

Dods EU Monitoring Alerts for 10/06/2016

Briefing | EP Intergroup on Animal Welfare - International trade and animal welfare

Dods - Debate Summary

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Subject: International trade and animal welfare

Date: June 9 2016

On June 9, the European Parliament Intergroup on the Welfare and Conservation of Animals held a debate on international trade and animal welfare. Please find a summary of the debate below.

Prior to the meeting, the Intergroup met in a closed session and elected Sirpa Pietikäinen (EPP, FI) as its new President.

Jan Walter, Project Leader for Trade and Animal Welfare, Eurogroup for Animals, began his presentations by noting that animal welfare issues are not confined to western civilisations or the 20th century. He then explained that his presentation would focus on farm animals.

He stated that legal external EU trade flows in animals and animal products were worth EUR 100 billion in 2015, noting that for illegal trade it goes further. Speaking about the fact that animal welfare that can be seen as a protectionist measure, he explained that there is an internal legitimacy for animal welfare measures. There is also international recognition for such measures within the WTO and OIE, provided they are carried out in a certain way.

Animal welfare requirements are often contrasted in a negative ways with competitiveness, he said, countering that a level playing field is needed otherwise the market fails. Animal welfare measures can be a comparative advantage for business thanks to recognised quality and labelling. He explained that when he speaks with EU trade negotiators, they tell him that whenever there is a debate on animal welfare, the EU's trading partners argue that the EU is trying to impose its views and values on third countries. He noted that animal welfare is a principle value of the EU and is embedded in the Treaty so there is a legitimacy to include this within trade negotiations. He added that the EU is not imposing its values for products consumed in the third country, but asks that products consumed in the EU respect some level of protection. It can be done through assistance to third countries.

The internal legitimacy to enact animal welfare standard in the EU stands from an EU wide consensus de jure and de facto : Article 13 of the Lisbon Treaty and the Eurobarometer on animal welfare (March

2016) which showed that 93% of EU citizens want imported product to respect EU animal welfare standards.

He then explained that there are two points where animal welfare needs to be supported in order to have value in a free trade agreement (FTA).

- Regulatory aspects: standards need to be negotiated in a way where there is a possibility to improve standards in third countries;
- Market access: if you do not tackle the regulatory part in a good way and you go forward with allowing higher amounts of substandard products coming from other countries, you are undermining the EU standards and foregoing the opportunity to incentivise trading partners;

What is needed, he said, is to find a balance between regulation, market access and technical assistance. He pointed out that the EU should not ask third countries to implement specific standards; technical assistance can be put in place to help the countries reach the ultimate goal, which is to improve animal welfare.

He then mentioned the state of current negotiations. Regarding TTIP, he explained that as it currently stands, the American position, and even the European proposal, do not cut it. For animal welfare in farming, there are deficiencies in the EU proposal, he noted, saying that it will not lead to improved animal welfare in the US but it will threaten the progress made in the EU. On market access, the concept of conditional liberalisation of quotas for sensitive products in case of compliance with animal welfare was introduced in TTIP and Mercosur, which is a good point. However, the US is not looking at this favourably and it would only concern a very small range of products. On CETA, he said that, unfortunately, the regulatory part and market access part are not taken care of. On Turkey, he pointed out that there is a specific problem of live transport. He noted that Turkey incentivises EU producers not to export animal products but to export live animals. He hoped that the negotiations, which will start in 2017, would help.

Dr Joanna Swabe, EU Executive Director, Humane Society International-Europe, focused her intervention on wildlife in trade policy. She explained that the Humane Society International (HSI) has a very long history on working on trade policy. They regard FTAs as another instrument to improve lives of animal. FTAs do not only have an impact on farm animal but also on wildlife, animal testing and so on. She added that she does want to see the advances made in the EU to be undermined by FTAs.

She pointed out that, despite being critically important for ecosystems and the survival of the planet, wildlife is under threat because of illegal trade and habitat loss. The amplified trade flows increase the pressure on wildlife. The simplification of trade provides legal access for trade but also for illegal wildlife products. Fortunately, she explained, FTAs also provide an opportunity to address those threats because the partners can work together to achieve common goals. She said that she believes that progress on wildlife conservation is possible only if there is strong commitment from parties, if there are sufficient resources to fulfil commitments and if partners enforce commitments through binding dispute settlement mechanisms.

She explained that it is crucial that FTAs require that parties make robust commitment. She noted that the environment chapter of Trans-Pacific Partnership (TPP) provides a good starting point. It calls for the implementation of wildlife protection, specific protection of targeted species, the fight against IUU, prohibition of harmful fishing subsidies, combatting illegal wildlife trade and opportunities for public participation. The EU must show leadership and increase protection in future FTAs, she argued.

She then noted that CITES does not cover all illegal wildlife trade and national protection can be poorly enforced so animals can be smuggled into legal international trade flows. Developing countries often have the desire to protect wildlife but lack the resources. FTAs are a tool to channel resources. She gave the example of the US Congress that appropriated funds for wildlife protection in certain FTAs through trade capacity programmes. In 2005, for example, HSI received a State Department grant for the Dominican Republic-Central America FTA (CAFTA-DR) for training for law enforcement, promotional campaigns and the promotion of ecotourism.

As far as the EU is concerned, she explained that the EU-Vietnam FTA is a step in the right direction, though it is not as comprehensive as TPP, it mentions awareness campaigns and the fight against IUU fisheries. It is the best developed EU FTA so far for wildlife. She added that FTAs must provide the sufficient resources for trade capacity building. Partners must design a step by step implementation programme. Accountability is also key for progress onwards objectives. EU FTAs must provide for these types of work programmes.

She then mentioned dispute settlement to help enforcement. For her, all obligations including wildlife conservation must be made binding with a dispute settlement mechanism. This is critically important, she pointed out, adding that TPP provides a very good example of this model.

Jerome Larosch, Trade Counsellor, the Netherlands Permanent Representation to the EU, explained that it is trade that connects the EU to production from third countries. It is the primary way in which EU society is connected to production abroad so trade is one of the natural angles to regulate animal welfare. Trade policy opens opportunities. He noted that progress in the WTO has not been very impressive but highlighted the importance of not forgetting the multilateral track.

In the past few years, there has been an explosion of the bilateral trade agenda of the EU, but also of other partners. In the course of this, animal welfare has gained an importance. In the EU, for example, all mandates given by the Council have provisions on animal welfare and call on the Commission to include animal welfare in FTAs negotiated. FTAs are a tool that can and should be used to the advance of animal welfare.

Talking about the challenges of this, he explained that it takes two to tango. The EU has to convince its negotiating partners to sign up to commitments on animal welfare. Everything agreed should be enforceable, which is in line with the Dutch government's position. However, it is also important to keep a line on the limitations of these negotiations. It is up to the Council, the European Commission and the European Parliament to weigh all the pros and cons of these agreements and to see to what extent provisions on animal welfare are sufficient to sign up the deal as a whole. He added that it is important

to keep pushing the agenda in the FAO and OIE to move animal welfare multilaterally forward because, for him, it is in these fora that the most progress can be made.

He then talked about the reasons for the EU's partners' hesitance. Firstly, there is the fear of disguised or undisguised protectionism from the EU. Trading partners see European animal welfare demands as new barriers to their products in the EU market that nullify European concession to tariffs. There is also the argument of extraterritoriality and the EU trying to impose its views in FTAs. He did not think the EU should shy away from that because some of the things the Union is trying to pursue have extraterritorial implications. There is also still a gap between the EU population and the EU consumer when it comes to animal welfare and it is something that everyone should be aware of. The behaviour of consumers is not in line with what EU citizens claim to value.

Moreover, he added that there is a difference between animal welfare regulations and the actual welfare of animals in third countries. The EU has to make sure to build more evidence on the actual state of play in third countries. Indeed, during negotiations, they often confront negotiators with argumentations that animal welfare problems are not as severe as they are in Europe because of intensive farming. To refute that, the EU needs to collect facts.

He also said that more awareness about these issues is needed outside the EU, but also inside the EU. Member States are not as aligned on this issue as one would hope. There are differences of view of how important animal welfare is and how it should be addressed in trade negotiations. This is one of the reasons why it is important to keep pushing for multilateral rule-making. If the EU engages third countries through WTO and OIE, it creates a solid basis to then integrate provisions in trade negotiations. For him, the preferred route is to try to push animal welfare rules through our bilateral FTAs.

Finally, talking about the positive impact FTAs could have on animal welfare, he said that it is important to be conscious of not treating animal welfare merely as a competition tool or else third countries will think the EU is trying to use this as an economic instrument. In the way we present issue, we often emphasise the level playing field question too much to be effective, he pointed out. If the EU really feels that animal welfare is a value that is important, then it has to be ready to also invest financially to further animal welfare in third countries. FTAs look like they are a free tool of enforcing animal welfare rules in exchange of access to the European market, but in fact, they are not that free. He argued that it is important to keep in mind the need for an incentive-based approach if the EU wants to achieve results.

Sirpa Pietikäinen (EPP, FI) underlined the difference between rules and implementation not only in third countries but also in the EU. The looser we are in our implementation the harder it will be to push it in third countries, she argued.

Keith Taylor (Greens/EFA, UK) noted that some panellists talked about technical assistance but pointed out that animal welfare standards are confined in the sustainable chapter. For as long as the INTA Committee is not really terribly interested in animal welfare issues, what hope is there?

Isabella De Monte (S&D, IT) asked the panellists what they think about the TTIP offers and proposals. Are they acceptable? On wildlife, she noted that Vietnam is an example of a good agreement, before asking what rules would be appropriate for a desirable minimum standard in agreements of this kind.

Anja Hazekamp (GUE/NGL, NL) noted that Mr Larosch said that there is a gap between consumers and citizens. She wondered if this is not due to the fact that there is no sufficient labelling. She then explained that everything looks nice in theory but when one looks at what is happening in practice with the association agreement with Ukraine or the negotiations of the FTA with Japan, things are different. She heard the Commission say that whaling is not really an issue in the FTA with Japan, even after the resolution voted in the European Parliament in 2012. How can we tackle this issue without making short-term economic interests more important than animal welfare?

Stefan Eck (GUE/NGL, DE) argued that it is a good idea to include animal welfare issues in trade agreements but on the other hand, they should first look at what is going on inside EU. Only 0.1% of the CAP is used for animal welfare. Before looking at the dirt at the door of your neighbour, you need to look at the dirt at your own door, he stated.

Jan Walter, Project Leader for Trade and Animal Welfare, Eurogroup for Animals, agreed with the MEPs, implementation is key. On Mr Taylor's question on the INTA Committee not being interested, he stated that the only MEP who is both a member of the INTA Committee and of the Intergroup is Mr Martin. Eurogroup for animals is trying to work with INTA Members to improve the situation. There are some examples in the Beghin report that animal welfare is increasingly on the radar of the INTA Committee.

On agreements with third countries, it is important to have a positive approach in negotiations, he said. The EU must know what it wants. The agreements need to enable implementation of what is agreed to through assistance, funding and incentives.

On TTIP and farm animals, he said that the European Commission's proposal should be improved. On wildlife, what is important is the enforcement mechanism and information on this is not yet available.

On whaling and it not being part of the Japan FTA, he noted that with Commissioner De Gucht, the EU entered a new generation of in-depth and comprehensive FTAs. Why would animal welfare not be part of negotiations?

Dr Joanna Swabe, EU Executive Director, Humane Society International-Europe, noted that each FTA has to be seen in the context of the country with which the EU is negotiating. In the context of TTIP, the bar should be higher because it is a developed country. TTIP proposals do go further than any other SPS chapter because they are not only looking at slaughter side. The problem is that the United States does not regard animal welfare as an SPS issue. They may want to see this in other chapters. They consider that SPS measures deal only with animal health and they do not see the link with animal welfare. It is the same thing with dispute settlements. The US wants it for the sustainable chapter, like they have for TPP, but the EU is not in favour of it. On this, she said that the HSI agrees with the United States' position.

She then agreed with the previous speakers and said that if the EU tries to impose equivalence to imports then it needs to insure that EU rules are being properly enforced and implemented, otherwise it weakens the Union's position.

On whaling, she said that the Commission does not seem to raise this question with Japan because it considers that the EU is not trading in whale products.

Jerome Larosch, Trade Counsellor, Dutch Permanent Representation to the EU, replied to Ms Hazekamp on labelling. He said that the answer is obvious: of course labelling can play a vital part, but there are two challenges. First, the EU has not behaved well in trying to trim the forest of different labels so far; there are cluttered packages, which does not make it easy for consumers. Second, once the EU moves away from a voluntary to compulsory scheme, then it enters the scope of WTO rules. This is why it is important to keep pushing for the development of multilateral rules.

On TTIP, he explained that SPS agreements are enforceable in the WTO dispute settlement mechanism and that is why the US is hesitant on including animal welfare in the SPS chapter. He said that he hopes that over time jurisprudence in the WTO will slowly but surely solve this issue.

Finally, he pointed out that the EU must have its own house in order. There are more opportunities to be seized if the EU directs subsidies towards a compensation for production costs related to high animal welfare protection.

Sirpa Pietikäinen (EPP, FI) thanked all the panellists. She then said that the Intergroup would come back to the question of the CAP and subsidies in the context of the mid-term review.

For any question, please contact the Dods EU Monitoring Team Monday to Friday;
eumonitoring@dods.eu; Tel:+32 2 741 82 15