

EU – PERU AND COLOMBIA TRADE AGREEMENT

SUB-COMMITTEE ON TRADE AND SUSTAINABLE DEVELOPMENT

JOINT STATEMENT

Peru, Colombia and the EU held the first meeting of the Sub-Committee on Trade and Sustainable Development (the Sub-Committee) under the EU – Peru and Colombia Trade Agreement in Lima on 6th February 2014.

The Sub-Committee was co-chaired by Mr Diego Urbina, Director for North America and Europe at the Ministry of Foreign Trade and Tourism (MINCETUR) for Peru; Mr Luis Felipe Quintero, Director of Trade Relations at the Ministry of Trade, Industry and Tourism (MinCIT) for Colombia, and Ms Monika Hencsey, Head of Unit, Trade and Sustainable Development, Directorate-General for Trade at the European Commission for the European Union.

The Sub-Committee discussed procedural matters, including its rules of procedures as well as the rules of procedure for the Group of Experts established under Article 284 of the Agreement, and the Sub-Committee's interactions with civil society, including the setup of the respective domestic mechanisms, in relation to Article 281 of the Trade Agreement.

The Sub-Committee agreed that it will operate, as appropriate or unless otherwise made clear in Title IX of the Agreement or in this Statement, on the basis of the Rules of Procedure of the Trade Committee established under the Trade Agreement. Sub-Committee meetings will be co-Chaired by representatives from the administration of each Party, responsible for labour, environmental and trade matters.

In accordance with Article 282 of the Trade Agreement, the Sub-Committee will meet with civil society organisations at the open sessions of the Sub-Committee. The Sub-Committee agreed to a procedure for such open sessions of the Sub-Committee.

The Parties provided information on the operation of their respective domestic mechanisms under Article 281 of the Agreement. Written details of the domestic mechanisms of each Party will be exchanged between them ahead of the Trade Committee.

The Parties undertook to consult their respective domestic mechanisms and consider their opinions and recommendations on implementation of labour-related and environment-related provisions, through the respective internal channels of the Parties.

The Parties provided information on progress achieved and next steps in implementation of the labour-related provisions of the Title IX on Trade and Sustainable Development, in particular:

The EU provided information concerning policy and measures taken at the EU level with a view to promote freedom of association and the right to collective bargaining, as well as to protect rights of the child, including prevention of child labour.

The EU informed furthermore on progress made by the EU Member States in ratification of other International Labour Organisation (ILO) up-to-date conventions, in particular the Maritime Labour Convention (MLC). It also informed about the EU Council Decisions of 28 January 2014 authorising the Member States to ratify the ILO Chemicals Convention (C170) and the Domestic Workers Convention (C189).

Peru informed about the enforcement of labour obligations under the Trade Agreement, especially on the following areas:

- Main progress in the strengthening of the Collective Relation System, which includes the strengthening of the inspection system, the approval of the Law that creates the National Superintendency for Labor Inspection; and the increase of the scale of applied fines.
- Promotion of fundamental rights, as established by the ILO, through Special regulations for the registry of labor unions belonging to the construction sector (SD 006-2013-TR), regulation of optional arbitration (SD 014-2011-TR), Action Plans and

Strategies against Child and Forced Labor; Creation of regulation for equality of opportunities for persons with disabilities;

- Actions and increased inspections towards the Protection of Labor Rights;
- Promotion of Corporate Social Responsibility (CSR); and
- Ratification of ILO Commitments.

Colombia provided information about the new structure of the Ministry of Labour and its achievements; the channels and mechanisms for social dialogue; the implementation of freedom of association; the strengths of the surveillance systems, the legislation adopted to combat illegal intermediation, the situation and advancements as regards to ILO Conventions, formalization policies, among others.

The Parties agreed to continue to engage in the implementation of the labour-related provisions of the Title IX, including on ratification and effective implementation of ILO conventions and to exchange information in this regard, in particular measures to combat child and forced labour, and the promotion of freedom of association and collective bargaining.

The Parties provided information on progress achieved and next steps in implementation of the environment provisions of the Title IX on Trade and Sustainable Development, in particular:

Peru informed about the Legal and Political Framework for Environmental Issues, the Strategic Axis of Environmental Management in Peru, the National Agenda and National System for Environmental Action. Additionally, they provided information on the National System for Environmental Impact Evaluation and the National Service of Environmental Certification for Sustainable Investments (SENACE).

Colombia informed about the Environment National System; the main achievements and policies from the Ministry of Environment and Sustainable Development; the implementation of different multilateral environmental agreements, such as the Basel Convention, Convention on International Trade in Endangered Species (CITES), Montreal Protocol, Convention on

Biological Diversity, the Cartagena Protocol, United Nations Framework Convention on Climate Change (UNFCCC); among others.

The EU side raised the issue of liberalisation of environmental goods and the various fora in which this is discussed. In this respect, the EU side welcomed the Asia Pacific Economic Cooperation (APEC) process on liberalisation of green goods, and APEC Leaders' commitment to build on their deal in the WTO. In addition, the EU side highlighted the announcement of a green goods initiative on the 24 January 2014 at the World Economic Forum in Davos, where the EU, together with 13 other World Trade Organisation (WTO) members pledged to work together to begin preparing for negotiations in the WTO on liberalising trade in green goods. The EU encouraged Colombia and Peru to consider joining this initiative, in particular in the context of Peru's upcoming hosting of the UNFCCC Conference of Parties in Lima in November 2014. The EU considers this initiative has the potential to provide better access at reduced costs to the goods and technologies that protect our environment and address climate change.

The EU also outlined its resource efficiency roadmap and environmental footprint methodologies. The European Commission is starting a testing period for these methodologies for key products and sectors. Seventeen products have been selected for pilots, which started in November 2013. Products such as leather, non-leather shoes, t-shirts, and copper production may be of particular interest to Colombia and Peru. Any stakeholders, including business in Colombia and Peru, can sign up to follow and contribute to these pilots. Companies exporting to Europe should find participation in this exercise useful.

On biodiversity, the EU highlighted the ambitious provisions within Title IX and that the Committee could explore options for targeted discussion in areas of common interest before the next Sub-Committee, including with respect to this year's 12th Conference of the Parties in Seoul under the Convention on Biodiversity.

In addition, the EU outlined its initiatives to combat illegal logging and associated trade, in particular the recent EU Timber Regulation. The EU considers there is a potential for increased future trade opportunities in timber and timber products under the Trade Agreement

and cooperation in this area would send a strong signal of our intent to use trade to promote sustainable management of forests.

The Parties agreed to continue to engage in the implementation of the environment-related provisions of the Title IX.

The Parties discussed possible areas for further dialogue and cooperation with the potential to support implementation of the labour-related and environment-related provisions established in Title IX.

Cooperation may take the form of exchange of information, experience and best practice; as well as technical and financial assistance. Colombia and Peru will present their priorities and areas of interest for possible cooperation under the Development Cooperation Instrument (DCI) for 2014-2020.

The Committee discussed potential topics for cooperation, such as: social dialogue, health and safety at work, sustainable mining, and biodiversity. Colombia highlighted the importance of considering social and environmental mechanisms in the gold market in Europe as illegal gold mining is a serious deforestation driver in Colombia and Peru. Horizontal issues such as impact assessment, and corporate social responsibility could also be considered. The exact areas and modalities of such cooperation could be agreed at a later date.

The Parties welcomed the open and constructive discussion at the 1st Sub-Committee on Trade and Sustainable Development concerning trade related environmental and labour policy issues and options for future cooperation as a good basis for further dialogue.

The Sub-Committee tentatively agreed to hold its next meeting within the next twelve months. Timing of the next Sub-Committee may be dependent on the timing of the Trade Committee in order that the appropriate lines of communication between the Sub-Committee on Trade and Sustainable Development Committee and the Trade Committee are maintained.

6th February 2014, Lima, Peru