

Management plan 2022

Directorate-General for Trade

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INTRODUCTION

EU Trade policy is an exclusive EU competence allowing the EU to act with one voice on the global stage and effectively pursue its interests. The European Commission's Directorate-General for Trade (DG Trade) develops and implements the EU's trade policy in order to help secure prosperity, solidarity and security in Europe and around the globe. Trade policy must deliver sustainable growth and jobs, investment and innovation, and seek to improve conditions for EU citizens, consumers, workers and self-employed, small, medium and large businesses, and the poorest in developing countries. It does so in line with the principles and objectives of the Union's external action and with the external objectives of EU internal policies, while being consistent with the European social model and values, and the climate and environmental objectives.

The EU is the world trade's biggest market, being the first exporting block for 80 countries and has the largest network of trade agreements with 46 agreements with 78 countries. EU trade policy opens up opportunities and access for EU companies to sell their goods and services around the world. It is essential for the European economy as it supports growth and employment. Trade is more important for EU employment than ever: 38 million European jobs in the EU are supported by exports to third countries. That is an increase of 9 million jobs in one decade¹. However, trade is more than simply the exchange of goods and services. It is also a strategic asset for Europe. It allows the EU to build partnerships, protect the EU market from unfair practices and promote EU values and standards and to contribute to the EU's efforts to pursue its top priorities - the green and digital transitions.

The international context in which trade policy is operating continues to be challenging. It is affected by several trends such as the rise of geo-strategic rivalries between the United States and China, the increasing resort to unilateral measures and economic nationalism, and the crisis of the multilateral trading system and in particular of the World Trade Organisation. These trends, already apparent in the recent past, are further being exacerbated by the Covid-19 crisis. Trade policy has played a role in managing the immediate health crisis and notably in ensuring that supply chains are maintained to ramp up production. Trade policy will continue to have a decisive role to play in the economic recovery coming out of the crisis, particularly in terms of generating economic growth and jobs. As such, trade policy will support the objective of building the EU's open strategic autonomy.

In February 2021, the European Commission set out its trade strategy for the coming years with the adoption of its *Trade Policy Review - An Open, Sustainable and Assertive Trade Policy*². Reflecting the concept of open strategic autonomy, it builds on the EU's openness to contribute to economic recovery through support for the green and digital transformations, and on a renewed focus on strengthening multilateralism and reforming global trade rules to ensure that they are fair and sustainable. The Communication

¹ https://publications.jrc.ec.europa.eu/repository/handle/JRC126043

² https://trade.ec.europa.eu/doclib/docs/2021/february/tradoc 159438.pdf

emphasises the importance of openness, sustainability and assertiveness in the EU's trade policy. In this regard, it underlines the benefits of active and open engagement with the EU's trading partners multilaterally, plurilaterally and bilaterally, including negotiating and successfully concluding trade agreements. Finally, it puts a particular focus on supporting the fundamental transformation of the EU's economy to a climate-neutral one and, announces that, where necessary, the EU will take a more assertive stance in defending its interests and values, including through new tools.

Speaking about the new strategy, Executive Vice-President and Commissioner for Trade Valdis **Dombrovskis** said: "The challenges we face require a new strategy for EU trade policy. We need open, rules-based trade to help restore growth and job creation post-COVID-19. Equally, trade policy must fully support the green and digital transformations of our economy and lead global efforts to reform the World Trade Organisation. It should also give us the tools to defend ourselves when we face unfair trade practices. We are pursuing a course that is open, strategic and assertive, emphasising the EU's ability to make its own choices and shape the world around it through leadership and engagement, reflecting our strategic interests and values."

This management plan sets out how DG Trade will pursue an ambitious agenda in 2022. As set out in its Strategic Plan 2020-2024, DG Trade will pursue its DG specific objectives mainly under two of the Commission's general objectives, an economy that works for people and a stronger Europe in the world. These specific objectives, together with their link to the general objectives are set out in the figure below.

A stronger Europe in the world

Specific objective 1: Lead the reform of the World Trade Organisation to preserve rulesbased trade

Upholding a stable and predictable trading environment, and pursuing the reform and strengthening of the World Trade Organisation

An economy that works for people

Specific objective 2: Creating opportunities for European businesses through new and existing negotiations and an additional effort to monitor and improve the implementation and compliance of existing trade agreements

Opening markets and creating opportunities for EU companies by implementing existing agreements, assertively pursuing our values and interests, enforcing our rights, and negotiating new deals when the conditions are right

Specific objective 3: Protecting EU companies and citizens from unfair trade and investment by making full use of existing Trade Defence Instruments, developing new tools and focusing on enforcement of existing commitments at an EU or international level

Ensuring fair and open trade by pursuing mutually beneficial trading conditions and combatting unfair competition internally and in third countries

Specific objective 4: Ensuring trade policy is sustainable by effectively contributing to a wider set of EU policy goals, such as the Green Deal, adherence to international commitments on labour and the environment, gender and sustainable supply chains

Deploying trade measures to contribute to sustainability, including the achievement of Sustainable Development Goals (SDGs) by 2030, the fight against climate change, biodiversity loss, deforestation and other relevant global environmental priorities outlined in the Commission's European Green Deal as well promoting internationally agreed labour standards and human rights

Specific objective 5: Improve the acceptance and understanding of EU trade policy, in particular, by ensuring that it is pursued in an open, inclusive and transparent manner

More engagement and better communication with the European Parliament, the Council and civil society ensuring that trade policy responds to citizens' concerns

PART 1. Delivering on the Commission's priorities: main outputs for 2022

As reflected in the Commission Work Programme 2022, trade policy will contribute to delivering on the Commission's priorities in 2022:

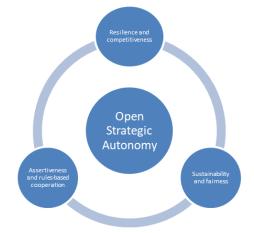
- Making Europe stronger together: To strengthen the Union's global leadership role, in areas including the response to the pandemic, climate action and biodiversity, promoting a strong, open and fair trade agenda, and upholding the rules-based global order.

DG Trade will also contribute to other Commission priorities in support of the green and digital transitions. Trade policy helps spreading green goods and services, and encourages the adoption of climate-friendly policies by others. Multilateral, bilateral and autonomous trade tools will all be used for this purpose. Similarly, trade policy will support *a Europe fit for the digital age* with a particular focus on helping develop global rules for digital trade through WTO negotiations.

To achieve this, DG Trade will seek to deliver in a number of key areas in 2022.

As outlined in the *Trade Policy Review - An Open, Sustainable and Assertive Trade Policy* the Commission adopted in February 2021, the EU's trade policy needs to focus on three core objectives for the medium term in order to support EU's open strategic autonomy:

First, supporting the recovery and fundamental transformation of the EU economy in line with its green and digital objectives.



Second, shaping global rules for a more sustainable and fairer globalisation.

Third, increasing the EU's capacity to pursue its interests and enforce its rights, including autonomously where needed.

To deliver the three objectives outlined above, the Commission will focus on six areas:



Specific objective 1: Lead the reform of the World Trade Organisation to preserve rules-based trade

Upholding a stable and predictable trading environment, and pursuing the reform and strengthening of the World Trade Organisation

The World Trade Organisation (WTO) has provided a stable and predictable trading environment since its establishment in 1995, allowing for a massive expansion of global trade, whilst providing a framework for settling trade disputes through adjudication.

However, it is currently facing a crisis where it is failing to provide negotiating outcomes that deal with the challenges of global trade. Following the postponement of the WTO's 12th Ministerial Conference (MC12) due to the Covid-19 pandemic, in 2022 the Commission will work towards the conclusion of a successful conference in order to drive reform of the WTO across all its functions with the aim to:

- Make it easier to negotiate new agreements to respond to important trade issues;
- Find a lasting solution to the current Appellate Body situation;
- Make the WTO's monitoring of its members' trade policies more effective by increasing transparency of members' trade practices and improving how the WTO's committees work.

DG Trade will continue to give impetus to the WTO reform also in other international organisations and fora, such as the Organisation for Economic Co-operation and Development (OECD), the G20 and the G7.

This specific objective is thus contributing to the Commission's general objective *A stronger Europe in the world*.

Despite all efforts to avoid the blockage of the dispute settlement system, WTO Members failed to agree to appoint new members of its Appellate Body, making the dispute settlement system unable to function. In 2022, DG Trade will continue its efforts to resolve this situation. Pending a resolution of the situation, the EU has put in place contingency measures as long as the appointments remain blocked – known as the 'Multi-Party Interim Appeal Arbitration Arrangement' (MPIA). The interim arrangements maintain two-tier dispute settlement through arbitration, preventing disputes from becoming blocked. In 2022, work will continue to ensure the success of the MPIA, as long as this interim arrangement is needed.

The Commission has strengthened EU trade instruments. The amended Enforcement Regulation entered into force in February 2021. This revised Regulation will be the EU's third line of defence to enable sanctions in cases of illegal measures and simultaneous blocking of WTO (or bilateral) dispute settlement.



The reform of the WTO will not only support resilient economic recovery from the pandemic, but also sustainability, with advancing the Sustainable Development Goals (SDGs) as a guiding principle. The support of the WTO's new Director-General, appointed in March 2021, will be essential to achieve such results. The EU is committed to this ambitious agenda and is prepared to continue to show constructive leadership in the efforts to reform the WTO.

Specific objective 2: Creating opportunities for European businesses through new and existing negotiations and an additional effort to monitor and improve the implementation and compliance of existing trade agreements

Opening markets and creating opportunities for EU companies by implementing existing agreements, assertively pursuing our values and interests, enforcing our rights, and negotiating new deals when the conditions are right

In line with the Commission's general objective *An economy that works for people*, the EU opens markets by making, implementing and enforcing trade deals with partner countries or regions. Building on the multilateral trading system and the EU's broad network of trade and investment agreements with countries outside the Union, the EU creates opportunities for EU businesses and workers, including for Small and Medium-sized Enterprises (SMEs), and enhances the resilience and robustness of the EU's economy. EU exports supported almost 38 million jobs in the EU in 2019, up from 29 million in 2010. The EU economy equally relies on imports, providing access to critical raw materials and other inputs to EU companies, and access to innovative and diverse products at competitive prices to EU consumers.

The multilateral and plurilateral agenda

In 2022, the Commission will work towards the holding and conclusion of a successful MC12 to drive forward negotiations in the WTO in order to demonstrate the organisation's ability to create new rules to address 21st century challenges.

The Covid-19 crisis has accelerated the digital transformation of the economy, highlighting the importance of digital trade, and its role in facilitating global value chains and developing innovative products and services. DG Trade will continue to actively participate and shape the plurilateral WTO e-commerce negotiations that currently cover more than 80 WTO Members. The aim is to agree on modern, global rules for digital trade. Such plurilateral agreement would help to harness the full potential of data, tackle trade barriers, improve market access in goods and services and enhance consumer and business trust in the online environment, in full respect of the EU's personal data protection framework.

Following the successful conclusion of the plurilateral negotiations on **domestic regulation in services** on 2 December among a group of 67 WTO Members, DG Trade will work with other participants to incorporate the outcome of their work in their respective schedules of specific commitments.

The Council adopted in October 2019 the negotiation directives for the WTO negotiation on **Investment Facilitation for Development**. Following the commitment by currently 105 WTO Members to work towards a multilateral Agreement, DG Trade will continue its efforts to achieve this objective ahead of MC13.

Work on the WTO negotiations on fisheries subsidies will continue in 2022. DG Trade will work on all parts of the negotiations, in cooperation with DG MARE, stressing the importance of delivering on the mandate by MC12, once scheduled. This means prohibiting subsidies which actually contribute to overcapacity and overfishing, as well as eliminating any subsidies to vessels engaged in illegal, unreported and unregulated fishing.

DG Trade will continue to participate actively in ensuring the correct implementation of the WTO Government Procurement Agreement (GPA), as well as supporting its expansion to new members. This agreement provides a higher level of clarity and transparency and guarantees equal footing to suppliers, supplies and services originating in GPA Parties in procurement procedures.

With the expansion of the Information Technology Agreement (ITA) on tariffs, which provides duty-free access to IT products now finalised, the focus in 2022 will be on encouraging other WTO members to join the ITA-2, ensuring the effective implementation of the agreement by other parties.

DG Trade will work towards concluding an agreement on the WTO response to the COVID-19 pandemic in the form of a Ministerial Declaration. The proposal on a trade and health initiative put forward in the WTO in November 2020 by the EU and 12 other like-minded co-sponsors constitutes a meaningful contribution to that Declaration. The EU will also aim at agreeing with other WTO members on an Action Plan which would be intended to elaborate best practices and recommendations on the basis of shared experiences during the pandemic in areas such as transparency, export restrictions, trade facilitation, and international collaboration of the WTO with other organizations. The Ministerial Declaration would also incorporate any outcome of the discussions in the TRIPS Council on the waiver of certain provisions related to the trade aspects of intellectual property protection in the TRIPS agreement.

DG Trade will support the implementation of the commitments taken in the three plurilateral statements relevant to advance the trade and environmental/climate agenda adopted in December 2021. The statements on Environmental Sustainability, on Fossil Fuel Subsidy Reform and on Plastics Pollution and Sustainable Plastics Trade will ensure the revitalisation of multilateral work on climate and environment issues in the WTO with a clear roadmap towards the 13th Ministerial Meeting of the WTO.

Following the restart of work in the Trilateral process, the Commission will work jointly with representatives of the United States and Japan to tackle market-distortive policies and practices that are currently not sufficiently addressed by WTO rules. This will include work on the development of new rules, including regarding industrial subsidies and state-owned enterprises, as well as information sharing and potential coordination of domestic measures.

On 20 March 2018, the Council adopted the Commission's recommendation to open negotiations to set up a **Multilateral Investment Court**, which would be a permanent body to decide on investment disputes. This court would replace the Investment Court System (ICS) currently contained in the EU's bilateral agreements and the Investor-State Dispute Settlement arrangements that exist in current bilateral investment treaties to which our Member States are party. Discussions are taking place in the United Nations Commission on International Trade Law (UNCITRAL) and the EU has made submissions, which are now the basis for negotiations. Work on drafting the provisions of the convention establishing the Court will continue into 2022.

Since 2019, the Commission has played an active part in setting the agenda for the modernisation process of the **Energy Charter Treaty (ECT)**, a multilateral agreement covering several policy areas related to energy. The Commission is committed to using the modernisation process to bring the investment protection provisions in line with the standards developed under the new investment policy of the European Union since CETA. In addition, the Commission aims to reflect better sustainable energy objectives and to contribute to the objectives of the Paris Agreement. In 2022, work on ECT will increase and become more complex, due to need to prepare negotiation text of ECT modernisation and an increased outreach to other Contracting parties.

EU-US relations

The EU and the **United States**³ have the largest bilateral trade and investment relationship and enjoy the most integrated economic relationship between major players in the world. Although overtaken by China in 2021 as the largest EU import source for goods, the US remains the EU's largest overall trade and investment partner by far. We are committed to developing a positive transatlantic trade agenda. A key outcome of the EU-US June 2021 Summit, the Trade and Technology Council (TTC) held its inaugural meeting in Pittsburgh on 29 September 2021. It reflects the strong commitment from both sides to work together to grow bilateral trade and investment and coordinate approaches to key global trade, economic and technology issues.

The work takes place in 10 working groups that focus on a wide range of topics such as technology standards, advancing supply chain security, export controls, investment screening, global trade challenges, misuse of technology or promoting SMEs' role in digital and technology trade. The EU is committed to a fully transparent and inclusive process and stakeholder engagement will be a key component of a successful TTC, notably via the centralised TTC platform on "Futurium"⁴. The next meeting of the TTC will be organised in Europe in spring 2022.

"With the US, we will develop our new agenda for global change – from the new Trade and Technology Council to health security and sustainability. The EU and the US will always be stronger – together." President Ursula von der Leyen stated in her speech on the State of the Union (SOTEU) 2021.

In parallel, we will continue our work to solve and prevent bilateral disputes. At the June 2021 Summit, the EU and US agreed to a 5-year truce on the WTO large civil aircraft disputes. A definitive solution on digital services taxation was also found in October 2021. On 1 November, the EU and the US announced their intention to negotiate a Global Arrangement on Sustainable Steel and Aluminium to address global steel overcapacity and to achieve the decarbonisation of the global steel and aluminium. The US has agreed to

³ EU-US trade

⁴ https://futurium.ec.europa.eu/en/EU-US-TTC

remove Section 232 tariffs on EU steel and aluminium exports up to past trade volumes and the EU to suspend the corresponding EU rebalancing measures against the US. Both agreed also to pause the bilateral WTO disputes on steel and aluminium.

Finalising concluded bilateral and regional negotiations

Trade relations with **Mexico** are strong and currently governed by the Global Agreement of 1997. The EU and Mexico reached a political agreement in April 2018 on the negotiations to update their bilateral trade and investment framework and bring it in line with the most ambitious and progressive EU agreements, including comprehensive provisions on labour and environmental protection, climate change, and civil society involvement. For the first time, the agreement includes provisions to prevent and combat corruption in trade and investment. An independent sustainability impact assessment (SIA) was published in January 2020⁵. In 2022, DG Trade will continue to aim to conclude the technical work and internal procedures leading to the signature and conclusion of the agreement.

In 2019, the European Union and Mercosur States - Argentina, Brazil, Paraguay and Uruguay - reached a political agreement on the negotiations for an ambitious, balanced and comprehensive trade agreement⁶. Under this new trade framework, EU companies will benefit from privileged access to a market of over 260 million consumers. EU exporters will gain from progressive tariff cuts that over time will bring European companies yearly savings of more than €4 billion. The agreement will create significant opportunities for sustainable growth in both regions, while promoting high labour and environmental standards and preserving the interests of EU consumers and sensitive economic sectors. The sustainability chapter is amongst the most progressive in any of the EU's trade deals and contains explicit commitments on deforestation and the implementation of the Paris agreement. In 2022, the EU and Mercosur States will continue the legal revision of the text, before it can be translated into all official EU languages and submitted to EU Member States and the European Parliament for approval. Moreover, the Commission will be working with Mercosur to improve the sustainability conditions on the ground including through an additional instrument to address TSD/deforestation concerns in the Amazon region. This will be a critical element on the path towards ratification of the agreement.

Negotiations with **China**⁷ on the stand-alone bilateral investment agreement (CAI) were concluded in principle in December 2020. Technical work will continue in 2022 to prepare the agreement for adoption, but prospects for the ratification will depend on how the political situation evolves.

In June 2019, the EU and **Vietnam** signed the Free Trade Agreement (FTA) and the Investment Protection Agreement. The FTA entered into force on 1 August 2020, while the Investment Protection Agreement still needs to be ratified by EU Member States. The

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⁵ <u>Sustainability Impact Assessments</u>

⁶ EU-Mer<u>cosur Agreement</u>

⁷ <u>EU-China trade</u>

Investment Protection Agreement with **Singapore** also still needs to be ratified by Member States before it can enter into force, while the FTA with Singapore already entered into force on provisional basis on 21 November 2019. With both, Vietnam and Singapore, efforts are now focusing on the timely and full implementation of the FTAs.

The EU and the **Kyrgyz Republic** initialled an Enhanced Partnership and Cooperation Agreement (EPCA) in 2019. This agreement represents a major improvement on the current Partnership and Cooperation Agreement, in force since 1999 and creates the conditions for a safer business environment for economic operators. DG Trade will work towards the EPCA's signature and ratification in 2022.

On-going negotiations

Following the adoption by the Council on 13 November 2017 of the negotiation directives⁸, the EU launched negotiations with **Chile** to modernise the scope of the existing Association Agreement (2002)⁹, including ambitious, comprehensive and progressive trade provisions. Following the conclusion of technical negotiations in November 2021, the EU will pursue the objective to reach a political agreement in 2022.

In May 2018, the Council authorised opening negotiations for FTA between the EU and **New Zealand**. The position paper on the SIA in support of the negotiations was published in July 2021. The negotiations are ongoing and DG Trade will seek to close them in the course of 2022.

Also in May 2018, the Council authorised opening negotiations for FTA between the EU and **Australia**. The position paper on the SIA in support of the negotiations was published in July 2021. In 2022, DG Trade will continue the negotiations.

The Economic Partnership Agreement between the EU and Japan entered into force in February 2019. The EU stands ready to continue negotiations in 2022 for an **Investment Protection Agreement with Japan**, provided that common ground on Investor-State Dispute Settlement procedures can be found. The EU will assess the need for inclusion of provisions on the free flow of data in line with Article 8.81 of the Economic Partnership Agreement. Should the assessment be positive, the Commission will prepare those negotiations in accordance with Article 218 of the Treaty on the Functioning of the EU.

The Commission also launched negotiations for trade agreements with **Indonesia**¹⁰, **Malaysia**, the **Philippines**¹¹ and **Thailand**. Only negotiations with Indonesia are being actively pursued for the moment, while the other negotiations are paused. The SIA for the negotiations with Indonesia was published in June 2020.

¹⁰ EU-Indonesia trade

⁸ <u>EU-Chile - Negotiation Directives for Modernisation of the Agreement</u>

⁹ <u>EU-Chile trade</u>

¹¹ EU-Philippines trade

In the EU's Southern neighbourhood, the negotiations with **Tunisia**¹² and **Morocco** on Deep and Comprehensive Free Trade Areas (DCFTAs) may resume in 2022, despite the political uncertainties, or talks on options to modernise trade and investment relations.

In 2022, DG Trade will continue working towards the conclusion of negotiations on the trade chapters of Enhanced Partnership and Cooperation Agreement (EPCA) with **Uzbekistan** and on the new agreement with **Azerbaijan**¹³.

In 2021, the EU and the **UK** have started a negotiation concerning Gibraltar. DG Trade will continue contributing to the negotiation of all trade related aspects, including ensuring a level playing field.

Bilateral and plurilateral negotiation rounds will continue in 2022 towards a new framework agreement with **Andorra, San Marino and Monaco**, ensuring, along with the Customs Union established with Andorra and San Marino, their integration in the single market and their alignment with the EU's trade policy.

Africa is the continent with the highest growth potential in the world: by 2050, Africa will represent around 75% of the growth of the global workforce. The continent remains a priority to the EU, which is enhancing sustainable trade and investment links both between the EU and Africa and in Africa itself. DG Trade will work to move forward with the implementation of the Economic Partnership Agreements (EPA) with African regions and countries, and to reinforce them. This will contribute to building resilient value chains and boosting sustainable public and private investment in sectors of mutual interest. The Economic Partnership Agreements continue to be the cornerstone of Africa-EU trade relations and contribute to the on-going African integration projects, including the African Continental Free Trade Agreement (AfCFTA). Upgrading and expanding existing partnerships is part of this priority. Negotiations are ongoing to deepen the existing EPA with five Eastern and Southern African counties (Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe), as part of the new EU-Africa Strategy, outlined in the Joint Communication "Towards a Comprehensive Strategy with Africa", and in line with one of the four headline actions on Africa defined in the Trade Policy Review. A SIA on these negotiations is being carried out and the final report is expected in first quarter of 2022.

The trend of expansion of the existing Economic Partnership Agreements both geographically and thematically will continue in 2022 following the accession to the EU-Pacific EPA of Samoa in 2019 and Solomon Islands in 2020, with on-going negotiations for the accession of Tonga and Timor-Leste in the EU-Pacific EPA and the launch of accession negotiations with **Angola** into the EU-SADC EPA. A SIA on the accession of Angola to the EU-SADC EPA is currently ongoing and the final report is expected in the first quarter of 2022.

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¹² EU-Tunisia trade

¹³ EU-Azerbaijan trade

The Commission has also launched a sustainable investment initiative in Africa that will be rolled out with African partners either in the EPA/DCFTA negotiations or as standalone investment facilitation agreements to improve the investment climate and support sustainable development. The Commission has kicked off a first round of negotiations with Angola for a Sustainable Investment Facilitation Agreement in June 2021. This is the first-ever bilateral agreement on investment facilitation that the EU is negotiating.

The proposal of new bilateral negotiations

The EU remains committed to strengthening the economic partnership with **India**¹⁴. On 8 May 2021, the EU-India Leader's meeting agreed to resume negotiations for a balanced, ambitious, comprehensive and mutually beneficial trade agreement, and to launch separate negotiations for a stand-alone investment protection agreement and an agreement on geographical indications. These negotiations will be linked to finding solutions to long-standing market access problems. Negotiations are expected to be launched early 2022 at the latest and to follow an intense pace.

As stated in the trade policy review, the EU looks forward to the modernisation of its trade and economic relationship with **Turkey**, provided the right conditions are met. The recommendation to open negotiations of an Enhanced Partnership and Cooperation Agreement with **Tajikistan** will be presented to the Council in early 2022 and the negotiations are expected to start in the fourth quarter 2022.

In 2022, DG Trade will continue to work with partners in the Southern Mediterranean region to build on the existing network of Free Trade Areas of the Association Agreements, and will explore interest and feasibility of negotiations on sustainable investment.

An overview of all on-going bilateral negotiations can be found in annex 2.

Effective implementation

The Commission will continue its efforts to **unlock the benefits of the EU's trade agreements**, coupled with **assertive enforcement**, of both its market access and sustainable development commitments (in line with specific objective four), and building on the findings of the evaluation of FTAs already in place. European stakeholders and businesses need to be aware of the opportunities EU trade agreements offer and be confident that they can reap the gains that the EU negotiated.

This will be a critical element of the EU's drive toward open strategic autonomy, and facilitate access to markets, particularly for SMEs. In 2022, DG Trade will work in the following areas:

 Making full use of the opportunities provided by the implementation of trade agreements.

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¹⁴ <u>EU-India trade</u>

- Supporting EU stakeholders and businesses to make the best of the opportunities EU agreements create. The Commission will build on the success of the Access2Markets portal, by integrating further functionalities and the inclusion of services and investment and interlink it with other important information channels¹⁵, especially for SMEs.
- Monitoring the proper implementation and enforcement of the EU's trade agreements and facilitating complaints related to market access barriers and infringements of trade and sustainable development commitments through the Single Entry Point.

DG Trade will carefully monitor the behaviour of its trading partners to quickly prevent or rectify discriminatory or disproportionate barriers to trade. Likewise, through its trade instruments it monitors compliance with relevant international standards for labour rights, climate/environmental protection, and human rights. To that effect, the Commission will continue using and reinforce its implementation and enforcement tools and actions.

Enforcement of the rights stemming from preferential as well as multilateral trading rules may be achieved through technical, diplomatic and political contacts, negotiation, regulatory cooperation or dispute settlement, at the WTO or bilaterally. This includes comments and follow-up to WTO Technical Barriers to Trade and Sanitary and Phytosanitary notifications issued by trading partners.

The enforcement of the EU's multilateral and bilateral rights and obligations is done through dispute settlement in the WTO or through bilateral dispute settlement mechanisms. DG Trade will continue to monitor the compliance of WTO members' with their commitments under the WTO and under FTAs.

The 2022 Commission annual Report on Implementation and enforcement of EU Trade Agreements will report on the above mentioned areas.

In 2022, the Commission will continue to develop new and improved tools that provide practical information for European businesses, in particular SMEs, to make full use of the potential of the agreements and to continue to reach out to stakeholders and the wider public to promote their use:

- Explore more efficient digital systems for trade facilitation and regulatory compliance.
- Extend the Access2Markets Portal online tool to include additional information, such as on services.

¹⁵ Synergies could in particular be explored in other sources of information including the Enterprise Europe Network (EEN), the EU Japan Centre for Industrial Cooperation, the EU SME Centre in China, the European Business Organisation Worldwide Network, European Trade Promotion organisations and the SME IPR Helpdesks.

- Extend the Access2Procurement tool to many more Partner countries allowing EU businesses to assess their rights to participate in procurement tenders in those third countries on an equal footing with domestic suppliers.
- Improve the Rules of Origin Self-Assessment Tool (ROSA) to help companies to correctly apply rules of origin when exporting to third countries.

More specifically, in relation to individual bilateral agreements, DG Trade monitors the implementation of the various agreements that have entered into force or are provisionally applied. In 2022, the Commission will continue to focus on ensuring the smooth and effective implementation of the most recent FTAs (South Korea, Canada, Japan, **Singapore** and **Vietnam**). This includes identifying and following-up on implementation issues, ensuring that committees meetings take place on a regular basis and that their outcomes are promptly followed-up. In 2022, as part of the EU-Japan EPA implementation, the list of protected Geographical Indications will be extended through decisions of the Joint Committee. DG AGRI is responsible for the subject and DG Trade is closely involved. At the same time, DG TRADE, in close cooperation with DG CNECT and DG JUST, will explore the need for inclusion of provisions on data localisation, privacy and personal data protection into the EPA. Under CETA, DG Trade strives to conclude the negotiations on a Mutual Recognition Agreement for architects. This recognition agreement aims at facilitating the recognition of professional qualifications for EU architects in Canada and vice-versa. It would be the first MRA on professional qualifications of the EU under one of its FTAs.

DG Trade will also contribute to building international digital partnerships with the Indo-Pacific region and engage more closely on issues that are relevant for the facilitation of trade, notably with Singapore, Korea and Japan as set out in the Indo Pacific Strategy ¹⁶.

DG Trade will continue to pursue the effective implementation of the Agreements the EU has with **Mexico**, **Chile**, **Colombia/Peru/Ecuador** and **Central America**, including through the management of the respective Committee and specialised committees set up for this purpose, and to monitor and ensure compliance of trade obligations by these countries. DG Trade will continue to promote these Agreements, to conduct joint activities and projects to support these countries' implementation efforts and to continuously assess their impact in both regions.

During 2022, independent experts will finalise an **ex-post review** of the impact of the Agreements with Colombia, Peru and Ecuador and with Central America. In 2022, DG Trade will continue to manage bilateral trade relations with Latin American countries, to develop trade and investment relations with the region and to ensure that WTO trade commitments are respected.

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¹⁶ Joint Communication to the European Parliament and the Council, The EU strategy for cooperation in the Indo-Pacific, JOIN(2021) 24 final

DG Trade will also continue to monitor the implementation of the DCFTAs with **Ukraine**, **Georgia and Moldova** through the respective committees. The review related to "accelerating and broadening the scope of the elimination of customs duties" under Article 29 (4) of the EU-Ukraine Association Agreement and the pre-assessment of the readiness of Ukraine for the final assessment before launching negotiations for an Agreement on Conformity Assessment and Acceptance will continue in 2022. The final independent review for the ex-post evaluation of the trade pillar of the DCFTAs with Georgia and Moldova is expected in 2022 and the one with Ukraine will be launched in 2022.

2021 was the first year of implementation of the Trade and Cooperation Agreement between the EU and the UK. In 2022, DG Trade will continue its active monitoring and enforcement of all of the trade aspects of the agreement, including the level playing field and sustainability chapters. DG Trade will also contribute to ensuring that all the mechanisms and instruments necessary for the effective exercise of the EU rights under the agreement are in place.

DG Trade will continue to engage with **Turkey** to ensure the full implementation of the existing Customs Union and the removal of existing trade barriers.

With **Southern Mediterranean countries**, efforts are ongoing to improve the efficiency of the relevant committees under the Association Agreement to effectively tackle all traderelated issues. DG Trade will continue to engage with these partners to remove traderelated barriers, while also aiming to help them taking better advantage of the existing preferential market access, in particular through trade-related assistance and capacity building. DG Trade will also be working on the implementation of the Joint Declaration of the 11th Union of the Mediterranean Trade Ministerial in November 2020 and on the preparation of the next Ministerial meeting in 2022.

Implementation work on the seven Economic Partnership Agreements (EPAs) with **African, Caribbean and Pacific countries (ACPs)** will continue in 2022, including EPAs with the Eastern and Southern African (ESA) sub-group, the Southern African Development Community (SADC) EPA group, Cameroon, Ghana, Cote d'Ivoire, Cariforum and Pacific EPA countries. This includes the management of the relevant joint institutions, ensuring compliance with EPA commitments, as well as monitoring and evaluation, development cooperation and joint activities and dialogues with state and non-state actors, as well as raising awareness of the partnerships.

DG Trade will continue to implement the 2019 EU strategy on **China**¹⁷ and to intensify bilateral discussions on trade and investment issues covering China's agenda for economic reforms. EU concerns related to overcapacity (particularly on steel), Chinese export controls rules, level-playing field issues, including the subsidisation of the Chinese economy, Chinese investments in the EU, market access, including unjustified barriers to digital trade on

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¹⁷ https://ec.europa.eu/info/sites/default/files/communication-eu-china-a-strategic-outlook.pdf

grounds of data sovereignty and cybersecurity, and intellectual property rights will remain the key priorities in the EU-China trade and investment-related discussions.

The strategic outlook published in March 2019 proposed 10 concrete actions, reflecting a more assertive and multi-faceted EU approach to EU-China bilateral relations. In 2022, DG Trade will continue to be involved in implementing the various actions (e.g. working with the Council and the European Parliament towards adopting the International Procurement Instrument, implementing the recently agreed reforms to the EU's export control regime, implementing the EU Regulation on the screening of foreign investment, intensifying the bilateral investment negotiations, enhancing WTO reform efforts, addressing the distortions generated by foreign subsidies in the internal market, etc.).

Implementation of the strategy also entails following plurilateral and multilateral discussions at the level of G7, G20, the OECD and the WT0, including on issues such as digital trade, overcapacity as well as the International Working Group on export credits. The Commission is also exploring options for an EU export credit strategy, including and EU export credit facility and enhanced coordination of EU financial tools

DG Trade will continue to work on removing trade barriers through our Market Access Partnership with Member States and industry. The removal of barriers in the period 2014 to 2019 created additional export opportunities of more than €5.4 billion in 2020, helping support hundreds of thousands of jobs in the EU − equivalent to the benefits of many of our FTAs. In the wake of the rise in protectionism detected in the Implementation and Enforcement of EU trade agreements report and in order to contribute in bringing the EU economy back on track as a result of Covid-19 outbreak, DG Trade remains committed to reinforce the Partnership, with enhanced prioritisation of actions to remove barriers, strengthened coordination with stakeholders, and wider communication and outreach. For example, DG Trade will continue to organise Market Access Days in Member States with trade experts and industry representatives to identify and overcome the barriers that our companies face in third countries. DG Trade will also use its sectorial dialogues with industry to help improve industry input to its implementation and enforcement work, including through ensuring efficient information flow.

DG Trade will continue to address multilaterally and bilaterally a growing number of regulatory barriers faced by EU exporters. For instance, in the WTO Committees on **Technical Barriers to Trade and Sanitary and Phytosanitary measures**, DG Trade will build on success stories to date and contribute to the withdrawal or modification of trading partners' trade restrictive measures that hamper EU exports. It will also continue to negotiate and effectively implement provisions in the EU's bilateral trade agreements aimed at minimising regulatory barriers by promoting, inter alia, the use of international standards, proportionate conformity assessment procedures as well as transparency and public consultation of proposed regulatory measures.

DG Trade's activities in this area also include its work with the **Sanitary and Phytosanitary** Market Access Working Group on identifying and agreeing on a mid- to

long-term strategy to tackle Sanitary and Phytosanitary measures, the constant improvement of the Market Access Database, including with the access now given to third countries, and the continued financial support to international standard setting organisations (Food and Agriculture Organization (FAO)/International Plant Protection Convention (IPPC), World Health Organization (WHO)/Codex Alimentarius Commission and World Organization for Animal Health (OIE)).

Well-functioning **intellectual property** systems are a key lever to promote investment in innovation and sustainable growth. Intellectual Property Rights infringements worldwide cost European firms billions of euros in lost revenue and put thousands of jobs at risk. These infringements also endanger consumers, public health and the environment and contribute to organised crime. DG Trade will continue to use a range of bilateral and multilateral trade tools to promote solid intellectual property laws and effective enforcement worldwide. It will engage with key trading partners through Intellectual Property Dialogues and Working Groups, as well as through the WTO TRIPS Council, the OECD and other organisations. DG Trade will also continue its engagement in various technical cooperation programmes such as the IP Key cooperation programmes for China, Southeast Asia and Latin America or the four-year cooperation programme for Africa. The 2022 **Counterfeit and Piracy Watch List** will be published in the second half of 2022.

In the area of **public procurement**, DG Trade will continue to promote transparency, good governance and improved market access in third countries. In parallel with and in addition to the EU efforts in bilateral and plurilateral agreements, DG Trade will continue to pursue the establishment of an appropriate EU instrument to ensure the openness of foreign procurement markets for EU companies, goods and services - the **International Procurement Instrument**. This instrument seeks a level playing field in procurement by giving the EU leverage to negotiate better access for EU companies to procurement markets outside the EU. As an ultimate measure, intended to give partner countries an incentive to open their markets, it would allow the EU to restrict access of companies, goods and services to the EU procurement market if they are from a country that is proven to apply restrictive or discriminatory treatment against EU companies. Trilogue discussions have started at the end of 2021 and there is a good chance that the instrument will be adopted within 2022.

In the area of export controls, in 2022, the Commission will work with Member States' authorities to ensure the effective implementation of the modernised **Export Control Regulation¹8** on sensitive dual-use goods and technologies to support secured value chains, promote international security, protect human rights, and ensure a level-playing field for EU exporters. The Commission will in particular prepare a Commission Recommendation on human rights due diligence guidelines, discuss with Member States the possible introduction of EU controls on cyber/emerging technologies, and prepare a

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¹⁸ https://ec.europa.eu/commission/presscorner/detail/en/IP 20 2045

Commission Recommendation on the transparency of licensing decisions. The Commission will also develop the Enforcement Coordination Mechanism.

In line with the new Regulation, the Commission will support the consistent implementation of controls within the EU: it will introduce new functionalities in the Dual-Use Electronic System (DUeS) to support enhanced information exchange (and transparency) with Member States, deploy the EU electronic licensing tool in additional Member States (on demand) and possibly in selected partner countries. The Commission will also develop plans for the interconnection of licensing IT systems with customs IT systems. Also in 2022, the Commission will adopt the regular update of the EU Dual-Use control list, and will continue to steer the activity of the Dual-Use Coordination Group (DUCG) and related technical expert groups. The Commission will also adopt the yearly annual report on the implementation of controls, and promote outreach to stakeholders, e.g. with the organisation of a 2022 Export Control Forum.

Moreover, the Commission will support the global convergence of export controls in cooperation with third countries, e.g. the US under the Trade and Technology Council.

DG Trade will continue to enforce the EU's multilateral and bilateral rights and obligations through the WTO's dispute settlement and through bilateral dispute settlement mechanisms throughout 2022. Bilateral disputes have so far been initiated with Korea, Ukraine, the South African Customs Union (SACU) and Algeria. Of course, with regard to the WTO, the current blockage of the appeal mechanism means that the ability to enforce EU's WTO rights through dispute settlement is at risk, except with respect to those WTO Members that participate in the Multi-party interim appeal arbitration arrangement (MPIA). Following the amendment of the Enforcement Regulation that entered into force in February 2021, the Commission has the power to adopt trade sanctions against those Members who would seek to benefit from the blockage of the appeal mechanism in order to prevent a final adjudication of a dispute initiated by the EU.

Specific objective 3: Protecting EU companies and citizens from unfair trade and investment by making full use of existing Trade Defence Instruments, developing new tools and focusing on enforcement of existing commitments at an EU or international level

Ensuring fair and open trade by pursuing mutually beneficial trading conditions and combatting unfair competition internally and in third countries.

The **Chief Trade Enforcement Officer** will continue to increase the efficiency of DG Trade's work on enforcement by streamlining internal processes, strengthening coordination within the Commission and enhancing consistency and identifying leverage to address breaches with trading partners. Through the centralised contact point-*Single Entry Point* on the Access2Markets portal, the EU-based stakeholders and civil society can bring their complaints about barriers to market access in non-EU countries or when the latter do not comply with commitments they have made on workers' rights, tackling climate change, or the environment. The Single Entry Point is the first point of contact in the complaint system

for anyone who wishes to report a barrier or lack of compliance. This specific objective thus contributes to the Commission's general objective *An economy that works for people*.

The Chief Trade Enforcement Officer's role is to lead efforts across the Commission to strengthen implementation and enforcement, drawing on a range of **available tools**:

- The institutional framework under trade agreements and the WTO to raise concerns
- High-level contacts with partner countries at political level
- Dispute settlement procedures, either under a bilateral agreement or in the WTO
- The updated Enforcement Regulation in cases where dispute settlement is blocked
- The Trade Barriers Regulation, allowing the Commission to investigate specific problems identified by EU companies. Since the 1990s, it has been used 24 times against a range of partners
- Trade defence instruments such as anti-dumping, anti-subsidy and safeguard measures to protect EU stakeholders from unfair practices or sudden surges in trade flows. In 2021, such measures protected more than 445,000 jobs in the EU.

To strengthen the EU's ability to defend itself against coercive measures of others, DG Trade brought forward a proposal in 2021 for a new legal instrument **to enable the EU to deter and counteract coercive actions** by trade partners that is expected to be adopted by the Council and the EP by the end of 2022.

DG Trade will continue to address steel excess capacity internationally, in multilateral fora and its bilateral relations. Negotiations with the United States and other like-minded partners on Global steel and aluminium arrangements to restore market-oriented conditions and address carbon intensity will focus on restoring an economically and environmentally sustainable production of these crucially important materials and contributing to the Green transition. An EU-US technical working group will be established to address, among other things, methodologies for calculating steel and aluminium carbon-intensity and share relevant data. DG Trade will participate and drive the discussions in the G20 mandated Global Forum for Steel Excess Capacity (GFSEC) and in the OECD Steel Committee. DG Trade will represent the Commission in the Council Working Party on Trade Questions on these matters and strengthen policy coordination with Member States.

The Commission stands firm against unfair trade practices. In line with WTO rules, the EU has its own system of **Trade Defence Instruments** to combat unfair trade practices in international trade. The EU is an efficient user of these instruments and applies a number of conditions in addition to WTO rules to ensure their use is measured.

DG Trade will maintain and improve a transparent, efficient and effective system to combat distortions and unfair trade practices. DG Trade will continue to ensure that procedures are followed rigorously and considers all the relevant Union's interests. We will continue to complete investigations, which are subject to the scrutiny of the European Court of Justice and the WTO's Dispute Settlement Body, within the mandatory deadlines and

endeavour to do so even sooner. DG Trade also actively participates in trade defence investigations by non-EU countries against EU Member States with the aim of minimising the cost for EU exporters.

DG Trade will also intensify its efforts to deal with level-playing field issues such as subsidies and the role of State-Owned Enterprises across all sectors, by working closely with other trading partners, as well as in the WTO, the OECD and the G7/G20. DG Trade will also continue to contribute to the work led by the Executive Vice-President for a Europe fit for the Digital Age to put in place a new instrument to address the distortive effects of foreign subsidies in the internal market.

To make sure the EU remains one of the world's most open investment environments and thereby a source of growth and jobs while protecting its security and public order, the EU adopted the screening of foreign direct investment into the EU, in force since October 2020. It enables Member States and the European Commission to identify and address security concerns related to specific investments from outside the EU. This becomes all the more important in the economic context flowing from the COVID-19 crisis, where there is a growing need for investment including in sectors which could give rise to security concerns. DG Trade is responsible for both (1) overseeing the cooperation mechanism between all Member States and the Commission on FDI transactions that may pose a risk to security or public order in the EU and (2) analysing notifications relating to FDI transactions received from Member States pursuant to the FDI Screening Regulation 2019/452. This work is done with a network of contact points in all relevant DGs, which provide expertise from a legal, sectoral and/or specific policy perspective. DG Trade is responsible for proposing decisions on all cases, taking into account the views expressed in the inter-service consultations. In 2022, the Commission will publish its second annual report on the Implementation of the EU FDI Screening Regulation.

Specific objective 4: Ensuring trade policy is sustainable by effectively contributing to a wider set of EU policy goals, such as the Green Deal, adherence to international commitments on labour and the environment, gender and sustainable supply chains

Deploying trade measures to contribute to sustainability, including the achievement of Sustainable Development Goals (SDGs) by 2030, the fight against climate change, biodiversity loss, deforestation and other relevant global environmental priorities outlined in the Commission's European Green Deal as well promoting internationally agreed labour standards and human rights.

In 2022, EU trade policy will continue to contribute to the Treaty objective of **sustainable development in its economic, social and environmental dimensions** both in Europe and in our partner countries, and to boost inclusive and sustainable growth and reduce poverty in developing countries. This specific objective is thus contributing to the Commission's general objectives *A stronger Europe in the world* and *An economy that works for people*.

The EU is a leading player in **supporting sustainable development** and promoting the respect of international environmental standards and core labour standards, including through EU trade policy. The EU and its Member States are fully committed to implementing Agenda 2030 and its Sustainable Development Goals through EU policies.

DG Trade will continue to work with FTA partners to ensure the effective implementation and enforcement of relevant **trade and sustainable development** and **Energy and Raw Materials chapters**, thereby supporting decent work, sustainable management of the environment and the promotion of renewable energy and through avoiding subsidising fossil fuels by prohibiting dual pricing. DG Trade will develop actions that promote the uptake of these provisions. In 2022, DG Trade will undertake an *ex-post* evaluation on key environmental provisions of the EU's trade agreements, including climate.

Joint monitoring actions with other trade partners will continue. Building on the successful pre-implementation initiative for new FTAs, such as Vietnam and Japan, the Commission will pursue such efforts for upcoming ones, to prepare the implementation of the trade and sustainable development chapters from the entry into force of the agreements. The Commission will also pay close attention to core labour standards and in particular to the elimination of child labour in its trading partner countries¹⁹ in line with the zero-tolerance approach outlined in the political guidelines of President Ursula von der Leyen and as part of an overall effort pulling together the different policy areas.

The Commission adopted on 22 September 2021 a proposal for a new regulation reforming the Generalised Scheme of Preferences (GSP), expected to be adopted by the Council and the EP in 2022. As from 1 January 2024, the new regulation will replace the existing one that expires at the end of 2023. This proposal represents the continuation of actions to implement the findings of the GSP mid-term evaluation that was finalised in 2018, and strengthens the sustainability dimension of and civil society's involvement in the GSP, among other aspects. The so-called GSP-hub project started in 2020 focused on increasing engagement, awareness and analysis of GSP-related issues and it will end in the first quarter of 2022.

With regard to the current scheme, this includes the Special Incentive Arrangement for Sustainable Development and Good Governance (GSP+), which offers additional preferences to developing countries that commit themselves to the effective implementation of core international conventions on human rights, labour rights, environmental protection and good governance, and the **Everything But Arms (EBA)** arrangement, which provides duty and quota free access for all goods from Least Developed Countries (LDCs) except arms and ammunition. Through monitoring missions and high level engagement with the beneficiary countries, DG Trade – in cooperation with other

¹⁹ Africa component on the Trade for Decent Work project will focus on activities towards the elimination of child labour in Ivory Coast, Ghana, Madagascar, Mozambique and Cabo Verde in 2021.

Commission services and the EEAS, will continue its enhanced monitoring of the compliance with human and labour rights' obligations in a number of EBA countries in 2022.

In 2022, DG Trade will continue monitoring the implementation of the current scheme, in particular in respect of the effective implementation of the relevant international conventions under the GSP+ arrangements, and updating the list of beneficiaries and graduated partners and products as foreseen in the GSP Regulation. Additionally, DG Trade will publish the final Joint Report on GSP to the European Parliament and the Council at the end of 2022.

In 2021, DG Trade launched the **review of the 2018 15-Point Trade and Sustainable Development Action Plan**²⁰ to make the implementation of trade and sustainable development (TSD) chapters in trade agreements more effective and to improve their enforcement. DG Trade is conducting a **comparative study** looking at how third countries approach the **implementation and enforcement of trade and sustainable development** provisions in trade agreements. The inception report was published in September 2021²¹ and the interim report in early November 2021. The final report will be published in early 2022. The Commission also conducted an open public consultation to gather input on key aspects of the review. Following in-depth discussions on options and suggestions with the European Parliament, Member States and civil society representatives, the Commission intends to publish proposals for improving the scope, implementation and enforcement of TSD chapter before the end of 2022.

Efforts to implement the trade and sustainable development chapters of EU trade and investment agreements will continue to be guided by the priorities established for each partner and will rely on an enhanced partnership with Member States, the European Parliament, international organisations and civil society. Since November 2018, a €3 million Partnership Instrument-funded project supports civil society involvement in the implementation and monitoring of EU trade agreements.

The Commission will pursue a stronger link between trade policy instruments (e.g. Generalised Scheme of Preferences, sustainable development chapters in FTAs) and cooperation with the aim of promoting labour rights and environmental protection, including actions on climate. Under the *Trade for Decent Work* project, dedicated funding will continue to be provided to the International Labour Organization for capacity building on labour rights in key trading partners, including Myanmar and Vietnam.

The Commission will continue to promote sustainable and responsible value chains through a proposal on mandatory **due diligence**, including effective action and enforcement mechanisms to ensure that forced labour does not find a place in the value chains of EU companies. The EU will continue to promote pro-actively due-diligence practices for

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Non-Paper on improving implementation and enforcement of Trade and Sustainable Development chapters in FTAs

²¹ Compar<u>ative Analysis of TSD Provisions for Identification of Best Practices to Support the TSD Review - Inception report (europa.eu)</u>

responsible global value chains. When it comes to trade policy, the EU is negotiating dedicated Corporate Social Responsibility/Responsible Business Conduct provisions as well as provisions on fundamental labour rights as recognised by the International Labour Organization (ILO), in its trade and investment agreements. Where FTAs are in force, the implementation of these provisions are amongst the EU priorities for nearly every FTA. DG Trade is also working very closely with the OECD and the International Labour Organization on due diligence guidelines and following their implementation. DG Trade's priority for 2022 continues to be the implementation of FTA provisions and these guidelines. DG Trade will continue to promote and support fair and ethical aspects of EU trade, including through our network of FTAs.

The Commission will actively promote gender equality through its trade policy in 2022. It will continue its active engagement on the issue in the WTO, including on the implementation of Buenos Aires Declaration. It will gather gender-disaggregated data to ensure that trade-related aspects of gender are adequately addressed in trade agreements and will consider gender impact in trade initiatives.

In 2022, DG Trade will also continue its bilateral work with key trade partners on the negotiation and implementation of trade and gender provisions (e.g. the specific gender chapter in the modernised agreement with Chile or the implementation of the existing and future work plans under the CETA Joint Recommendation on Trade and Gender).

The EU cannot tackle sustainable development or climate change alone. Therefore, DG Trade will also ensure that trade and sustainable development is covered in multilateral work in key international bodies and fora.

In 2017, the EU adopted a Regulation to ensure responsible **sourcing of tin, tantalum, tungsten and gold** to ensure that EU imports do not indirectly contribute to violent conflict and associated human rights abuses along the supply chain but instead improve the livelihood of local communities. The requirements on EU importers apply as of 1 January 2021. In the course of 2022, DG Trade will focus on the monitoring and implementation of the responsible minerals initiative.

In terms of the **European Green Deal initiatives** and trade, the Commission will deploy measures and actions to ensure that all relevant EU policies, including its trade policies, should live up to a green commitment to 'do no harm'. DG Trade will contribute to deliver undistorted trade and investment in all sustainable energy goods and raw materials as well as in associated, green energy technologies, including renewable energy and clean hydrogen. At the same time, the Commission will ensure that all European Green Deal initiatives are compatible with the EU's international obligations, including WTO rules, and that they achieve their objectives in the most effective and least burdensome and trade distortive way. Under the EU's Farm to Fork Initiative and in support of the global transition to sustainable agri-food systems, the Commission will propose a chapter on sustainable food systems in ongoing and future trade negotiations. The Commission will work on

addressing animal welfare, the use of pesticides and the fight against antimicrobial resistance in its trade relations with third countries.

DG Trade will contribute to international climate and environmental actions by promoting the ratification and implementation of the relevant international conventions through its FTAs and GSP instrument. The Commission will seek commitments from G20 partners on climate neutrality and propose to make the respect of the Paris agreement an essential element in future trade and investment agreements. As to autonomous EU climate measures, DG Trade will contribute to the legislative process on the **Carbon Border Adjustment Mechanism (CBAM)** to ensure that it will fulfil its objective to prevent the risk of carbon leakage in a manner that fully complies with WTO rules and other international obligations of the EU. DG Trade will also support cooperation and collaboration with third countries whose trade with the EU could be affected by the mechanism.

In the area of **deforestation**, the Commission adopted at the end of 2021 a legislative proposal to prohibit the placing on the EU market of products associated with deforestation or forest degradation. Any measure proposed will be compatible with the international obligations of the EU, including WTO rules. Bilaterally, we will continue to prioritise the implementation of TSD sustainable forest management measures with key FTA partners such as Ukraine.

Specific objective 5: Improve the acceptance and understanding of EU trade policy, in particular, by ensuring that it is pursued in an open, inclusive and transparent manner

More engagement and better communication with the European Parliament, the Council and civil society ensuring that trade policy responds to citizen's concerns.

To enhance legitimacy and public trust, DG Trade will continue with its commitment to ensuring trade policy is transparent and inclusive. This specific objective is thus contributing to the Commission's general objectives *A stronger Europe in the world* and *An economy that works for people*.

DG Trade will maintain the highest levels of transparency and communication with the European Parliament, the Council, stakeholders and the public. In addition to the dedicated institutional channels established with the European Parliament and the Council, DG Trade will publish up-to-date information about trade policy on its website in easy-to-understand language, publish press releases, news items and factsheets, to inform about and explain the EU's trade policy initiatives to different target groups and the wider public. To this end, DG Trade will also engage actively on Twitter where it has almost 60,000 followers as well as to the extent appropriate through LinkedIn to reach different audiences. DG Trade's Twitter account has established its role as an important medium for communication and for engaging with stakeholders, especially for extending its reach beyond those based in Brussels. DG Trade already reaches out to stakeholders and civil society based in Member States but stakeholders based in Brussels tend to be more active and present in the debate than those based in Member States, as confirmed by a study assessing DG Trade's Civil

Society Dialogue completed in 2021. The growing use of audio-visual material on its Twitter account also makes it easier to explain sometimes complex technical issues in a way that is accessible to a broader audience. DG Trade will continue holding regular meetings of its Civil Society Dialogue on a range of trade policy issues, including through online meetings, which allowed a wider participation than in physical meetings, including from beyond Brussels, and with a smaller environmental footprint. DG Trade will also increase efforts to reach civil society organisations in Member States directly, in particular through dedicated events to be organised in Member States.

DG Trade's communication work will continue to put a key focus on the implementation, enforcement and legislative aspects of EU trade policy, reflecting the growing importance of these elements. Particular emphasis will also be placed on informing stakeholders of how the 2021 Communication on EU Trade Policy has been implemented, including on key issues such as WTO reform, trade policy's role in the post-pandemic recovery plan and the Green and Digital Transformations.

As regards the EU's trade agreements, DG Trade will systematically provide information throughout the negotiating life-cycle, through the publication on its website of documents and easy-to-understand information as well as through direct engagement with civil society and stakeholders.

Throughout 2022, more engagement and better communication will remain an important asset in better explaining what we are trying to achieve and ensuring that our trade policy responds to citizens' concerns. DG Trade will inform broad public and specialised audiences, engaging in relevant outreach and communication activities and informing and explaining EU Trade policy to the media. In 2022, DG Trade will also continue implementing the recommendations generated from the review of its Civil Society Dialogue to improve DG Trade's outreach in the EU.

These measures will further strengthen EU global leadership position in relation to shaping a transparent and inclusive trade and investment policy.

PART 2. Modernising the administration: main outputs for 2022

The internal control framework²² supports sound management and decision-making. It notably ensures that risks to the achievement of objectives are taken into account and reduced to acceptable levels through cost-effective controls.

During 2022, the COVID-19 crisis will continue to pose particular challenges to the way in which DG Trade operates.

DG Trade has established an internal control system tailored to its particular characteristics and circumstances. The effective functioning of the service's internal control system will be assessed on an ongoing basis throughout the year and be subject to a specific annual assessment covering all internal control principles.

In 2022, DG Trade will continue to seek an increase in the total human resources at its disposal, and ensure an efficient and effective use of its financial and human resources allowing the DG to fulfill its objectives and priorities with the necessary flexibility.

A. Human resource management

As set out in the Strategic Plan 2020-2024, *DG Trade strives to employ a competent and engaged workforce and contributes to gender equality at all levels of management to deliver effectively on the Commission's priorities and core business.* To deliver on this long-term objective, DG Trade will start implementing the priority actions as set in its new HR strategy 2021-2024.

In the highly political, challenging and sensitive policy context in which DG Trade is operating it is imperative to ensure that we have sufficient staffing levels at the right place ready to perform in the most knowledgeable, efficient, flexible and effective way. The strategy and the priority actions set out for 2022 therefore focus on DG Trade's need to ensure sufficient levels of resources and the efficient handling of such resources by redeploying where possible to priority areas and allowing for more flexible structures such as project teams.

It also stresses the need for providing an attractive workplace based on trust, staff well-being and interesting career development. The strategy provides tools to allow to work towards a respectful, flexible and modern workplace ready to embrace change and to adapt to the new modern hybrid ways of working. In this vein, the local DG Trade HR Strategy will be implemented hand in hand with DG Trade's Equality Work plan.

The actions, as set out in the action plan, will be aligned with other policies such as knowledge management, IT and digital transformation and office solutions, where necessary. And, while DG Trade's work will focus on its specificities and particular needs, DG

^{22 &}lt;u>Communication C(2017)2373 - Revision of the Internal Control Framework</u>

Trade's HR strategy is inspired by the guidance and best practices stemming from the corporate HR strategy.

In 2022 DG Trade will focus on the following actions:

- To address DG Trade's urgent resource constraints, DG Trade will continue its efforts in redeploying posts internally to priority areas and in parallel seek more resources when and where necessary. It will continue ensuring efficient and effective planning of its human resources and at the same time continue reviewing its internal working methods and looking at how to improve knowledge management.
- In our efforts to support the corporate gender targets, DG Trade will continue to implement its commitment to promote gender equality at DG level. While DG Trade has already fulfilled its target of first appointments of female middle managers, DG Trade will strive to ensure a balanced pool of AD staff in 2022 and to work towards a new target set for end of 2023. In addition, we will closely monitor the situation at senior management level and will closely follow-up on the corporate initiative adopted by the Commission at the end of October 2020.
- To enhance career management and the possibility of further professional development, DG Trade will continue to offer in 2022 new training initiatives adapted to new policy, skills and career development. Moreover, DG Trade will continue to look at tasks and roles of AST and AST/SC officials in 2022. A similar exercise is ongoing for senior AD staff and team management positions, such as Deputy Heads of Unit.

The well-being of DG Trade staff has always been at the heart of our local HR Strategy and is monitored closely. This has become even more important because of the increasing workload and the particular working conditions and teleworking due to the Covid-19 pandemic. Therefore, in addition to organising specific social activities, DG Trade will focus on the organisation of trainings on management development, equality and diversity, well-being and a DG Trade Away day in summer 2022 during which a revised DG Trade's Management Charter will be endorsed and presented to all staff.

Objective: DG Trade employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business.

Main outputs in 2022:							
Output	Indicator	Target					
Organisation of suitable training courses to ensure that the DG has the skilled, knowledgeable and competent staff required to meet its present and future needs within all categories of staff	Number of trade policy related training courses/lunch time sessions organised in 2021	10 trade policy related training courses/lunch time sessions					
	Average number of participants in the WTO Law courses	On average 15 participants per WTO Law course					

Output	Indicator	Target
Employ a competent and engaged workforce	DG Trade staff engagement index Baseline 2018, 74% Organisation of a DG Trade Away Day in July 2022	Maintain /above baseline Participation of 250 staff or above
Increase the pool of AD women, who could potentially be interested in a managerial position, to ensure gender diversity primarily at middle management level through organisation of premanagement training sessions	Percentage of AD female staff in DG Trade in 2018 20.4%. [source: Qlikview -01/01/2018 - % of total staff]	>20.4 %
The organisation of health or well- being events for all DG Trade staff	Number of health or well-being events organised in 2022	2 events
in line with the DG TRADE's Action Plan	Average number of participants in the workshops organised during these events	An average of 10 participants in each workshop
Internal communication: regular debriefings for staff on major policy initiatives to ensure staff are well informed of the latest developments in trade policy and major Commission initiatives	The number of debriefings for staff on trade policy developments	4 debriefings
Issue an accessible Daily Trade Press Review to inform staff of how trade issues are reported in the media and what DG trade staff in HQ and delegations are working on with a view to reinforcing the team spirit and motivation within the DG and with staff in delegations	Number of working days on which the Daily Trade Press Review is issued	All working days except during the summer break

B. Sound financial management

DG Trade's specific objective in financial management is to plan, perform, monitor and report on the spending of financial resources with a view to ensure a sound, legal and regular financial management for the DG's activities.

Although DG Trade manages a relatively small budget, it does acquire services for economic and impact assessment studies, for organising conferences and negotiation rounds, for IT support, and for legal and other services. These services are generally provided by specialised consultants or by service providers, through public procurement. In addition, DG Trade also executes part of its operational budget by concluding Pillar Assessed Contribution and Grant Agreements with international organisations.

The budget is mainly implemented through direct management, while the contributions to international organisations are usually implemented through contribution agreements, i.e. indirect management. DG Trade will continue to operate a decentralised financial circuit with counter-weight. All transactions are therefore subject to an independent, ex-ante financial verification. No ex-post function is set up. In addition, a combination of preventive, detective and corrective controls are embedded into the programming and planning, verification, execution and monitoring, management and reporting and communication processes so as to ensure effective mitigation of the financial and management risks.

These include:

- An annual programming exercise and two mid-term reviews of budget implementation and human resource management;
- An up-to-date Finance Manual, complemented by hands-on guidance, local training and references to corporate guidance;
- An annual assessment of the functioning of DG Trade's Internal Control Framework;
- Financial circuits designed to ensure compliance with the Financial Regulation;
- Regular accounting controls;
- Formal reporting requirements and hand-over procedures for Authorising Officers by Sub Delegation;
- Detailed management reporting on key human and financial resource related indicators (Resources report and spring and autumn reviews);
- Weekly bulletins on payment delays sent to Administrative Coordination Assistants and Heads of Unit;
- An Administrative Coordination Assistants' network.

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions.

Main outputs in 2022:

Output	Indicator	Target	
Effective controls: Legal and regular transactions	Risk at payment	remains < 2 % of relevant expenditure	
	Estimated risk at closure	remains < 2 % of relevant expenditure	
Effective controls carried out	Number of exceptions and non- compliance events	Keep it stable compared to previous years	
	Number of decisions overriding of controls	Zero	
	Source: DG Trade internal Registry		

Output	Indicator	Target
	No of legal cases following complaints in procurement procedures Source: DG Trade	Zero
Efficient controls	Budget execution and time-to-pay	remains 100% of payment appropriations and remains, at least, 95% of payments (in number) on time
	Budget execution and time-to-pay	remains 100% of payment appropriations and remains, at least, 95% of payments (in value) on time
Economical controls	Overall estimated cost of controls	remains below 10% of funds managed
Quality of the internal training sessions on financial procedures	Overall evaluation in the surveys of the internal training sessions on financial procedures	Above 8 (scale from 1 to 10)

C. Fraud risk management

A combination of preventive, detective and corrective controls are embedded into the programming and planning, verification, execution and monitoring, management and reporting and communication processes so as to ensure effective mitigation of the financial and management risks. These comprise a DG Trade-specific ethics framework including an anti-fraud strategy, in line with the new Commission Anti-Fraud Strategy, and on which DG Trade intends to increase the level of staff awareness.

DG Trade will continue to raise awareness about fraud, ethics and integrity and internal procedures through information events, internal communication and trainings. Furthermore, DG Trade will participate in the Fraud Prevention and Detection Network (FPDNet) and will monitor the implementation of the actions planned for 2022 in the antifraud strategy.

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) ²³ aimed at the prevention, detection and correction ²⁴ of fraud.

Main outputs in 2022:							
Output	Indicator	Target					
Raising awareness about fraud and internal procedures	Events to inform about the financial rules and potential areas of fraud	At least once per year					
	In TDI context: Organise regular training courses, in particular for newcomers, exchange of experience and best practices	At least once per year					
Integrity and compliance	Internal communication and training on ethics, with and special emphasis on conflict of interest, relations with lobbyist, duty of discretion and whistleblowing	At least once per year					
Implementation of the anti-fraud strategy as planned for 2022	% of implementation of actions planned for 2022 in the anti-fraud strategy	100%					

D. Digital transformation and information management

DG Trade's specific objective in the area of **data protection** is based on the Commission's action plan and on the accountability principle, which calls for a higher degree of ownership of data protection by Commission's top managers and a more intense engagement of all Commission staff in ensuring and demonstrating compliance with data protection rules in their daily tasks.

DG Trade continues to ensure systematically that all the IT tools and IT systems developed in house incorporate the currently applicable data protection rules and principles, such as privacy by design and privacy by default and security obligations and that they are covered by IT security plans that are reviewed and updated based on a defined planning communicated to DIGIT (Directorate S). The security plans include the set of security controls that cover the IT security risk and compliance management. With the rise of incidents recorded by DIGIT in 2021, DG Trade will continue to work in 2022 to improve its Cybersecurity by collaborating closely with DIGIT on, for instance, awareness campaigns and secure coding trainings for its developers.

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²³ Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 196 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

²⁴ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

To raise awareness on data protection, DG Trade's Data Protection Coordinator (DPC) continues to give hands-on specific trainings to all new delegated controllers. Additionally, the DPC provides tailored data protection sessions upon request, individually, or as a part of unit meetings. Data protection is also a part of DG Trade's induction course for newcomers, which is organised at least twice a year. Awareness raising activities aim to embed data protection principles in the daily routine of DG Trade staff. DG Trade will continue in 2022 its efforts in increasing awareness to reach the target of 100% of staff by disseminating the training offer on data protection and by organising targeted information sessions for newcomers and controllers.

Digital Transformation: Information is a major asset for DG Trade. There is a need to move away from managing documents in a registry-like fashion to managing the whole lifecycle of the information. IT systems like Sherlock, Sherpa and Tron contribute to this objective. In 2022, DG Trade will work towards enhancing collaboration with efficient tools and user support. The goal is to put in place a one-stop shop for collaboration spaces such as M365 Community (see output 4 in the table of indicators below), to make available an integrated trade statistical information system (see output 2 in the table of indicators below) and to support the use of policy applications by means of a comprehensive service desk (see output 3 in the table of indicators below).

DG Trade intends to extend the use of current and future corporate tools for information and knowledge management, taking into account its specific security needs. DG Trade is therefore developing a more strategic approach to encourage knowledge sharing and collaborative working, in line with the corporate framework, such as developing a share-by-default approach combined with a need-to-know confidentiality scheme. One of the objectives will be to identify information assets of corporate interest that could be shared with other services, notably in line with transparency obligations.

DG Trade has presented the following four contributions to the Digital Transformation initiative, which is part of the European Commission Digital Strategy (ECDS):

1	Access2Markets FTA implementation (contributes to output 1, sharing information and knowledge with third parties)	Communication and knowledge management
2	Case Management TRON Sherlock Sherpa GSP monitoring	The objective is to provide electronic workflows and communication between the Commission and businesses. DG Trade is involved in the CASE@ec project and we will examine the opportunity to migrate towards this platform in 2022.
3	eLicensing platform	Paperless and cross-border cooperation
4	FDI screening	Electronic transmission and management of classified information

The contributions and the associated projects aim to contribute to modernising the Commission and in particular DG Trade. To achieve this goal, these activities will abide by

the EC Digital Strategy principles that include Digital by Default, ensuring security and privacy, guaranteeing openness, transparency and interoperability, while being user centric and data driven.

Document Management: the systematic filing of documents in Ares is a prerequisite for the effective and efficient sharing and reuse of the information managed in the Commission's records management system Hermes-Ares-NomCom (HAN). It is also important for ensuring a transparent approach to policy making. DG Trade will pursue its strategy of awareness raising and promoting the active use of Ares by all staff and management, together with a systematic monitoring of the use made by all DG Trade departments. A particular focus will be on increasing the registration of financial documentation within Ares based on an analysis of the established document management practices for financial files.

The integration of DG Trade's IT systems with HAN is another essential area to achieve efficient sharing and reuse of information. After BASIS (corporate briefing tool) and EMT (recording and reporting meetings with external stakeholders), other applications such as the Public Procurement and Management Tool (PPMT) follow the same scheme. These initiatives should generate efficiency gains, make processes faster and facilitate a more comprehensive use of the HAN tools.

Objective: DG Trade is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission

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Output	Indicator	Target
Implementation of the corporate principles for data governance for DG Trade's key data assets	Percentage of implementation of the corporate principles for data governance for DG Trade's key data assets	interim milestone by 2022: 50%
(1) Sharing information and knowledge with third parties	Publish an information system aggregating information supporting imports and exports to the EU with special attention to SMEs	Q1 2022
(2) Managing information and knowledge within DG Trade	Operate a Data Warehouse integrating the statistical data supporting negotiations and trade defence cases taking into account the Data Strategy and data catalogue initiatives.	Q1 2022
(3) Managing information and knowledge within DG Trade	Continue to operate a Service Desk supporting DG Trade's information systems which complements, in the field of information systems, the corporate service desk.	Q1 2022

Output	Indicator	Target
(4) Managing information and knowledge within DG Trade	Operate a One-stop Shop for collaboration spaces	Q1 2022
Using innovative, trusted digital solutions	Degree of implementation of the digital strategy principles by the most important IT solutions	50%
Handling email registration in Ares	Number of emails registered with AresLook	Maintaining the proportion of one- third of the total documents registered in Ares
Monitoring of the use made by all DG Trade departments	Reporting of open tasks in ARES sent to all departments	10 times/year
Better use of electronic workflows, with the reduction of errors caused by the double circulation and the reduction of paper storage	Number of Ares registered documents with a fully approved e-signatory (no paper circulation in parallel).	=/> 90% of registered documents approved in full electronic mode (without paper signatories circulation)
Awareness raising activities on data protection	Percentage of staff targeted by awareness raising activities on data protection	Targeting 100% of management

E. Sound environmental management

The European Commission continuously reduces the environmental impact of its own activities through the Eco-Management and Audit Scheme (EMAS). DG Trade will promote EMAS corporate campaigns at local level and set local environmental actions to support the Commission to reach its environmental targets in line with the EMAS Global Action Plan. In response to the significant environmental impact created by the EC buildings, DG Trade will focus on raising staff awareness on the most efficient use of resources, in particular energy, water and paper consumption. DG Trade will also raise awareness in the field of smart mobility, including for commuting and missions. In this respect, DG Trade will actively contribute to Commission's ongoing reflection as regard to missions and the reduction of its carbon footprint. DG Trade, in cooperation with SCIC, will continue updating its video conference facilities with a view to increasing the number of virtual meetings that could replace certain missions. Due to the Covid-19 pandemic, the way of working has naturally shifted to a virtual working environment. In this respect, DG Trade will raise staff awareness on the environmental impact of digital work and will promote available trainings on reducing digital waste.

Objective: DG Trade takes account of its environmental impact in its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work, with the support their respective EMAS Correspondents/EMAS Site Coordinators.

Main outputs in 2022:

I. More efficient use of resources (energy, water, paper):

Output	Indicator	Target (2019 as baseline)
Promoting corporate EMAS actions and campaigns	Number of campaigns	100% promoted
Staff awareness actions to reduce water/paper use in the framework of EMAS corporate campaigns and/or awareness raising actions about DG's water/paper consumption in collaboration with OIB where appropriate.	Number of staff informed	100%
Participation in the end of the year energy saving action, by closing down DG/service's buildings during the Christmas and New Year's holiday period.	Number of staff present in the offices	0

II. Reducing CO₂, equivalent CO₂ and other atmospheric emissions

Output	Indicator	Target (2019 as baseline)
Awareness raising on sustainable commuting and promoting the corporate events such as EU Mobility week (September) and VeloMai (May)	Number of staff informed	100%
All Senior Managers' offices in DG TRADE gradually equipped with VC facilities and used for virtual meetings (in collaboration with DG SCIC)	Number of Senior Managers' offices equipped with VC device	At least 50% of Senior Manager's offices
Increase staff awareness on digital pollution and waste.	Number of trainings	At least 1 training organised or promoted

F. Initiatives to improve economy and efficiency of financial and nonfinancial activities

DG Trade is continuously fine-tuning its internal arrangements in order to improve the efficiency and economy of its operations. The following two initiatives show how these principles are implemented in DG Trade:

Example 1 - HR management

DG Trade, in its efforts to respond to the external economic and geopolitical challenges, with limited human resources coupled with increased workload, has as part of its restructuring which entered into force in July 2020 introduced new flexible ways of working by creating cross-DG project teams. One of them was the project team set up in response

to the Covid-19 pandemic during which DG Trade, like other services, was forced to react rapidly with cross-DG competences. Additional project teams covering core trade policy matters have been set up in 2021, and will continue in 2022, in order to further absorb the effects of this highly sensitive political environment in which DG Trade is operating. At the same time, the set-up of project teams assists in maintaining a high level of staff engagement as it responds to concerns expressed by staff in the latest staff survey.

Example 2 - streamlining financial management

DG Trade continues to follow-up closely the development of the eProcurement project and pursues the deployment of the ensuing applications as the main driver of efficiency gains in financial management. During the Covid-19 pandemic, DG Trade introduced a fully electronic circuit for all payment files. This way of working continued in 2021 and is expected to continue in 2022 and beyond. Moreover, DG Trade started to implement the EQS (Electronic Qualified Signature) in 2021, although the main implementation steps and the actual use of EQS is planned to start during 2022. The EQS should progressively replace, whenever legally and technically possible, the physical 'blue ink' signature for all contracts and contribution agreements.

ANNEX 1: Performance tables

General phiestive: A strong	or Europe in the world	
General objective: A stronger Europe in the world Specific objective 1: Lead the reform of the World Trade Organisation to preserve rules-based trade		
Main outputs in 2022:		
Enforcement actions		
Output	Indicator	Target
Report on the amendment of the Enforcement Regulation	College adoption	Q1 2022
Other important outputs		
Output	Indicator	Target
Proposal for a Council Decision on Union position on International Centre for Settlement of Investment Disputes (ICSID) reform	Commission proposal for a Council Decision	Q1 2022
Proposal for a Council Decision on the Appointment of the Members of the Investment Court System's Tribunal under CETA	Commission proposal for a Council Decision	Q1 2022
WTO reform across the three pillars: rulemaking, dispute settlement and regular work	Advancing ongoing negotiations in Geneva	Throughout 2022
Proposals on:		
E-commerce	Negotiating rounds	Throughout 2022
Domestic regulation	Commission proposal for a Council Decision	Q1 2022
Investment facilitation	Negotiating rounds	Throughout 2022
Proposal for a Council Decision on the accession of Bosnia and Herzegovina to the WTO	Commission proposal for a Council Decision	Q1 2022
Proposal for a Council Decision on the accession of Serbia to the WTO	Commission proposal for a Council Decision	Q1 2022
Proposal for a Council Decision on the accession of Comoros to the WTO	Commission proposal for a Council Decision	Q2 2022

General objective: An economy that works for people

Specific objective 2: Creating opportunities for European businesses through new and existing negotiations and an additional effort to monitor and improve the implementation and compliance of existing trade agreements

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target
Amended proposal for a Regulation on the access of third-country goods and services to the Union's internal market in public procurement and procedures supporting negotiations on access of Union goods and services to the public procurement markets of third countries COM(2016) 34 final	Adoption by the EP and the Council	Q2 2022
Progress in the trade negotiations with Indonesia	Negotiating rounds	2022
Progress in the trade negotiations with New Zealand	Conclusion of Negotiation	2022
Progress in the trade negotiations with Australia	Continue Negotiations	2022
Progress in the trade negotiations with India	Resumption of negotiations	Q1 2022
Progress in political discussions in the negotiations of the Modernisation of the trade part of the EU-Chile Association Agreement	The EU will pursue the objective to reach a political agreement in 2022	First half 2022
Council decisions on signature, and conclusion of the modernised EU-Mexico Agreement	Commission proposal for Council Decisions	Q3 2022
Council Decisions on signature and conclusion of the EU-MERCOSUR Agreement	Commission proposal for Council Decisions	Q4 2022- to be confirmed

Evaluations and fitness checks

Output	Indicator	Target
Evaluation of the CARIFORUM Economic Partnership Agreement	Staff Working Document	Q1 2022
Ex post evaluation of the EU- Colombia/Ecuador/Peru Trade Agreement	Final report Staff Working Document	Q1 2022 Q4 2022

Output	Indicator	Target
Evaluation of the Trade Part of the	Final report	Q2 2022
EU-Central America Association Agreement	Staff Working Document	Q4 2022
Ex post evaluation of the EU-	Final report	Q2 2022
Georgia and the EU-Moldova Deep and Comprehensive Free Trade Area	Staff Working Document	Q3 2022
Ex-post evaluation of the EU-	Contract signature	Q2 2022
Ukraine Deep and Comprehensive	Final report	Q4 2023
Free Trade Area	Staff Working Document	Q1 2024
Public consultations		
Output	Indicator	Target
Sustainability Impact Assessment (SIA) for FTAs with Malaysia and the Philippines	Commission Position Paper	Q1 2022
SIA for deepening of EU-ESA EPA combined with ex post evaluation	Commission Position Paper	Q1 2022
Enforcement actions		
Output	Indicator	Target
2022 Commission Report on Implementation and Enforcement of EU Trade Agreements	College adoption	Q3 2022
Other important outputs		
Output	Indicator	Target
EU-China Investment Agreement	Commission proposal for a Council Decision	When the conditions are right
Council Decision on the amendment of Annex 2-C of the Korea-EU FTA	Commission proposal for a Council Decision	Q4 2022
Council Decision on adopting the rules of procedure of the Trade Committee under the EU-Singapore FTA	Commission proposal for a Council Decision	Q1 2022
Council Decision regarding the establishment of a list of arbitrators, under the EU-Singapore FTA	Commission proposal for a Council Decision	Q1 2022
Council Decision on establishing the rules of procedure for the Panel of Experts on trade and sustainable development under the EU-Singapore FTA	Commission proposal for a Council Decision	Q1 2022

Output	Indicator	Target
Council Decision on establishing the list of experts on trade and sustainable development under the EU-Singapore FTA	Commission proposal for a Council Decision	Q1 2022
Council Decision regarding the establishment of a list of arbitrators, under the EU-Vietnam FTA	Commission proposal for a Council Decision	Q1 2022
Council Decision on establishing the list of experts on trade and sustainable development under the EU-Vietnam FTA	Commission proposal for a Council Decision	Q1 2022
Council Decision on establishing the rules of procedure for the Panel of Experts on trade and sustainable development under the EU-Vietnam FTA	Commission proposal for a Council Decision	Q2 2022
Enhancement of the EU Turkey bilateral trade relations and the modernisation of the Custom Union	Launch of negotiations	When conditions are right
Council Decision on amending the Customs Annex of the EU-Ukraine Association Agreement	Commission proposal for a Council Decision	Q2 2022
Council Decision on Phase 1 on public procurement of the EU-Ukraine Association Agreement	Commission proposal for a Council Decision	Q2 2022
Council Decision as regards the amendment of Annex I-A related to the elimination of customs duties of the EU-Ukraine Association Agreement	Commission proposal for a Council Decision	Q2 2022
Council Decision on amending the Services' Annex of the EU-Moldova Association Agreement	Commission proposal for a Council Decision	Q1 2022
Council Decision as regards the amendment of Annexes XVI and XXVIII-B of the EU-Moldova Association Agreement.	Commission proposal for a Council Decision	Q1 2022
Council Decision as regards the establishment list of arbitrators for the EU-Moldova Association Agreement	Commission proposal for a Council Decision	Q2 2022
Council Decision as regards the recognition of partial implementation by Moldova of the roadmap in Annex XXIX-B to Chapter 8 on public procurement	Commission proposal for a Council Decision	Q1 2022

Output	Indicator	Target
Council Decision on amending the Services' Annex of the EU-Georgia	Commission proposal for a Council Decision	Q1 2022
Council Decision on updating the Annex on telecommunication services of the EU-Georgia Association Agreement	Commission proposal for a Council Decision	Q1 2022
Council Decision on updating the Annex on postal & courier services of the EU-Georgia Association Agreement	Commission proposal for a Council Decision	Q1 2022
Council Decision on Rules of Procedure, Code of Conduct and Mediation Mechanism for the implementation of the EU-Armenia Comprehensive Economic Partnership Agreement	Commission proposal for a Council Decision	Q1 2022
Trade part of Association Agreement with the Micro States	Completion of negotiations	2022
Trade part of Association Agreement with Azerbaijan	Completion of negotiations	2022
Trade Title of the Comprehensive Agreement with Kyrgyz Republic	College adoption of proposals for signature and conclusion	2022
Trade Title of the Comprehensive Agreement with Uzbekistan	Completion of negotiations	2022
Adoption of the list of arbitrators and chairpersons as foreseen by the Chapter on Dispute Settlement, Title III (Trade and Business) of the EU-Kazakhstan Enhanced Partnership and Cooperation Agreement	Commission proposal for a Council Decision	Q2 2022
Decision on tariff measures taken by Lebanon in the context of the balance of payment crisis	Commission proposal for a Council Decision	Q2 2022
Counterfeit and Piracy Watch List	Commission Staff Working Document	Q4 2022
Annual Report on negotiations in the field of Export Credits in 2017	College adoption	Q1 2022
2020 Annual Review of Member States' Annual Activity Reports on Export Credits	College adoption	Q1 2022
Commission Delegated Regulation updating the EU control list	College adoption	Q3 2022

Output	Indicator	Target
Commission Recommendation on human rights due diligence for cyber-surveillance exports	College adoption	Q3 2022
Commission Recommendation on the methodology for annual report and transparency of licensing decisions	College adoption	Q4 2022
Annual Report on Implementation of Regulation (EC) No 428/2009 for the year 2021	College adoption	Q3 2022
Council Decision regarding Mutual Recognition Agreement between the EU and Canada on the recognition of professional qualifications of Architects	Commission proposals for a Council Decision	Q1 2022
Council Decision on the conclusion of the Joint Statement Initiative on services domestic regulation of 65 members of the WTO	Commission proposals for a Council Decision	Q1 2022
Council Decision on Rules of Procedure of the Regulatory Cooperation Committee under the EU-Japan Agreement for an Economic Partnership	Commission proposals for a Council Decision	Q4 2022
List of experts under Trade and Sustainable Development Chapter of the EU-Japan Economic Partnership Agreement	Commission proposal for a Council Decision	Q1 2022
Council Decision on rules of origin under the EU-Central Africa EPA	Commission proposals for a Council Decision	Q1 2022
Council Decision concerning the list of arbitrators under the EU-Pacific EPA	Commission proposals for a Council Decision	Q2 2022
Council Decision concerning the Rules of Procedure for Dispute Settlement and Code of Conduct for Arbitrators and Mediators under the EU-Pacific States EPA	Commission proposal for a Council Decision	Q2 2022
Council Decision concerning the accession of Tonga to the EU-Pacific States EPA	Commission proposal for a Council Decision	Q2 2022
Council Decision on the accession of Croatia - Cariforum EU EPA	Commission proposal for a Council Decision	Q1 2022
Commission Decision on Joint Declaration between the European Union and the Pacific States on trade and sustainable development	Commission Decision	Q2 2022

General objective: An economy that works for people

Specific objective 3: Protecting EU companies and citizens from unfair trade and investment by making full use of existing Trade Defence Instruments, developing new tools and focusing on enforcement of existing commitments at an EU or international level

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target
Instrument to deter and counteract coercive actions by third countries COM(2021)775	Adoption by the EP and Council	Q4 2022

Enforcement actions

Output	Indicator	Target
Report on the amendment of the	College adoption	Q1 2022
Enforcement Regulation		

Other important outputs

Other important outputs		
Output	Indicator	Target
Tackling and preventing overcapacity and its trade distortions	Implementation of the G20 commitments in the Global Forum Steel Excess Capacity. Implementation of the EU-US statement on steel and aluminium. Enhance actionable information and policy response regarding overcapacity in the steel sector.	In 2022 to continue work in coordination with Member States in the GFSEC and in the OECD Steel Committee to address steel excess capacity, including in the G20. Make progress in the negotiations of a global steel and aluminium arrangement with the US, possibly involving other likeminded partners.
Trade Defence investigations conducted in an effective and efficient manner	Completion of investigations within statutory deadlines or, whenever possible, a month earlier. Timeliness of conclusion of investigations	Conclude all the investigations within the statutory deadlines.

Output	Indicator	Target
Changes in the EU's trade defence investigations by documenting reviews of confidential data received and improving guidance on dealing with relevant competition issues in Union Interest test; increasing awareness of Trade Defence Instruments in EU industry, including SMEs; identifying measures where risk of circumvention exists and prioritising third country cases for follow-up.	Implementation of five of the European Court of Auditors recommendations in the Report 17/2020	End of 2022
Commission Staff Working Document on significant distortions in the economy of the People's Republic of China for the purposes of trade defence investigations	Commission Staff Working Document	Q3 2022
Commission Delegated Regulation amending the Annex to Regulation (EU) 2019/287 of the European Parliament and of the Council implementing bilateral safeguard clauses and other mechanisms allowing for the temporary withdrawal of preferences in certain trade agreements concluded between the European Union and third countries	College Adoption	Q1 2022
Commission Implementing Regulation amending Regulation 2019/159 to review the safeguard measure on imports of certain steel products	College Adoption	Q2 2022
Annual report on the implementation of the EU FDI Screening Regulation (Regulation (EU) 2019/452.	College Adoption	Q4 2022

General objective: A stronger Europe in the world

An economy that works for people

Specific objective 4: Ensuring trade policy is sustainable by effectively contributing to a wider set of EU policy goals, such as the Green Deal, adherence to international commitments on labour and the environment, gender and sustainable supply chains

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target
Proposal for a regulation towards the future Generalised Scheme of Preferences legal framework granting trade advantages to developing countries COM(2021)579	Adoption by the EP and the Council	Q4 2022

Evaluations and fitness checks

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Output	Indicator	Target		
Ex-post evaluation on key	Contract signature	Q4 2022		
environmental provisions in trade	Final report	Q4 2023		
agreements	Staff Working Document	Q1 2024		
Other important outputs				
Output	Indicator	Target		
Commission Implementing decision on recognition of	College adoption	Q1 2022		

decision on recognition of equivalence of a supply chain due diligence scheme notified under Article 8 of Regulation (EU) 2017/821	College adoption	Q1 2022
Commission Implementing decision on recognition of equivalence of a notified supply chain due diligence scheme under Article 8 of Regulation (EU) 2017/821	College adoption	Q1 2022
Joint Report to the European Parliament and the Council on the Generalised Scheme of Preferences	College adoption	Q4 2022

General objective: A stronger Europe in the world

An economy that works for people

Specific objective 5: Improve the acceptance and understanding of EU trade policy, in particular, by ensuring that it is pursued in an open, inclusive and transparent manner

Main outputs in 2022:

External communication actions

Output	Indicator	Target		
Engagement with civil society and stakeholders	Civil Society Dialogue (CSD) meetings taking place in Brussels (or online) with civil society organisations registered in DG Trade Civil Society Database to update on ongoing individual negotiations, discuss draft reports of SIAs or to discuss the overall trade agenda	20 meetings, average of 70 registered participants representing specific civil society organisations per meeting – (either virtual or physical - depending on sanitary situation)		
	Meetings of Domestic Advisory Groups (DAGs) as well as Civil Society Forums in framework of existing Trade Agreements	36 meetings (24 DAG and 12 Civil Society Fora)		
Engagement with civil society in Member States	Organisation of events in Member States	2 meetings on trade policy per year, average of 60 participants per meeting		
Social Media (Twitter)	Engagement rate Engagements Total impressions Total video views	1% per year 1000 per month 8 million per year 500k per year		
Engagement by with stakeholders and the public	Public consultations (seeking substantive written input on different trade policy initiatives)	4		

ANNEX 2: Overview of on-going bilateral negotiations

Time line Negotiations	Impact assess ment complet ed	Sco ping	Recommen -dations to negotiate adopted by Commissio n	Recomme n-dations to negotiate adopted by Council	Negotiation s launched	Technical conclusion/ Political agreement	Legal scrubbing completed	Initialling	Translation done	Proposal to sign and conclude adopted by COM	Proposals adopted by Council	Consent by EP			
Finalisation															
West Africa	-		April 2002	June 2002	October 2003	February 2014	June 2014	June 2014	September 2014	September 2014	December 2014	[²⁵]			
East African Community (EAC)	-		April 2002	June 2002	February 2004	October 2014	September 2015	Oct 2014	February 2016	February 2016	June 2016	[²⁶]			
Modernisation of the trade part of the EU- Mexico Global Agreement	Septe mber 2014	√	December 2015	May 2016	June 2016	April 2020	Ongoing	Once fir translation start the ne	Both sides are engaged in the legal revision of the agreement. Once finalised, the texts and offers will need to undergo translation into all EU languages, before the Commission can start the necessary internal procedures for the transmission of the agreement to the Council and European Parliament.						
Mercosur	-	√	1999	-	Re-launch May 2010	June 2020	Ongoing	Both sides are engaged in the legal revision of the agreement. Once finalised, the texts and offers will need to undergo translation into all EU languages, before the Commission can start the necessary internal procedures for the transmission of the agreement to the Council and European Parliament.							
China investment agreement	May 2013	√	May 2013	October 2013	November 2013	December 2020	To prepare the	e agreement f	or adoption in	2022 (if the c	onditions are	met).			

Pending completion of signature process
 Pending completion of signature process

Time line Negotiations	Impact assessm ent complete d	Sco ping	Recommen -dations to negotiate adopted by Commissio n	Recommen- dations to negotiate adopted by Council	Negotiation s launched	Technical conclusion/ Political agreement	Legal scrubbing completed	Initialling	Translation done	Proposal to sign and conclude adopted by COM	Proposals adopted by Council	Consent by EP			
On-going						Expected outputs in 2022									
Modernisatio n of the trade part of the EU-Chile Association Agreement	February 2017	V	24 May 2017	November 2017	November 2017	The EU will pursue the objective to reach a political agreement in 2022.									
Thailand FTA	-	√	April 2007	February 2013	March 2013	Before resuming negotiations, it is important to ensure that the EU and Thailand see eye-to-eye on the level of ambition of a future deal. The Commission has engaged in a mapping exercise with Thailand in this respect.									
Malaysia FTA	-	\checkmark	April 2007	October 2010	November 2010	Contacts continue t	o examine the b	asis for a pos	ssible resumpt	ion of negotia	ations.				
Indonesia FTA	-	√	April 2007	October 2010	July 2016	Negotiations with In	ndonesia are bei	ing actively p	ursued.						
Philippines FTA	-	√	April 2007	October 2010	December 2015	Two negotiating rou	unds took place	in 2017, but	no new round	currently sch	eduled.				
India FTA	-	√	April 2007	April 2007	June 2007	The 8 May 2021 EU and the launch of n geographical indica	egotiations for a	an Investmen	t Protection Ag	reement and	an agreeme	ent on			
Modernisatio n/deepening of interim EU- Eastern and Southern Africa (ESA5) EPA	-	V		December 2019 (update of 2002 EPA negotiating directives)	October 2019	geographical indications. Resumption and launch is expected for early 2022 at the latest. The aim of the negotiations is to deepen the iEPA towards a modern and comprehensive agreement covering all trade related issues (13 topics in total), including a TSD chapter and stronger institutional provisions with consultative bodies for civil society. In the six rounds held so far progress was achieved on most of the topics discussed. The Parties agreed to conclude negotiations by second quarter 2023.									
Angola SIFA	-	√	March 2021	May 2021	June 2021	The negotiations or with potential concl		nvestment F	acilitation Agre	ement with A	Angola will co	ontinue			
Morocco DCFTA	-	√	October 2011	December 2011	March 2013	The Joint Declaration negotiations, which			of June 2019 c	alls for the re	elaunch of Do	CFTA			
Tunisia DCFTA	NA	√	October 2011	December 2011	October 2015	The negotiators me remained prelimina cooperation on mar negotiations took pwith the second rou	t in Tunis in Oct ry but were also ny of the areas t lace in Tunis in A	ober 2015 fo open and co o be covered April 2016. A	nstructive bas by the future fter a pause, tl	ed on the alm DCFTA. A firs he negotiation	eady existing st full round on ns continued	g good of ' in 2018			

Time line Negotiations	Impact assessm ent complete d	Sco ping	Recommen -dations to negotiate adopted by Commissio n	Recommen- dations to negotiate adopted by Council	Negotiation s launched	Technical conclusion/ Political agreement	Legal scrubbing completed	Initialling	Translation done	Proposal to sign and conclude adopted by COM	Proposals adopted by Council	Consent by EP	
						in 2022.							
GCC	-	NA	-	December 1989	October 1990	Negotiations were s	suspended in 20	08.					
Libya	NA	NA	February 2008	July 2008	November2 008	Negotiations were s Resumption will dep			n in the country	/ .			
Russia New Agreement	-	-	-	2008	-	The negotiations for 2014.	r a New Agreem	ent have bee	n suspended b	y the Europe	an Council o	n 6 March	
Azerbaijan PCA	-	March 2016	July 2016	November 2016	February 2017	Advance of the neg	otiations with po	otential concl	usion in 2022.				
Micro States (Andorra, Monaco, San Marino)	NA	2013	April 2014	December 2014	March 2016	Potential conclusion of negotiations in 2022.							
Kyrgyzstan	NA		2 June 2017	9 October 2017	March 2018	Ongoing preparation Cooperation Agreem	nent.						
Japan BIA	July 2012	√	July 2012	November 2012	March 2013	While the substantive provisions have been agreed, the procedural ones (ICS) are still not accepted by Japan. The last discussions on the IPA took place on 20-22 March 2019 in Tokyo. For the time being, no further discussions are foreseen.							
Myanmar investment agreement	Nov 2013	√	February 2014	March 2014	March 2014	The EU made good refugee crisis in My		otiations but	no conclusion	expected soo	n given the I	Rohingya	
Australia FTA	Septe mber 2017		13 September 2017	June 2018	June 2018	Negotiations will co	ntinue in 2022.						
New Zealand FTA	Septe mber 2017		13 September 2017	June 2018	June 2018	Potential conclusion	of negotiations	in 2022.					
Enhanced PCA with Uzbekistan	-	-	May 2018	16 July 2018	February 2019	In 2022, DG Trade Partnership and Cod					ions on the E	Enhanced	
In the pipeline									Expected out	tputs in 202	2		
Angola's accession to EU-SADC EPA	√	-	June 2020	-	-	The negotiations wi	ll be launched s	ubject to the	agreement of	the SADC EP	A States.		

Time line Negotiations	Impact assessm ent complete d	Sco ping	Recommen -dations to negotiate adopted by Commissio n	Recommen- dations to negotiate adopted by Council	Negotiation s launched	Technical conclusion/ Political agreement	Legal scrubbing completed	Initialling	Translation done	Proposal to sign and conclude adopted by COM	Proposals adopted by Council	Consent by EP	
Timor Leste			April 2002	June 2002	Timor Leste:	Tonga is expected to	to submit its ma	rket access o	ffer in the coul	se of 2022.			
and Tonga's					October								
accessions to					2020,	Timor Leste is expected to submit its market access offer in the course of 2022.							
interim EU-					Tonga:								
Pacific EPA					July 2018								