



EUROPEAN COMMISSION

Directorate-General for Trade

Directorate D - Sustainable Development; Economic Partnership Agreements - African, Caribbean and Pacific; Agri-food and Fisheries
Trade and Sustainable Development, Generalised System of Preferences

Brussels, **26 MARS 2019**
D1/Ares (2019) 2329539/NS-imd

Subject: Submission filed with the European Commission on 25 October 2017 regarding alleged non-compliance by Peru with labour, environmental and civil society consultation commitments under the Trade Agreement with the European Union

Dear Ms. Duquenne,
Coordinator of Plataforma Europa-Perú

On 25 October 2017, a group of European and Peruvian civil society organisations (CSOs) presented to the European Commission a submission on alleged breaches by Peru of labour, environmental and human rights commitments under the EU-Peru Trade Agreement. An update of the submission was transmitted to the Commission on 23 May 2018.

As we informed you, as coordinator of Plataforma Europa-Perú, in our letter of 21 December 2017, we drew the attention of the Peruvian authorities to the submission in November 2017 at the annual meeting of the Sub-committee on Trade and Sustainable Development (TSD) established under the Trade Agreement. In the same letter, we also let you know that we would need more time to assess carefully the submission, given the factual and legal issues at stake.

During 2018, the Commission services had several technical discussions (both in face-to-face meetings and through videoconferences) with civil society representatives from Europe and Peru (including representatives of the CSOs that filed the submission), with other stakeholders as well as relevant Peruvian authorities (Ministry of Foreign Trade and Tourism, Ministry of Environment, Ministry of Labour and Promotion of Employment).

On 30 July 2018, Commissioner Malmström wrote to Peru's (then) Minister of Foreign Trade Rogers Valencia and raised a number of concerns about Peru's implementation of the TSD Chapter of the Trade Agreement, partly mirroring the issues in the submission. The Commissioner also asked the Peruvian authorities to show resolve and the necessary political commitment to make progress in tackling these areas of concern. Following the letter, we continued and intensified our engagement with the Peruvian authorities in the run-up to the December 2018 Trade Committee and TSD Sub-committee meetings.

In the week of 22 October 2018, officials from various Directorate-Generals of the European Commission undertook a fact-finding mission to Lima. The mission provided further opportunities to collect information from the authorities and a wide range of stakeholders, including CSOs, social partners, businesses, international organisations and the academic community. These additional inputs proved important to understand better the broader policy context and to clarify certain issues pertaining to the implementation of the TSD Chapter.

The information gathered during this mission complemented that provided in the formal reply that the Peruvian authorities had given to the (initial) submission that we received on 5 October 2018.

During our assessment, we have thus carefully considered all information received and have had extensive dialogue with all interested parties.

In light of our analysis of the issues of concern (including those in your submission), we believe that the understanding we reached with the Peruvian authorities in December 2018 provides a good path to improve the implementation of the TSD Chapter in Peru. This understanding is set out in the minutes of the TSD Sub-committee meeting that is available on DG TRADE website¹.

In this understanding, Peru reaffirmed its commitment to the implementation of the TSD Chapter of the Trade Agreement. Moreover, Peru recognised that there are challenges in the implementation of the TSD Chapter of the Trade Agreement and acknowledged it needs to continue to take progressive steps to address them effectively. Together we identified the relevant policy initiatives already in place, that should be implemented in full and upon which Peru agreed to build to achieve concrete improvements on the ground.

On labour, efforts will focus on better enforcement of labour standards, by taking measures to ensure freedom of association for all workers in the country, strengthening the capacities of labour inspection, and working towards eradicating child labour and reducing informality. Importantly, these efforts also include strengthening social dialogue across these endeavours.

On environment, Peru committed to continue strengthening the capacity and tools to conduct environmental impact assessments, and improving the monitoring and enforcement of environmental legislation. It also committed to continuing work on the prevention and mitigation of the effects of air pollution on human health and the environment.

We also jointly identified areas where technical cooperation with the EU would be important to support Peru.

On the civil society consultation mechanisms, Peru agreed on using existing domestic mechanisms more proactively. In particular, it expressed its intention to organise dedicated discussions on labour and environmental issues related to the implementation of the TSD Chapter at the *Comisión Técnica de Trabajo* of the *Consejo Nacional del Trabajo y Promoción del Empleo* and at the *Comisión Nacional de Cambio Climático* respectively.

¹ http://trade.ec.europa.eu/doclib/docs/2019/february/tradoc_157701.pdf

In this respect, we encourage your partner CSOs in Peru, and elsewhere, to engage constructively and in good faith with the Peruvian government until exhaustion of proceedings within the existing domestic - even if perfectible - consultation mechanisms.

As we had the opportunity to explain in our meeting of 6 February 2019, we believe Peru and the EU now have a shared view of existing challenges.

More importantly, we have also identified the policy initiatives in place, which Peru should build on in order to deliver substantial progress. Our priority is now to continue to work with Peru's authorities to that end. We will of course continue monitoring relevant developments, knowing that we can certainly also count on the engagement of civil society.

A handwritten signature in black ink, appearing to read 'M. Tuininga', written in a cursive style.

Madelaine Tuininga
Head of Unit

