

Joint Minutes of the 2nd Meeting of the Committee on Trade and Sustainable Development under the Agreement between the European Union and Japan for an Economic Partnership

Brussels (via videoconference), 26-27 January 2021

The second meeting of the Committee on Trade and Sustainable Development (TSD) under the Agreement between the European Union (EU) and Japan for an Economic Partnership (EPA) took place on 26-27 January 2021 via videoconference.

Japanese participants from MOFA, METI, MOE, MAFF and MHLW and EU participants from the Directorates-General TRADE, GROW, ENV, CLIMA and EMPL and from the EU Delegation to Japan as well as Japan Mission to the EU had a fruitful exchange of views on matters related to Chapter 16 of the EPA (Trade and Sustainable Development).

1. OPENING AND ADOPTION OF AGENDA

The enclosed meeting agenda was adopted (cf. annex).

2. PROCEDURAL AND INSTITUTIONAL ITEMS

Both sides have exchanged their proposed list of experts. Mindful of their obligations, both sides confirmed that the Committee would finalise through a written procedure as soon as possible the decision on the establishment of a list of individuals who are willing and able to serve as experts and who meet the qualifications set out in subparagraph 4(a) of Article 16.18 of the

EPA, as envisaged in subparagraph 4(d) of that Article.

The Committee also confirmed that both sides are committed to conclude the work on the rules of procedure for the panel of experts as envisaged in paragraph 2 of Article 16.18 of the EPA, through a written procedure.

3. CROSS-CUTTING (LABOUR/ENVIRONMENT) MATTERS: PRIORITIES FOR COOPERATION

Engagement with civil society

The EU shared its experience on setting up an organization of its domestic advisory group (DAG), as well as civil society dialogue on trade issues more generally. In particular, it emphasized the usefulness of regular engagement with its domestic advisory group on implementation of the TSD chapter.

Japan also shared how it was implementing the provisions on domestic advisory groups through its existing consultative mechanisms (Central Environment Council and Labour Policy Council), and informed as well about its consultations with civil society organisations.

The EU conveyed the interest from the EU DAG to have closer cooperation with the Japan DAG, including in preparation of the Joint Dialogue meetings. Japan took note and mentioned that it will be transmitted to its civil society organizations.

Corporate Social Responsibility/Responsible Business Conduct (CSR/RBC)

Both sides provided updates of their respective policy developments on

corporate social responsibility (CSR) and responsible business conduct (RBC). The EU presented recent developments regarding sustainable corporate governance, non-financial reporting directive revision, sustainable battery regulation and other initiatives. Japan presented recent CSR developments in Japan, including research by its CSR Forum on the COVID-19 impact and responses on CSR, as well as the recently adopted National Action Plan on Business and Human Rights.

The EU gave an update of the project on responsible supply chains in Asia: the EU organized a high-level event on the role of responsible business conduct in building resilience on 21 January 2021, in which Japan actively participated. Both sides recognized the increasing public interest towards the topic of CSR and RBC, noting the participation of a large number of stakeholders, including from civil society organizations, and their active contribution to the discussions during the event on the role of the TSD chapter and the National Action Plan on Business and Human Rights in promoting RBC.

Building on the earlier work of CSR Working Group under Industrial Policy Dialogue, the EU expressed its interest and availability to continue in-depth government contacts on the CSR issues, such as practical implementation and support mechanisms for due diligence. This includes exchanges among specialists, governments as well as business communities, on the next steps and reporting to the Committee on TSD.

4. TRADE AND ENVIRONMENT

Both sides provided updates on their implementation of Multilateral Environmental Agreements (MEAs), focusing on the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) as well as the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention). In relation to CBD, both sides

exchanged views on the post-2020 global biodiversity framework. On CITES, updates were provided on the controls of ivory trade. On the Basel Convention, the EU stressed the importance of strengthening the OECD decision on shipment of waste within the OECD to facilitate sustainable management practices of imported waste.

Both sides informed each other of their respective policy developments on trade and environment-related matters with the focus on circular economy and biodiversity, and confirmed interest to continue exchanges at expert level. Japan elaborated on its initiatives related to plastics/marine plastic litter and stressed the importance of continuing collaboration in the G20 Resource Efficiency Dialogue. The EU provided updates on the Sustainable Product Policy Initiative, Batteries Regulation, Green Claims Initiative, Green Public Procurement and Review of the Waste Shipment Regulation. The EU welcomed Japan becoming a partner in the Global Alliance for Circular Economy and resource Efficiency to be launched at the virtual segment of UNEA5 in February 2021, and expressed strong interest in collaborating towards a global agreement on plastics.

Both sides had a dedicated discussion on their policies aiming at combatting illegal logging and trade related thereto. Japan focused on the implementation of its Clean Wood Act, the status of the enforcement of which is scheduled to be reviewed around 2022 and informed of its assistance to tropical wood producing countries as well as discussions in the Asia-Pacific Economic Cooperation (APEC). The EU provided updates on the implementation of the EU Timber Regulation (EUTR) and Forest Law Enforcement, Governance and Trade (FLEGT) Regulation. The two Regulations are being currently evaluated (so-called “fitness check”) with the focus on assessing their contribution to combatting illegal logging and associated trade. The EU further informed of its work around deforestation, including the Communication to step up EU Action to protect and restore the world’s forests (July 2019) and the upcoming legislative proposal aimed at minimizing the placement of products associated with deforestation and forest degradation on the EU market. The EU also drew attention to the ongoing work on methodology to assess the impact of trade liberalization on

biodiversity, which should be integrated in the ex-ante and ex-post evaluation of EU FTAs.

Both sides expressed interest in further cooperation, particularly sharing experiences in policy and implementing measures to combat illegal logging.

4. TRADE AND CLIMATE ACTION

Both sides provided updates of their respective climate policy developments.

Japan presented its Initiative Toward Net-Zero Greenhouse Gas (GHG) Emissions by 2050 as well as its Green Growth Strategy, which is an industrial policy aimed at creating a positive cycle of economic growth and environmental protection, together with the business community. Japan also explained actions by local governments, as well as its revised green bonds guidelines and Joint Crediting Mechanism currently implemented. The EU updated on its measures to implement the 55% GHG emission reduction target by 2030. This includes updating the EU emissions trading system, effort sharing of GHG emission reduction targets, as well as legal acts on land use, land use change and forestry, renewable energy and energy efficiency, CO₂ vehicle efficiency standards and fluorinated gases.

Both sides recognized that, in international arena, the United Nations Framework Convention on Climate Change (UNFCCC) 26th Conference of the Parties (COP26) in Glasgow in 2021 will be an important milestone and shared their respective work towards it: The EU has already submitted its updated Nationally Determined Contribution (NDC); Japan is working to update its NDC to reflect the upcoming revision of domestic measures.

Recalling the intense preparatory exchanges occurred over the past 12 months on the trade and climate event since it was discussed at the first TSD

committee, the EU invited Japan to provide feedback on the suggested format and thematic focus, stressing its full alignment with the latest climate policy developments. Japan welcomed the initiative and confirmed that it would continue discussion in Tokyo in February to set the date, format and content of the event, with an aim that the event takes place in the first half of 2021.

5. DEDICATED SESSION ON TRADE AND LABOUR

Both sides updated each other on their respective measures to support employment in their COVID-19 response and recovery, in particular short-term work schemes, including the SURE initiative, in the EU and the expansion of special measure on “employment adjustment subsidies,” new subsidy for trial employment, support for guardians affected by school closures, maternal health management measures, checklist for the prevention of COVID-19 spreading at workplaces and various other support schemes in Japan.

Both sides presented an update on the ratification and implementation of International Labour Organization’s (ILO) standards (conventions and protocols). Japan explained that it was carefully considering remaining issues concerning the ratification of ILO C105 (abolition of forced labour) and C111 (discrimination in employment): Japan has been conducting an in-depth review on the possibility to ratify these two ILO conventions; to this end, a tripartite meeting took place in June 2020 to exchange options for ratification of ILO C105 and C111; the All-Party Parliamentary Group for promoting ILO activities held a meeting in December 2020 to discuss the ratifications of these conventions; Japan held three inter-ministerial meetings to discuss issues related to ILO C105 and C111; Japan carried out a seminar with the ILO Office in Tokyo on 22 January 2021 to discuss its ILO activities, including respecting and promoting the fundamental principles and rights at work. The EU expressed its close interest in Japan’s progress towards ratification of the ILO fundamental conventions, noted Japan’s efforts to pursue the ratification, and informed about its desire to continue

regular updates of further developments. The EU also updated on the latest ILO convention ratifications by EU Member States.

The EU also informed about recent social policy developments in Europe, such as the Commission Staff Working Document on decent work worldwide, European Council Conclusions on human rights and decent work in global supply chains, Commission proposal for an EU Directive on adequate minimum wages, European Skills Agenda, European Gender Equality Strategy 2020-2025 and European LGBTIQ Equality Strategy 2020-2025.

Japan updated on the initiatives related to the improvement of non-regular workers treatment, as well as “power harassment” prevention policies outlining new obligations for the employers.

Both sides exchanged information on their decent work cooperation with third countries. The EU and Japan shared several common priorities on cooperation with third countries, such as occupational safety and health (OSH). The EU expressed its interest in cooperating more with Japan in this regard, such as through exchanging information and project deliverables or using each other’s expertise in their respective events. Japan invited the EU to suggest specific proposals for cooperation upon considering the need for the joint project.

The EU and Japan also updated themselves on the 18th EU-Japan labour symposium. The EU and Japan confirmed that they will soon decide jointly on its format and date.

EU – JAPAN ECONOMIC PARTNERSHIP AGREEMENT (EPA)
2ND MEETING OF THE COMMITTEE ON TRADE AND SUSTAINABLE
DEVELOPMENT

26-27 JANUARY 2021, BRUSSELS (VIA VIDEOCONFERENCE)

AGENDA

- 1. OPENING AND ADOPTION OF AGENDA**
- 2. PROCEDURAL AND INSTITUTIONAL ITEMS**
- 3. CROSS-CUTTING (LABOUR/ENVIRONMENT) MATTERS: PRIORITIES FOR COOPERATION**

Engagement with civil society

Corporate Social Responsibility/Responsible Business Conduct

- 4. DEDICATED SESSION ON TRADE AND ENVIRONMENT, INCLUDING TRADE AND CLIMATE ACTION**

Update on the developments on trade and environment, including the implementation of MEAs (Environment)

Information on relevant ongoing cooperation activities

- 5. DEDICATED SESSION ON TRADE AND ENVIRONMENT, INCLUDING TRADE AND CLIMATE ACTION (CONTINUED)**

Update on the developments on trade and climate, including the implementation of MEAs (Climate Change)

Preparations for the EU-Japan EPA trade and climate event – tbc 2021

6. DEDICATED SESSION ON TRADE AND LABOUR

Update on the developments on trade and labour, including the ratification and implementation of ILO conventions, and potential cooperation activities

7. SUMMARY AND CONCLUSIONS