



**Trade Agreement between the European Union and its Member States, of the one part, and Colombia and Peru, of the other part;**

**Sub-Committee on Trade and Sustainable Development  
7 – 8 December 2016**

**Minutes of the meeting**

1. Progress in implementing labour and environmental provisions of the Title on Trade and Sustainable Development:

**ENVIRONMENT PROVISIONS**

The EU reported on the recent Conference of the Parties of the Convention on International Trade in Endangered Species (CITES) at which the EU participated for the first time as a full member. Amongst the issues discussed was the need for robust CITES control mechanisms for trade in crocodile and caiman skins, concerning which the EU expressed interest in further discussion with Colombia. The EU provides funding to the CITES Secretariat to enable it to carry out capacity-building measures. Finally the EU highlighted the adoption in 2016 of an EU Action Plan Against Wildlife Trafficking and the increased political interest in the topic.

The EU also highlighted the importance of Convention of the Parties of the Convention on Biological Diversity (CBD), taking place in Cancun at the same time as the Sub-Committee meeting and its theme of mainstreaming biodiversity in other sectors. The EU had ratified the CBD Nagoya Protocol on Access and Benefit Sharing of Genetic Resources, as had Peru, and looked forward to its ratification by Colombia.

The EU also mentioned the forthcoming “triple COP” of the Basle, Stockholm and Rotterdam Conventions in April 2017 highlighted some specific issues in relation to each, including the objection by Guatemala and some other countries to the listing of paraquat formulations under the Rotterdam Convention. It emphasised the need for up to date reporting and payment of financial contributions.

The “circular economy” concept now underpins a lot of domestic EU environmental policy, whereby the EU aims to move from a linear to a circular model of consumption and production. Regarding its international dimension DG Environment had organised “Circular Economy Missions” to Chile and China, with the participation of EU businesses. The EU has expressed interest in a similar mission to Colombia in 2017.

The EU highlighted the recent UNEP emissions gap report which found that if global temperature increase is to be kept below 2 degrees C global greenhouse gas emissions must peak before 2020 – a narrow window of time. For this to happen investment decisions must be taken now to facilitate a future low Carbon economy. The EU had proposed a number of important regulatory proposals in order to implement its nationally determined contribution under the Paris Agreement such as the recent Energy Package. The EU is actively engaged in UNFCCC discussions on capacity building and EU and its Member States were the main donors to the Adaptation Fund.

Peru and Colombia highlighted their commitment to the Paris Agreement and expressed interest in further cooperation with the EU; the EU noted opportunities offered by the Climate Change Technology Centre and Network, based in Copenhagen.

Peru set out the policy guidelines of the Ministry of Environment for the period 2016-2021, taking into account the 2030 Sustainable Development Goals, as well as the OECD framework. In the area of environment the need to work across Ministries, different levels of government (regional and local governments) and with business and other stakeholders was emphasised. Key priorities lines are: a) sustainable use of biological diversity, especially forests, b) climate change adaptation and mitigation, c) efficient management of solid waste, d) integrated coastal zone management, e) prevention and control of pollution and eco-efficiency, and g) adequate institutional framework.

Likewise, the Ministry of Environment of Peru highlighted its strategy axes called "Perú Limpio" (Clean Peru) and "Perú Natural" (Natural Peru) and the main goals to be achieved in the first months of the new government.

Colombia will report on progress in implementing the environment provisions at a later stage.

## LABOUR PROVISIONS

The EU gave an update on recent ratifications of ILO Conventions and Protocols by EU Member States, in particular the 2014 Protocol on Forced Labour, Conventions on labour inspection (C81 – ratified by all Member States - and C129), employment policy (C122) and tripartite consultation (C144).

The EU highlighted the importance of the Domestic Workers Convention (C189), noting the vulnerability and precarious working conditions of many domestic workers, as well as the Work in Maritime Labour Convention (MLC 2006) which has now been ratified by almost all EU Member States, except three landlocked Member States. The ILO Work in Fishing Convention (C188) will be translated in EU Law by a Directive adopted on 8 December. The EU is also actively promoting its ratification by EU Member States.

The EU stated that EU Health and Safety is a common concern globally and is particularly important for more quality jobs. Its relevant legislation is being reviewed in order to ensure that it remains relevant in a changing economy and taking into account of research and new scientific knowledge, that it is fully consistent with ILO Conventions such as C155 and C187.

The EU was also following up the 2015 ILO Recommendation on the transition from the informal to formal economy through the establishment of a European Platform on undeclared work and considered that this issue could be of common interest for the Parties.

Colombia explained the process of adoption of ILO Conventions and underlined that under its Constitution international instruments which it has ratified have direct effect.

Colombia is also working hard to implement the main labour policy recommendations from the OECD. Legislative reform and capacity building such as creation of 904 labour inspection posts had been undertaken. Colombia was seeking to address problems linked to sub-contracting, whereby sub-contracted workers did not enjoy the same rights as workers of the company contracting the work and enquired about EU experience in this area. It was also seeking a solution to strengthen the collective negotiation of unionised workers in each sector. Social dialogue had strengthened the collective negotiation of public sector and labour conflict resolution at tripartite level. The latter is considered an example of best practice; a number of countries in the region had been in contact with Colombia to learn from the experience.

Child labour remains a concern and a National Commission to eliminate child labour was created, as well as a specialized labour inspection team.

Finally Colombia noted that the peace process required the creation of conditions for decent work in rural areas, where levels of informality are currently high. A package of legislative and policy measures is under development to help address these problems, focussing on rural areas.

Colombia has also made considerable progress in diminishing impunity and violence levels, through the strengthening of the judicial system and the protection of trade union leaders, as reported to the ILO.

Peru set out the priorities of the new government on labour issues, which are focused on: a) labour formalization, b) social dialogue, c) preventing and eradication of child labour, d) preventing and eradication of forced labour, and e) labour inspection. Likewise, the Ministry of Labour and Promotion of Employment (MTPE) highlighted the active participation of the social actors in the National Council of Labour and Promotion of Employment (CNTPE), which holds monthly meetings; the recent ratification of the ILO Maternity Protection Convention (C183), and the publication of the National Survey on Child Labour (November 2016).

## 2. Horizontal issues

### I. Corporate Social Responsibility (CSR)/ Responsible Business Conduct (RBC)

The EU presented its approach to CSR/RBC, based on international instruments such as those developed by the OECD or the ILO. Reference was made to the EU Directive on Disclosure of Non-Financial Information, which requires large companies to report on their activities or impact with regard to issues such as labour rights, environment, human rights as well as to the possibility of including environmental or social criteria in public procurement under the 2014 Public Procurement Directive. The EU participates in work on CSR/RBC in international fora, including on the garment sector. A project to support CSR/RBC in Latin America is under development. The EU side also reported that a legislative proposal on responsible sourcing of tin, tantalum, tungsten and gold was expected to be adopted in the near future and offered to present the legislation by Video Conference once it is published. The EU also reported on a regional workshop on responsible sourcing of minerals organised by the OECD and held in Bogota the previous week.

## II Functioning of Domestic Mechanisms

The Parties described their mechanisms for consultation with civil society identified or designated under Article 281 of the trade agreement. Colombia and Peru reiterated that they had chosen to use existing domestic mechanisms rather than establish a specific one as the EU had done and that this option was foreseen in Article 281. Information on these mechanisms had been provided to the EU and was in the public domain.

The EU expressed concern that the EU mechanism did not have clear counterparts with whom to discuss issues of common interest concerning the implementation of the agreement.

Peru considered that the Parties should respect the existing domestic mechanisms under the framework of article 281 of the Agreement, which do not limit the coordination of the different actors involved in issues related to the Title on Trade and Sustainable Development.

## III Impact Assessments

A technical seminar on impact assessments was hosted by the European Commission on 6<sup>th</sup> December, which Colombia and Peru considered to be very useful for their work in this area. The EU indicated that it planned to carry out an evaluation of the agreement in 2018. In line with its general policy this would cover all aspects of the agreement and economic, social and environmental dimensions.

### 3. Cooperation activities within the framework of Article 286 of the Title on Trade and Sustainable Development

During the presentations on environment and labour the EU highlighted some specific instruments that could be used to finance activities to advance the objectives of the Trade and Sustainable Development Title. These included the TAIEF Facility, managed by DG Environment, the regional Euroclima programme on climate change as well as multilateral climate change funds to which the EU contributes and the SOCIEUX Facility, which provides technical assistance to support partner countries and institutions to develop inclusive, effective, and sustainable employment policies and social protection systems.

The EU stated that it intended to fund a one-day event on the trade agreement and the peace process in Bogota at the end of February, some elements of which could be relevant to the Trade and Sustainable Development Title.

While bilateral cooperation would be phased out after 2017, the EU expressed that Colombia and Peru would still have access to regional and thematic programmes as well as the Partnership Instrument (for activities of mutual interest with the EU). In the case of Colombia a new EU trust fund to support the peace process had been established.

Reference was made to the list of priority topics set out in the Minutes of the second meeting of the Sub-Committee as well as the priorities listed in the agreement itself. The discussion in the Sub-

Committee had also highlighted a number of potential topics of common interest of which many, but not all, coincided with the previously identified topics. Both Colombia and Peru expressed a preference to work bilaterally with the EU rather than develop trilateral proposals. Peru requested the EU more information related to potential cooperation activities that could be held in the near future taking into account proposals made by Peru in 2014 and 2015 and the policy priorities presented in the session of this Subcommittee. Colombia emphasised its over-riding priority of framing any actions in the context of the peace process.

#### 4. Conclusions and Follow Up

It was agreed to follow up the meeting bilaterally within two months in order to speed up progress in the identification and execution of cooperation activities under the Art. 286 of the Agreement, as a step towards the development of concrete cooperation activities before the fourth meeting of the Subcommittee.

#### 5. Coordination prior to the public session of the Subcommittee, including agreement on the joint statement

The parties agreed on the joint statement annexed hereto.

In accordance with Art. 282 of the Agreement a dialogue with civil society was held on 8<sup>th</sup> December, in which the parties were represented by Art. 4.1(b) Trade Advisor of the Ministry of Commerce, Industry and Tourism of Colombia; Art. 4.1(b) Director for North America of Europe of the Ministry of Foreign Trade and Tourism of Peru; Art. 4.1(b) Deputy Head of Unit, Trade and Sustainable Development and GSP in DG Trade, European Commission.

Participants:

Name	Entity	Party
Art. 4.1(b)	DG Trade, European Commission	EU
Art.	DG Trade, European Commission	EU
Art. 4.1(b)	DG Trade, European Commission	EU
Art. 4.1(b)	DG Trade, European Commission	EU
Art. 4.1(b)	DG Trade, European Commission	EU
Art. 4.1(b)	DG Environment, European Commission	EU
Art. 4.1(b)	DG Environment, European Commission	EU
Art.	DG Climate Action, European Commission	EU
Art. 4.1(b)	DG Employment, European Commission	EU
Art. 4.1(b)	EU Delegation, Lima, Peru	EU
Art. 4.1(b)	EU Delegation, Bogota, Colombia	EU
Art. 4.1(b)	Ministry of Environment	PERU
Art. 4.1(b)	Ministry of Labour and Promotion of Employment	PERU
Art. 4.1(b)	Ministry of Foreign Trade and Tourism	PERU
Art. 4.1(b)	Ministry of Foreign Trade and Tourism	PERU
Art. 4.1(b)	Ministry of Commerce, Industry and Tourism	COLOMBIA
Art. 4.1(b)	Ministry of Labour	COLOMBIA
Art. 4.1(b)	Ministry of Labour	COLOMBIA
Art. 4.1(b)	Ministry of Commerce, Industry and Tourism	COLOMBIA

DONE IN BRUSSELS ON 8<sup>th</sup> DECEMBER 2016

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Art. 4.1(b)

European Union

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Art. 4.1(b)

Republic of Colombia

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Art. 4.1(b)

Peru