negotiations are a case in point: it will consolidate the position that certain countries and companies have and allow them to extract data and profits from others without any productive investment, employment creation or solid guarantee for just taxation or data sovereignty.

The EU in the WTO must fulfil the long standing demands of developing countries, instead of making this realisation dependent on concessions with regard to new issues, that are not in their interest.

### **Question 4: How can we use our broad network of existing FTAs or new FTAs to improve market access for EU exporters and investors, and promote international regulatory**

## **cooperation – particularly in relation to digital and green technologies and standards in order to maximise their potential?**

The EU's network of Free Trade Agreement's already improves market access for EU exporters and investors, and promotes international regulatory cooperation. We would however like to turn the question around and ask what the FTAs can do more and better for developing countries to assist them to progress economically in a manner consistent with the SDGs. FTAs must also better ensure that trade contributes more to sustainable development by respecting the environment as well as all human rights. This is connected to the lack of democratic participation, effective regulation as well as effective monitoring and evaluation frameworks in trade policy making.

## **Question 5: With which partners and regions should the EU prioritise its engagement? In particular, how can we strengthen our trade and investment relationships with the neighbouring countries and Africa to our mutual benefit?**

With regard to Africa and developing countries in general, strengthening the “mutual benefit” should mean strengthening the benefits for developing countries. The EU should not aim that these countries and their trade with the EU fit the EU templates and offensive demands. The EU must examine their situation and offer all the Special and Differential Treatment (SDT) they need to improve their economic and social situation. In addition, EU trade agreements should be tailored to take into account local situations. For example, the informal economy in sub-Saharan Africa makes up nearly 86% of all employment<sup>6</sup>. EU trade agreements with Africa should therefore be designed to benefit these workers in the informal sector. Otherwise, trade relations would only serve a small minority of the African workforce.

In this context, the EU should include stipulations that go beyond the regulations of the World Trade Organisation in favour of the developing countries. The EU must concede more protection options to partner countries than that which has been stipulated so far in the EPAs and in interim agreements. This would be perfectly admissible according to GATT Art. XXIV. Under no circumstances should the EU include more restrictive regulations. To ensure fair trade with, for example, African countries they have to have the chance to protect themselves especially with regard to agricultural markets and industrialisation. This also requires the willingness to listen to the voices of African civil society and the millions of Micro, Small and Medium Enterprises (including small farmers) and to provide them with adequate support.

Furthermore, key partners should be countries and regions interested to engage in fair and ethical trade agreements that support social and solidarity economy actors (as for example in the EU-Brasil Partnership Agreement).

## **Supporting SMEs**

## **Question 7: What more can be done to help SMEs benefit from the opportunities of international trade and investment? Where do they have specific needs or particular challenges that could be addressed by trade and investment policy measures and support?**

---

<sup>6</sup> According to estimations by the ILO, see for example [Women and men in the informal economy: A statistical picture](#) (2018)

This question will be answered from the perspective of what can be done in order for MSME's in *partner countries* to benefit from international trade and investment. This is inherent in the PCSD approach - ensuring that EU trade policies contribute to sustainable development both in EU Member States *and* partner countries.

The 2020 review of the EU's trade policy aims to build a resilient and sustainable EU economy after the coronavirus, create global trade opportunities for businesses, in particular SMEs, and improve a level playing field. This offers a unique opportunity to ensure that the EU's trade policy addresses the needs of sustainable and inclusive enterprises.

The EU should foster an enabling environment for small-scale, sustainable and inclusive businesses in partner countries, by raising their concerns or including them where relevant in policy dialogues with partner governments, and by promoting the role that people centered businesses play in achieving the SDGs.<sup>7</sup> The EU should take the needs and interests of small-scale, sustainable and inclusive businesses into account when negotiating trade agreements, and be sure to avoid putting them in situations of unfair competition. In addition, the EU should dedicate funding for technical assistance and capacity building to support governments in partner countries to develop adequate legal and regulatory frameworks that allow sustainable and inclusive enterprises, in particular SMEs, to flourish.

Since no policy works in isolation, the European Commission should explore what other policies may need to accompany the new trade strategy to make it more efficient in addressing the needs of SMEs. SMEs employ the largest number of people (worldwide) and therefore would contribute to solving large issues with unemployment in Africa - as well as any potential social unrest or forced migration because of lack of opportunities. The future of work does not lie in the multinationals but in the smaller, often digitally based, entrepreneurial companies.

## Supporting the green transition and making trade more sustainable and responsible

**Question 8: How can trade policy facilitate the transition to a greener, fairer and more responsible economy at home and abroad? How can trade policy further promote the UN Sustainable Development Goals (SDGs)? How should implementation and enforcement support these objectives?**

### Coherence with the SDGs

EU trade policies and agreements should be oriented towards the development priorities of partner countries, in support of achieving the goals of the 2030 Agenda and the Paris climate agreement and safeguarding human rights. The Agenda 2030 does, however, not provide concrete guidance on how trade can contribute concretely to sustainable development. The 2030 Agenda includes some, mostly small, specific sustainable development trade targets<sup>8</sup>. The main task given to trade policy in the Agenda 2030, was to successfully conclude the Doha

---

<sup>7</sup> <https://concordeurope.org/resource/rebuilding-better-with-sustainable-and-inclusive-business-models/>

<sup>8</sup> (in 2b, 2c, 8a, 10a, 14c, 15c, 17.11 and 17.12)

Development Round, to provide the means to finance the SDGs. Most of the smaller targets have not been reached yet. The conclusion of the Doha Development Round was blocked by the USA, with the support of the EU, at the 10th WTO Ministerial in Nairobi, only three months after the formal adoption of the 2030 Agenda by the UN General Assembly.

However, the 2030 Agenda also contains a broad commitment to all the SDGs and all the specific targets. EU policy-makers should therefore examine how EU trade policy can contribute concretely to the specific targets related to the environment, climate change, health, food security or sustainable agriculture, for example. This would require that the European Commission regularly analyses for each country that it negotiates with, where this country stands in terms of meeting the targets. Such an examination should indicate what trade measures the EU could build in *or should avoid* to allow the partner country to meet outstanding targets. The EU should indeed accept that it must abstain from certain offensive trade interests in order to achieve specific sustainable development targets.

The Sustainable Development Chapters of the EU trade agreements focus on the reiteration of existing international conventions, but do little to strengthen compliance with these conventions, and they do little to ensure that the trade policy itself contributes more to sustainable development. Current trade commitments are meant to liberalise and to increase trade, not to improve social conditions, human rights or the environment.

CONCORD welcomes a gender chapter or provisions in trade agreements, which would fit very well in a Sustainable Development Chapter (for those future agreements that will include this). However, we believe this should not be the only or main measure: gender equality and women's rights should also be mainstreamed in the whole agreement, including its investment provisions. It is indeed vital that this increasing recognition of the link between trade and women's rights turns into meaningful action and gender-just trade deals to include gender equality and women's rights in the existing sustainable development chapters of trade agreements that should become enforceable.

### **Trade facilitating the transition to a greener, fairer and more responsible economy at home and abroad**

The 2019 Sustainable Development Report<sup>9</sup> states that most EU member states generate large negative impacts through trade. Many of these negative spillover effects are linked to the climate and environment. Worryingly, evidence of these negative effects is not declining, but are, on the contrary, increasing fast with the growth in trade. The demand from importing countries **increases pollution** while it leads to **natural resource loss** in exporting countries. Biofuel mandates from Europe as well as from other major economies have accelerated **tropical deforestation**. The **export of toxic waste** from the EU to developing countries with inadequate waste management systems continues, exposing workers and local communities to hazardous substances, polluted water, air and soil. This testifies to the urgent need for the EU to address the negative spillover effects of its trade policies on the climate and environment in order for them to stop.

The Green Deal does not introduce new commitments for EU's trade policy. Most of what trade policy does with regard to sustainable development or a greener economy is suggesting

---

<sup>9</sup> [The 2019 European Sustainable Development Report](#)

further liberalisation (for instance liberalising “green” goods and services) or presenting non-enforceable intentions. It remains to be seen what role the Chief Trade Enforcement Officer will play in this context. Even the upscaling of the reference to the Paris Agreement to the essential principles mentioned in trade agreements does in practice not make much difference.

Much of what the Commission claims in the trade paragraph on page 21 of the Green Deal Communication (COM(2019)640 final) is contradicted in its recent agreement with Mercosur. The Sustainable Development Chapter is particularly weak. Reference to the precautionary principle is moved to this non-enforceable chapter. Inspection at the border of compliance with EU rules on food safety standards has been reduced. At the same, while the Green Deal Communication signals the EU as a “global leader on climate and environment”, the access to raw materials strategy and the restraining of limitations (including taxes) on the export of raw materials still stands. This is yet another example of a policy incoherence that contradicts EUs own environmental objectives and hampers progress for partner countries on environmental goals.

**Question 9: How can trade policy help to foster more responsible business conduct? What role should trade policy play in promoting transparent, responsible and sustainable supply chains?**

The EU Trade for All Strategy, adopted in 2015, completely overlooks sustainable and inclusive business models which are a key means to achieve both responsible business conduct and responsible and sustainable supply chains. **It does, however, aim to promote fair and ethical trade schemes, because that reflects EU consumers’ demands and creates more sustainable trade opportunities for small producers in third countries.** Rebuilding better after the Coronavirus should include ensuring that the EU’s renewed trade policy also addresses the needs of sustainable and inclusive enterprises.

In the 2017 European Consensus on Development, the EU and Member States set out to promote social enterprises, cooperatives, and women and youth entrepreneurs, to boost the provision of local services as well as inclusive and green business models. Through people-centered businesses, they will promote economic opportunities with decent employment. And they will promote the creation of farmers’ cooperatives to address better productivity of family farms, land use rights and traditional farmer-based seed systems. As a strong contribution to the implementation of the 2030 Agenda, they commit to work with the private sector to ensure a higher uptake of responsible and inclusive business models and practices by a wider range of EU companies with supply chains in developing countries, and to promote fair, transparent and ethical trade, including with small producers in developing countries<sup>10</sup>.

In its 2020 proposal for a comprehensive strategy with Africa, the European Commission and European External Action Service drew special attention to the EU’s EUR 222 billion foreign direct investments in Africa to help boost the African economy and private sector. It would, however, also be important to determine that sustainable and inclusive businesses should be

---

<sup>10</sup> [Art 54 in the European Consensus for Development \(2017\)](#)

the recipients of such investments in order to secure sustainable development additionality that benefits everyone. The proposal rightly highlights the importance of decent work opportunities, with social protection and effective social dialogue. It also stresses the need to transition from the informal to the formal economy, and more generally to a sustainable economic model with sustainable and fair value chains, whereby trade should facilitate the adoption of innovative, sustainable business models. The potential of sustainable and inclusive business to contribute to such a transition, should nonetheless be expressed much more prominently in the run up to the EU-Africa Summit.

Sustainability Chapters in trade agreements should be an important part of a new trade strategy as a complement to a holistic approach of EU Trade Policy, which should promote all the dimensions of sustainable development. The sustainable development chapters should be enforceable and be linked to a comprehensive sustainability impact assessment with regard to social, ecological and human rights effects. Commitments on Responsible Business Conduct (RBC) in the relevant chapter must be strengthened. RBC should also be a condition for businesses to enjoy support from EU Delegations and the European Commission, in particular DG Trade. We are looking forward to the mandatory Human Rights and Environmental Due Diligence obligations for EU companies as announced by Commissioner Reynders.

With regard to supply chains, the Commission should integrate surveillance of the most critical ones in terms of where the risks for human rights violations and environmental damages are the highest and must ensure compliance with rules of conduct into the EU trade agreements.

In the context of food security, DG Trade and DG DEVCO should make global value chains truly sustainable by jointly:

- Identifying, discussing and monitoring any tensions between global value chain policies and the right to food, to ensure sustainable and inclusive local food systems are protected and promoted;
- Developing sound criteria for upholding sustainability in global value chain initiatives in line with the right to food, water and land, such as those laid out in the OECD and FAO guidelines for Responsible Agricultural Supply Chains and the Voluntary Guidelines on the Responsible Governance of Tenure Land Tenure; as well as indicators to monitor and report on this for any policies and initiatives related to global value chains;
- Formulating and implementing a holistic and cross-sectorial food and natural resource policy to promote sustainable and healthy food consumption choices in the EU and its Member States, and consequently promote a smaller global footprint.

Finally, EU trade policy should facilitate sustainable and fair trade with other regions or countries by increasing awareness of sustainable and fair trade and supply chains, exchanging experiences, and identifying new business opportunities for sustainable and inclusive businesses.<sup>11</sup>

---

<sup>11</sup> <https://concordeurope.org/resource/rebuilding-better-with-sustainable-and-inclusive-business-models/>

## Supporting the digital transition and technological development

**Question 10: How can digital trade rules benefit EU businesses, including SMEs? How could the digital transition, within the EU but also in developing country trade partners, be supported by trade policy, in particular when it comes to key digital technologies and major developments (e.g. block chain, artificial intelligence, big data flows)?**

The EU must ensure that digital trade rules benefit the ability of partner countries to achieve sustainable development. The EU should not only focus on how such rules may benefit EU businesses. Agenda 2030 requires *all policies* to contribute to sustainable development and therefore, the EU must also assess how its digital trade rules may or may not impact positively on trade partners in developing countries.

Through its trade rules and regulations on surveillance technology, the EU should ensure that technologies being produced and sold by European companies are not be used by autocratic governments for monitoring purposes.

As digitalisation is not only about the private sector or governments, it is important to include civil society/ CSOs in partner countries and creating their ownership as one of the key end users of the benefits, but also the ones that will face the impacts of digitalisation.

## Ensuring fairness and a level playing field

**Question 12: In addition to existing instruments, such as trade defence, how should the EU address coercive, distortive and unfair trading practices by third countries? Should existing instruments be further improved or additional instruments be considered?**

Yet again we would like to turn the premises of this question around to address the tension in trade relations with developing countries, where in fact the EU can be responsible for coercive, distortive and unfair trading practices.

There is a need to address the fundamental contradiction and tension in EU-Africa agricultural, trade and investment relations. There is a tension and contradiction between the growing attraction of Africa as a market for an increasingly globally oriented EU agro-food sector and the potential which rapidly expanding African food demand creates for the structural transformation of Africa agriculture and agro-food processing sectors. Therefore, EU trade policy needs to ensure effective monitoring of EU agricultural exports, including dumping practices, in particular on African markets and assess its impact. This also to avoid the furthering distortion of how Africa produces its own goods - moving away from self-sufficiency to mono-crop by adopting industrial agricultural methods instead of agro-ecological methods which respect the soil and climate for example.

Moreover, EU trade policy needs to enhance the local development impact of agricultural sector development in terms of livelihood opportunities and job creation in third countries. EU trade policy should promote 'strategic autonomy' in agri-food product sectors, given the profound disruptions of food supply chains which the Covid-19 pandemic has created.

The selection of preferential access for agricultural food products should be guided by the strategic economic interests of developing countries' own processing and value addition industry. Currently, those products of most important strategic interest for value addition do (often) not qualify for DFQF access due to rules of origin under GSP. We suggest that revised rules of origins should allow for cumulation across different GSP schemes (GSP, GSP plus, EBA). In the same line, we suggest improved rules of origin should allow for cumulation for LIC and MIC in the preference systems, which includes GSP and EPAs. This is essential to support regional and intra-regional supply capacity and trade particularly in Africa.

## General question

### **Question 13: What other important topics not covered by the questions above should the Trade Policy Review address?**

#### **Africa**

In order to ensure that GSP preferences are beneficial to sustainable development and poverty alleviation, we recommend revisiting the economic criteria by which a country qualifies and is eligible. We recommend reconsidering the use of World Bank criteria applied to individual countries only and to consider calculating an aggregated average income level across those individual countries that are part of an existing custom's unions such as f.e. ECOWAS. Thus, EU Duty Free Quota Free preferences should not be granted to individuals LDCs only but to the entire regional configuration they are part of. We argue that most Developing Countries in Africa share similar socio-economic challenges as their neighbouring LDCs. The current eligibility criteria are purely based on a 'nominal' category of a LDC status while omitting the real empirical economic situation in a region that share similar challenges. We welcome and support suggestions to consider Sub-Saharan Africa as a region eligible for EBA.

#### **A fair EU trade policy**

The EU can afford to make its trade more fair. While international trade is clearly very important for developing countries, trade alone does not help countries to withstand external shocks or to satisfy basic needs. The current free trade system fails to lift countries out of poverty. It fails to provide decent wages, or protect healthy environments. This is because free trade does not internalise social and environmental costs, and does not adequately consider whether human rights are respected or not, including by European companies and investors. Also, it is crucial to acknowledge that trade policies do not work in silos, but are part of a multidimensional system. This means that trade cannot be looked at without connecting it to other sectoral policies. This renewal of the EU's trade strategy the chance to create a truly rules-based" and "value-based" trade. The EU must do more to ensure that trade benefits more people, globally.

---

**For more information**, please contact Alexandra Rosen, Policy and Advocacy Coordinator at the CONCORD Europe secretariat at [alexandra.rosen@concordeurope.org](mailto:alexandra.rosen@concordeurope.org)

<p><b>NATIONAL PLATFORMS</b></p>			 <p>Bulgarian Platform for International Development</p>		 <p>Cyprus Island wide NGO Development Platform</p>	
 <p>Danish CSOs for Development Cooperation</p>				 <p>ASSOCIATION OF GERMAN DEVELOPMENT AND HUMANITARIAN AID NGOS</p>		
 <p>The Irish Association of Non-Governmental Development Organisations</p>				 <p>des ONGO DU LUXEMBOURG</p>	 <p>Solidarjeta u Koperazjoni</p>	
	 <p>PLATAFORMA PORTUGUESA</p>	 <p>Federální Organizace pro Těžkoprávní práci, Desetiletí pro Budoucnost</p>	 <p>Platforma mimovládnych rozvojových organizácií Slovenskej NGO platformy</p>	 <p>SLOVENIAN GLOBAL ACTION</p>	 <p>ESPAÑA</p>	
	<p><b>NETWORKS</b></p>	 <p>Formerly APRODEV</p>				
 <p>together we can do more</p>		 <p>together for global justice</p>	 <p>European Children's Organisations for Relief and Development</p>	 <p>Global Network of Civil Society Organisations for Disaster Reduction</p>	 <p>Europe, Middle East and Africa</p>	
 <p>International Planned Parenthood Federation European Network</p>						
						<p><b>ASSOCIATE MEMBERS</b></p>
 <p>European Association for Local Democracy</p>	 <p>EUROPEAN ASSOCIATION FOR THE EDUCATION OF ADULTS</p>		 <p>NORWEGIAN REFUGEE COUNCIL</p>			