



Summary of the 3rd Joint Dialogue with Civil Society under Chapter 16 (Trade and Sustainable Development) of the Agreement between the European Union and Japan for an Economic Partnership

Via videoconference, 27 January 2022

The third Joint Dialogue with Civil Society under Chapter 16 (Trade and Sustainable Development, “TSD”) of the Agreement between the European Union (“EU”) and Japan for an Economic Partnership (“the Agreement”) took place on 27 January 2022 via videoconference.

The participants from the Japanese government and the European Commission had a fruitful dialogue with civil society of Japan and the EU, with a Japanese government official as a moderator.

At the beginning, the moderator made opening remarks highlighting the importance of the TSD Chapter of the Agreement, and the role of civil society in monitoring and implementation of the chapter.

The Japanese co-chair of the TSD Committee provided a summary of discussions of the third TSD committee meeting held on 25-26 January:

- The EU explained the movement toward legislation on human rights due diligence, and Japan shared the update on the implementation of Japan's National Action Plan on Business and Human Rights (NAP). Both sides confirmed that they would continue to work together in this field.
- Japan provided updates on the recent activities of the International Tropical Timber Organization (ITTO) and issues linked to the renegotiating on the International Tropical Timber Agreement (ITTA). Both sides also exchanged views on efforts for the circular economy, and confirmed that they would promote cooperation in combating marine plastic pollution.
- In the area of climate change, both sides reaffirmed that they would continue to cooperate in the implementation of climate change measures, taking into account the outcome of COP26 held in November 2021.
- In the area of trade and labour, both sides discussed related labour policies and explained an overview of the laws and practices regarding prohibition of

discrimination in employment.

The EU co-chair added comments on the discussions at the TSD committee meeting.

- The EU explained the TSD review process which is currently taking place on the EU side.
- The EU affirmed the importance of outreach of human rights due diligence and expressed its intention to seek the possibility of cooperation with Japan.
- The EU mentioned that both sides would continue to brief each other on environmental topics with a focus on product requirements for circularity by design, and on deforestation legislation.
- In the trade and labour session, both sides recognized its importance of tackling, on its own initiative, discrimination in employment and occupation. The EU welcomed the progress Japan made for the possible ratification of fundamental conventions.

The member of Labour Policy Council (Domestic Advisory Group (DAG) of Japan) provided general information and explained the mechanism of the Council.

The member of the EU DAG also shared its recent activities and mentioned the importance of cooperation with Japan.

CROSS-CUTTING ASPECTS OF TRADE AND SUSTAINABLE DEVELOPMENT

The EU's civil society introduced the notion of Just Transition as a key concern among unions, including in relation to the monitoring of the EPA. Just transition relates to the management of the green transition so that the high costs and the challenges to social stability are adequately taken into account. The presentation mentioned an example in the transport sector.

The Japanese civil society shared information on how Japanese business contribute to policy formulation and ensure effective adoption of policies by companies, and proposed a scoping study to encourage industries to prepare business for mandatory human rights and environmental due diligence.

In the discussions, the EU's civil society pointed out the importance of considering an inclusive work environment for vulnerable people who are left out of continuous learning opportunities.

The Japanese co-chair of the TSD Committee explained Japan's efforts on human

rights due diligence, referring to the national action plan on "Business and Human rights" and the dissemination of relevant information and good practices on the MOFA's website.

The EU co-chair remarked that the "just transition" topic also concerns the interests of business. In this context, the proposal to carry out a study was referred to as a valuable contribution from civil society to enrich the Joint Dialogue.

TRADE AND ENVIRONMENT, INCLUDING TRADE AND CLIMATE ACTION

The EU's civil society explained the aim of European Green Deal, the bilateral and multilateral efforts carried out, as well as the purpose, scope and timeline of the carbon border adjustment mechanism (CBAM) regulation proposed by the EU.

The Japanese civil society presented the measures of Japanese industry toward carbon neutrality, notably their target called "Challenge Zero" and expressed serious concerns over the consistency with WTO of the CBAM regulation. In that context, they also emphasized the importance of considering not only explicit carbon pricing measures such as carbon tax and ETS, but also other emission-reducing efforts voluntarily made by industry, and of reliable emission calculation methods. The EU civil society representative pointed out that such concerns are already addressed in the CBAM proposal, which is based on an objective criterion such as the price paid for the CO₂ emission. A Japanese government pointed out the fact that the current methodology to calculate carbon intensity conducted in the EU-ETS is calculated through Scope 1, and that there are other boundaries such as Scope 2 and Scope 3.

The Questions from a Japanese civil society organisation were also raised to the EU taxonomy, as it includes, under strict conditions, specific gas and nuclear energy activities.

The Japanese civil society gave a presentation on deforestation, emphasizing that Japan and the EU should make efforts to combat illegal logging to implement the TSD chapter of the Agreement properly. During its presentation, the presenter raised that two points should be considered in order to encourage business entities to implement due diligence: one was provisions of a clear guidance or criteria to confirm legality, and the other was clarification of the scope of applicable categories of laws and legislations. Finally, the presenter noted the importance of cooperating toward implementing the Glasgow Leaders' Declaration on Forest and Land Use.

The EU's civil society asked about the system and evaluation standards of green goods purchase by companies in Japan. The Japanese government explained that the

Act on Promoting Green Procurement sets out the criteria that the central government must follow when procuring green goods. The Act also encourages local governments and business to adopt green procurement policies. Reporting guidelines for ESG investment also contribute to the system.

TRADE AND LABOUR

The Japanese civil society explained the situation in relation to the ratification of the ILO fundamental Convention No.105 on Abolition of Forced Labour, which is in the process of preparation for the approval by the Diet.

Regarding the ratification of the other ILO fundamental Convention , No.111 on Discrimination (Employment and Occupation), the civil society representative pointed out that the often-cited difficulties concerning the ratification of the convention from the perspective of consistency with the domestic legislation, such as restrictions on public officials expressing their political views, are in fact not a big obstacle, because some of other countries that have ratified C111 also have more or less some restrictions on public officials.

In relation to the ratification of ILO Convention No.190 on Violence and Harassment, the gaps with the Japanese domestic legal framework are such that the prospects of ratification are less certain. In this regard, mention was made of the Harassment Guidebook prepared with the ILO Office in Japan with funding from the EU.

The EU's civil society joined the Japanese civil society in welcoming the progress towards the ratification of C105, and asked if it would be possible to ratify ILO C111 and C190 together, and Japanese civil society responded it would be a long way.

SUMMARY AND CONCLUSIONS

The EU co-chair noted the widespread interest emerging from the discussion regarding the regulatory work on climate/energy and on deforestation, and on the legislative initiatives respectively on business and human rights and on the ratification of ILO conventions, considering these suitable themes for further exchanges between civil society organisations. In the closing remarks, the Japanese co-chair appreciated the active participation by civil society representatives to the debate on TSD related matters, which provided valuable inputs to continue work on the implementation of the TSD provisions.

EU – JAPAN ECONOMIC PARTNERSHIP AGREEMENT (EPA)

TRADE AND SUSTAINABLE DEVELOPMENT

JOINT DIALOGUE WITH CIVIL SOCIETY

27TH JANUARY 2022

VENUE: VIRTUAL MEETING

AGENDA

1. OPENING REMARKS BY THE MODERATOR

2. STATEMENT BY THE GOVERNMENT OF JAPAN AND THE EUROPEAN COMMISSION

3. STATEMENT BY THE CIVIL SOCIETY ORGANISATIONS OF THE CIVIL SOCIETIES

4. EXCHANGE OF VIEWS ON TRADE AND SUSTAINABLE DEVELOPMENT:

➤ CROSS-CUTTING ASPECTS OF TRADE AND SUSTAINABLE DEVELOPMENT

Topics for discussion:

- *How to anticipate and manage change of a social green transition*
- Industry perspectives to deliver inclusive economic growth and promote sustainable business behavior under the TSD chapter of EU-Japan EPA

➤ TRADE AND ENVIRONMENT, INCLUDING TRADE AND CLIMATE ACTION

Topics for discussion:

- The transition towards a carbon neutral economy- the contribution of trade and civil society
- Trade and climate action: two big questions, i) carbon price in Japan and ii) the impact of EU taxonomy on nuclear and natural gas
- Expected Roles of the Japanese Clean Wood Act in Pursuit of Sustainable Forest and Land Use

➤ TRADE AND LABOUR

Topics for discussion:

- Progress and challenges for ratification of unratified fundamental ILO Conventions

5. SUMMARY AND CONCLUSIONS

EU-Japan Economic Partnership Agreement

3rd meeting of the Joint Dialogue with Civil Society

List of participating civil society organisations

27/01/2022

Civil Society

EUROPEAN UNION

- European Economic and Social Committee (EESC) (EU DAG)
- European Transport Workers' Federation (ETF) (EU DAG)
- BusinessEurope (EU DAG)
- Eurogroup for Animals (EU DAG)
- COTANCE-Euroleather (EU DAG)
- Deutscher Gewerkschaftsbund DGB (EU DAG)
- CSR Europe

JAPAN

- Member of Central Environment Council (DAG) WWF Japan
- Members of Labour Policy Council (DAG)
- Japan Business Federation (KEIDANREN)
- Japan Business Council in Europe (JBCE)
- WWF Japan
- Japanese Trade Union Confederation (JTUC-RENGO)
- Kiko Network