

The Minutes of the 5th meeting of the Committee on Trade and Sustainable Development under the EU-Korea FTA, 24 March 2017, in Brussels

The Committee on Trade and Sustainable Development (CTSD) under the EU-Korea FTA held its 5th meeting on 24 March 2017 in Brussels. The meeting was co-chaired by Ms. König, Director for Asia and Latin America DG Trade, for the EU and Mr. Jung, Director General of International Cooperation Bureau, Ministry of Employment and Labour for Korea. The agreed agenda is in Annex 1.

In its opening remarks the EU side underlined the importance of delivering results on both economic and sustainable development aspects of the FTA. The EU side, while understanding the sensitivities of Korea, highlighted the importance of making progress on labour issues and that these were a focus of attention from European stakeholders, including EU Member States, the European Parliament, the Economic and Social Committee and civil society. It is also said that the Korea-EU FTA should be a mutually beneficial agreement based on cooperative approach.

The Korean side saw this meeting as a good opportunity to enhance mutual understanding and pointed to common challenges faced in terms of low economic growth, climate change and growing protectionism. Also, the Korean side noted that the Korea-EU FTA has been implemented actively and, at the same time, led to the biggest trade deficits for Korea.

Report from the EU and Korean Domestic Advisory Groups

The Chair of the EU Domestic Advisory Group (DAG), Mr. Stoev reported on the activities of the EU and Korean DAGs and the Civil Society Forum (CSF). The CSF met on 20-21 March 2017 and the conclusions were shared with the CTSD.

The EU considered that the CSF conclusions offered useful advice on issues of importance for the Trade and Sustainable Development (TSD) Chapter and underlined the importance of governments' responding to the conclusions of the CSF, and suggested this be discussed further. Korea also considered that the CSF conclusions covered important issues and appreciated the information shared. While noting that it was regrettable the CTSD and CSF could not meet at the same time, the Korean side notes it would not see any problem in holding the CSF and the CTSD separately as the conclusions of the CSF were being fully shared at the CTSD.

Labour Policy

With regard to labour policy, the EU and Korea exchanged information on the ratification and implementation of fundamental and up-to-date ILO conventions.

The EU side gave an update on EU Member State ratification of up-to-date ILO conventions and informed that two conventions, ILO Maritime Labour Convention and ILO Work in Fishing Convention, have been brought into EU law following an EU social partners agreement. The recent amendments to the ILO Maritime Labour Conventions have been included in an EU social partners agreement of the maritime sector. These social partners have requested the Commission to implement their agreement by EU legislation. The EU side also informed about the upcoming publication of the EU Pillar of Social Rights which aims, inter alia, to take into account new development in the world of work and how to protect workers.

The Korean side explained that since joining the ILO in 1991, it had ratified 27 Conventions and efforts are being made to ratify other ILO Conventions, consulting with other relevant Ministries as well as the ILO. It also added that a ratification of an ILO Convention required revision of various laws, and that labour law revisions should be particularly based on tripartite consensus and take into account the country's social and economic situations.

The Korean side explained that it has made progress in advancing its labour laws while achieving a mature democracy. It also stressed the fact that it is technically at war with North Korea. Furthermore, it said that domestic laws protect workers' rights as long as their actions were peaceful. As an example, it said that the recent peaceful candlelight rallies represented by 16 million people were fully protected. It was also explained that the criminal law, not the labour law, was the basis for the arrest of trade union leaders in relation to violent protests.

Korea informed on steps being taken to ratify remaining ILO fundamental conventions and in this respect, explained that in relation to the ILO forced labour conventions, consultations with relevant ministries were taking place.

The Korean side mentioned the issue of forced labour of North Korean workers in Poland, which had recently been raised at the European Parliament and ILO, etc.; the EU side elaborated on its ongoing consultation with the Polish government in terms of labor inspection.

The EU side stated that these issues would need to be discussed further and highlighted the importance of efforts from both sides to overcome the shortcomings and considered that concrete steps toward the ratification of non-ratified ILO fundamental conventions are necessary. Ratification would bring added-value to Korea, inter alia, through an objective monitoring by the regular ILO supervisory mechanism.

The EU side presented what the Commission is doing to promote social dialogue at EU national and sectoral levels. In this respect, building the capacity of social partners, ensuring their involvement in economic governance and in law-making and clarifying how agreements between social partners could become EU law were priorities.

Korea, for its part, explained the challenges it is facing with youth unemployment, gaps in the labour market, non-standard forms of work, and the future of work and the '4th Industrial Revolution'. In this respect, Korean side added that it expects a better functioning social dialogue in the new administration.

Environment Policy

Concerning environmental policy, both the EU and Korea considered that, while there was no formal dialogue on environment, the exchange in the CTSD as valuable.

The EU side started by explaining that the Circular Economy is a Commission priority and the progress being made in implementing the different initiatives under the package of measures adopted in 2015 to promote the Circular Economy. The EU side also presented the measures being taken related to waste management in context of the circular economy, e.g. introducing ambitious recycling target and reducing the use of landfills, which would also contribute to creating new jobs and the implementation of the SDG goals. The EU side considered that there were possibilities for enhanced EU-Korea cooperation on the Circular Economy and

offered to conduct a Circular Economy Mission to Korea, which Korea agreed to consider. The Korean side informed about the actions being taken in relation to waste management, where a framework act was being translated into sectoral measures. In this regard, Korea hoped to enhance cooperation with the EU on the circular economy, for example, by sharing ideas on policy and legislative measures.

The EU and Korea also discussed issues related to Multilateral Environment Agreements. With regard to the Minamata Convention on Mercury, the EU and Korea discussed the respective ratification processes, where the EU would have implementing legislation in place by May-June 2017 which will allow proceeding with ratification. Korea expected to ratify by end 2017. Concerning CITES, the EU side referred to the EU action plan against wild-life trafficking and expressed its wish to work closer with Korea on the work being done in CITES to prevent illegal trade in eels, but also cooperate on trade in ivory and illegal timber.

Korea and the EU also shared their view on the discussion within the CITES convention on eels. Furthermore, an e-permit system was being launched. The EU and Korea also discussed efforts being made to reach biodiversity targets under the Convention on Biological Diversity.

Cooperation under Annex 13 of the FTA

The EU side presented its policy on Corporate Social Responsibility (CSR), including the measures, both of a voluntary and regulatory nature, implementing the 2011 CSR Strategy. The process of the adoption by EU Member States of National Action Plans on CSR and on Business and Human Rights is ongoing. In the Commission Communication “Next Steps for a Sustainable European Future” on the European response to the 2030 Agenda and the UN 2015 Sustainable Development Goals, intensified work was announced on CSR/Responsible Business Conduct focussing on concrete actions to help meet current and future social, environmental and governance challenges. As also announced, the Commission is preparing the creation of a Multi-Stakeholder Platform to monitor the implementation of the SDGs agenda.

The Korean side informed that CSR activities have been carried out voluntarily, particularly in the private sector. Korea also referred to the discussion on CSR in the Civil Society Forum, where the cases regarding humidifier sterilizers and diesel emissions scandal were raised.

With regard to cooperation on climate issues, the EU side underlined the importance of sustaining the momentum from the entry into force of the Paris Agreement and the need to swiftly and fully implement the commitments countries made in Paris, and in this regard the decisive importance of actions by G20 countries. The EU considered that Korea's Nationally Determined Contribution (NDC) should be seen together with other actions being taken and that these provide clear guidance on the direction being taken on climate change. In this respect, the EU side considered that Korea's plans for new coal-fired energy capacity could be in contradiction with its NDC. The EU pointed to the vital cooperation between strategic partners and hoped to intensify dialogue, also on the upcoming EU-Korea Joint Platform on Low Carbon Action as well as through bilateral dialogues and expert exchange in the priority areas of the Paris Agreement. The Korean side responded that it will continue to respect its international commitments. The 2030 roadmap that has been established was now being complemented with more sector specific roadmaps. With regard to coal-fired power plants, only those foreseen as part of the 2013-2027 6th Basic Plan for Long-term Electricity Supply and Demand would be constructed, but no additional ones. Concerning the cooperation project on Emission Trading Systems, the EU side considered that it was going well and

suggested that it be seen in the framework of Korea's overall framework for climate change mitigation. In this regard, EU side suggested that the active involvement of the Ministry of Industry Trade and Energy (MOITE) would improve the project. The Korean side took note the EU's view that the involvement of MOITE and other ministries would be useful and would transmit such a message.

The EU and Korea evaluated the cooperation project on ILO Convention 111 on discrimination in employment and occupation, where the final seminar had taken place on 23 March 2017. Korea considered the project meaningful and helpful in gaining a better understanding of each other's situation. Gender discrimination was seen one of the major common challenges.

Korea also found that this project must have been especially relevant to the EU, more multiracial, multiethnic and multi religious, and was meaningful in addressing common challenges facing both parties.

The EU saw this first cooperation project as meaningful and showed that it would contribute to enhanced cooperation between the EU and Korea on sensitive issues.

Despite some challenges faced in the inception and implementation of the project, it was also pertinent to understand each other's challenges and drawing lessons from them. The EU side proposed to reflect on how to go forward with the project and discuss it at the next CTSD meeting, as well as other possible areas of cooperation.

Concerning information sharing on environmental certification of vehicles, Korea explained that in order to prevent diesel emissions cheating, it stepped up the stringency of vehicle investigations. With a view to facilitate this work and to better understand the changing institutional framework in the EU, Korea invited the EC to improve information sharing and expressed its wish to become more systematically involved in consultations with the EU on regulatory developments, but also through possible access to the EU information sharing platform between EU certification bodies. The EU side pointed to the ongoing dialogue, including an upcoming meeting in April where modalities for cooperation could be discussed further and suggested this matter would more usefully be discussed in the Working Group on Motor Vehicles. The EU gave an update on regulatory and harmonisation efforts being undertaken to strengthen the approval system.

Any Other Business

Under Any Other Business, the EU raised two items:

- 1) the EU suggested establishing rules of procedures for the Panel of Experts under Article 13.15 of the TSD Chapter, and would send the Korean side the draft to be discussed at the next CTSD.
- 2) the EU expressed the wish to have an early contact after the new administration put in place in Korea and that the next meeting of the CTSD could take place before end 2017.
- 3) the Korean side expected to meet at the next meeting next year and suggested to discuss the schedule of the meeting at the working level in consideration of each other's circumstances.

**Fifth meeting of the Committee on Trade and Sustainable Development
EU-KOREA FREE TRADE AGREEMENT**

Brussels, 24 March 2017

Venue: Charlemagne Building

AGENDA

- 1. Opening remarks**
- 2. General update by co-chairs of the Domestic Advisory Groups on their work to date**

Briefing by co-chair of the EU DAG also on behalf of the Korean DAG on the activities of the EU and Korea DAGs and the CSF
- 3. Discussion on Labour Policy**
 - 3.1 Discussion on implementation of the ratified fundamental conventions and prospects for ratification of fundamental and up to date ILO conventions
 - 3.2 Update on exchange of information on the recent labour market policy of both Parties
- 4. Discussion on Environmental Policy**
 - 4.1 Circular economy: recycling, waste management, green growth
 - 4.2 Multilateral Environmental Agreements: Minamata, CITES, Biodiversity COP Cancun
- 5. Cooperation under Annex 13 of the Agreement**
 - 5.1 Exchange on Corporate Social Responsibility (CSR)
 - 5.2 Cooperation project on Emissions Trade Systems
 - 5.3 Cooperation project on dialogue with stakeholders on climate issues
 - 5.4 Information sharing on Environmental Certification of Vehicles
 - 5.5 Evaluation on the cooperation project on implementation of ILO Convention 111 in Korea and EU Member States
- 6. Any Other Business and Closing Remarks**