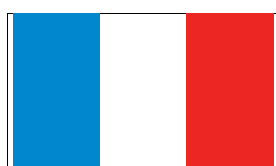


IMPLEMENTATION OF CETA: GOVERNMENT ACTION PLAN

WEDNESDAY 25 OCTOBER 2017



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Government Action Plan

'For an exemplary implementation of CETA, for greater demands on environmental and health issues, and for a new ambition for European trade policy'.

The Comprehensive Economic and Trade Agreement (CETA) was signed on 30 October 2016 between Canada, the European Union (EU) and its 28 Member States. This agreement seeks to facilitate trade in goods and services between the EU and Canada, and to regulate trade through common rules.

To clarify the uncertainties regarding the expected impact of this agreement on the environment, climate and health, in accordance with the commitment made by the President of the Republic, the Government tasked a commission of experts and independent persons to analyse the text of the agreement.

On 8 September 2017, the Independent Commission of Experts chaired by Katheline Schubert (the Schubert Commission) submitted its report to the Government. The report drew the attention of the Government to the existence of areas where particular vigilance is required in implementing the agreement, with regard in particular to regulatory cooperation forums and the enforcement of European health standards. The Schubert Commission also underscored the opportunity for complementary action to enhance cooperation with Canada on tackling climate change and on health. Regarding the fight against climate change, the Schubert Commission concluded that 'it is not about risks the agreement introduces, but rather about missed opportunities'.

The Government announced, at the Trade Policy Monitoring Committee on 13 September, chaired by the Secretaries of State Jean-Baptiste Lemoyne and Brune Poirson, its intention to adopt an action plan based on a public consultation with stakeholders (trade unions, professional organizations and civil society organizations). Working sessions were coordinated by the technical departments of the relevant ministries. In addition, the Government took into account the views expressed by parliamentarians following the report of the Schubert Commission.

This action plan entails commitments for the Government: it includes concrete action to ensure that the progressive deployment of CETA will be in line with European standards and norms, respecting health and environmental standards and ensuring full transparency throughout the implementation process; it shares a common ambition with Canada with a view to building upon action taken elsewhere in the context of international climate negotiations; it is France's contribution to the debates launched in Europe by the Commission on the best way to take into account sustainable development and environmental issues in trade agreements.

With this action plan, the Government undertakes to ensure exemplary implementation of CETA, in close cooperation with the European Commission and Canada, to accelerate its action against climate change and to make European market more ambitious in environmental, health and social matters.

This action plan has three pillars:

- **A seamless implementation of CETA** to ensure that national and European health and environmental standards are enforced and maintained, and to ensure that the effects of CETA are monitored rigorously and in full transparency;
- **Action to complement CETA** in order to strengthen bilateral and multilateral cooperation on environmental and climate issues;
- **Proposals on European trade policy** to improve the consideration of sustainable development issues in EU trade agreements, in particular through the inclusion of the Paris Agreement in the main clauses of these agreements.

This action plan is a detailed roadmap that the French authorities will take to all the discussions in which they participate.

Furthermore, whilst CETA entered into force on 21 September provisionally, it must be ratified by the French parliament for it to enter into force definitively, including the investor-State dispute settlement (ISDS) mechanism. Building on the commitments of the President of the Republic to radically reform trade policy with a view to strengthening its democratic legitimacy, the Government undertakes to involve the national representatives in the deployment of this action plan. The national impact assessment, prior to the bill to ratify CETA, will include a progress report on the economic impact of the agreement, the work of the regulatory cooperation committees and the implementation of this action plan. Finally, the Government undertakes to compile a report for Parliament on the implementation of CETA one year after the definitive entry into force of the agreement and to hold a debate on this occasion.

More generally, in the context of negotiations underway and the mandates to be negotiated, the Government of France is committed to the highest level of transparency and involvement of the national representatives in crafting its negotiating positions, in line with the principle of the separation of powers enshrined in the Constitution. The National Parliament will be involved ahead of negotiations when mandates are under discussion; the members of the Government will inform and engage in discussions with the relevant committees throughout the trade negotiations; the Government's diagnosis of the impact assessment will be shared with Parliament.

In addition, the Government is committed to making the Trade Policy Monitoring Committee a standing body, bringing together parliamentarians and interested stakeholders in a structured fashion. The Committee will be the venue for frequent and in-depth debates on France's stance on trade policy, on negotiations underway and on consideration of new social, environmental and health issues. This work will make use of analysis conducted by experts in their respective fields, who will carry out their duties independently in a similar way to the Schubert Commission.



Pillar 1: To ensure exemplary implementation of CETA in practice

The report of the Schubert Commission stresses the importance of the implementation modalities for the agreement to avoid any risk of lowering standards. France will address this concern at two levels: at the European level and bilaterally with Canada as part of the work of the technical committees established under CETA. The Schubert Commission calls for vigilance concerning the Regulatory Cooperation Forum and the bilateral investment court, concluding that ‘the text of the agreement seems to provide all the necessary assurances, but there are risks in how the Investment Court System (ICS) and Regional Cooperation Forum (RCF) will operate in practice’.

*At the European level, France will promote **three priorities**: implementing commitments in line with the intentions of both parties, reiterated in October 2016 in the EU-Canada interpretative declaration; in-depth and continuous monitoring of the economic impact of CETA, particularly with regard to sensitive agricultural sectors and export opportunities created by facilitating access to Canadian markets; a framework for appropriate operating modalities for the bilateral investment court, in particular by ensuring that climate regulations will not be weakened by this mechanism.*

*Regarding the technical committees, France will ensure the effective and transparent establishment of the Joint Committee provided for in the agreement **as of the first year** and of all 13 specialized committees. France, within these committees, will promote the priorities outlined in this action plan to ensure the transparent implementation of the agreement, to report any potential difficulties and to ensure that the French priorities on sustainable development are met through the agreement.*

*In line with the recommendations of the Schubert Commission, France will pay particular attention **to ensuring ongoing transparency in the work** of the Regulatory Cooperation Forum by involving civil society actors to a sufficient degree. The following proposals illustrate France's priorities to this end.*

1. Implementation measures at the European level

Ensure that CETA complies with European standards and guarantee thorough and transparent monitoring of the impact of CETA

- **Establish an effective cross-cutting mechanism and provide appropriate resources**, including human resources, to monitor comprehensively the implementation of CETA to guarantee, inter alia, its promotion and effective implementation for European businesses and to ensure that commitments are upheld.
- **Improve existing statistical and methodological tools** to:
 - evaluate and monitor the carbon footprint of CETA.
 - carry out monitoring and sector- and country-specific impact assessments cumulatively. In accordance with the Better Regulation agenda, the European Commission will submit annual assessment reports on the implementation of trade agreements, including CETA, as of the first year of its entry into force.
- **Ensure accurate monitoring of the allocation of agricultural quotas**. Provide Member States with a detailed monitoring timeframe to ensure fair implementation modalities for all the agricultural aspects of CETA and to guarantee the effective opening of the Canadian market with a view to making conditions of competition equal.
- **Establish a specific mechanism to continuously monitor the import volumes of sensitive agricultural products, in particular beef, pork and ethanol**. At the national and European levels, this mechanism will be based on an observatory of prices and quantities that is sufficiently precise to carry out product-specific monitoring regarding the effect of imports on sectors. The effect at the regional level will also be analysed.
- Ensure that **the opening of agricultural quotas for Canada is fully taken into account in any reflection, including in follow-up by the French National Food Conference, on policies that may affect the agricultural sectors** so as to prevent any destabilization of the markets.

Ensure that the Commission takes measures to consistently apply sanitary and phytosanitary (SPS) standards to imports.

- **Ensure the effective application of traceability** to guarantee compliance with conditions for import into the European Union by implementing an audit program.
- **Conduct sanitary and phytosanitary audits** as soon as possible in Canada, particularly regarding the application of traceability.
- **Guarantee EU border controls on an ongoing basis** for Canadian products in accordance with common risk control methods (random sampling together with, where appropriate, systematic sampling).

Define operating modalities for the bilateral investment court in such a way that fully preserves the right of States and the EU to regulate, including by explicitly stipulating that any non-discriminatory climate regulations will not be able to be challenged by an investor, and in such a way that guarantees the impartiality, transparency and effectiveness of the bilateral investment court.

- **Conduct work on the finalization of the CETA Investment Court** to address the following: (i) the procedures for selecting judges of the Court (first instance tribunal and appeal tribunal) and the involvement of Member States in these procedures; (ii) the drafting of a code of conduct applicable to the Members of the Court; (iii) improving access conditions for individuals and SMEs to the Court; (iv) the establishment of an appeal tribunal (for example, the number of members and their remuneration, costs of proceedings, procedures for appeal) and (v) a common interpretation of the notion of 'investor' to prevent any attempts at circumvention. These proposals are in line with the commitments of the Commission and Council Declaration No. 36 on the Investment Court.
- **Adopt legally binding joint interpretations to ensure that the right of States to regulate, particularly on climate issues is maintained.** It is a matter of anticipating and stopping any potential investor/State litigation regarding European regulations on the fight against climate change in order to maintain the right of States to regulate. CETA Section 8.31.3 allows the Committee on Services and Investment, where serious concerns arise as regards matters of interpretation, to recommend to the CETA Joint Committee the adoption of joint interpretations that are binding on the Investment Court and panels established under Chapter 29 of the Agreement (CETA Article 26.1.5). France will identify and relay to the European Commission and the Committee on Services and Investment any issues related to climate regulation that could give rise to litigation in the context of the ICS, and will **propose the adoption by the Joint Committee of joint and binding interpretations in order to prevent any potential abusive litigation against them.** This procedure will fully guarantee the right of the parties to CETA to regulate in accordance with Article 8.9. In this context, particular attention will be paid to measures to reach the Nationally Determined Contributions (NDCs) adopted under the Paris Agreement. The first meeting of the Committee on Services and Investment of the agreement will broach this issue in order to make the Joint Interpretative Instrument operational by proposing to the Joint Committee an interpretation stipulating that non-discriminatory climate regulations are in line with CETA, and will not be able to be called into question by an investor in an abusive manner.
- **Ensure that the rules of procedure are applied properly so that investors who are not eligible for the protection afforded under the agreement and investments that are not in accordance with the local law do not have access to the ICS.** The Committee on Services and Investment will be mobilized to monitor on a continuous basis the implementation of CETA Chapter 8 by the ICS. It will also ensure that the provisions on the protection of investments and the rules on compensation for damages are properly applied. Should difficulties arise in implementing CETA Chapter 8, the Committee on Services and Investment will suggest that solutions be sought, and improvements made using the procedures provided for in CETA Article 8.44.

2. Actions within the Joint Committee and Committees and Sectoral Groups established by CETA

*In a cross-cutting way, France will request that the **composition** of all the committees tasked with working on the sustainable development aspects of the agreements and involving civil society **be published online, as well as the dates of their meetings, agendas and the agendas of the follow-up committees**: these safeguards will ensure the impartiality of European representatives in these committees and will allow all interested stakeholders to communicate their stance on the topics under discussion.*

France will also ensure within these committees that the agreement is upheld in all of its components in order to maintain an equilibrium across all economic sectors.

Finally, in a cross-cutting manner, the Government of France undertakes to present to the Parliament regular and thorough reviews concerning the topics under discussion and their outcomes in order to ensure that national representatives are involved closely in the 'life of the agreement'.

1. Committee on Trade in Goods

- As part of the work on intellectual property, ensure the implementation of CETA with regard to the protection of pharmaceutical patents (right of appeal and the term of patents).
- Monitor the implementation of the Protocol on Mutual Acceptance of Conformity Assessment Results, in particular Canada's recognition of the European conformity assessment bodies and the strengthening of cooperation between national authorities in the field of market surveillance.

2. Committee on Agriculture

- Ensure fair implementation modalities for the allocation of quotas by Canada and the EU, as well as guarantee the protection of geographical indications as provided for in the agreement and effective market access for European agricultural and agri-food exports.
- Guarantee that Canadian cheese quotas for 2018 are fairly allocated.

3. Wines and Spirits Committee

- Ensure that commitments under CETA are also upheld in Canadian provinces by resolving the remaining difficulties that limit imports and by removing discriminatory measures at the provincial level (service fees, distribution and monopolies) that are not in line with the agreement and the Joint Declaration on Wines and Spirits annexed to CETA.

4. Joint Sectoral Group on Pharmaceuticals

- Ensure full implementation of the Good Manufacturing Practices (GMP), including the establishment of alert and information-sharing mechanisms to guarantee effective monitoring of the European market.

5. Committee on Services and Investment

- Ensure that the Committee on Services and Investment, together with the Joint Committee, contributes to the work required to finalize the CETA Investment Tribunal. In particular, the Committee shall promptly adopt the **code of conduct for Members of the Tribunal** in accordance with CETA Article 8.44.

6. Joint Committee on Mutual Recognition of Professional Qualifications

- Follow up on discussions between the professional bodies with a view to the effective recognition of professional qualifications.

7. Joint Customs Cooperation Committee

- Ensure compliance with procedures concerning the origin of imports to benefit from preferential tariffs.

8. Joint Management Committee for Sanitary and Phytosanitary (SPS) Measures

- Prevent potential difficulties from arising in implementing the SPS chapter that would be problematic for the importation of European SPS products, and, where appropriate, seek to resolve such difficulties.
- Remain vigilant with regard to negotiations on harmonized export certificates.
- Ensure the modalities for the recognition of equivalence.

9. Committee on Public Procurement

- Ensure effective implementation of the agreement by the federal entities, provinces, territories, municipalities and state-owned enterprises, as covered by Canada's commitments under CETA.
- Promote EU-Canada cooperation and exchanges of good practice regarding the use of environmental criteria in awarding public procurement contracts.

10. Financial Services Committee

- Ensure effective implementation of the agreement and market access, particularly by the provinces, as covered by Canada's commitments under CETA.

11. Committee on Trade and Sustainable Development

- Ensure full implementation of the chapters on sustainable development, the environment and labour, in line with the commitment undertaken by the EU and Canada in the Joint Interpretative Instrument, taking into account the adoption of the 2030 Agenda for Sustainable Development and the Paris Agreement.
- Ensure that the agenda of the first meeting of the Committee on Trade and Sustainable Development includes the implementation of the Paris Agreement.
- Organize exchanges with civil society by setting up the European Advisory Groups on Labour and the Environment and set a date for the Civil Society Forum as early as 2018.
- Consider compiling a list of agreements covered by the chapters where enhanced cooperation could be pursued between partners in multilateral or bilateral bodies.

12. Geographical Indications Committee

- Ensure the effective protection of geographical indications for food, wines and spirits.

13. Regulatory Cooperation Forum

- Ensure that all interested parties and experts are closely involved, where needed, as set forth in the agreement through, inter alia: the publication of calls for expressions of interest for the participation of experts in the Forum, as well as the publication of the agendas and minutes of meetings.
- Pay particular attention to the work on environmental, health and social issues with the aim of achieving upwards regulatory convergence, moving towards the most socially and environmentally advantageous options, and towards preserving the quality of European standards.
- Support the launching of cooperation with Canada in limiting the use of antibiotics in livestock and promote dialogue and cooperation on animal welfare. Encourage animal-friendly forms of husbandry, thereby reducing the need for antibiotics and the use of crop inputs, and improving the conditions in which livestock is raised.



Pillar 2: Action to complement CETA to strengthen bilateral and multilateral cooperation on climate issues

The report of the Schubert Commission highlights the need for action to complement CETA on the climate front. This can be explained by the political circumstances surrounding the negotiations, prior to the Paris Agreement; the time has come to make up for this shortcoming. France, bilaterally with Canada and within the European Union, will take specific steps to rectify this situation.

France is currently working with Canada towards an ambitious partnership to accelerate the implementation of the Paris Agreement, bilaterally and jointly within international bodies.

France will also relaunch discussions at European level, in particular to allow fuels to be treated differently according to their carbon footprint, and discussions on a carbon inclusion mechanism at Europe's borders to take into account import-related emissions.

1. Bilateral initiatives with Canada (France and EU)

Canada played an important role in the development and adoption of the Paris Agreement, and continues to be one of the main allies of France and the EU in the fight against climate change, as recently demonstrated by the Montreal conference of 16 September 2017.

*In this context, France is currently working with Canada towards an **ambitious bilateral partnership to accelerate the implementation of the Paris Agreement**.*

As part of this partnership, France will propose four main pillars:

- **The reduction of emissions from the international shipping and air transport sectors.**
- **The pricing of carbon emissions.**
- **The integration of sustainable development issues** into international bodies (OECD and WTO).
- **Climate mainstreaming in development assistance action.**

This bilateral cooperation will be officially launched before the climate summit on 12 December 2017.

2. French initiatives at the European and multilateral levels

2020-2030 targets on the carbon footprint of fuels

2020-2030 targets on the carbon footprint of fuels: France will suggest within the EU that a revision of the Fuel Quality Directive (FQD) should be undertaken based on a proposal of the European Commission in order to **set ambitious targets to reduce the carbon footprint of fuels consumed in the EU for the period 2020-2030**. (The current Fuel Quality Directive sets a target to reduce the carbon footprint of hydrocarbons in 2020 but does not set any targets for the period 2020-2030).

As part of these efforts, the Government of France will submit to the French Parliament, before 31 December 2018, a report on the origin and carbon footprint of crude oils and natural gases imported to France and will communicate this report to the Commission. This report will assess the environmental impact related to the extraction and refining of crude oils and natural gases, including unconventional crude oils and natural gases. The report will analyse the methods used to differentiate crude oils and natural gases according to their impact, and their origin or the type of resource, as well as the feasibility of differentiating the finished products according to the origin of the crude oils and natural gases they are derived from, particularly in view of France's intention to put forward these proposals to the European Commission as part of the European work on fuel quality from 2019 onwards. In parallel, France will also review its national mechanisms to punish the use of fuels responsible for high levels of greenhouse gases emissions over their entire life cycle.

CIM at the EU's borders: France will support at the European level the development of an operational carbon inclusion mechanism (CIM) at the EU's borders.

France will support the European Parliament in its request to the Commission to consider the possibility of setting up a carbon inclusion mechanism and, if necessary, to prepare a European legislative proposal to operationalize the mechanism in keeping with WTO rules. Carbon adjustment mechanisms at the EU's borders are a good way to encourage our trading partners to implement a carbon price in their countries and thus reduce the risk of carbon leakage. France will also put forward this proposed instrument in the OECD and will propose that its Joint Working Group on Trade and Environment study the technical feasibility of carbon inclusion mechanisms at the EU's borders. In parallel, France will ask the European Commission to initiate discussions on this topic at the WTO within its Committee on Trade and Environment, including on any alternative that could reduce the risks of carbon leakage.

EU initiative on fossil fuel subsidies disciplines at the WTO and in bilateral agreements

Building on the Government's Climate Plan, France will encourage a European initiative to support multilateral work, particularly within the WTO Committee on Trade and Environment, on fossil fuel subsidies disciplines. France will support the inclusion in the forthcoming free-trade agreements of disciplines on subsidies that have a negative impact on the environment, especially fossil fuels.

Promote the 'greening' of trade agreements at the WTO, G20 and OECD

France will support the continuation of the studies of the OECD Joint Working Group on Trade and Environment on the 'greening' of trade agreements, and will ask the OECD to develop **guidelines** for the inclusion of environmental clauses in all chapters of free-trade agreements. France will ask the Commission to raise this issue at the WTO within its Committee on Trade and Environment so that trade rules take into account sustainable development issues more comprehensively. France will also promote within the G20 regulated trade that respects social and environmental standards.



Pillar 3: Proposals to improve the way in which health and sustainable development issues are taken into account in trade agreements

France promotes the establishment of a model for free, fair and regulated international trade, which promotes the best social, environmental and health standards to create a set of high and shared standards for responsible trade, whilst respecting collective preferences, and which establishes rules for fair competition to ensure that businesses, especially agricultural ones, compete on an equal footing with their competitors from third countries.

In this context, it is necessary to continue the efforts made in recent years to improve the contribution of the EU-negotiated Free Trade Agreements (FTAs) to the EU Sustainable Development Strategy, in all its dimensions – environmental, social, economic and land management

The Commission initiated a consultation in July to strengthen the implementation of the sustainable development chapter of FTAs. France will submit to the European Commission the following avenues of reflection to contribute to the debates and to strengthen the consideration of these issues in all the dimensions of the agreements being negotiated.

1. Better analysis of the impact on sustainable development

- **Carry out a full impact assessment before the negotiation:** impact in terms of sustainable development and, in particular, greenhouse gas emissions, records for each Member State, accurate sectoral analysis, especially on sensitive products, including those from the outermost regions, and on the accumulation of concessions already granted in the agricultural sector. Ensure that the Commission has a consistent approach to the work of the different sectors of the Council of the European Union to ensure that trade and sustainable development, environmental and social issues are taken into account more comprehensively, including before the negotiations.
- **Regularly evaluate the impact of the implementation of trade agreements in all their components:** post-impact assessments after the entry into force of FTAs, evaluation of the effective opening by the partners of their market in the light of the commitments, cross-cutting evaluation of the effectiveness of the European advocacy tools provided for in the agreement, and assessment of the environmental and social impact of the agreements.

- **Analyse the ways to improve statistical bases** and methods of before-and-after impact analysis to make them fine and reliable strategic tools for negotiations and to be able to carry out sector-specific follow-up and impact studies by identifying the products of the outermost regions in particular, and this in a cumulative fashion.

2. Improve transparency vis-à-vis civil society and involve it more closely

- **Systematic consultation by the Government with interested stakeholders, both before and during the negotiations**, in order to take into account views, proposals and interests as far in advance as possible before the start of the negotiation process. Ensure that the Trade Policy Monitoring Committee meets regularly to this end.
- **France's commitment to the publication of negotiating mandates when they are submitted by the Commission to the Council and after the Council has adopted them.**
- **Give civil society the ability to warn of non-compliance with the sustainable development provisions of the agreement.** To this end, establish more structured cooperation with the work on corporate social responsibility of the National Contact Points (NCPs) for the application of the OECD Guidelines for Multinational Enterprises, with ILO Focal Points for the implementation of the Tripartite Declaration on Multinational Enterprises and Social Policy, as well as with the National Action Plan for the Implementation of the UN Guiding Principles on Business and Human Rights. Their work must be taken into account by the sustainable development committees of the agreements.

3. Enrich the chapters on sustainable development

In a cross-cutting way

- Include in each agreement in a cross-cutting manner effective compliance with the **precautionary principle, as established in the European Treaties**, for example, so that when a product is presumed to be dangerous, restrictions may be imposed, even if the framework governing its importation was not negotiated during the conclusion of the free-trade agreement. The implications of this principle may be clarified within the follow-up committees in order to highlight the importance of this principle and to avoid any ambiguity as to its effective consideration. Whilst the Constitutional Council concluded in its decision of 31 July that CETA did not call into question the precautionary principle, the Schubert Commission did, however, underscore the fact that the modalities of application for the precautionary principle could have been spelled out more explicitly in CETA .
- Reaffirm systematically in the FTAs the need to **maintain the ability of States to regulate for legitimate public policy purposes**.
- Include a commitment to raise environmental standards towards the **most environmentally advantageous option**.
- **Cite the Paris Agreement** explicitly in all agreements concluded by the European Union.

On international transport

- Introduce specific clauses on **international transport**: commitments to reduce shipping and air transport emissions and support for multilateral initiatives (IMO and ICAO).

On corporate social responsibility

- Strengthen the provisions of agreements on **corporate social responsibility** by encouraging parties to comply with international standards: the OECD guidelines and sector-specific guides, the guiding principles of the UN Human Rights Council on Business and Human Rights, and the ILO Tripartite Declaration. A reference to decent work and responsible trade that ensures respect for human rights at work should be included in these provisions.

On energy

- Ensure that an **energy chapter** is included systematically in trade agreements (rules for the awarding of production and exploration licenses, specific market access rules, non-discrimination rules for third-party access to transmission and distribution networks, and renewable energy provisions) given the fact that energy is not just a good or a topic like any other due to the many issues it raises (for example, greenhouse gas emissions, strategy/security of sources and supply routes, environment, national security and so on).
- **Consider the possibility of excluding fossil fuels from tariff dismantling** so as to not offset the measures taken at the national and European levels to increase tariffs for fossil fuels.

4. Strengthen the binding nature and effective implementation of the chapters on sustainable development

- **Include compliance with the Paris Agreement among the key provisions of cooperation and political dialogue agreements that are concluded in parallel to the trade agreements**, which could be withdrawn from or suspended in case of proof that these key provisions have been violated, as per customary international law.
- **Ensure the binding nature of the chapter on sustainable development and support the approach of making its provisions enforceable in the inter-State dispute settlement mechanism of the FTAs.** This should enable the EU to suspend tariff preferences when non-compliance with the provisions on sustainable development of the agreement distorts the level playing field and causes commercial damage to European producers.
- **Ask for specific commitments on the ratification and implementation of international standards and conventions on sustainable development**, including those of the International Labour Organization.
- Set **social and environmental goals** in the agreements, thus ensuring that standards are maintained, preventing unfair practices, and promoting the most socially and environmentally advantageous options.

5. Take into account sustainable development issues in all chapters of free-trade agreements

In the chapters on investment protection

- Include provisions on sustainable development in investment protection agreements negotiated by the EU, as is already the case in the negotiations underway with China or Myanmar.

- Continue to promote in all EU trade negotiations the **new European model of investment protection and investor-State dispute settlement**, which includes major improvements and safeguards for the right of States to regulate. Systematically include a **joint interpretation instrument** to allow the parties, in the case of investor-State litigation, to strengthen their right to regulate on sustainable development through the adoption of binding interpretations for the Investment Tribunal.
- Complement the investment provisions with investment facilitation clauses that stress **the promotion of responsible investment**.

In the chapters on public procurement

- **Identify common criteria and goals to take social and environmental standards into account when awarding public procurement contracts**, as is the case in European law, and promote these criteria among our trade partners in awarding their national public procurement contracts.

In the chapters on non-tariff barriers

- Include in EU agreements **specific rules for the removal of non-tariff barriers on goods that contribute to the fight against climate change and the protection of the environment** (for example, renewable energies as in the EU-Singapore FTA, clean vehicles and so on) in order to prioritize the trade in and spread of 'clean' technologies through FTAs, with particular attention being paid to ensuring that standards do not drop as a result.

6. Ensure that trade agreements are effective and consistent with European policies for the sustainable development of the territories and on sanitary and phytosanitary matters

Promote the European model of agricultural production

- **Promote the European model of agricultural production among third countries in international bodies and in all EU trade negotiations.** Examples of this include: eliminating antibiotics as growth promoters, reducing the use of crop inputs, improving the conditions in which livestock is raised) and recognizing the legitimacy of economic, environmental and social goals (including with regard to employment and living conditions in the territories) to which this model contributes.
- Seek in the agreement commitments to **bring third country agricultural practices in line with** EU practices for their exports to the EU in order to preserve European collective preferences and reduce distortions of competition.
- In order to preserve the European agricultural model in terms of sustainable development, establish parameters for access to the European internal market as part of the **single pocket** approach corresponding to the maximum cumulated amount of access to the sustainable market for each sector in Europe for a given period.

Call for sanitary and phytosanitary (SPS) standards to be applied rigorously

- Continue France's efforts within European bodies to ensure that the principle that 'any product entering the EU must respect the rules of the internal market' is applied rigorously, in particular effective compliance with SPS standards.

- Ensure that the constraints resulting from our collective preferences in environmental, sanitary and phytosanitary matters are taken into account in the best way possible in the trade negotiations.
- **Achieve a systematic commitment in all agreements regarding the effective application of international standards:** automatic recognition of the official statutes adopted by the World Organisation for Animal Health (OIE), granting of pre-listing to the exporting party (the possibility of exporting without carrying out a prior inspection of the company thanks to recognition, where appropriate, of the health surveillance system, and regionalization within the framework provided by the OIE).

Step-up the fight against fraud and ensure that all imports effectively comply with European standards

- **Strengthen EU controls, including by substantially strengthening the Commission teams (DG Health) dedicated to audits in third countries** in order to ensure compliance with the commitments of countries. Request the possibility for Member States **to participate as experts**, at their own expense, in EU audits in third countries.
- **Strengthen the follow-up of EU measures for non-compliance in third countries** and ask the Commission to continue to publish audit reports and follow-up measures, to which Member States could react, and, if necessary, they could request that any decisions taken be strengthened or relaxed.
- **Strengthen the European Commission's anti-fraud strategy**, ensuring that controls are harmonized regardless of the point of entry of goods into the EU, and advocate enhanced cooperation between DG OLAF and DG TAXUD. This goal could be achieved by **bolstering the specific resources of the commercial fraud division of the European Anti-Fraud Office (OLAF)** to increase the frequency of joint customs operations and to consider more robust detection, through broader competencies, of commercial frauds flows at the EU's external borders.
- Promote, in this context, the **establishment of a European investigation and control force to tackle food fraud** so as to guarantee food safety and to ensure compliance with quality standards throughout Europe. France will propose the model of the National Investigation Service (NIS) of the Directorate-General for Competition, Consumer Affairs and Prevention of Fraud (DGCCRF) within the Ministry of Economic Affairs and Finance (MEF) or of the Veterinary and Phytosanitary Investigation Brigade. This force would intervene on issues of both economic and health fraud (both of which could be linked) and it would have the advantage of being able to be deployed rapidly and of taking consistent action for consumer and market protection. It would draw upon economic competencies that would be complemented by legal and technical competencies related to food issues.

Improve consumer information

- Request at the European level **an origin labelling scheme for meat and dairy products found in food**, like the current food labelling experiment being carried out in France. The extension of this experiment to the whole of the EU will be requested in 2018, following an assessment of the French scheme. This obligation would complement the one already in force in Europe for raw meat.
- **Promote existing French and European consumer information systems on meat** (labels, origin, certificates and so on) in order to ensure that Canadian products offer the same guarantees. Initiate a discussion with the European Commission with a view to improving the clarity of labelling and other sources of information, particularly with regard to products derived from the use of **new genetic engineering techniques, known as 'New Breeding Techniques' (NBT)**, the regulatory status of which will have to be clarified in the light of the European Court of Justice ruling, which is due to be issued in the first six months of 2018, and of the views of the French High Council for Biotechnology and of the French Agency for Food, Environmental and Occupational Health and Safety (ANSES). The stance of the Government of France is that all organisms derived from site-directed mutagenesis techniques, for which it has not yet been proven that they have the same level of safety as conventional mutagenesis techniques, should be treated as genetically modified organisms.

Strengthen sanitary and phytosanitary (SPS) discipline

- **Ensure balanced negotiations on the opening of the European market in the field of SPS**, i.e. removing discriminatory barriers imposed by third countries on European products as a precondition for their exports. As part of the **regulatory procedure to authorize the importation of products from third countries**, improve European coordination to better take into account the health barriers erected by third countries before authorizing access to the European market for agricultural and agri-food products from these countries, and use tools such as the WTO Dispute Settlement mechanism or the European Trade Barriers Regulation (TBR) to address such discrimination.
- In order to **guarantee a level playing field and the sustainability of European sectors**, introduce effective safeguard clauses allowing, if necessary, the effective suspension of flows that have a destabilizing impact on sensitive sectors, introduce conditionalities related to the conditions of competition, and call for **the introduction of identical measures in European regulations** to ensure the same protection for consumers regardless of the origin of products and to prevent economic distortions for European operators.
- **Propose to Canada a mechanism for sharing information and databases on genetic modifications made to plant and animal genomes**, such information is key for the implementation of a detection mechanism.
- **Involve the European Network of GMO Laboratories so that it can establish common detection and traceability standards** for these products at the European level in the light of the new techniques available.

7. Accompany trade negotiations with complementary measures in relation to partner countries to support sustainable development

- On the basis of comprehensive impact assessments, consider **establishing, as appropriate, European measures in addition to trade agreements** (i) to support sectors adversely affected by the opening-up of trade as a result of the agreement and (ii) to reduce and offset additional greenhouse gas and air pollutant emissions in the shipping and air transport sectors between the parties to the agreement.
- Strengthen **regulatory cooperation** on sustainable development issues in the context of FTAs by taking a differentiated approach according to the level of development, and climate and environmental ambition of our partners:
 - With countries with a similar level of development and with a satisfactory level of ambition in their environmental and climate policies, focus cooperation on developing common standards through the competent international bodies on trade and development and environmental issues (for example, shipping, energy efficiency, carbon content evaluation of goods).
 - With countries with lower levels of development and less ambitious environmental policies, focus regulatory cooperation on strengthening national environmental and social policies and strengthening implementation capacity.
- With developing countries, focus European Aid for Trade programs on the implementation of negotiated agreements.
- Initiate **enhanced cooperation** on the environment and tackling climate change with trade partners that have an FTA with the EU.

On agricultural issues

- Continue and enhance **agricultural cooperation** with third countries, with whom FTAs will be negotiated in the future to improve agricultural practices, in particular by promoting reasonable use of veterinary medicines and agricultural inputs (pesticides and so on), as well as improving animal welfare.

On social issues

- **Better take into account the changes in the assignment of work that may result from the trade agreements on the labour market** with active employment policies at the European level in support of free-trade negotiations.
- **Increase the effectiveness of the European Globalisation Adjustment Fund (EGF).** In this regard, France will push the following areas of reform: make access to the EGF easier for the sectors identified during the trade negotiations as being the most affected; focus EGF resources on SMEs, gradually lowering the current requirement of having 500 redundancies in order to be able to benefit from the Fund; make the EGF more responsive to ensure that its contribution is taken into account when negotiating employment protection plans by, inter alia, clarifying the criteria or even re-examining the EGF's 'special instrument' status.