

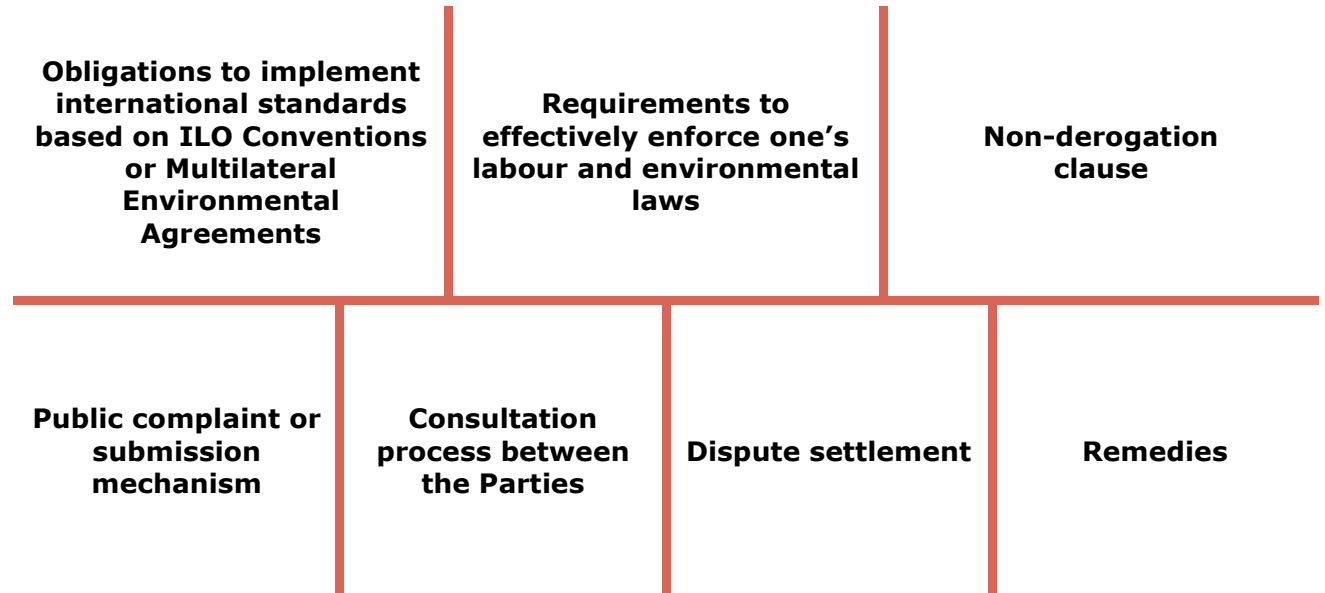
FACT SHEET

Enforcing TSD Provisions

Comparative Analysis of Trade and Sustainable Development (TSD) Provisions for Identification of Best Practices to Support the TSD Review

Tools used by third countries to enforce TSD provisions in FTAs

Most of TSD enforcement provisions include one or more of these categories:



Comparative analysis of third countries' approaches

- 1** Environmental and labour **enforcement practices vary significantly** across countries and FTAs, with regard to the scope of obligations, their degree of enforceability, the role played by civil society in monitoring and their dispute settlement mechanisms.
- 2** **Violations of obligations** are generally required to have affected trade or investment between the Parties for government consultations or dispute settlement mechanisms to take place.
- 3** **A consultation process** between the Parties is provided in almost all selected agreements.
- 4** **Public complaint processes** vary in their availability and procedures.

Assessing other countries' enforcement practices



Some agreements have used a “carrot” or incentive-based approach to induce compliance through **incremental tariff reduction** (e.g. US-Cambodia Textile Trade Agreement) that have led to tangible improvement in workers’ rights.



In the environmental context, the **most developed submission processes** are found in NAFTA’s **North American Agreement on Environmental Cooperation** and continuing through the US-Mexico-Canada Agreement (USMCA).



Company-level monitoring or verification processes can act as a form of **due diligence**, transferring liability for enforcement onto private actors and incentivizing them to change behavior in case of non-compliance with TSD provisions (e.g., USMCA, US-Peru FTA).



The **combination of cooperation and incentives** can be very effective as it allows partners to engage by increasing pressure and establishing clear timelines to achieve specific outcomes.



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