



Summary of the 2nd Joint Dialogue with Civil Society under Chapter 16 (Trade and Sustainable Development) of the Agreement between the European Union and Japan for an Economic Partnership

Brussels (via videoconference), 29 January 2021

The second Joint Dialogue with Civil Society under Chapter 16 (Trade and Sustainable Development, “TSD”) of the Agreement between the European Union (“EU”) and Japan for an Economic Partnership (“Agreement”) took place on 29 January 2021 in Brussels (via videoconference).

The participants from the Japanese government and the European Commission had a fruitful dialogue with civil society organisations of Japan and the EU, with European Commission official as a moderator. The list of participating civil society organisations and the agenda are attached as annexes.

At the beginning, the moderator made opening remarks highlighting the importance of the Trade and Sustainable Development Chapter, and the role of civil society organisations in its monitoring and implementation.

The EU co-chair of the TSD Committee provided a summary of discussions of the second TSD committee meeting held on 26-27 January:

- Both sides exchanged experiences on engaging with their domestic advisory groups (DAG), as well as civil society organisations at large. EU conveyed the interest from its DAG to have closer cooperation with the Japan DAG.
- Both sides exchanged views on the potential for reinforced cooperation between Japan and the EU on promoting corporate social responsibility

(CSR) and responsible business conduct (RBC), given the policy developments on both sides and on the increasing public interest, as demonstrated by the recent high-level event on the role of responsible business conduct in building resilience on 21 January 2021.

- Both sides presented the latest developments of their respective environment and climate policies. Both sides expressed interest in further cooperation, particularly sharing experiences in policy and implementing measures to combat illegal logging. They also discussed further preparations for the trade and climate event to be held in 2021.
- Both sides presented and exchanged views on their recent labour policies and developments. Both sides further confirmed that they would continue to work regarding ratification of unratified ILO fundamental conventions.

The Japan co-chair of the TSD Committee shared the impression of remarkable success of the implementation of the Chapter on Trade and Sustainable Development, where EU and Japan share views on many issues.

The Chair of the EU Domestic Advisory Group (DAG) presented a statement stressing that civil society engagement is an important feature of modern trade agreements and expressed the wish of EU DAG to work together with its Japanese counterpart in preparation of the joint meetings.

A representative of Japan workers group and a member of the Japan labour Domestic Advisory Group (Labour Policy Council) shared opening remarks stressing importance of the dialogue with civil society.

Cross-cutting matters

The EU civil society organisations introduced the Extended Producer Responsibility schemes in the EU and Japan and their role and functioning in international trade relations, as well as achieving resilience and sustainability in restoring global supply chains.

During the discussion, a Japan civil society organisation reflected on the due diligence legislation developments in Europe, stressing the importance of implementation and calling for exchanges of best practices. EU civil organisations pointed to the need to look also into what created this COVID-

19 crisis (trade in wild animals and exotic pets) as well as paying attention to sustainable food systems. Some organisations stressed the importance of a voluntary approach, while others pointed-out that without a mandatory legislative approach it would not be possible to achieve significant results. Some organisations pointed to the important role of business associations and social partners in providing practical guidance for the implementation.

In replying to questions, EU co-chair confirmed there is a lot of scope for further cooperation and dialogue on CSR and RBC and reiterated EU interest to cooperate on these issues. Issues related to sustainable food (farm to fork) or animal welfare, while important, can be better addressed in other parts of the EU-Japan EPA implementation. Japan government commented that issues like extended producers responsibility have been integrated into circular economy policies, where last year Japan announced circular economy vision. Regarding due diligence, enforcement and exchanges of good practice is important, including in the events like today, and expressed hope that there will be more opportunities for cooperation.

Trade and environment

Japan civil society introduced a topic on challenge zero/decarbonisation focusing on actions towards carbon neutrality as well as specific projects in the steel sector. One Japanese organisation presented two broader questions related to decarbonisation, notably stepping up climate action and focusing energy more on renewable sources than coal, referring to Japan's latest strategy on coal power plants. The Japanese organisation expressed a wish to continue exchanges on these two issues, and quoted the articles from the TSD chapter that could be good basis for such cooperation. An EU civil society organisation commented outlining the roles of environmental services in addressing climate change. Another EU participant pointed to the importance of using life-cycle analysis metrics for carbon footprints, and suggested this topic to be further explored jointly by the EU and Japan Domestic Advisory Groups. The Japanese side expressed its concern over the EU's carbon border adjustment mechanism. In response, the EU side explained that the mechanism will be consistent with WTO rules, the public consultation on the initiative has closed, the impact assessment analysing various options is ongoing, and the adoption of the initiative is planned for the second quarter of 2021.

The second topic under this agenda point was combatting illegal logging and

related trade. Two Japan's civil society organisations introduced the subject, focusing on an example of sustainable timber procurement in a company as well as more generally on Japan's Clean Wood Act, which is expected to be reviewed in 2022. One of them explained that the current act requires companies to trade legal timber and to promote legal practices by establishing voluntary registration as "Registered Wood-related Business Entities" and the Act provides no penalties in case of non-compliance. The other explained their company's voluntary efforts to secure sourcing legal timber. The participants in the dialogue received the presentations with interest. The EU co-chair confirmed there was a good discussion on the respective forestry policies in the TSD committee and interest for cooperation.

Trade and labour

A Japan civil society organisation presented on Japan's situation on ratification of the ILO fundamental conventions, as well as the Convention on the Elimination of Violence and Harassment in the World of Work. Regarding the former, the main issue is related to restriction of political action by public servants, as well as provisions that differentiate protection in employment and working conditions based on sex. It also informed about the work of Japan's Legislative Council, which advised on the creation of a new custodial sentence to replace penal labour with the possibility of guidance for improvement and rehabilitation instead. To this end, a bill to amend criminal law could be submitted by government for a Diet session in 2021 at the earliest, which may possibly pave the way for ratification of ILO convention C105. Regarding the latter, Japan has adopted the Act on Harassment Prevention Measures in June 2020.

An EU civil society organisation presented elements for ensuring effective implementation of the TSD chapter of the EU-Japan EPA, which include a well-resourced Domestic Advisory Group that meets regularly. It called for closer cooperation between EU and Japan DAGs.

A Japan civil society organisation presented the topic of new forms of work and skills, including digitalisation, artificial intelligence (AI) and digital skills arguing for people-centred approach. During the discussion, a EU civil society organisation confirmed that this is also an important topic for trade

unions in the EU and agreed on the need for people-centred or employee-centred approach as AI will reshape the labour market.

In response, Japan government highlighted the importance Japan attaches to the ratification of ILO fundamental conventions summarising government activities in this regard while stating that labour standards in Japan are in line with international standards. He pointed to new emerging issues in the world of work, such as harassment and AI. He reiterated importance Japan attached to dialogue with civil society and noted the request for holding meetings between EU and Japan DAGs.

In response, EU side expressed the interest to be updated on the progress towards ratification of the ILO fundamental conventions. It confirmed that anti-harassment policies could be a topic for future discussion. The EU is stepping up the implementation and enforcement of its FTAs, through initiatives such as the appointment of a Chief Trade Enforcement Officer (CTEO) with a single entry point where EU companies, trade organisations or non-governmental organisations can submit complaints on barriers to trade in non-EU countries, and regarding the commitments on workers' rights, tackling climate change, or protecting the environment. The EU is carrying out a review of its trade policy, which will be followed by a specific review on trade and sustainable development.

EU – JAPAN ECONOMIC PARTNERSHIP AGREEMENT (EPA)

TRADE AND SUSTAINABLE DEVELOPMENT

JOINT DIALOGUE WITH CIVIL SOCIETY

29TH JANUARY 2021

VENUE: VIRTUAL MEETING

AGENDA

1. INTRODUCTION BY THE MODERATOR

2. INTRODUCTION BY THE REPRESENTATIVES OF THE EUROPEAN COMMISSION AND THE GOVERNMENT OF JAPAN

3. INTRODUCTION BY THE PARTICIPANTS OF THE CIVIL SOCIETIES

4. EXCHANGE OF VIEWS ON TRADE AND SUSTAINABLE DEVELOPMENT:

➤ CROSS-CUTTING ASPECTS OF TRADE AND SUSTAINABLE DEVELOPMENT

Topics for discussion:

- CSR/RBC: Extended Producer Responsibility schemes in the EU & Japan and their role and functioning in international trade relations
- Achieving resilience and sustainability in restoring global supply chains
- **TRADE AND ENVIRONMENT, INCLUDING TRADE AND CLIMATE ACTION**

Topics for discussion:

- Challenge zero/Decarbonisation
- Combatting illegal logging and related trade
- **TRADE AND LABOUR**

Topics for discussion:

- Compliance with the obligations provided for Article 16.3, including ILO conventions ratifications and implementations
- Ensuring effective implementation of the TSD chapter of the EU-Japan Economic Partnership Agreement
- New forms of work and skills, including digitalization, artificial intelligence and digital skills

5. SUMMARY AND CONCLUSIONS

EU-Japan Economic Partnership Agreement

2nd meeting of the Joint Dialogue with Civil Society

List of participating civil society organisations

29/01/2021

Civil Society

EUROPEAN UNION

EUROCHAMBRES (EU DAG)

European Transport Workers' Federation (ETF) (EU DAG)

FruitVegetablesEUROPE (EU DAG)

ETUC (EU DAG)

France Nature Environnement (EU DAG)

BusinessEurope (EU DAG)

Eurogroup for Animals (EU DAG)

COTANCE-Euroleather (EU DAG)

European Services Forum (EU DAG)

European Economic and Social Committee (EESC) (EU DAG)

European Economic and Social Committee (EESC) (EU DAG)

Bulgarian-Japanese Economic Council /BCCI, EESC (EU DAG)

Deutscher Gewerkschaftsbund DGB (EU DAG)

JAPAN

Member of Central Environment Council (DAG) WWF Japan

Member of Labour Policy Council (DAG)

Member of Labour Policy Council (DAG)

Japan Iron & Steel Federation, Energy Technology Committee

Japan Business Federation (KEIDANREN), Environment & Energy Policy Bureau

Japan Business Federation (KEIDANREN), International Affairs Bureau

Sumitomo Forestry Co, Ltd., Timber and Building Materials Division

Japan Business Council in Europe, CSR Committee

WWF Japan, Forests Group

Global Environmental Forum

Japanese Trade Union Confederation (JTUC-RENGO)

Federation of Information and Communication Technology Service Workers of Japan
(ICTJ)