

Thursday 25 November 2010

International Trade Policy in the context of Climate Change imperatives

P7_TA(2010)0445

European Parliament resolution of 25 November 2010 on international trade policy in the context of climate change imperatives (2010/2103(INI))

(2012/C 99 E/18)

The European Parliament,

- having regard to the reports of the three working groups of the Intergovernmental Panel on Climate Change (IPCC) published in 2007 ⁽¹⁾,
- having regard to the Climate Change Package adopted by the European Council on 17 December 2008,
- having regard to the Conclusions of the European Council of 29-30 October 2009 relating to climate negotiations,
- having regard to the UN climate summit held in Copenhagen (Denmark) from 7 to 18 December 2009, and the resulting Copenhagen Agreement,
- having regard to Parliament's previous resolutions regarding climate change, and in particular those of 10 February 2010 on the outcome of the Copenhagen summit ⁽²⁾, and of 29 November 2007 on trade and climate change ⁽³⁾,
- having regard to the Communication from the Commission of 26 May 2010 on the analysis of options to move beyond 20 % greenhouse gas emission reductions and assessing the risk of carbon leakage (COM(2010)0265),
- having regard to the Communications from the Commission of 19 June 2010 relating to the sustainability of biofuels and bioliquids ⁽⁴⁾,
- having regard to the Communication from the Commission of 4 November 2008 on the raw materials initiative — meeting our critical needs for growth and jobs in Europe (COM(2008)0699),
- having regard to the World Trade Organization and United Nations Environment Programme report on trade and climate change launched on 26 June 2008,
- having regard to the final declaration by heads of State and Government at the G20 Pittsburgh Summit on 24 and 25 September 2009,
- having regard to the International Assessment of Agricultural Knowledge, Science and Technology for Development published in 2008 ⁽⁵⁾,

⁽¹⁾ Climate Change 2007: Synthesis Report; edited by Rajendra K. Pachauri and Andy Reisinger, Geneva 2007, http://www.ipcc.ch/pdf/assessment-report/ar4/syr/ar4_syr.pdf; and the working group reports: The Physical Science Basis, Contribution of Working Group I, edited by S. Solomon, D. Qin, M. Manning, Z. Chen, M. Marquis, K. Averyt, M. Tignor and H.L. Miller, Jr.; Impacts, Adaptation and Vulnerability, Contribution of Working Group II, edited by M. Parry, O. Canziani, J. Palutikof, P. van der Linden and C. Hanson; Mitigation of Climate Change, Contribution of Working Group III, edited by B. Metz, O. Davidson, P. Bosch, R. Dave and L. Meyer.

⁽²⁾ Texts adopted, P7_TA(2010)0019.

⁽³⁾ OJ C 297 E, 20.11.2008, p. 193.

⁽⁴⁾ OJ C 160, 19.6.2010, p. 1 and p. 8.

⁽⁵⁾ <http://www.agassessment.org/>

Thursday 25 November 2010

- having regard to Rule 48 of its Rules of Procedure,

- having regard to the report of the Committee on International Trade and the opinions of the Committee on the Environment, Public Health and Food Safety and the Committee on Development (A7-0310/2010),
 - A. whereas the Earth's temperature has already increased over the last century and will continue to increase and whereas the economic, social and ecological repercussions of global warming are assuming worrying proportions and it is vital to limit this warming to less than 2 °C,
 - B. whereas the agreement reached at the UN climate summit in Copenhagen in December 2009 is inadequate; whereas the European Union did not manage to play a leading role,
 - C. whereas the agreement reached at the UN climate summit in Copenhagen in December 2009 is inadequate and disappointing,
 - D. whereas the Cancun Summit provides a unique opportunity for a substantive dialogue, should adopt legally binding instruments and much stronger verification procedures and should be a key step towards a comprehensive and legally binding operational agreement to help keep global warming well below 2 °C,
 - E. whereas combating climate change is a factor in competitiveness, with Europe's priorities being energy savings and renewable energies that help improve EU energy security and offer major potential in terms of industrial development, innovation, regional development and job creation,
 - F. whereas subsidised energy and unrestricted CO₂ emission in certain countries create a comparative advantage,
 - G. whereas trade rules are therefore crucial in combating climate change and the EU can influence these considerably as the world's largest trading power,
 - 1. Welcomes the European Council's goal of reducing European greenhouse gas emissions by 80 to 95 % by 2050 compared to their 1990 levels, this target being necessary for the EU to regain its leading role in international climate initiatives as other countries have made strong commitments to develop a green economy, notably through their economic recovery plans; strongly supports the objective to cut European emissions by 30 % by 2020, which should stimulate other countries to enter into more ambitious commitments;
 - 2. Calls for the conclusion of an internationally binding agreement on climate protection and strongly supports the objective of a 30 % reduction in CO₂ emissions in the EU by 2020, and the long-term EU objective of reducing emissions of CO₂ and other greenhouse gases by at least 85 % by 2050;
 - 3. Stresses that developed countries must take the lead in reducing CO₂ emissions; believes that the setting-up of standards, labelling and certification are instruments with a huge potential for reducing energy use and thereby addressing climate change; deems that the Clean Development Mechanism (CDM) has failed to address the needs of most vulnerable countries;
 - 4. Advocates stepping up the promotion of renewable energies and that Member State governments follow a consistent policy and establish a binding legal framework enabling the adoption, in the long term, of a phased programme of aid contributing to market opening and to the creation of minimal infrastructures, an element which is essential at a time of crisis and business uncertainty;

Thursday 25 November 2010

5. Recalls that the common commercial policy is an instrument in the service of the European Union's overall objectives, that, pursuant to Article 207 of the Treaty on the Functioning of the European Union, the EU's common commercial policy must be conducted 'in the context of the principles and objectives of the Union's external action', and that, pursuant to Article 3 of the Treaty on European Union, it must contribute, in particular, 'to the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter';
6. Stresses that the European Union's trade policies – whether bilateral or multilateral – are a means to an end and not an end in themselves, and that these should be consistent with its objectives to combat climate change and should anticipate the conclusion of an ambitious climate agreement;
7. Considers that the WTO rules should be interpreted and developed in such a way as to support commitments made in multilateral environmental agreements; calls on the Commission to work on building a consensus at the WTO to give the secretariats of multilateral environmental agreements observer status at all WTO meetings concerning their area of competence and an advisory role in environmental dispute settlement procedures; stresses that new international rules should be set up in order to eliminate the comparative advantage conferred by cheap CO₂ emission;
8. Deplores the fact that none of the WTO agreements currently make direct reference to climate change, food security and the Millennium Development Goals; deplores the development of bio-piracy on climate-resilient seeds; considers that changes in WTO rules are needed to ensure coherence and consistency with the commitments under the Kyoto Protocol and multilateral environment agreements (MEAs); calls urgently for a reform of the WTO to enable products to be distinguished according to their production and processing methods (PPMs);
9. Stresses, with reference to the Preamble to the WTO Agreement and Article XX (b), (d) and (g) of the GATT, that international trade must not result in the over-exploitation of natural resources, and calls on the Commission and Member States to do more to apply the principle of collective preference under the auspices of the WTO, particularly as regards sustainable, climate-friendly and ethically sound products;
10. Calls on the Commission and WTO members to seek to secure an opinion from the WTO acknowledging the significance and impact of climate change and encourage the WTO to pursue the objective of ensuring that WTO rules do not undermine but promote global efforts to combat, reduce and adapt to climate change;
11. Expresses its regret that WTO members have yet to find a way to integrate this treaty into the system of UN institutions and rules governing environmental protection including climate change, as well as social justice and respect for all human rights; insists that obligations and objectives under MEAs, such as the UN Framework Convention on Climate Change, and other UN institutions (FAO, ILO, IMO) must take precedence over the narrow interpretation of trade rules;
12. Given that it is more than 15 years since the WTO Ministerial Decision on Trade and Environment, taken at Marrakesh on 15 April 1994, calls on the Commission to present at the latest by mid-2011 to the European Parliament and the Council a report assessing the extent to which the WTO's Committee on Trade and Environment has fulfilled its remit as set out in that Decision and its conclusions as to what more needs to be done, particularly in the context of the global dialogue on Climate Change mitigation and adaptation and the WTO;
13. Calls on the Commission and Member States, in connection with WTO negotiations and bilateral trade agreements, to insist that the liberalisation of trade, particularly in natural raw materials, does not jeopardise sustainable resource management and that objectives relating to climate protection and the conservation of species become an integral part of the agreements; calls on the Commission, to this end, to urge that a joint meeting of WTO trade and environment ministers be held before the UN Framework Convention on Climate Change Conference (UNFCCC COP) in Johannesburg in 2011; recalls that the UNFCCC is the forum for reaching an international agreement on tackling climate change;

Thursday 25 November 2010

14. Considers it more urgent than ever to launch a public debate on the establishment of a World Environmental Organisation;

Stronger positive interaction between trade and climate protection

15. Recognises the positive role that trade can play in the dissemination of goods and services that help protect the climate; considers that climate protection and trade liberalisation can be mutually reinforcing by facilitating trade in environmental goods and services, but a list of these goods and services needs to be drawn up in advance in accordance with strict environmental criteria and in cooperation with the WTO member states;

16. Recognise that trade is an important tool for the transfer of technologies to developing countries; emphasises the need to reduce barriers to 'green trade' by, for instance, removing tariffs on 'green goods' at WTO level;

17. Hopes that the EU will set a good example, by removing obstacles such as tariffs and levies to trade in 'green' technologies and environmentally sound and climate-friendly products and promoting 'environmental goods and services' (EGS), including on the basis of the Bali Action Plan and the Copenhagen Green Climate Fund;

18. Emphasises the importance of innovation in green technologies and recognises the role that trade can play in the transfer of these technologies between countries;

19. Calls on the EU to take the lead in the identification of the salient barriers to the dissemination of technologies in developing countries to address climate change;

20. Recognises that stimulating innovation can involve different reward schemes and that these schemes do not all promote technology transfer in the same way; also notes that, for IPR systems to transfer technology, concerns about their protection due to weak political institutions and the absence of the rule of law have to be addressed; calls, therefore, on the Commission to study all innovation reward schemes, taking into account the risk of excluding some countries, and to use the results of this work in its climate diplomacy;

21. Is concerned about the distorting effect that fossil energy subsidies have on world trade, their impact on the climate, and their cost to the public purse; welcomes the G20's commitment to phase out these subsidies;

22. Wants the European Union to assume international leadership on this matter and calls on the Commission to come up swiftly with proposals for a timetable to phase out these subsidies in the EU, given that this process will have to involve the introduction of accompanying social and industrial measures; reiterates also Parliament's request to the Commission and Member States to inform the European Parliament about loans granted by export credit agencies and the European Investment Bank to projects that have a negative impact on the climate;

23. Opposes subsidies for fossil fuels and calls for greater support for environmentally sound renewable energies and the identification and development of decentralised energy sources, particularly in developing countries; in this context, recalls the G20 agreement to phase out fossil fuel subsidies and calls for the Commission to make proposals for a European strategy for its implementation with clear timelines and compensation mechanisms where appropriate;

Making international trade prices fairer and avoiding carbon leakage

24. Notes that trade liberalisation can conflict with climate protection if certain countries seek a competitive advantage by failing to act on climate issues; suggests, therefore, a reform of the WTO anti-dumping rules to include the issue of a fair environmental price in accordance with global climate protection standards;

Thursday 25 November 2010

25. Regrets that, by subsidising energy prices and applying no restriction or no quota on CO₂ emissions, certain countries could gain a comparative advantage; owing to unrestricted and thus relatively cheap CO₂ emissions, these countries have no incentive to join the multilateral climate change agreements;
26. Notes, however, that climate negotiations are based on the principle of 'shared but differentiated responsibility' and that the weakness of climate policies in developing countries is generally explained by their more limited financial or technological capacities and not by any environmental dumping goals;
27. Asks, in this context, that the European debate on industrial carbon leakage relating to the EU Emissions Trading Scheme (ETS) and on ways of addressing this be approached with caution;
28. Points out that, according to the Commission's latest Communication of 26 May 2010 (COM(2010)0265) on this topic, few industrial sectors are particularly vulnerable to carbon leakage, and considers that identifying these requires a detailed sectoral analysis; calls on the Commission to use such an approach in the near future, rather than a few quantitative criteria that are identical for all sectors of industry;
29. Emphasises that there is no single solution for industrial sectors that are vulnerable to carbon leakage, and that the nature of the product or the structure of the market are essential criteria for choosing between the tools available (free allocation of allowances, State aid or border adjustment measures);
30. Considers that a multilateral climate agreement would be the best instrument for internalising negative external environmental factors relating to CO₂, but that there is a risk that this will not be achieved in the near future; takes the view, therefore, that the EU should continue to look into the possibility of putting in place, for those industries that are actually exposed to carbon leakage, appropriate environmental instruments in addition to the auctioning of CO₂ quotas under the EU's emissions trading scheme, in particular a 'carbon inclusion mechanism' that complies with WTO rules; takes the view that such a mechanism would make it possible to combat the risk of CO₂ emissions being transferred to third countries;
31. States unequivocally that border tax adjustments should not function as an instrument for protectionism but rather as a way to reduce emissions;

Promoting product differentiation according to their impact on the climate

32. Considers that the EU, as the largest trading bloc in the world, can set worldwide standards, and supports the development and more widespread use of certification and labelling schemes which take account of social and ecological criteria; notes the successful work done by international NGOs to develop and promote such labels and certificates and expressly advocates their wider use;
33. Points out that the WTO framework makes it possible to take trade qualification measures if these are necessary, proportionate and do not discriminate against countries in which production conditions are identical; notes, however, that urgent clarification is required so that these measures can be applied on the basis of climate criteria relating to the PPM for these products;
34. Calls on the Commission to take steps to re-launch discussions within the WTO on PPMs and the possibility of differentiating similar products in terms of their carbon footprint, energy footprint or technological standards; considers that such an initiative might be accepted by WTO members if it were accompanied by measures facilitating technology transfer;
35. Hopes, however, that the current lack of clarity regarding PPMs within the WTO does not incite the EU to do nothing, as it should on the contrary take advantage of this room for manoeuvre;

Thursday 25 November 2010

36. Stresses that efforts must be made to ensure that adverse environmental effects resulting from trade are reflected in prices and that the 'polluter pays' principle is enforced; urges that the labelling and information systems regarding environmental standards be synchronised;

37. Welcomes, for this reason, the introduction by the European Union of sustainability criteria for imported agrifuels and those produced in the Union; calls on the Commission to look into extending this approach to biomass and agricultural products; demands that indirect changes in land use relating to agrifuels be taken into account and expects the Commission to submit a proposal before the end of 2010, in accordance with its commitment to Parliament;

38. Advocates that genuine, binding sustainability criteria and standards be developed for the production of biofuels and biomass which take account of the emission of climate-changing gases and small particles due to indirect land use change (ILUC) and the whole production cycle; stresses that safeguarding food supplies must take priority over the production of biofuels and that sustainability of land use policy and practice needs to be tackled urgently using a more holistic approach;

39. Considers it crucial that there be strict standards of sustainability for the international trade in biofuels, bearing in mind their contradictory environmental and social impact;

40. Welcomes the European agreement reached on illegal timber and looks forward to progress in the Voluntary Partnership Agreements;

Trade liberalisation must not be at the cost of ambitious climate policies

41. Is concerned about the Commission's desire to push liberalisation of the timber trade, and in particular the abolition of export restrictions, in trade agreements, despite the increased risk of deforestation and the negative repercussions for the climate, biodiversity, development and local populations;

42. Emphasises in particular the need for consistency between climate and biodiversity objectives and conditions of trade to ensure that efforts to tackle deforestation, for example, are effective;

43. Is of the opinion that new international climate protection agreements must contain firm guarantees on reducing the adverse environmental impact of the international timber trade and eradicating deforestation, the extent of which is cause for concern;

Full inclusion of transport in the problem area of trade and climate issues

44. Regrets that the current trading system produces a global division of labour and production which is based on a very high input of transport, which does not bear its own environmental costs; wants the climate cost of international transport to be internalized in its price, whether this be done through taxation or quota trading schemes that charge fees; welcomes the fact that aviation is soon to be included in the EU ETS and awaits a similar initiative from the Commission for maritime transport by 2011, entering into effect in 2013, if it proves impossible to set up a global mechanism by then; regrets that fuel consumed in overseas transportation of goods is not subject taxes; advocates that taxes be imposed on that fuel and on those products, in particular on airfreight products; expects also that the Commission take the initiative to query aid granted to the more polluting modes of transport, such as exemption from kerosene tax;

45. Observes that CO₂ emissions caused by international trade can be substantially reduced, calls for the transport and environmental costs generated to be incorporated into the prices of products (internalisation of external costs), particularly by including shipping, which accounts for 90 % of the transport used in international trade, in the European Emissions Trading Scheme (ETS);

46. Calls on the Commission and Member States to do everything under their power to achieve a legally binding agreement on the reduction of shipping emissions in the context of the International Maritime Organisation;

Thursday 25 November 2010

47. Considers it important that international commitments relating to reducing GHG emissions also apply to international air transport and shipping;

48. Underlines that the rise of CO₂ emissions related to transport and international trade undermines the effectiveness of the EU climate change strategy; takes the view that this makes a strong case for shifting from an export-led development strategy towards endogenous development based on diversified and local consumption and production in developing countries; recalls that such a strategy would have positive effects on employment both in the EU and in developing countries;

49. Considers that, for as long as the climate cost does not appear in the price of transport, the promotion of sustainable local production should be encouraged, particularly through better information to consumers;

Strengthening tools that ensure consistency between trade and climate

50. Calls for consistency between the European Union's trade and climate policies to be guaranteed by the calculation of a carbon balance for each trade policy, for this policy to be amended if necessary to improve this balance, and for the obligation that compensatory measures – in the form of political, technological and financial cooperation – be taken when this balance is negative for the climate;

51. Urges the EU to use the comprehensive environmental provisions in bilateral and regional trade agreements as a development tool, emphasising the need for proper implementation of environmental clauses and cooperation mechanisms to promote technology transfer, technical assistance and capacity building;

52. Calls on the Commission systematically to include environmental clauses in trade agreements concluded with non-EU countries, with particular regard to reducing CO₂ emissions and the transfer of low-emission technology;

53. Welcomes the introduction of the climate change dimension in Sustainability Impact Assessments (SIA) of trade agreements; takes note, however, of the fact that in some cases, such as the Euro-Mediterranean Free Trade Agreement, the SIA shows that the agreement will have adverse climate impacts which were not addressed prior to its conclusion; considers that trade agreements should not in any way undermine multilateral environmental agreements (MEAs);

54. Takes the view that environmental criteria must be introduced in the reform of the GSP;

55. Takes the view that the Commission should follow a harmonised framework in its negotiating strategies in respect of trade and environmental policy, so as not to give partners any cause for concern about trade barriers, while at the same time ensuring compliance with its binding targets for combating climate change;

56. Considers that 'climate diplomacy' should be pursued with greater vigour and consistency in the EU's trade relations with States which are not bound by multilateral environmental protection agreements;

EU consistency on climate and trade from the viewpoint of developing countries

57. Recognises that efforts to make European Union trade and climate policies consistent can be used or perceived by partner countries as a roundabout way of reducing our imports and increasing our exports;

Thursday 25 November 2010

58. Insists therefore on the importance of negotiations with these countries on all measures that the EU might take, in particular border adjustment measures, and on the need for the EU to abide by its climate aid commitments to developing countries;

59. Is thus concerned that part of the 'prompt start' funding promised by European countries at the climate summit in Copenhagen comes from commitments made in the framework of official development aid and is delivered in the form of loans, contrary to Parliament's requests; asks the Commission to compile a report on this funding to assess whether the real situation matches the commitments made and Parliament's requests; calls also for the better coordination of funding in terms of its thematic and geographical use;

60. Recalls the commitment made by industrialised countries, including the EU Member States, to reflect on innovative funding to combat climate change;

61. Is convinced that measures to combat climate change must be based on the principle of solidarity between industrialised and developing countries and possibly in closer cooperation with UN, WTO and the other Bretton Woods institutions; calls, therefore, for an overall strategy for emission trading and the taxation of energy and greenhouse gas emissions to be devised jointly with developing countries, emerging countries and industrialised countries in order, on the one hand, to prevent an exodus by businesses (carbon leakage) and, on the other hand, to generate funding for measures to combat climate change and to reduce and adjust to its consequences;

62. Stresses that increasing technology transfer to developing countries as a means to address carbon leakage will be a critical component of a post-2012 climate regime; deplores the fact that technology transfer makes up only a small share of official development aid; urges Member States to deliver additional technical and financial assistance for developing countries to face the consequences of climate change, to meet climate-related standards and to include upfront development impact assessments of standards, labelling and certification;

*

* *

63. Instructs its President to forward this resolution to the President of the European Council, the Council, the Commission, the national parliaments, the Executive Secretary of the UN Framework Convention on Climate Change (UNFCCC) and to the 16th Conference of the Parties (COP 16).

Corporate social responsibility in international trade agreements

P7_TA(2010)0446

European Parliament resolution of 25 November 2010 on corporate social responsibility in international trade agreements (2009/2201(INI))

(2012/C 99 E/19)

The European Parliament,

- having regard to Articles 12, 21, 28, 29, 30 and 31 of the Charter of Fundamental Rights of the European Union,
- having regard to Articles 2, 3 and 6 of the Treaty on European Union,
- having regard to Articles 9, 10, 48, 138, 139, 153, 156, 191, 207 and 218 of the Treaty on the Functioning of the European Union,