EU-ACP Sustainability Impact Assessment (SIA) of Economic Partnership Agreements

Integrating sustainable development into Economic Partnership Agreements
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The Sustainability Impact Assessment (SIA) was undertaken over four years and involved developing a methodology, undertaking case studies, and consulting with negotiators, experts, and relevant stakeholders in civil society in the EU and in the Africa-Caribbean-Pacific (ACP) regions.
The EU-ACP SIA – an analytical and consultative process

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- Phase I: Pilot study
- Phase II: Agribusiness
- Phase III: Financial services, Rules of origin, Horticulture
- Phase IV: Dissemination
Key findings and recommendations

The SIA of the EU-ACP EPAs has yielded twelve conclusions and recommendations for negotiators and other stakeholders that can help ensure that the EPAs promote development that supports economic, social and environmental sustainability.
#6: Encourage FDI and regional investment that support sustainability through, *inter alia*, cooperation to achieve compliance with environmental and social regulations.

- Policies to encourage FDI should be accompanied by adequate protections for sustainability.
- A strong regulatory framework is crucial to ensure that investors behave in a way that is environmentally and socially responsible.
- FDI should be subject to high level of environmental scrutiny and governed by
  - Mandatory requirements;
  - Voluntary codes of conduct that prioritize sustainability
FDI-related articles: example of environmental chapter in the CARIFORUM-EC Economic Partnership Agreement

- **Maintenance of standards** (Art 73): FDI is not encouraged
  - by lowering domestic environmental, labour or occupational health and safety legislation and standards or
  - by relaxing core labour standards or laws aimed at protecting and promoting cultural diversity.

- **Upholding levels of protection** (Art. 188 in environment chapter)
  - [the Parties] agree not to encourage trade or FDI to enhance or maintain a competitive advantage by:
    a) lowering the level of protection provided by domestic environmental and public health legislation;
    b) derogating from, or failing to apply such legislation.
  - [the Parties] commit to not adopting or applying regional or national trade or investment-related legislation or other related administrative measures […] in a way which has the effect of frustrating measures intended to benefit, protect or conserve the environment or natural resources or to protect public health.

(1) Published on 22 February 2008 and available from EC website: www.ec.europa.eu/trade/issues/bilateral/regions/acp/pr220208_en.htm
Conclusion

• Sustainability Impact Assessment (SIA) in itself is a transparent, participatory mechanism to ensure that environmental and social dimension are taken into account in RTAs.

• RTA provide an opportunity to strengthen regional approaches through specific, investment-related provisions to ‘uphold protection’ and avoid a ‘race to the bottom’.

• Effective enforcement and additional mechanisms to allow stakeholder involvement and scrutiny are key.
Thank you for your attention

Please visit our website:
www.sia-acp.org

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