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COMMISSION STAFF WORKING DOCUMENT

EVALUATION

of the impact of EU's agreements on key environmental aspects, including the climate

{SWD(2025) 434 final}

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Glossary

Term or acronym	*Meaning or definition*
CBAM	Carbon Border Adjustment Mechanism
CBD	Convention on Biological Diversity
CETA	Comprehensive Economic and Trade Agreement
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COP	Conference of the Parties
DAG	Domestic Advisory Group
DCFTA	Deep and Comprehensive Free Trade Area
DSM	Dispute Settlement Mechanism
EPA	Economic Partnership Agreement
ETS	Emissions Trading System
EUD	European Union Delegation
EUDR	European Union Deforestation Regulation
EUSFTA	European Union-Singapore Free Trade Agreement
EVFTA	European Union–Viet Nam Free Trade Agreement
FAST	Friends of Advancing Sustainable Trade
FTA	Free Trade Agreement
GACERE	Global Alliance on Circular Economy and Resource Efficiency
EGS	Environmental Goods and Services
ESG	Environmental, Social, Governance
KM-GBF	Kunming-Montreal Global Biodiversity Framework

MEA	Multilateral environmental agreement
NDC	Nationally Determined Contribution under the Paris Agreement
PCA	Partnership and Cooperation Agreement
SPA	Strategic Partnership Agreement
SPS	Sanitary and phytosanitary measures
TBT	Technical barrier to trade
SEP	Single Entry Point
TESSD	Trade and Environmental Sustainability Structured Discussions
VPA-FLEGT	Voluntary Partnership Agreement on Forestry Law Enforcement, Governance and Trade
WTO	World Trade Organization

1. INTRODUCTION

Purpose and scope of the evaluation

Trade agreements[1] signed by the European Union include dedicated provisions on Trade and Sustainable Development (TSD). Since the incorporation of the EU's first TSD chapter in the Free Trade Agreement (FTA) with the Republic of Korea[2], in 2011, these commitments are covering labour, environmental and climate issues, as well as responsible business conduct and gender equality.

In its 2021 Trade Policy Review[3] the European Commission recalled the importance of ensuring a sound basis for trade policy development, namely by deepening its analytical and data collection efforts. Concretely, the Commission announced that it would carry out an ex-post evaluation of the impact of the EU's agreements on key environmental aspects, including the climate. In 2022, in its dedicated TSD Communication[4], the Commission set out how to further enhance the contribution of trade agreements to sustainable development.

Subsequently, in 2023, the European Commission's Directorate-General for Trade (DG Trade) awarded a contract to a consortium led by Ecorys to undertake an ex-post qualitative evaluation (hereinafter referred to as "the evaluation") of the impact of the EU's agreements on key environmental aspects, including climate. The evaluation was carried out from October 2023 to November 2024.

The evaluation assessed those trade agreements containing comprehensive Trade and Sustainable Development (TSD) chapters. At the time the study was commissioned, eleven such agreements – applying to trade with 19 partner countries – had been concluded and ratified by the EU.[5] The evaluation focused on a sample of eight countries (covered by seven agreements): Canada, Costa Rica and Honduras (same agreement), Georgia, Japan, Peru, Singapore, and Viet Nam.[6]

The contractor selected those trade partner countries and agreements to ensure that the analysis was representative of diversity in countries' geography and economic

[1] In this report, we refer to trade agreements as "agreements" or "FTAs" for simplicity, even though some of them have different names such as "Economic Partnerships" or "Association Agreements".
[2] Official Journal of the European Union L 127 of 14 May 2011
[3] Trade Policy Review – An Open, Sustainable and Assertive Trade Policy. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2021)66final, available via: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52021DC0066
[4] The power of trade partnerships: together for green and just economic growth. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2022)409final, available via: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52022DC0409
[5] While the EU's agreements with New Zealand and Kenya have subsequently entered into force during the study's implementation, they were excluded from consideration given that their effects could not be assessed.
[6] The EU's TCA with the UK has been excluded because sustainable development under the TCA is primarily an issue of non-regression. The Association Agreement with Ukraine, moreover, has been excluded due to the ongoing Russian invasion. Additionally, case studies were carried out covering Colombia, Ecuador, Moldova and the Republic of Korea.

development as well as with respect to agreements' length of implementation and evolving approaches to TSD by the EU. Specifically, the sample was selected based on the following criteria:

- Degree of similarity between the TSD chapter and relevant environmental provisions in the FTA.[7]
- Representativeness in terms of agreements' maturity.
- Representativeness in terms of income level (classified according to UN and World Bank statistical indicators) to generate a sample that included both industrialised (OECD) and developing countries across different population sizes and GDP levels.
- Representativeness in terms of the level of trade between the EU and its partners, and in terms of environmental impact areas.

The evaluation generally started from the initiation of trade negotiations and wherever possible was carried forward to 2022. In terms of the evaluation parameters, the evaluation focused on five key cross-cutting parameters related to the environmental objectives of the agreements: (i) ratification and implementation of multilateral environmental agreements (MEAs); (ii) promotion of regulatory cooperation; (iii) ensuring that the FTAs did not lead to regression in environmental protection and standards within partner countries; (iv) dissemination of environmental goods and services (EGS); and (v) building of multilateral alliances related to climate and the environment between the EU and partner countries within relevant international fora.

In terms of environmental themes, the evaluation focused on biodiversity, circular economy, climate, and deforestation. The evaluation also provided 20 case studies, which were selected to ensure representativeness across several dimensions (geography, cross-cutting parameters, environmental themes, FTA maturity, partners' income level and data availability).

Following Better Regulation guidelines, the evaluation assessed the extent to which the objectives of EU FTAs' environmental provisions had been achieved through a series of evaluation questions (EQs) based on the four criteria of effectiveness/impact, efficiency, coherence and relevance:

Effectiveness/impact:

- EQ1: To what extent have the objectives of the environmental provisions of the agreements been achieved?
- EQ2: To what extent has the implementation of the environmental provisions of the agreements contributed positively to the environment, including climate?
- EQ3: What are the implementing factors of the agreements that are influencing (positively or negatively) the impact on the environment, including the climate?

[7] For instance, the agreements with Georgia and Moldova have very similar provisions while 6 Central American countries (and 3 countries of the Andean Community) share the same agreement. In light of this, the evaluation has selected one country (or, in the case of Central America, two) from each grouping.

- EQ4: Has the implementation of the agreements had unintended positive or negative consequences (including on the economic, social and human rights dimensions) and, if so which ones?

Efficiency

- EQ5: To what extent are the costs associated with the implementation of the environmental provisions of the agreements proportionate to the benefits it has generated? Is the distribution of both costs and benefits proportionate among different stakeholders' groups and interests?

Coherence

- EQ6: To what extent have the implementing factors of the environmental provisions of the agreements been coherent with EU trade and sustainability policies and with the EU's commitment to sustainable development in trade policies as a contribution to the attainment of the Sustainable Development Goals (SDGs)?

Relevance

- EQ7: To what extent do the provisions and implementing factors of the agreements continue to be relevant to addressing the current environmental needs and issues?

Towards answering these questions, the contractor devised an evaluation framework setting up the judgement criteria, analytic approach and relevant data sources. Given the qualitative nature of the evaluation, the key methodological approach adopted was that of contribution analysis, whereby potential outcomes of each agreement were identified on a given cross-cutting parameter and then assessed according to the agreement's likely contribution to that outcome, seeking to exclude alternative factors.

Key inputs for these analyses included desk research;[8] legal, policy, and regulatory analysis; semi-structured interviews and consultations; and trade data analysis.[9] In-depth analysis was further applied through the 20 case studies, which were designed to illustrate and capture impacts at the micro-level by providing empirical evidence of the impact of environmental provisions and trade cooperation.

The contractor noted that the chosen methodology had several limitations related to the ascription of causality to the agreements' environmental provisions on observed outcomes. First, because environmental provisions in the EU agreements remain rather broad and not prescriptive, commitments remain, at least in part, subject to interpretation. As such, outcomes observed are often only indirectly linked to specific provisions. Second, environmental priorities and policies adopted in partner countries have generally become

[8] Sources included existing FTA impact assessments, reports from international organisations, academic organisations and think tanks, DAG memoranda and committee declarations and/or statements, as well minutes from bilateral and international fora and initiatives. Reference is also made to UNFCCC technical reports, REDD+ reports, national biodiversity strategies, and CITES implementation reports, among other documentation.

[9] Trade data is sourced from Eurostat and relevant national statistical accounts. In classifying EGS, Chapter 19 of the EU-New Zealand FTA is used (available at the following link).

more ambitious and robust over time and these developments have, in large part, occurred independent of their FTAs with the EU.

The final report of the contractor's evaluation is a source of useful information and trade analysis but does not represent the Commission's views. Sections 2 to 4 present a short overview of the contractor's conclusions; section 5 presents the assessment of Commission services of the contractor's findings and conclusions. Information related to countries are presented in alphabetical order of the countries.

2. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

2.1 Description of the intervention and its objectives

The EU-Republic of Korea FTA included the first agreement to include a dedicated TSD chapter. Since then, the range of specific environmental topics included in EU agreements has increased where the more recent ones include references to climate change, renewable energy as well as biodiversity and illegal trade in endangered species. In general, however, the inclusion of environmental provisions in EU trade agreements since 2011 (in the chapters on TSD and elsewhere) have aimed at promoting environmental and climate sustainability through the following objectives:

- promoting ratification and more effective implementation of MEAs in partner countries;
- enhancing regulatory cooperation and dialogue, with the ultimate objective of improving environmental governance in partner countries (including towards implementation of MEAs);
- facilitating trade in environmental goods and services (EGS);
- building bilateral and multilateral alliances in international fora (such as at the WTO or COPs to relevant MEAs); and
- ensuring that FTAs support environmental standards.

Towards achieving these goals, all agreements include a range of relevant provisions and implementing factors. These include specific legal provisions calling for, inter alia, effective implementation of MEAs, upholding environmental standards, promoting trade favouring sustainable development and cooperating in a range of relevant areas. They further establish TSD Committees (in some agreements named "subcommittees" or "boards") consisting of experts from the EU and from the partner countries. These Committees meet at regular intervals to exchange information and facilitate implementation of the agreement's sustainability provisions including on environment and climate. These exchanges are governed by transparency provisions requiring parties to notify the others of relevant developments in environmental policies and practices (including toward meeting commitments under MEAs) and also serve as a forum to engage in regulatory cooperation. These agreements also provide mechanisms for transparency and involvement of civil society through the establishment of Domestic Advisory Groups (DAG) and regular civil society dialogues.

The extent to which these objectives have been attained is assessed in Section 4. Broadly, however, the expectation has been that the inclusion of these provisions and implementing

factors within EU FTAs would serve to enhance the climate and environmental benefits of trade (e.g., through diffusion of EGS and improved regulation), whilst mitigating its potential adverse effects.

2.2 Point(s) of comparison

The baselines (ranging from pre-2013 to pre-2020) for each of the 8 countries analysed in the sample, across the key evaluation parameters of MEA ratification and compliance, regulatory cooperation and trade in EGS is detailed in the tables in Annex III.

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3. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

3.1 MEAs ratification and implementation

EU trade agreements affirm the parties' commitments to ratify certain MEAs and effectively implement the MEAs to which they are signatories. The ex-post analysis looked at the impact of EU trade agreements on partner countries' ratification of and compliance with MEAs, with a focus in particular on the UNFCCC and Paris Agreement, CITES, and the Convention on Biological Diversity (CBD) and the Kunming-Montreal Global Biodiversity Framework (KM-GBF). The analysis showed that the EU's partner countries had already ratified the key MEAs by the time the trade agreements entered into force. The exception was Peru's accession to the Paris Agreement and the KM-GBF, which happened after the FTA was signed. Looking at the implementation of the agreements, the analysis showed a mixed picture between countries. Canada has actively addressed issues linked to the Paris Agreement, CITES and the CBD even before CETA was signed, while in some other countries compliance was less strong, among other due to lack of resources, in particular in developing countries. For a detailed analysis of the ratification and implementation of agreements in each of the 8 countries, see Annex IV.

3.2 Regulatory cooperation

All of the analysed trade agreements include calls for regulatory cooperation on environmental issues. While the specific scope of cooperation may vary to some extent across agreements, they commonly include provisions calling for cooperation on ratification and implementation of MEAs, technical exchanges and sharing of best practices. In addition, CETA includes an overarching chapter on regulatory cooperation (Chapter 21). Annex I of the contractor's evaluation provides more detail on these provisions. Towards achieving cooperation goals, all agreements establish committees on TSD which engage in regular dialogues as well as dedicated contact points in each administration to facilitate ad hoc exchanges. All agreements similarly establish DAGs and civil society dialogues to, inter alia, promote engagement with civil society on regulatory matters.

The evaluation provides a number of findings with regard to the current state of play in regulatory cooperation.

The first finding is that EU FTAs promote four forms of climate and environmental regulatory cooperation between the EU and partner countries: (i) notifications on legislative and regulatory developments in climate and environmental governance and implementation of MEAs; (ii) technical discussions supporting regulatory design and implementation; (iii) discussions on priority areas of future regulatory cooperation; and (iv) exchanges of views and positions in advance of meetings in international fora.

Notifications on legislative and regulatory developments in climate and environmental governance and implementation of MEAs are the most consistent and common form of regulatory cooperation promoted by the EU's FTAs. They occur during each TSD Committee meeting for all agreements and countries and represent a significant

share of the dialogue that takes place during these exchanges. In the case of FTAs with developing countries, these notifications allow the EU to monitor compliance with TSD provisions and commitments under MEAs; determine where further action is needed by the partner country; and identify potential areas where EU technical support can be provided to assist regulatory design and implementation. In the case of more economically developed countries, these exchanges facilitate mutual learning on respective approaches to environmental and climate governance and, in some instances, prompt exchanges on best practices and experiences related to policy design and implementation.

These notifications have similarly provided the EU with an opportunity to provide detailed information to partner countries on the significant developments occurring in the EU's climate and environmental regulations (e.g., CBAM, EUDR, Farm-to-Fork Strategy). These exchanges have allowed partners to ask questions and raise concerns while allowing the two sides, where relevant, to discuss potential areas of EU support towards improving compliance. During the early stages of regulatory design, partners' inputs gathered during the TSD Committee meetings or facilitated through designated contact points established under the TSD chapter have been used to inform the trade-related aspects of these policies.

Technical support on regulatory design and implementation are another type of cooperation. The evaluation found out that the FTAs have promoted regulatory cooperation in the form of technical support for regulatory design and implementation. This cannot easily be discerned through the available minutes of TSD Committee meetings. One of the challenges is that this form of cooperation will generally be carried out more intensively through ad hoc exchanges and meetings that take place outside of TSD Committee meetings; making it difficult to identify the extent to which this has occurred and the role of the FTA specifically.

Among developing partners, technical discussions that do take place are generally oriented towards supporting the partner country in legislative and regulatory design and implementation. Work plans for the TSD Committee for the EU-Georgia Association Agreement, for example, demonstrate that such cooperation can be significant and has included, inter alia, technical support towards the development of Georgia's forest code, updating of its NDC under the Paris Agreement, adoption of its Long-Term Low-Emissions Development and development of the 2030 Climate Change Strategy and 2021-23 Action Plan.

Another example is Viet Nam. While the EVFTA does not contain specific commitments on marine plastic litter, both marine plastic waste and the circular economy have been central to discussions in the annual TSD Committee meetings. These meetings have facilitated exchanges between the EU and Viet Nam on policy frameworks, particularly on plastics pollution and EPR systems, with Viet Nam demonstrating strong interest in learning from EU practices. Recent regulatory initiatives in Viet Nam in this area include the launch of the National Plastic Action Partnership (NPAP) ; the adoption of the 2020 Law on Environmental Protection (LEP), which introduced producer and importer liability for recycling and waste treatment, with the updated LEP of January 2022 incorporating extended producer responsibility (EPR) provisions—making Viet Nam the first Southeast Asian country to enact such a law and laying the foundation for a circular economy.

In the case of developed countries, such cooperation primarily consists of the exchange of experiences pursuant to key technical aspects related to implementation. Minutes from the TSD Committee meetings under the EU-Japan EPA, moreover, demonstrate that this may include early-stage discussions on regulatory approaches for nascent issues or emerging technologies (e.g., green hydrogen, bioplastics) as well as possibilities for regulatory approximation between the partners.

Discussions on priority areas for future cooperation, are typically found in TSD Committee meetings, with such exchanges being more relevant to developing partner countries that qualify for EU development assistance. While these are viewed as relevant to promoting regulatory cooperation, the evaluation could not clearly determine what impact these discussions had on the activities that ultimately take place.

Nevertheless, the analyses for FTA partners qualifying for country-specific EU development assistance (i.e., Honduras, Georgia, Peru, Viet Nam) have demonstrated that a number of EU-funded and Team Europe initiatives related to environmental TSD have taken place explicitly in support of the implementation of the relevant commitments included in the FTA.

Exchange of views and positions in advance of meetings in international fora is the fourth and final type of cooperation activity that was identified. The TSD Committee also promotes cooperation in international fora, with meetings commonly used to exchange positions ahead of important multilateral conferences and fora on environmental policy. While this is common to all agreements, it is more emphasised in discussions with more economically developed partners. For all countries, however, the meetings are used to build international support for EU's positions and proposals in international fora.

The second finding is that the FTAs and cooperation promoted through the TSD (and supported by projects funded by the EU and Member States) make it more likely that partner countries will be able and willing to comply with requirements under newly launched pieces of legislation such as the EUDR.

All else equal, countries with FTAs with the EU appear more likely to successfully understand the requirements of new regulations emerging from the European Green Deal, than countries that do not have an FTA. This is due primarily to two factors: (i) stronger engagement with partner countries on these regulations in the form of technical discussions and notifications and (ii) increased familiarity and reliance on the EU market among producers and exporters in applicable sectors. While the ultimate impact of these measures remains to be seen, the EU's FTAs and cooperation through TSD Committees therefore make it more likely that the international dimension of these EU initiatives will be successful and lead to better understanding of the EU requirements in partner countries. The extent to which this occurs, however, will also rely on continued and concerted technical support and capacity building, in particular for developing countries.

The third finding is that TSD Committees are often used to engage in regulatory cooperation on areas outside the FTA and its chapter on TSD. Several interviewees have emphasised the importance of the TSD Committee in providing a forum for dialogue (with several even asserting that it is the most important outcome arising from the TSD chapters).

Alternative opportunities for dialogue may not otherwise exist, thus participants use these meetings to discuss areas that might not strictly fall within the TSD chapter.

The fourth finding is that the conclusion of an FTA increases the EU's attention devoted to environmental issues in partner countries – particularly those that could potentially be exacerbated by increased trade with the EU – which in turn promotes increased EU engagement in regulatory cooperation. The conclusion of an FTA results in the partner country receiving greater attention from the EU and heightened scrutiny from CSOs. Also, more resources flow to implementation through the establishment of the TSD Committee and EU-funded projects supporting implementation.

The fifth and final finding is that the EU's FTAs not only promote regulatory cooperation between the EU and partner countries but also among partner countries within a shared region. Several of the countries analysed are part of regional FTAs (Costa Rica, Honduras and Peru) and the analysis suggests that these have promoted environmental and climate regulatory cooperation and harmonisation among regional partners. The EU's Association Agreement with Central America, for example, promoted a collective minimum consensus and ensured that uniform environmental commitments were adopted among all Central American countries. This has, in turn, led to upgrades in standards and harmonisation of environmental policies for all countries in the region and fostered a more cohesive approach towards shared goals and objectives. Similar dynamics have been promoted in the Andean Community through the EU's FTA with Colombia, Ecuador and Peru.

3.3 Non-regression

All of the EU FTAs with chapters on TSD include clauses on non-regression. While there are minor variations in the text of these clauses across agreements, they all commonly stipulate that the Parties to the agreement shall not encourage trade or investment by weakening or reducing the levels of protection afforded in their environmental laws.

The analysis of the 8 partner countries has not identified any notable instances of regression in environmental standards since the ratification of each country's FTA with the EU. Indeed, the overall findings strongly suggest that EU FTAs that include TSD Chapters and non-regression clauses have coincided with improvements in environmental standards in partner countries rather than deterioration. As such, the analysis finds no evidence that EU's FTAs promote a race to the bottom in environmental standards across partner countries, rather the contrary.

3.4 Trade in environmental goods and services

Trade in environmental goods

The contractor provided an overview of developments in trade in environmental goods, for trade between the EU and each examined partner country. Detailed tables on the developments of imports and exports of environmental goods for each partner country can be found in Annex V.

Defining and classifying environmental goods remain complex due to the vast array of products and the rigidity of international trade classifications. In their analysis, the contractor adopted the taxonomy used in the EU-New Zealand Agreement[10]. The development of trade in environmental goods is juxtaposed with total extra-EU trade and total goods trade excluding environmental goods, both before and after the ratification of an EU FTA[11].

The analysis shows that overall, the EU's trade in environmental goods post-FTA has consistently grown, aligning with the overarching aim of more sustainable development. Specific sectors, particularly renewable energy components like solar and wind technologies, have experienced considerable growth, reflecting global moves towards sustainability. The overall share of environmental goods in total trade remains however relatively modest. Countries such as Japan, Canada, and Costa Rica have increased their focus on energy efficiency and building technologies, showing sectoral improvements. The EU continues to exhibit strong trade surpluses in EG with several FTA partner countries, demonstrating its competitive edge in exporting green technologies.

Trade in environmental services

The contractor also examined changes in the average annual trade flows of environmental services[12] between the EU and its FTA partners, and the evolution of the commitments taken in the FTAs compared to GATS.

Regarding the changes in the average annual trade flows, the contractor highlighted first several limitations inherent to trade in services statistics, and related to the impact of the COVID 19 pandemics on trade. The contractor then reviewed trade flows for a limited set of services that include core, indispensable, and other environmental services over two distinct periods: five years before the ratification of each FTA and the respective years following their ratification[13].

Overall, while general services trade with the covered economies has been increasing and most of the selected environmental services showed positive developments both for imports and exports, some environmental services did not follow this trend. For instance, total services exports from the EU to Canada grew by 55% between 2017 and 2022 reaching EUR 26 439 million, with technical, trade-related, and other business services increasing by 83% and amounting to EUR 2 954 million in 2022. Construction services saw significant growth with a 64% rise to EUR 162 million, and waste treatment and de-pollution services exports surged by 400% to EUR 5 million, but for instance maintenance

[10] Annex 19, see Official Journal L, 2024/866, 25 March 2024

[11] The list of environmental goods is based on Annex 19 of the EU-NZ FTA, which can be aggregated in three categories: goods related to energy efficiency, goods related to geothermal, hydro, solar, and wind energy, and goods related to buildings. See Annex III of the draft final report 'Impact of the EU's agreements on key environmental aspects, including the climate', for more details on methodology: https://policy.trade.ec.europa.eu/analysis-and-assessment/ex-post-evaluations_en All estimates provided are based on 5-year averages, which were used in the evaluation to address data gaps and smooth out fluctuations. For the EU-Viet Nam FTA, which was implemented in 2020, 4-year averages were calculated for the post-FTA period.

[12] categorised on p. 95 of the Final Report

[13] The reviewed services include sectors such as waste treatment and depollution services, repair and maintenance services, technical, trade-related, and other business services.

and repair services dropped by 21%, down to EUR 769 million. Total services exports from the EU to Japan experienced a strong overall growth of 19%, from 2019 to 2022 rising to EUR 37 212 million, with maintenance and repair services increasing by 32% to reach EUR 691 million. However, exports of technical and trade-related services fell by 47% to EUR 2 169 million. An additional correlation analysis showed (i) positive correlation between trade in the selected environmental services and total trade in services, thereby potentially indicating a broader positive trend between growth in trade in services and growth in environmental services; and (ii) positive linkages between exports in the selected environmental services and exports of green technologies, thereby identifying a possible complementarity between the exports of environmental goods and services.

Regarding the evolution of the commitments taken in the FTAs compared to the GATS, the contractor showcased how FTAs push the level of regulatory security further compared to the GATS, providing a more liberalised and predictable environment for service suppliers, including environmental services suppliers. They illustrated this with several examples for each of the covered partner country. For instance, in CETA, Canada improved its commitments for the supply of engineering services through Mode 1 and 3, dropping residency requirements in some provinces/territories. In its FTA with the EU, Singapore, who has not taken GATS commitment for core environmental services, decided to partially commit sectors such as refuse collection and disposal services, waste management services, nature and landscape protection services.

3.5 Multilateral alliances

The following section provides the contractor's assessment of the role of EU FTAs in fostering multilateral alliances with partner nations, particularly within multilateral fora. It provides an overview of the evolution of the EU's multilateral alliance activities. These alliances, often tacit and ad hoc, centre on collaborative efforts to address environmental challenges, including biodiversity, climate, circular economy, and deforestation. While direct linkages between FTAs and such alliances are complex, various mechanisms within the EU FTAs mentioned below have been identified that contribute to collaboration; these include incorporating robust environmental clauses, promoting sustainable practices, aligning policies, capacity building, and technology transfer.

Canada and the Comprehensive Economic and Trade Agreement (CETA)

The EU and Canada have a long history of collaboration on environmental and trade matters. Even before CETA, both partners actively contributed to WTO environmental negotiations and initiatives such as the Friends of Advancing Sustainable Trade (FAST) Group and the Trade and Environmental Sustainability Structured Discussions (TESSD). Their cooperation has resulted in significant multilateral initiatives, including the Global Alliance on Circular Economy and Resource Efficiency (GACERE).

CETA includes a dedicated chapter on TSD, which promotes environmental cooperation. Following CETA's entry into force in 2017, Canada and the EU hosted clean tech summits and engaged in collaborative discussions on sustainability. The two partners have also co-hosted ministerial meetings on climate action with China and actively participated in COP27 and COP28 discussions, focusing on carbon pricing and emissions reduction.

The EU and Canada established the Green Alliance in November 2023 to enhance collaboration on climate action, ocean protection, green industrial transformation, and biodiversity conservation. They jointly support the "30 by 2030" initiative under the High Ambition Coalition for Nature and People, aiming to protect 30% of global land and water resources by 2030. Furthermore, Canada is a co-host of the Ministerial on Climate Action (MoCA) and a member of the Climate Club, which promotes the decarbonization of industrial production.

Costa Rica and the EU-Central America Association Agreement

Costa Rica has been actively engaging in environmental protection and multilateral environmental agreements (MEAs) before entering the EU-Central America Association Agreement (EUCA). The country is a global leader in biodiversity conservation and co-chairs the High Ambition Coalition (HAC) alongside France, advocating for the 30x30 biodiversity target.

In 2022, Costa Rica presented the EUROCLIMA+ Country Action Plan, which outlines climate actions aligned with its National Decarbonization Plan and Carbon Neutral Country Programme. Costa Rica also joined the Climate Club in 2023 and co-chairs the TESSD discussions at the WTO with Canada, demonstrating its leadership in trade and environmental sustainability initiatives.

Japan and the EU-Japan EPA

Japan actively collaborates with the EU on climate initiatives. Japan was the first country to sign a Green Alliance with the EU in 2021, which promotes regulatory cooperation, sustainable energy transition, biodiversity conservation, and low-carbon technology development. The EU and Japan are also key players in the WTO's TESSD, the Coalition of Trade Ministers on Climate, and negotiations on an Environmental Goods Agreement (EGA). Furthermore, both partners work closely in facilitating offshore wind and regulatory cooperation in this sector.

Singapore and the EU-Singapore Free Trade Agreement (FTA)

Singapore has deepened its environmental cooperation with the EU since signing the FTA. In 2020, under the Trade and Sustainable Development Board, Singapore engaged in discussions with the EU on global efforts to address plastic pollution. By 2023, both partners had coordinated their positions ahead of UN negotiations for a legally binding treaty on plastic pollution.

Singapore is a strong supporter of the WTO's environmental initiatives, including the TESSD and EGA negotiations. It is also a member of the Climate Club and a founding participant in the Forest & Climate Leaders' Partnership (FCLP).

Viet Nam and the EU-Viet Nam Free Trade Agreement (EVFTA)

Viet Nam's engagement with the EU in environmental matters has gained momentum in recent years. At CITES COP19 in 2022, the EU and Viet Nam co-sponsored amendments

to improve the protection of endangered species. Viet Nam also joined the Just Energy Transition Partnership (JETP) with the EU and other partners, committing to a net-zero emissions target and securing $15.5 billion in financial support for energy transition.

Viet Nam and the EU also signed a Voluntary Partnership Agreement (VPA) under the Forest Law Enforcement, Governance and Trade (FLEGT) framework, aimed at ensuring sustainable timber trade. Viet Nam is preparing to implement forest governance and legal timber trade regulations for EU exports by 2025. Additionally, Viet Nam is a founding member of the Forest and Climate Leadership Partnership (FCLP), reinforcing its commitment to environmental protection.

Other relevant initiatives discussed in the evaluation include:

- *Fossil Fuel Subsidies Reform Initiative (FFSR)*. The FFSR initiative involves 48 WTO members working to address inefficient fossil fuel subsidies. Canada has abstained from these discussions due to its economic reliance on fossil fuels, while Costa Rica is an active participant. The initiative focuses on enhancing transparency, reviewing crisis-related subsidies, and developing pathways for subsidy reduction. The Friends of Fossil Fuel Subsidy Reform (FFFSR) is an informal group advocating ambitious and transparent reforms. Members include Costa Rica, Denmark, Ethiopia, Finland, New Zealand, Norway, Sweden, Switzerland, and Uruguay. The group collaborates within forums such as the G20, OECD, and UNFCCC.
- *The Trade and Environmental Sustainability Structured Discussions (TESSD)* Originally an informal initiative led by Canada, the EU, Costa Rica, Norway, and Switzerland in 2019, the FAST Group evolved into the TESSD in 2020 under WTO auspices. TESSD now has 78 members, including key EU trade partners. It holds discussions on trade-related climate measures, environmental goods and services, circular economy, and subsidies.
- *Dialogue on Plastics Pollution (DPP)*. Launched at the WTO in 2020, the DPP has grown to 83 members as of February 2025, including the EU and Canada. It promotes transparency in plastic trade flows, reductions in harmful plastics, and increased trade in sustainable alternatives.
- *Coalition of Trade Ministers on Climate.* Established in 2022 at the World Economic Forum, the Coalition focuses on how trade policy can support climate action. It fosters cooperation between trade and climate communities and promotes sustainable finance. The coalition was actively involved in COP28, which featured the first dedicated Trade Day and Trade House at a UN climate conference.

While the direct impact of EU FTAs on multilateral alliances is complex, trade agreements play an indirect role in fostering collaboration. Many alliances are tacit and ad hoc, with limited explicit references to environmental partnerships in FTAs. However, the EU and its partners engage closely in environmental governance through platforms such as the UNFCCC, and CBD. Increasingly, trade and environmental discussions intersect, as demonstrated by trade days at UNFCCC COP28 and CBD COP16. Private sector and civil society engagement further complement these efforts, contributing to stronger multilateral cooperation on sustainability.

4. EVALUATION FINDINGS (ANALYTICAL PART)

The evaluation findings are presented according to the following evaluation criteria: effectiveness and impact; efficiency; coherence; and relevance. Annex III of the evaluation provides the underlying evaluation matrix.

4.1 Effectiveness and impact

Achieving objectives of the environmental provisions

The objectives of the agreements' environmental provisions have been largely met. Compliance with MEAs varies due to exogenous and endogenous factors that are not related to the agreements, however the agreements contributed to raise the level of ambition in environmental policy-making. Regulatory cooperation with partner countries has intensified under the agreements, and new multilateral alliances were launched. In addition, trade in EGS grew faster than overall trade, albeit from a low starting level. Finally—and importantly— the findings strongly suggest that the FTAs coincided with improvements in environmental standards in partner countries.

Many partner countries had already ratified the relevant MEAs before the agreements were concluded; all of them signed and ratified the Paris Agreement soon after it was agreed. Similarly, by the time the agreements entered into force, all countries were already signatories to the CBD and CITES. The sampled countries are complying with these MEAs to varying degrees. However, the degree of compliance cannot be attributed to the agreements. In some instances, exogenous constraints—such as Singapore's geography—play a more important explanatory role. Similarly, while the agreements did contribute to raising the level of ambition in environmental policy-making and cooperation with partner countries such as Viet Nam and Georgia, compliance—especially in developing countries—remains constrained by domestic gaps in governance and enforcement capabilities.

In other instances, partner countries tend to have a higher degree of compliance with MEAs due to endogenous drivers, such as historically higher levels of environmental policy ambition—as in the case of Costa Rica—or pre-existing commitments to environmental protection as in the case of Canada.

With regard to regulatory cooperation, the evaluation found out that the agreements do lead to a higher intensity of cooperation between the EU and partner countries. Cooperation ranges from mutual notifications and information-exchange on environmental policy and legislation to the exchange of positions ahead of international fora such as the COP. Establishing a direct causal link between the agreements and these activities is challenging, however, as cooperation often stems from pre-existing frameworks.

Indeed, for nearly all countries analysed, the key institutional framework for environmental policy cooperation typically falls outside of the FTA – either as a separate agreement (as in the case of the EU's PCA with Viet Nam, PDCA with Peru and SPAs with Canada and Japan) or within titles of the agreement separate from the trade part (as in the cases of the Association Agreement with Georgia).

While the Association Agreement with Georgia clearly facilitated regulatory cooperation on climate policy, the DCFTA's specific impact on environmental provisions is less evident. Discussions on cooperation that occur within the context of the TSD Committees appear to be largely complementary to those that take place through the frameworks created under these political dialogue and cooperation agreements.

At the same time, however, synergies between these different institutional frameworks appear to exist, with the FTAs reinforcing pre-existing dialogues. An example that is provided in the evaluation relates to the case of Viet Nam. Although Viet Nam had concluded its Partnership and Cooperation Agreement (PCA) with the EU prior to the conclusion of the FTA, the regular high-level and sub-committee meetings established under the PCA did not begin regularly occurring until the FTA had been ratified. The evaluation noted the increased focus following the FTA ratification, leading to increased resources for bilateral dialogues and more effective application of the opportunities for engagement created by the PCA.

Similarly, the EU has been effective in leveraging the agreements, among other mechanisms, for alliance-building. While many multilateral initiatives occurred in parallel, there are specific cases in which the agreements contributed to alliances and cooperation at the multilateral level. These include the EU providing support to Viet Nam in the context of the Global Plastics Agreement; and the successful submission of two joint proposals for species listing during the CITES COP19 by the EU and Viet Nam.

Trade in environmental goods grew faster than overall trade in the eight partner countries after FTAs took effect, albeit from a low starting level. This suggests that FTAs contributed to fostering trade in environmental goods. FTAs positively impacted environmental services trade too, though detailed data is available only for Canada, Japan, and Singapore, leading to cautious optimism about similar trends in other countries. Correlation analysis also showed a positive relationship between trade in environmental goods and trade in environmental services.

All of the EU FTAs with chapters on TSD include clauses on non-regression, stipulating that partner countries shall not encourage trade and investment by lowering environmental standards. The findings strongly suggest that the FTAs coincided with improvements in environmental standards in partner countries; in contrast, the analysis found no evidence of regression in terms of environmental policy in any of the 8 countries.

Environmental protection

The evaluation's findings suggest that the implementation of the agreements' environmental provisions has contributed to improved environmental protection outcomes, particularly through regulatory cooperation. Additionally, EU agreements have facilitated the diffusion of environmental goods and services, thus providing increased access to cutting edge technologies supporting national decarbonisation policies.

Assessing the extent to which the implementation of the agreements' environmental provisions has enhanced environmental protection is difficult in methodological terms, as

ascertaining causality is challenging. The evaluation, however, has found several examples, particularly with regard to the role of regulatory cooperation in leading to improved environmental protection outcomes. In the case of Georgia, EU-Georgia dialogue has contributed to improved commitments under MEAs (notably by contributing to the updating of NDCs or development of sectoral NAMAs).

In the case of Japan, the EPA's institutional framework, particularly its Committee on Regulatory Cooperation, has successfully facilitated discussions on regulatory concerns, such as tendering requirements, conformity assessment, and the cabotage regime. This has been successful to a large extent as conformity assessment procedures for fixed-bottom offshore wind projects were simplified. The cabotage regime has also just undergone a minor revision

Regulatory cooperation between the EU and the government of the Republic of Korea in the context of the FTA has had similar outcomes. Prior to 2022, the Republic of Korea used local content requirements (LCRs) in the offshore wind industry to incentivise operators to source at least a 50% share of components locally rather than internationally. The EU was successful in engaging in dialogue with the Republic of Korea's government to remove local content requirements for offshore wind turbine projects, with this dialogue occurring in both the Trade and the TSD Committees.

In the case of Costa Rica, EU financial and technical support in the context of the Association Agreement has contributed to the development of key policy documents, including the country's National Climate Change Adaptation Policy (2018-2030), the National Strategic Plan 2050, and the National Landscape Restoration Strategy (2021-2050). Cooperation has also been fostered under the EUROCLIMA+ programme. In addition, discussions in the TSD Committee facilitate the exchange of updates and information on key autonomous measures, including CBAM, the Farm-to-Fork strategy, and the EUDR.

Another example of cooperation and dialogue leading to greater environmental protection is Viet Nam's signing of the VPA FLEGT with the EU in 2019. While negotiations began in 2019, the EVFTA seems to have incentivised the country to sign the VPA, encouraging civil society participation and improving the sustainability of the timber supply chain.

The EU's Agreements also contribute to an increase in the diffusion of EGS both in the EU and partner countries. This active engagement in environmental goods trade, largely facilitated by tariff liberalisation coupled with the harmonisation of public procurement, expands access to cutting-edge technologies.

Implementation and monitoring structures

The evaluation's findings suggest that the TSD Committees are useful platforms for regulatory cooperation and information exchange. The DAGs and Civil Society Dialogues face greater challenges, particularly in ensuring effective bilateral communication between civil society and government representatives. Areas for improvement include strengthening the DAGs as sources of information and monitoring; encouraging greater participation of environmental organisations in the DAGs; and

improving communication and information exchange between the DAGs and the TSD Committees.

The evaluation focussed on three key implementing factors, all facilitating dialogue and cooperation between different stakeholders. The **TSD Committees** are government-to-government fora, which are widely regarded as useful platforms for exchange on technical matters.

DAGs serve as platforms for civil society engagement but face challenges in ensuring adequate representation of environmentally-focussed CSOs and less active and informed CSOs in partner countries. The COVID-19 pandemic has reportedly led to a decrease in the quality of information flow and engagement. Despite these challenges, DAGs remain the primary avenue for civil society participation.

Finally, **Civil Society Dialogues** are found to be less specific compared to DAGs, but an essential tool to broaden participation, as they can offer a useful platform to raise issues and are an independent and diverse source of information.

Unintended consequences

The evaluation findings suggest that there is little evidence of negative unintended consequences.

Overall, the agreements appear to have supported the efforts of partner countries to adopt international environmental standards. This is due to a combination of the greater visibility afforded to environmental issues by the agreements; the regular exchanges and cooperation mechanisms established by the agreements; and the interest in meeting sustainability standards to access the EU market as is the case in Colombia, for example, where palm oil producers began to adapt their production methods due to the increased market-driven demand for certified sustainable palm oil in the EU.

The evaluation finds a similar example for the marine plastic waste in Viet Nam. Here, the agreement created economic opportunities for Viet Namese businesses that necessitated the adoption of specific standards and requirements related to, for instance, packaging, product standards, and environmental protection regulations related to processes. This has had a positive effect on resource efficiency and waste management in export-oriented industries.

With regard to other positive consequences, investment flows in green technologies, particularly with Canada and Japan, seem to have increased under the agreements, although a direct causal link remains uncertain.

4.2 Efficiency

The benefits of environmental provisions in FTAs generally outweigh the costs, with increased dialogue and trade creation as key advantages. While implementing

environmental clauses incurs personnel and transaction costs, their marginal cost is low, and they facilitate dialogue which might not exist otherwise.

The costs of implementing the environmental provisions primarily involve personnel and transaction costs linked to the TSD Committees and other fora for dialogue, while a key benefit is the enhancement of mutual understanding and trust between partners. However, since dialogue and cooperation are established by the agreements as a whole, the additional costs of the environmental provisions are minimal.

In addition, the TSD Committees facilitate discussions on compliance for exports of key commodities. They also often expand the dialogue with partners beyond the TSD Chapter.

The cases of offshore wind development in the Republic of Korea and Japan, among other instances of regulatory cooperation, show that a bilateral agreement can contribute to regulatory and business activities that facilitate sustainable development. In this case, an increase in EGS trade is not only positive per se, in terms of trade creation; but also because it leads to more sustainable energy generation in partner countries.

Challenges include capacity issues for businesses in developing countries, particularly SMEs struggling to meet higher environmental standards. Compliance costs, evolving regulations, and infrastructure limitations pose burdens; however, all these challenges would exist even without the FTAs environmental provisions.

4.3 Coherence

The evaluation findings suggest that the agreement's delivery mechanisms are coherent and synergetic with EU's commitments, both at the global level and within individual partner countries. One area for improvement that was identified is the level of generality of environmental provisions, which limits the stakeholders' ability to carry out monitoring.

The agreement's delivery mechanisms are coherent with EU sustainable trade objectives. They work in synergy with other initiatives and activities including the Green Partnerships and Alliances, and are widely considered helpful in attaining the SDGs. Overall, the EU is perceived as a leader in setting sustainability standards and regulations and influencing international norms that can be followed by partners, in areas including carbon emission and recycling.

Within partner countries, these mechanisms play a key role by providing an additional platform through which needs for technical assistance can be expressed and addressed, suggesting that the agreements can lead to fine-tuning technical assistance in areas that are relevant for the attainment of the environmental provisions in the agreements. This can, in turn, facilitate the exchange of best practices, promoting regulatory convergence and fostering public-private dialogue.

However, stakeholders noted that that environmental provisions are often less clearly defined than labour provisions, limiting the ability of both governments and civil society to monitor their progress.

4.4 Relevance

The environmental provisions and implementing factors of the agreement remain relevant to address current environmental needs. The EU's own latest developments in environmental policy with the introduction of measures including CBAM and the EUDR mean that these measures are now becoming more prominent in dialogues under the agreements.

The environmental provisions in EU trade agreements generally address current environmental needs. However, their ongoing relevance can depend on the strength of trade relationships. In Viet Nam, where trade with the EU is growing, the promise of economic benefits encourages engagement with non-trade issues like environmental protection. In contrast, Georgia's trade with the EU remains limited, reducing the DCFTA's leverage in driving environmental improvements.

Keeping environmental clauses up to date remains a priority but also a challenge due to rapid legislative developments in the EU. Many stakeholders noted that environmental provisions in the agreements lack specificity, and they often fail to outline clear consequences for non-compliance. At the same time, discussions are increasingly shifting toward autonomous EU regulatory measures like the EUDR and CBAM, which have gained prominence in TSD Committee agendas.

Concerns within the private sector about stricter EU environmental standards highlight the need for ongoing dialogue to ensure mutually beneficial outcomes. Strengthening enforcement mechanisms and fostering collaboration between governments and civil society actors could improve compliance. The EU's expertise and technology offer opportunities for partner countries to enhance product quality and integrate into global supply chains but achieving this requires greater support from the European Commission and the private sector.

Market transparency is improving through measures like e-procurement systems, but restrictive technical specifications and the need for guidance remain challenges. EU trade agreements also play a key role in partner country commitments to MEAs, facilitating negotiations and aligning commitments with national interests through advisory group mechanisms and consultations.

5. WHAT ARE THE CONCLUSIONS AND LESSONS LEARNED?

5.1 Conclusions

In general terms, the Commission services consider that the environmental and climate provisions in EU FTAs contribute positively to the environmental policy and sustainability efforts of its trading partners. They help reinforce existing commitments and, in some cases, encourage the adoption of additional environmental protocols. They play a limited but supportive role in ensuring compliance and enforcement.

EU trade agreements serve as platforms for intergovernmental exchange, regulatory cooperation, and dialogue on climate and environmental policies. The agreements facilitate regulatory cooperation through TSD committees, transparency provisions, and economic incentives.

FTAs also contribute to alliance-building, supporting informal and multilateral cooperation on biodiversity, climate, circular economy, and deforestation. While direct connections between the agreements and these alliances are difficult to establish, the FTAs provide mechanisms for collaboration, sustainable policy alignment, and technology transfer.

Trade in Environmental Goods and Services (EGS) is another area where EU FTAs have played a role, supporting the diffusion of green technologies and sustainable production methods. EGS trade helps economies transition towards sustainability by promoting renewable energy, circular economy models, and eco-friendly technologies.

Importantly, there is evidence that EU FTAs have led to improvements in environmental standards in partner countries. While external factors often shape environmental policies more than FTAs themselves, the absence of a "race to the bottom" suggests that these agreements provide a stable framework for sustainable trade practices.

The Commission services agree with the evaluation that environmental clauses in EU FTAs are effective, efficient, coherent, and relevant. They have helped partner countries implement MEAs and improve regulatory cooperation, both bilaterally and multilaterally. Trade in EGS has increased, albeit from a low starting point, supporting the transition to a sustainable economy. Overall, the inclusion of environmental provisions in EU FTAs has certainly been a success.

5.2 Lessons learned

The evaluation also provided several recommendations to the EU for further improvements on process and substance with regards to environmental provisions in FTAs.

The Commission services take good note of the evaluation’s recommendation for improved communication between the European Commission services and the wider public, including civil society groups in both the EU and partner countries.

The Commission services are taking steps to improve the procedures in the TSD bodies (boards, committees or subcommittees as the case may be), including the interactions between the TSD body and the DAGs and of course with the wider civil society.

The Commission services are implementing the various action points of the 2022 TSD Communication, including reinforcing the role of the civil society. Starting with supporting DAGs logistically, financially and with expertise, a new contract with a service provider was signed at the end of 2024. The contractor can organise meetings of the DAGs, provide secretarial support to meetings of civil society in relation to the trade agreements, provide capacity building to increase the participation of EU and partner countries civil society and support communication on the work of the DAGs.

In line with the 2022 TSD Communication, the Commission is also working on upgrading the institutional set-up for the DAGs in the framework of the existing trade agreements. So far, the Republic of Korea and Viet Nam have agreed to strengthening the relevant DAGs. Dialogues with the remaining partners are ongoing.

Furthermore, in agreement with the partner countries, the Commission is inviting DAG co-chairs to participate in part of the discussions of the TSD bodies and rescheduling the sequence of the meetings to allow for better taking into account the positions and advice coming from the DAGs.

It should be noted that the Commission cannot undertake that unilaterally; the consent of the other party to the agreements is necessary, and the level of openness towards the advisory role of civil society varies across partners.

In particular, as regards DAGs composition, the various agreement stipulate that DAGs should comprise a balanced representation of independent civil society organisations, including non-governmental organisations, trade unions, and business and employers' organisations. However, it is the prerogative of each party to establish its own appointment rules under the abovementioned parameters, and interference in this process is a sensitive issue.

To present various topics of interest to the civil society, the Commission organises regularly Civil Society Dialogues. For instance, two Civil Society Dialogues have discussed the present evaluation and supported the study.

In several instances, the evaluation referred to the way the Commission introduces and presents EU autonomous measures under the European Green Deal (e.g. EUDR, CBAM). Such environmental measures are unrelated to the insertion of TSD clauses in the EU trade agreements, since the commitment is for both parties to uphold *international* standards under *multilateral* environmental agreements. However, as noted in the evaluation, the institutional framework of the agreements and in particular the meetings of the TSD bodies have played an important role in presenting and explaining the relevant EU policies and assuaging our partners' concerns.

The evaluation makes a few recommendations concerning the EGS, to which the Commission services respond as follows:

As regards the need to refine the classification of EGS in collaboration with international organisations such as the WTO and the OECD, the Commission will continue to participate in discussions in this regard in relevant fora.

As regards the suggestion to increase the availability of comprehensive trade and investment data on EGS, the Commission will continue to engage with relevant stakeholders and organisations (e.g., OECD, Eurostat) to further develop bodies of data and evidence on Environmental Services to inform policy making in this domain;

As regards the recommendation to strengthen regulatory environments in partner countries and facilitate investment in environmental services by removing barriers such as foreign equity restrictions and licensing requirements that hinder EU service providers, the Commission services will continue to negotiate ambitious disciplines on trade in services, including environmental services, in ongoing and future negotiations, thereby ensuring more transparent and predictable regulatory framework for EU businesses.

The evaluation advises also to prioritise international cooperation in standard-setting and to encourage reciprocal recognition of standards and certifications between the EU and its trading partners to reduce non-tariff barriers such as technical barriers to trade. It is noted that this area is covered by other chapters of the FTAs such as trade in goods and TBT / SPS issues. It is not specifically linked to the environmental aspects of the TSD chapters, the disciplines of which are anchored in multilateral environmental agreements.

The evaluation also makes some recommendations on issues beyond the scope of the impact of FTAs on key environmental aspects including climate, for example on international standards and on public procurement, which – while duly noted – will not be discussed in this Staff Working Paper.

Finally, the Commission Services take good note of the evaluation and its findings, and will use it to inform future work and developments. There will be continued focus on monitoring and the correct implementation of the environmental and climate provisions of Free Trade Agreements.

ANNEX I: PROCEDURAL INFORMATION

Lead DG: European Commission Directorate-General for Trade, DG Trade

Decide reference number: SI2.902643 – TRADE/2023/OP/0010 – Ex-post evaluation of the impact of the EU's agreements on key environmental aspects, including the climate

Organisation and timing: An Inter-service Steering Group (ISG) was established in October 2023 for the purpose of overseeing the implementation of the project.

Evidence, sources, and quality: The evidence for the evaluation was gathered through various activities and the following sources:

- A series of semi-structured, in-depth interviews with individual (or, in some instances, small groups of) stakeholders – these are described and summarised in Annex IV below;
- Stakeholder inputs and responses to a survey directed at private sector and civil society stakeholders (see Annex IV for the details);
- February 2025. External Contractors' Final Report – Main Report of the Ex-post evaluation of the impact of the EU's trade agreements on the environment, including the climate

ANNEX II. METHODOLOGY AND ANALYTICAL MODELS USED

The evaluation followed the methodology laid out in the 2024 inception report for the ex-post evaluation, which followed and was guided by the Better Regulation Toolbox. The evaluation focuses on the effectiveness and impact; efficiency; coherence; and relevance of the EU Agreement's environmental provisions and their implementing factors on the environment, including the climate. Annex III below provides the full evaluation matrix for the evaluation.

The evaluation assessed the following questions:

- The degree to which the objectives of the Agreements' environmental provisions have been achieved;
- The extent to which the environmental provisions have contributed (positively or negatively) to the environment;
- The extent to which the implementing factors of the Agreements contributed to environmental protection; and
- The extent to which the environmental provisions are coherent with EU and global sustainability priorities; and the extent to which they remain relevant.

To address these questions, the evaluation is based on a set of distinct sources and inputs. These are as follows:

- Previous studies of the Agreements, especially the Sustainability Impact Assessments that were carried out. These are summarised in the Inception Report.
- An evaluation study commissioned to an external contractor served as an important input into the evaluation. The external study used primarily qualitative methods but also quantitative methods (for the study of trade in EGS), and it also relied on an extensive review of the academic and grey literature; as well as on an in-depth legal analysis of the environmental provisions in the EU FTAs (reported in Annex I of the external evaluation study). It included twenty case studies and it relied on extensive consultations with stakeholders. The external study's findings, conclusions, and recommendations were discussed with and within the Commission services.
- Statistical data from EU sources, notably Eurostat. This is primarily data on bilateral trade in EGS, complemented by other sources such as UN COMTRADE for global trade.
- Consultations were used to collect qualitative data and view from a wide range of stakeholders.

In terms of methodology, in a first stage, an intervention logic was designed as to make the links between the environmental provisions and the outcomes under study explicit. On this basis, the evaluation matrix was designed.

For each evaluation question and judgment criteria, a similar **methodological approach** was applied. This followed the methodology of contribution analysis, whereby potential outcomes of each agreement are identified on a given cross-cutting parameter and then assessed according to the agreement's likely contribution to that outcome, seeking to exclude alternative factors.

This framework was chosen due to several considerations. The first is that the content of environmental provisions and TSD Chapters remains rather broad and not prescriptive. Since commitments remain, at least in part, subject to interpretation, the outcomes that can be observed are often only indirectly linked to specific provisions. This stands in contrast with provisions on labour rights, which are more prescriptive and therefore easier to monitor and enforce.

Secondly, it is apparent that many countries inside and outside of the EU have developed their own environmental priorities alongside the EU. Increasing awareness of climate change and environmental issues (and their wider impact on human health and even economic opportunities and performance) has meant that countries have made environmental protection and climate action a policy priority. This is particularly the case for industrialised economies and like-minded partners, which tend to have both the ambition to upgrade their environmental policies and the means to pursue them.

In addition, in those countries which may not have the means or governance structures to pursue effective environmental policies—particularly when it comes to implementation on the ground—EU FTAs are only one of the available policy instruments. Environmental provisions act in tandem with other activities carried out by the European Commission and EU Member States, including technical assistance and other agreements and cooperation frameworks, such as frameworks supporting a possible accession candidacy, as in the case of Georgia. Political will is another important variable. There may be partners whose environmental policy priorities and ambitions do not fully align with the EU's priorities. They may give higher priority to other objectives, e.g. escaping poverty. In these cases, partner countries may not feel ready to fully comply with the environmental provisions in an FTA.

All these considerations mean that the evaluation could only focus on the contribution of the environmental provisions to certain outcomes; these cannot be attributed solely to the provisions. Taken together, this feature of the methodology as well as the primarily qualitative nature of the evaluation give rise to an important limitation of the study, namely that the direct causal link between the environmental provisions or the implementing factors on the one hand; and the outcomes on the other cannot be proven in a definitive manner.

While the analysis of trade in EGS followed the same approach, it was supported by descriptive and statistical analysis of data in trade flows for both goods and services using the list of EGS that is specified in Chapter 19 of the EU-New Zealand Agreement as the basis for the analysis. The data analysis includes, among other elements, before and after comparisons in trade flows for both goods and services, as well as correlation analysis of international EU services trade.

Despite the limitations inherent in the qualitative nature of the evaluation, the quality of factual information and evaluation findings presented in the evaluation report has been assured through an internal and external review process undertaken primarily at the level of the external study. Each report produced by the external contractor was first presented in draft

form and subjected to a review and comments by the Commission services. The external study was also presented to civil society stakeholders in the context of the Civil Society Dialogue.

ANNEX III. SUMMARY OF BASELINES FOR EACH COUNTRY ACCORDING TO RELEVANT EVALUATION CRITERIA

Partner country	Baseline Period	MEA Ratification and Compliance at Baseline[14]	Regulatory cooperation at baseline	Bilateral annual Trade in EGS at baseline (Millions EUR)[15]
Canada (EU-Canada CETA)	Pre-2017	• All focus MEAs already ratified at baseline • Significant climate actions in support of Paris Agreement at provincial and federal levels, but rising emissions from oil & gas sector; lack of cohesive national climate policy • Largely compliant with CITES with robust legal framework and active participation • Robust legal framework for biodiversity conservation with some implementation gaps, including scale of protected areas, Aichi targets, coordination between provinces and federal government	• Key cooperation on MEAs, including on Paris Agreement, Montreal Protocol, CBD and FLEGT • Cooperation in ETS and carbon pricing	€235.4 (Canada exports) €874.8 (EU exports)
Costa Rica (EU-Central America AA)	Pre-2013	• All focus MEAs already ratified at baseline • Non-Annex I country under Kyoto Protocol (KP); strong investment in renewable energy and robust reforestation efforts and sustainable forest management; domestic policies and initiatives consistent with broader objectives of KP • Well-functioning and compliant Party to CITES with robust legal framework, effective institutional arrangements, regular reporting and active international cooperation • Seen as model for developing countries in compliance with CBD: strong policy commitments, effective institutional frameworks and innovative conservation programmes; some challenges in managing biodiversity in non-protected landscapes and in balancing development with conservation	• Environmental sustainability and climate not explicitly referenced as a major area of cooperation under the EU's 2007-13 regional and country strategy, though these remained key cross-cutting areas of importance. Most notable cooperative initiative launched was EUROCLIMA (now EUROCLIMA+)	€0.9 (Costa Rica exports) €35.8 (EU exports)

[14] Focussing on the Paris Agreement, CITES and CBD
[15] Annual averages based on 5-year period preceding implementation of the agreement.

Georgia (EU-Georgia DCFTA)	Pre-2014	• All focus MEAs already ratified at baseline • Non-Annex I party under Kyoto Protocol; largely in line with expectations with successful fulfilment of reporting requirements and progress in building national policy framework; improvement needed in enhancing quality and consistency of data and expanding domestic capacity to implement comprehensive climate change measures • Formal compliance with CITES generally regarded as satisfactory; some enforcement challenges • Formally compliant with CBD obligations but implementation challenges resulting from limited capacity, resource constraints and coordination difficulties across sectors	• Cooperation under the Eastern Partnership (EaP) and European Neighbourhood Policy (ENP). • ENP Action Plan (2006-2011) prioritised environmental protection, including commitments to strengthen environmental governance and legislation; improve waste management and water quality; and promote renewable energy and energy efficiency. • EaP Environment and Climate Change Platform launched in 2009 to facilitate regional dialogue and cooperation on issues such as biodiversity, climate change adaptation and sustainable resource management. • European Neighbourhood and Partnership Instrument allocated €12.3 million to Georgia's environmental sector under the 2007-2013 ENPI funding cycle. Key projects included sustainable water resource management, forest protection and biodiversity conservation. • EU assisted Georgia in drafting laws on air quality, waste management and EIAs to reflect EU directives	€0.5 (Georgia exports) €34.1 (EU exports)
Honduras (EU-Central America AA)	Pre-2013	• All focus MEAs already ratified at baseline • Non-Annex I party under KP; complied with reporting and policy obligations though progress challenged by resource and institutional constraints • Had enacted necessary laws, established designated enforcement agencies and fulfilled reporting obligations under CITES, but enforcement challenges stemming from limited resources and technical capacity • Clear commitment to CBD through formal compliance mechanisms, including ratification, strategic planning and international reporting; practical implementation uneven with challenges arising from limited resources, institutional constraints and development pressures.	• Under the 10th European Development Fund, Honduras received funding for projects to protect biodiversity, reduce deforestation and promote renewable energy as well as for disaster risk reduction. • Most notable cooperative initiative launched was EUROCLIMA (now EUROCLIMA+)	€0.1 (Honduras exports) €10.5 (EU exports)
Japan (EU-Japan EPA)	Pre-2019	• All focus MEAs already ratified at baseline • Formal compliance with Paris Agreement but mixed performance on implementation. Moderate progress towards climate goals, with positive developments in innovation and technology, international cooperation and corporate initiatives; criticisms related to weak carbon pricing, coal expansion and slow progress on renewables and delayed release of its LTS • Established legal frameworks and enforcement mechanisms under CITES, but criticism related to domestic ivory market, fisheries practices and enforcement gaps	• Multilateral cooperation on Paris Agreement and CBD and through G7 and G20 Summits • Clean energy and technology collaboration, including the EU-Japan Fuel Cell and Hydrogen Joint Undertaking and EU-Japan Energy Dialogue • Explored synergies between the EU's ETS and Japan's Carbon Pricing Scheme	€3 467.8 (Japan exports) €1 800.2 (EU exports)

		• Largely compliant with formal requirements under CBD, maintaining active engagement in international discussions and updating policies in response to global targets; concerns over continued declines in certain ecosystems, insufficient progress in some Aichi Target areas and need for better coordination among stakeholders		
Peru (EU-Andean FTA)	Pre-2013	• All focus MEAs already ratified at baseline • Non-Annex I Party to Kyoto Protocol. Generally met procedural requirements (submitted national communications and GHG inventories) but faced challenges from limited resources and technical capacity for comprehensive data collection and monitoring of GHG emissions. Developed national policies and strategies aimed at mitigation and adaptation aligned with KP. • Broadly compliant with CITES, but enforcement and implementation challenges due to limited financial and technical resources – particularly in remote and less accessible regions • Moderate progress in CBD. Established a legal framework for biodiversity conservation and indigenous rights, expanded protected areas and pioneered community-based conservation models. Implementation challenges from limited institutional capacity and funding for enforcement; persistent illegal activities (logging, mining) undermined conservation efforts; slow progress on integrating biodiversity into sectoral policies.	• Cooperation through EUROCLIMA on projects related to climate adaptation, mitigation and policy dialogue • Support to combat illegal logging through FLEGT and REDD+ • Under 10th EDF (2008-2013), Peru received EU support for biodiversity conservation, sustainable agriculture, water management • EU provided technical assistance to Peru's Environment Ministry (MINAM) to improve environmental governance, including through aligning Peru's environmental laws with international standards and strengthen enforcement against illegal mining and logging.	€0.4 (Peru exports) €86.4 (EU exports)
Singapore (EU-Singapore FTA)	Pre-2019	• All focus MEAs already ratified at baseline • Formal compliance with procedural and reporting requirements of Paris Agreement; some critiques of the ambition of its targets • Mixed level of compliance with CITES • Strong record of compliance with CBD	• Cooperation under the ASEAN-EU Dialogue on Environmental Sustainability, including Sustainable Use of Peatland and Haze Mitigation and the Biodiversity Conservation and Management Programme • Exchange of best practices on urban sustainability and smart cities under the EU Urban Agenda • Alignment of green finance frameworks through the Global Climate Change Alliance+ • Green Port collaboration • Knowledge sharing on Extended Producer Responsibility schemes for e-waste and packaging, recycling infrastructure development • Joint advocacy for global agreements to reduce marine plastic pollution and aligning with EU directives on single-use plastics • Cooperation on CITES enforcement	€559.3 (Singapore exports) €1 153.6 (EU exports)

Viet Nam (EU-Viet Nam FTA)	Pre-2020	• All focus MEAs already ratified at baseline • Strong formal adherence to procedural obligations of Paris Agreement, including ratification, NDC submission and regular reporting. Notable progress in domestic policy development and international cooperation. Implementation challenges due to resource and capacity constraints and in balancing economic development with long-term climate goals. • Compliant with formal requirements of CITES: necessary legal framework, designated authorities and reporting mechanisms in place. Uneven enforcement, with Viet Nam serving as a key transit hub and consumer of a number of trafficked species such as pangolins, rhino horns, elephant ivory and tiger parts. • Moderate compliance with CBD. Established legal frameworks, expanded protected areas and engaged in conservation initiatives. Significant challenges in the form of habitat loss, illegal wildlife trade and enforcement gaps (limited capacity for monitoring protected areas and prosecuting crimes as well as overlapping jurisdictions among agencies).	• Cooperation under the ASEAN-EU Dialogue on Environmental Sustainability, including Sustainable Use of Peatland and Haze Mitigation and the Biodiversity Conservation and Management Programme • Negotiation of FLEGT-VPA • Technical assistance provided to align Viet Nam's Green Growth Strategy (2012) with international climate goals, including energy efficiency targets and low-carbon urban planning • Under 10th EDF (2008-2013), EU allocated €156 million to Viet Nam for environmental projects, including in areas of sustainable forest management and biodiversity conservation, water resource management and pollution control and renewable energy development • SWITCH-Asia Programme supported sustainable consumption and production practices in Viet Namese industries, aligning regulations with EU circular economy principles • Cooperation on Paris Agreement and CITES • EU-Viet Nam Energy Initiative provided expertise to modernise Viet Nam's energy sector, including energy efficiency standards • Training programmes for Viet Namese officials on EU environmental regulations • Dialogues on reducing marine plastic pollution and alignment with EU's Single-Use Plastics Directive	€438.0 (Viet Nam exports) €206.8 (EU exports

ANNEX IV. MEA RATIFICATION AND IMPLEMENTATION

The Comprehensive Economic and Trade Agreement (CETA) with Canada

Negotiated since 2009 and provisionally applied since 2017, CETA was one of the first trade agreements to incorporate the new TSD approach, featuring stronger environmental provisions than earlier agreements with the Republic of Korea or the Andean Community.[16] Canada has high per capita CO_2 emissions due to extensive fossil fuel use for transportation and heating. Its vast boreal forests are facing increasing threats from wildfires and climate change, leading to significant national conservation efforts, including the 2030 National Biodiversity Strategy. The Arctic and Northern Policy Framework was introduced to enhance the resilience of Canada's northern ecosystems. Canada has long been active in international environmental governance, having been the first industrialized country to sign the Convention on Biological Diversity. While it has integrated circular economy principles into various sectors, it has yet to establish a dedicated national circular economy strategy.

Canada has been proactive in meeting its climate commitments under the Paris Agreement, updating its NDCs to target a 40-45% reduction in emissions by 2030 and a net-zero goal by 2050. CETA's impact on climate policy has been indirect, with discussions in the Committee on Trade and Sustainable Development (CTSD) primarily focused on clean technology rather than NDC implementation. However, the CTSD and the CETA Joint Committee also recalled the parties' commitment to effectively implement the Paris Agreement. Both committees have been instrumental in coordinating joint efforts in multilateral fora to foster sustainable trade and addressing climate change.

Canada is compliant with CITES reporting requirements, with its biennial and annual reports submitted on time, and it has taken additional steps to regulate the trade of elephant ivory and rhinoceros' horn. However, discussions under CETA's CTSD meetings have not covered CITES implementation in detail. Regarding the Convention on Biological Diversity (CBD), Canada's last National Biodiversity Strategy and Action Plan (NBSAP) was submitted in 2024.

The EU-Central America Association Agreement: Costa Rica

Signed in 2012 and with its trade pillar temporarily in force since 2013, the EU-Central America Association Agreement formalized long-standing trade and political relations between the EU and Costa Rica, following earlier frameworks such as the 1999 Framework Cooperation Agreement and the 2003 Political Dialogue and Cooperation Agreement. Costa Rica is the EU's most significant trade partner in Central America and is widely regarded as a leader in environmental policy, particularly in biodiversity conservation and forest protection, which are critical to its tourism-driven economy. The country has actively pursued carbon neutrality, leveraging its extensive carbon sinks to offset emissions. Costa Rica's National Decarbonisation Plan and National Programme for Carbon Neutrality highlight its ambitious climate policies, though challenges remain in modernizing water

[16] Blot E. & Kettunen M, 2021, Environmental credentials of EU trade policy: A comparative analysis of EU free trade agreements. *Institute for European Environmental Policy*.

and waste management infrastructure, strengthening climate adaptation investments, and reforming its environmental permitting system.[17]

Costa Rica ratified the Paris Agreement in 2016. The Climate Action Tracker rates Costa Rica's climate commitments as "Almost sufficient," indicating that while its policies align with the Paris Agreement's 1.5°C goal, additional measures are needed to strengthen implementation. Despite its leadership in conservation, Costa Rica faces challenges in securing financial and technical resources for robust emissions reporting and mitigation projects.[18] The country has actively engaged in CBD processes, with a well-structured NBSAP that includes ambitious biodiversity targets aligned with global frameworks. Costa Rica has also implemented multiple policies under CITES, but difficulties remain in transitioning to electronic permitting systems.

The EU-Central America Association Agreement: Honduras

The trade pillar of the EU-Central America Association Agreement, temporarily in force since 2013, provided a framework for trade and environmental cooperation between Honduras and the EU. As a small developing economy with relatively low emissions, Honduras faces severe environmental pressures, particularly in the "Dry Corridor," where drought and water scarcity are worsening. The country's energy sector remains heavily dependent on fossil fuels and biomass, while agricultural expansion, particularly in coffee, palm oil, and logging industries, has led to significant deforestation. Illegal wildlife trafficking, primarily in birds and reptiles, further threatens biodiversity. Although Honduras has adopted a National Plan for Decarbonisation and a Climate Change Law, its implementation capacity is limited by financial constraints and weak institutional frameworks.

Honduras ratified the Paris Agreement in 2016 and has since increased its climate ambitions, with an updated NDC submitted in 2021 emphasizing emissions reductions, reforestation, and adaptation measures. The EU has provided technical assistance through DG INTPA.[19] With regard to biodiversity, the Agreement spurred bilateral efforts aimed at forest protection, including the signing of the VPA-FLEGT in 2021 and a subsequent Forest Partnership Memorandum of Understanding in 2023 between the EU and Honduras. However, compliance with the CBD more broadly has been mixed, with Honduras submitting national reports but struggling with implementation due to weak legislative frameworks and inadequate monitoring.

While Honduras is a CITES signatory, enforcement remains challenging, particularly regarding the disposal of confiscated specimens and ensuring proper care for trafficked wildlife. Despite its lower level of biodiversity commitment compared to regional counterparts such as Costa Rica, Honduras has actively engaged with the EU on deforestation issues and was the first Latin American country to sign a Voluntary Partnership Agreement (VPA) on FLEGT in 2021.

EU-Viet Nam Free Trade Agreement (EVFTA) – Viet Nam

[17] OECD. 2023. OECD Environmental Performance Reviews: Costa Rica 2023. Available at the following link. As part of the National Decarbonisation Plan, Costa Rica is developing sectoral strategies to reduce the amount of organic waste going to landfills; increase the country's recycling capacity, and reduce emissions from waste. The plan is available at the following link.
[18] See BUR 2019. Available at the following link.
[19] EU Commission. DG INTPA. 2022. Multiannual indicative programme 2021-2027 for Honduras – Annex. Available at the following link.

Signed in 2019, the EVFTA entered into force in 2020. It was the most comprehensive trade agreement between the EU and a developing country[20] until the conclusion of the EU-Kenya Economic Partnership Agreement[21]. MEAs are included in Chapter 13 of the agreement, specifically through Articles 13.5 to 13.7. Viet Nam is highly vulnerable to climate risks, with emissions increasing fivefold over the past two decades due to surging electricity demand, primarily from coal-fired power plants.[22] The energy sector accounts for more than half of the country's total emissions, followed by agriculture, industrial processes, and waste management. Viet Nam is also one of the world's most biodiverse countries, but deforestation, urbanization, and illegal wildlife trade place increasing pressure on its ecosystems. Before the EVFTA, Viet Nam had already adopted key national policies, including the National Strategy on Climate Change and the Viet Nam Green Growth Strategy, as well as ratified major multilateral environmental agreements (MEAs) such as the UNFCCC, CBD, and CITES.

Viet Nam has significantly increased its climate ambition since the EVFTA took effect, pledging at COP26 to achieve net-zero emissions by 2050. The country updated its NDC in 2022 but still falls into the "critically insufficient" category under the Climate Action Tracker, indicating misalignment with the Paris Agreement's 1.5°C target. While Viet Nam has made some progress, including adopting a National Climate Change Strategy and launching an Emissions Trading System, weak measurement, reporting, and verification (MRV) systems hinder effective emissions tracking.

Discussions under the EVFTA's TSD Committee have focused on climate policy and clean energy transitions, but major initiatives, such as the Just Energy Transition Partnership (JETP), have been established outside the agreement's framework. Regarding biodiversity, Viet Nam has strengthened its policy framework ahead of the Kunming-Montreal Global Biodiversity Framework but struggles with implementation due to financial and capacity limitations. In particular, while a past objective of designating 7% of the country's land area as under protection is nearly achieved, the achievement of more updated targets—according to both domestic legislation such as the Country's national biodiversity strategy and international commitments such as the CBD Aichi Target 11—remain to be achieved.

With regard to forestry activities more specifically, Viet Nam signed a VPA with the EU in 2019. However, the regulatory picture is not yet complete as a revision of the national decree implementing the FLEGT legislation is needed to address illegal sourcing as a major loophole of the regulation.

Finally, while Viet Nam has enacted stricter laws to combat wildlife trafficking under CITES—including the 2017 amendment of the penal code and the Law on Forestry of the same year—enforcement remains inconsistent. There is limited recognition of the international criminal dimensions of IWT and a lack of follow-up investigations to dismantle trafficking networks. Low-deterrence penalties and low conviction rates further undermine enforcement efforts, while local authorities and law enforcement agencies often face capacity and resource constraints. Additionally, international and regional cooperation on IWT remains limited, reducing information sharing and coordinated action. Recent crackdowns on environmental NGOs have further weakened the ability to monitor and implement CITES commitments. The country thus continues to serve as a transit point for the illegal trade of endangered species.

[20] Ha Hai Hoang. 2020. Understanding the EU–Viet Nam Free Trade Agreement. *East Asia Forum*. Available at the following link.
[21] Not covered by this evaluation as it entered into force on 1 July 2024. Official Journal L, 2024/1648, 1.7.2024
[22] Agarwal, V., Deffarges, J., Delteil, B., Francois, M., & Tara K. 2022. Charting a path for Viet Nam to achieve its net-zero goals. *McKinsey Insights*. Available at the following link.

Deep and Comprehensive Free Trade Area (DCFTA) – Georgia

The EU-Georgia Association Agreement, including the DCFTA, was signed in 2014 and provisionally applied from September of that year. This preferential trade regime aims to align Georgia's regulatory framework with EU standards and enhance market access. As a Non-Annex I Party to the UNFCCC, Georgia ratified the Paris Agreement in 2017 and has since committed to reducing domestic emissions by 35% by 2030, with a conditional target of 50-57% reduction depending on international support. However, Georgia faces implementation challenges, including weak institutional coordination, lack of domestic financial resources, and gaps in GHG measurement and reporting.[23] The country has made progress in aligning national policies with EU directives on energy efficiency, waste management, and sustainability but struggles with enforcement. In biodiversity conservation, Georgia has been a CBD signatory since 1994 and has updated its National Biodiversity Strategy and Action Plan (NBSAP) to cover new conservation priorities, but significant funding and capacity constraints remain.

Since the DCFTA's implementation, Georgia has strengthened its environmental commitments, with updated climate targets and long-term decarbonization plans. The TSD Sub-Committee has played a role in supporting Georgia's environmental compliance, including its ratification of the Kigali Amendment to the Montreal Protocol in 2023. However, challenges remain in translating these commitments into action due to governance weaknesses and resource limitations. Georgia has made progress in aligning its environmental policies with EU directives, particularly in climate mitigation, energy efficiency, and biodiversity conservation, but enforcement remains patchy. The country is also a CITES party, though it faces difficulties in timely reporting and lacks fully developed compliance monitoring mechanisms.

EU-Japan Economic Partnership Agreement (EPA) – Japan

Negotiations for the EPA began in 2013 and were concluded in 2017, with the agreement entering into force in 2019. Japan, an industrialized economy, has historically had high CO_2 emissions, though these have declined over the past two decades. Following the Fukushima disaster, reliance on fossil fuels increased, leading to an emissions surge, though Japan has since implemented policies to transition toward cleaner energy, including an Emissions Trading System introduced in 2023 that would become mandatory from 2026. Japan ratified the Paris Agreement in 2016, committing to a 46% emissions reduction by 2030 and carbon neutrality by 2050. While Japan has a strong legal framework for environmental management, enforcement challenges remain, particularly in forest conservation and wildlife protection. The EPA includes references to eight MEAs but provides limited mechanisms for enforcement.[24]

Japan has been largely compliant with its Paris Agreement obligations, submitting NDC updates on time, though independent reviews indicate that its policies are not fully aligned with 1.5°C targets. According to the recent OECD 2025 Environmental Performance Review, Japan raised its climate commitments but must accelerate GHG emission reductions. The 2030 target (-46% from the 2013 peak level) and 2050 net-zero goal are more ambitious than previous objectives. While GHG emissions fell by 19% from 2013 to 2022, a faster decline is needed to meet the targets.[25] While the EPA provides a framework for environmental cooperation, CTSD discussions have mainly focused on information-sharing rather than implementation oversight. Japan has faced international scrutiny

[23] See, for instance, Government of Georgia. 2021. Fourth National Communication of Georgia under the UNFCCC. Available at the following link.
[24] Blot E. & Kettunen M, 2021, Environmental credentials of EU trade policy: A comparative analysis of EU free trade agreements. *Institute for European Environmental Policy.*
[25] https://www.oecd.org/en/publications/oecd-environmental-performance-reviews-japan-2025_583cab4c-en.html

for violating CITES obligations regarding sei whale trade, and despite multiple reviews, the practice continues. Japan has timely submitted its CITES and CBD reports.

EU-Singapore Free Trade Agreement (EUSFTA) – Singapore

The EUSFTA, which came into force in 2019, stands out for its focus on renewable energy and sustainability cooperation. Singapore, a small but densely populated city-state, faces unique environmental challenges, particularly in reducing industrial emissions and increasing renewable energy adoption. With CO_2 emissions per capita at 8.35 tonnes in 2021—higher than the EU average—Singapore struggles with decarbonization due to its reliance on natural gas. While the country has made significant advancements in waste and water management, progress in transitioning to low-carbon energy has been slow. Singapore ratified the Paris Agreement in 2016 but remains dependent on fossil fuels.

Singapore's climate policies have improved since the EUSFTA was signed. While the EU is in many instances a 'first-mover' in terms of ambitious environmental protection legislation, Singapore is often a first adopter in the Southeast Asian region, as was the case with a carbon pricing mechanism. As such, Singapore plays an important role as a benchmark for other ASEAN countries. Gaps in decarbonisation efforts remain, however. The Climate Action Tracker rates Singapore's efforts as "critically insufficient," with its renewable energy share still below global benchmarks. However, Singapore has made strides in biodiversity conservation, updating its NBSAP regularly and implementing strong conservation measures. The country's CITES compliance has been mixed, with administrative bottlenecks in permit issuance and a lack of standardized non-detriment findings. Singapore remains a key hub for palm oil and timber exports, and new EU regulations, such as the EUDR, could significantly impact its trade flows.

The EU-Andean Free Trade Agreement – Peru

Signed in 2012, the EU-Andean Free Trade Agreement reaffirmed Peru's commitment to international environmental governance. Since its implementation, Peru has ratified several MEAs, including the Paris Agreement (2016). However, emissions have continued to rise, and deforestation remains a concern. This was one of the reasons why another FTA—the US-Peru FTA—included a specific forest annex, with provisions specifically focusing on forestry and logging activities is directly linked to that pressure.[26]

That being said, the increase in GHG emissions in Peru has been marginal since 2015, and Peru's current policy efforts are rated "Almost sufficient" by the Climate Action Tracker, which indicates that Peru's climate policies and action in 2030 are not yet consistent with the 1.5°C temperature limit but could be, with "moderate improvements". Despite ambitious climate policies, Peru's implementation capacity remains weak, with limited enforcement mechanisms. The country has yet to submit an updated NDC, and its biodiversity strategy remains outdated. Without stronger enforcement and monitoring systems, Peru's environmental progress risks stalling.

[26] Another major difference with the EU-Andean agreement is that all provisions in the Environment Chapter are subject to the same dispute settlement procedures and enforcement mechanisms as commercial obligations.

ANNEX V. TRADE IN GOODS

Table A1: Development of EU-Canada trade in environmental goods pre-FTA and post-FTA implementation (2017), trade value in EUR million

EU import					
Canada	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	27.2	26.5	25.0	-8%	-6%
Geothermal, hydro, solar and wind energy	151.3	160.9	184.8	22%	15%
Buildings equipment	56.9	74.5	72.3	27%	-3%
Total extra-EU trade	16,696.3	18,173.4	20,586.0	23%	13%

EU export

Canada	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	49.6	69.6	63.9	29%	-8%
Geothermal, hydro, solar and wind energy	721.2	742.8	684.2	-5%	-8%
Buildings equipment	104.0	138.6	155.3	49%	12%
Total extra-EU trade	29,119.5	32,197.3	35,302.0	21%	10%

Source: Ex-post evaluation on the impact of EU FTAs on the environment - Draft final report - Annexes I to V of the main report, page 73. Note: Averages were calculated to mitigate the impact of data gaps and to compensate for fluctuations in values. Average trade values include the year of implementation.

Table A2: Development of EU-Costa Rica trade in environmental goods pre-FTA and post-FTA implementation (2013), trade value in EUR million

EU import					
Costa Rica	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	0.0	0.1	0.2	470%	65%
Geothermal, hydro, solar and wind energy	0.8	1.1	0.7	-12%	-40%
Buildings equipment	0.1	0.2	0.3	293%	81%
Total extra-EU trade	1,636.3	1,609.4	1,935.2	18%	20%

EU export					
Costa Rica	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	2.5	4.0	5.9	137%	47%
Geothermal, hydro, solar and wind energy	31.1	50.0	36.9	18%	-26%
Buildings equipment	2.2	2.5	5.6	153%	121%
Total extra-EU trade	691.4	764.8	879.6	27%	15%

Source: Ex-post evaluation on the impact of EU FTAs on the environment - Draft final report - Annexes I to V of the main report, page 73. Note: Averages were calculated to mitigate the impact of data gaps and to compensate for fluctuations in values. Average trade values include the year of implementation.

Table A3: Development of EU-Georgia trade in environmental goods pre-FTA and post-FTA implementation (2016), trade value in EUR million

EU import					
Georgia	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	0.0	0.0	0.0	153%	112%
Geothermal, hydro, solar and wind energy	0.5	0.3	0.5	1%	45%
Buildings equipment	0.0	0.0	0.0	6%	127%
Total extra-EU trade	607.3	491.1	639.0	5%	30%
EU export					
Georgia	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	5.2	7.0	8.6	67%	22%
Geothermal, hydro, solar and wind energy	25.4	27.6	23.5	-8%	-15%
Buildings equipment	3.5	4.7	5.8	66%	25%
Total extra-EU trade	1,885.4	1,842.8	1,878.6	0%	2%

Source: Ex-post evaluation on the impact of EU FTAs on the environment - Draft final report - Annexes I to V of the main report, page 73. Note: Averages were calculated to mitigate the impact of data gaps and to compensate for fluctuations in values. Average trade values include the year of implementation.

Table A4: Development of EU-Honduras trade in environmental goods pre-FTA and post-FTA implementation (2013), trade value in EUR million

EU import					
Honduras	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	0.0	0.0	0.0	80%	-61%
Geothermal, hydro, solar and wind energy	0.1	0.0	0.1	-55%	1267%
Buildings equipment	0.0	0.0	0.0	206%	-14%
Total extra-EU trade	674.1	631.0	870.1	29%	38%
EU export					
Honduras	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	3.0	3.6	3.3	12%	-8%
Geothermal, hydro, solar and wind energy	6.6	6.3	21.4	225%	242%
Buildings equipment	0.9	0.7	1.1	32%	53%
Total extra-EU trade	309.3	357.5	427.7	38%	20%

Source: Own elaboration based on Eurostat. Note: Averages were calculated to mitigate the impact of data gaps and to compensate for fluctuations in values. Average trade values include the year of implementation.

Table A5: Development of EU-Japan trade in environmental goods pre-FTA and post-FTA implementation (2019), trade value in EUR million

EU import					
Japan	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	264.1	274.1	292.2	11%	7%
Geothermal, hydro, solar and wind energy	2,683.7	2,742.7	3,276.1	22%	19%
Buildings equipment	520.0	559.5	539.9	4%	-4%
Total extra-EU trade	57,118.6	63,031.2	64,096.4	12%	2%
EU export					

Japan	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	85.8	114.8	142.0	65%	24%
Geothermal, hydro, solar and wind energy	1,472.7	1,661.4	1,655.7	12%	0%
Buildings equipment	241.7	297.2	261.7	8%	-12%
Total extra-EU trade	55,499.6	62,628.4	63,146.8	14%	1%

Source: Ex-post evaluation on the impact of EU FTAs on the environment - Draft final report - Annexes I to V of the main report, page 73. Note: Averages were calculated to mitigate the impact of data gaps and to compensate for fluctuations in values. Average trade values include the year of implementation.

Table A6: Development of EU-Peru trade in environmental goods pre-FTA and post-FTA implementation (2013), trade value in EUR million

EU import					
Peru	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	0.0	0.0	0.1	596%	484%
Geothermal, hydro, solar and wind energy	0.3	0.5	0.6	75%	12%
Buildings equipment	0.1	0.0	0.2	177%	398%
Total extra-EU trade	5,009.1	5,002.8	4,988.3	0%	0%
EU export					
Peru	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	17.7	12.8	14.9	-16%	16%
Geothermal, hydro, solar and wind energy	61.6	89.6	95.4	55%	7%
Buildings equipment	7.1	7.7	14.6	105%	91%
Total extra-EU trade	2,561.2	3,305.6	3,420.3	34%	3%

Source: Ex-post evaluation on the impact of EU FTAs on the environment - Draft final report - Annexes I to V of the main report, page 73. Note: Averages were calculated to mitigate the impact of data gaps and to compensate for fluctuations in values. Average trade values include the year of implementation.

Table A7: Development of EU-Singapore trade in environmental goods pre-FTA and post-FTA implementation (2019), trade value in EUR million

EU import					
Singapore	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	5.7	6.6	15.1	164%	131%
Geothermal, hydro, solar and wind energy	494.4	499.3	889.5	80%	78%
Buildings equipment	59.2	45.2	55.6	-6%	23%
Total extra-EU trade	17,807.6	17,993.6	18,339.7	3%	2%
EU export					
Singapore	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	95.7	87.2	108.2	13%	24%
Geothermal, hydro, solar and wind energy	932.6	1,073.3	1,113.7	19%	4%
Buildings equipment	125.3	138.8	134.6	7%	-3%
Total extra-EU trade	27,668.4	28,894.5	28,831.0	4%	0%

Source: Ex-post evaluation on the impact of EU FTAs on the environment - Draft final report - Annexes I to V of the main report, page 73. Note: Averages were calculated to mitigate the impact of data gaps and to compensate for fluctuations in values. Average trade values include the year of implementation.

Table A8: Development of EU-Vietnam trade in environmental goods pre-FTA and post-FTA implementation (2020), trade value in EUR million

EU import					
Vietnam	5Y-average pre-FTA	Year of entering into force	4Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	1.9	3.4	6.2	230%	81%
Geothermal, hydro, solar and wind energy	423.0	363.6	476.7	13%	31%
Buildings equipment	13.1	20.1	35.2	169%	75%
Total extra-EU trade	31,832.1	34,541.7	43,063.7	35%	25%
EU export					

Vietnam	5Y-average pre-FTA	Year of entering into force	5Y-average post FTA	Percentage change 'pre-FTA' to 'post-FTA'	Percentage change 'year of entering into force' to 'post-FTA'
Energy efficiency	26.9	34.8	34.8	29%	0%
Geothermal, hydro, solar and wind energy	143.4	157.1	320.4	123%	104%
Buildings equipment	36.5	37.1	39.6	8%	7%
Total extra-EU trade	9,826.7	8,773.4	10,886.8	11%	24%

Source: Ex-post evaluation on the impact of EU FTAs on the environment - Draft final report - Annexes I to V of the main report, page 73.: Averages were calculated to mitigate the impact of data gaps and to compensate for fluctuations in values. Average trade values include the year of implementation.

ANNEX VI. EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)

The following pages report the evaluation matrix supporting the ex-post evaluation.

Effectiveness and impact

EQ1: To what extent have the objectives of the environmental provisions of the Agreements been achieved?

Judgement criteria	Indicators	Sources of evidence and methods
1.1 The extent to which the Agreements have promoted the ratification and implementation of MEAs; 1.2 The extent to which environmental and climate-related regulatory cooperation has occurred between the Parties; 1.3 The extent to which environmental and climate-related regulatory cooperation has led to levelling up in partner countries; 1.4 The extent to which EU market access requirements have promoted adoption of relevant EU and international environmental/climate standards; 1.5 The extent to which EU FTAs selected have promoted the diffusion of EGS via preferential market access, public procurement, and investment; 1.6 The extent to which the EU FTAs selected have ensured non-regression in environmental and climate-related rules, regulations and policies; 1.7 The extent to which public participation has been promoted in environmental matters covered by the FTAs selected, notably across thematic clusters;	- Ratification of MEAs (pre- and post-ratification of the Agreements); - Level of implementation and compliance with MEAs; - Increase in bilateral and multilateral initiatives and fora related to the environment and climate, e.g. regulatory cooperation initiatives on trade in EGS; participation in international standard-setting fora such as the international partnerships of CEN and CEN-CENELEC;[27] - Expansion in the scale and scope of regulatory cooperation under existing bilateral initiatives, including the review, or the adoption of new initiatives; - Increase in technical assistance, training, and person-to-person exchanges on best practices; - Environment and climate-related domestic policy and regulatory developments in FTA partners; - Adoption of EU and/or international climate and environmental standards by FTA partners; - Increase in EU exports, imports, and investment in goods and services that can be characterised as EGS; - Removal of non-tariff barriers (NTBs) related to EGS; - Increase in patenting and/or other innovation outputs in environmental technologies in selected countries;	- Desk research, including the review of existing FTA impact assessments, reports from international organisations/ academic/ think tanks, DAG memoranda and committee declarations and/or statements, minutes from bilateral and international fora and initiatives; - Legal/regulatory analysis (e.g. based on InforMEA and Biosafety Clearing House data); - Stakeholder consultations, including interviews, focus group discussions (FGDs), participation in civil society dialogues and survey; - Existing classification efforts of EGS, including Annex 22A (Environmental Goods List) of the UK-New Zealand FTA and Ecorys (2023). - UN-COMTRADE trade data; - Case studies

[27] CEN refers to the European Committee for Standardization (CEN) and CENELEC refers to the European Committee for Electrotechnical Standardization (CENELEC). For more information, see https://www.cencenelec.eu/european-standardization/international-cooperation/global-outreach/

Judgement criteria	Indicators	Sources of evidence and methods
1.8 The extent to which EU FTA partners have experienced an increase in technology diffusion in environmental technologies.	- Changes in green/climate-friendly technologies, goods and services trade via preferential market access, public procurement, technology transfer and investment promoted by the FTAs; - Instances of alliance-building with partner countries within multilateral fora or in developing sectoral agreements; - Realisation of environmental and climate-related aspects of TSD Committee Action Plans;	

EQ 2: To what extent has the implementation of the environmental provisions of the Agreements contributed positively to the environment, including the climate?

Judgement criteria	Indicators	Sources of evidence and methods
2.1 The extent to which MEA ratification and compliance has produced positive outcomes in the four thematic clusters under study (biodiversity, climate, circular economy, deforestation)t; 2.2 The extent to which regulatory cooperation has demonstrably led to environmental- and climate-friendly outcomes, notably across thematic clusters; 2.3 The extent to which green/climate-friendly technologies, goods and services have diffused in partner countries; 2.4 The extent to which environmental parameters have not regressed in comparison to baseline; 2.5 The extent to which the civil society participation has contributed to positive environmental outcomes, notably across thematic clusters;	- Increase in regulatory cooperation resulting from FTA and qualitative analysis of its demonstrable outcomes; - Change in EU exports of EGS to FTA partners; - Change in imports of EGS in FTA partners; - Change in key environmental performance indicators, such as carbon emissions, deforestation, biodiversity loss; - Observed changes in environmental parameters related to TSD Committee Action Plans and DAGs; - Resolution of environment and climate-related issues raised by DAGs, or progress in the treatment of these issues (including progress thereto).	- Desk research including the review of existing FTA impact assessments, reports from international organisations/ academic/ think tanks - UNFCCC BTRs, TRs, REDD+ reports, national biodiversity strategies, CITES implementation reports - Quantitative data analysis of UN-COMTRADE trade data and national statistical accounts; - Legal/regulatory analysis; - Stakeholder consultations, including interviews, focus group discussions (FGDs), participation in civil society dialogues and survey; - Case studies.

EQ 3: What are the implementing factors of the Agreements that are influencing (positively or negatively) the impact on the environment, including the climate?

Judgement criteria	**Indicators**	**Sources of evidence and methods**
3.1 The extent to which observed outcomes across key parameters can be attributed, at least in part, to implementing mechanisms including:	- Changes or non-regression in, among others, laws, rules, and regulations, environmental protection measures, policies, international commitments; as	- Desk research including the review of the minutes, reports, and other deliverables emerging from CSDs, Sub-Committees, DAGs, and other bilateral and multilateral fora;

- Regulatory cooperation mechanisms; - TSD sub-committees; - Civil Society Dialogues; - Domestic Advisory Groups; - Dispute settlement mechanisms (when relevant).	raised, promoted, monitored, addressed, challenged and/or disputed through the implementing mechanisms. - Increase in bilateral and multilateral initiatives and fora related to the environment and climate, e.g. regulatory cooperation initiatives on trade in EGS; participation in international standard-setting for a; - Increase in technical assistance, training, and person-to-person exchanges on best practices;	- Stakeholder consultations, including interviews, focus group discussions (FGDs), participation in civil society dialogues and survey; - Case studies.

EQ 4: Has implementation of the Agreements had unintended positive or negative consequences (including on the economic, social and human rights dimensions), and if so, which ones?

Judgement criteria	Indicators	Sources of evidence and methods
4.1 The extent to which environmental provisions in EU FTAs have promoted the adoption of relevant EU and international human rights and labour standards. 4.2 The extent to which environmental provisions in EU FTAs have created trade diversion or trade deflection in partner countries. 4.3 The extent to which environmental provisions in EU FTAs have increased investment flows to partner countries.	- Indication of unintended economic impacts of TSD provisions in EU and/or partner countries (e.g. reduction in income, exports and/or imports, increase in unemployment.); - Indication of unintended social impacts of TSD provisions in EU and/or partner countries (e.g. reduction in quality of jobs, degradation in social protection, etc.) ; - Indication of unintended environmental impacts of TSD provisions in EU and/or partner countries (e.g. polluting economic activities, deforestation, etc.); - Indication of unintended human rights impacts of TSD provisions in EU and/or partner countries (e.g. child labour, labour protection, political freedom, etc.);	- Economic performance indicators (from national statistical accounts, WTO WITS, etc) and international benchmark indices such as the Fraser economic and human freedom index - Stakeholder consultations, including interviews, focus group discussions (FGDs), participation in civil society dialogues and survey; - Case studies

Efficiency

EQ 5: To what extent are the costs associated with implementation of the environmental provisions of the Agreements proportionate to the benefits it has generated? Is the distribution of both costs and benefits proportionate among different stakeholders' groups and interests?

Judgement criteria	Indicators	Sources of evidence and methods
5.1 The extent to which environmental, economic, social benefits linked to the TSD provisions outweigh the costs of implementation, overall and for specific groups; 5.2 The extent to which the costs arising from the implementing factors are demonstrably higher (lower) than the observed benefits of the environmental provisions; 5.3 The extent to which the implementing factors are burdensome, and the extent to which they may be simplified; 5.4 The extent to which the Agreements have built on existing forms of cooperation, assistance, and institutional dialogue, thus reducing duplication of effort.	- Costs of setting up and maintaining the implementing mechanisms related to the TSD provisions; - Identification of stakeholder groups (particularly vulnerable group) that have been positively or negatively affected by the Agreements; - Distribution of socio-economic benefits and costs among different societal groups; - Presence of unnecessary institutional, regulatory, administrative or procedural requirements; - The time needed to realise the objectives compared to original plan or expectations.	- Desk Research; - Stakeholder consultations, including interviews, focus group discussions (FGDs), participation in civil society dialogues and survey; - Case studies.

Coherence

EQ 6: To what extent have the implementing factors of environmental provisions of the Agreements been coherent with EU trade and sustainability policies and in particular, with the EU's commitment to sustainable development in trade policies as a contribution to the attainment of the SDGs?

Judgement criteria	Indicators	Sources of evidence and methods
6.1 The extent to which the key areas or issues of focus in the implementing mechanisms' are aligned with (or contradictory) key EU sustainable trade objectives, notably the TSD policy; 6.2 The extent to which the key issues focused by the implementing factors of environmental and climate clauses are aligned (or contradictory) to key EU policies and commitments towards the attainment of SDGs (e.g. for Biodiversity and ecosystems, Climate Change, Forests, Oceans, Sustainable Food Systems); 6.3 The extent to which key issues focused by the implementing factors of environmental and climate clauses are aligned (or contradictory) to promote synergies with the wider EU engagement with trade partners (other projects, dialogues, assistance, cooperation) focused on TSD policies and commitments towards the attainment of SDGs;	- Examples of convergence, contradicting points, and synergies (or lack thereof) in the issues raised and follow-up activities of the different implementing factors, through the analysis of their number, type, and extent/relevance - Examples of synergies with key EU policies and commitments, EU wider engagement with trade partners etc , or lack thereof; through the analysis of their number, type, and extent/relevance.	- Lega/regulatory analysis - Stakeholder consultations, including interviews, focus group discussions (FGDs), participation in civil society dialogues and survey;

Relevance

EQ 7: To what extent do the provisions and implementing factors of the Agreements continue to be relevant in order to address the current environmental needs and issues?

Judgement criteria	Indicators	Sources of evidence and methods
7.1 The extent to which current environmental needs or issues can be addressed on the basis of provisions and implementing factors of the 9 EU FTAs analysed; 7.2 The extent to which new or more ambitious provisions and implementing factors are needed to address current environmental needs or issues.	- Identification of current environmental key issues, needs and gaps across trade partners in TSD priority areas; - Identification of key policy priorities and gaps across trade partners in TSD priority areas; - Examples (analysis of number, type, and extent/relevance) of alignment (or lack thereof) in environmental and climate chapters and implementing factors with key issues and policy priorities;	- Desk Research - Stakeholder consultations, including interviews, focus group discussions (FGDs), participation in civil society dialogues and surveys; - Case studies

7.3 The extent to which the implementing factors are aligned to multilateral environmental agreements and standards.	- Existence of clauses regulating access to data (or removing restrictions to data localisation) in existing agreements.	

ANNEX VII. STAKEHOLDERS CONSULTATION - SYNOPSIS REPORT

AIV.1 Introduction

Stakeholder consultations have been a critical input on this evaluation. The consultations support all parts of the analysis (all evaluation questions; all cross-cutting parameters; and all case studies). The consultations served to engage with all stakeholders; contribute to the transparency of the evaluation; validate (or disprove) hypotheses and address evaluation questions; and identify priority areas and lessons learned.

The stakeholders were selected with a view on the following elements:

- **Sectoral Representation**: the contractor identified stakeholders from a wide variety of relevant sectors that may be directly or indirectly impacted by the FTAs. This includes environmental organisations, industry associations, labour unions, government agencies, research institutions, local communities, and civil society groups working on environmental issues.
- **Geographical Scope**: Balanced geographical representation has been ensured, considering both EU member states and partner countries involved in the FTAs. Representation from regions and communities that may experience diverse environmental impacts has been ensured.

- **Expertise and Knowledge**: Relevant stakeholders possessing expertise and knowledge in environmental matters, trade policy, sustainable development, and specific industries affected by the FTAs.

- **Affected Groups**: Stakeholders representing communities, indigenous groups, or marginalized populations who may be disproportionately affected by the environmental impacts of the FTAs have been taken into account.

The evaluation focussed on the following target groups:

Table AIV.1. Target groups' membership

Target group	Sub-group	Stakeholders
Target group 1	Public administration	European Commission (incl. DG TRADE, DG CLIMA, DG ENV, DG INTPA) EUDs
	Civil society	Members of the DAGs Universities and think tanks
Target group 2	Public administration	Government Ministries and Agencies (Environment, Conservation, Trade, Social Affairs, Economy) WTO Ambassadors
Target group 3	Civil society	NGOs, especially active on environmental, social, and human rights issues Trade unions

		Universities and think tanks
Target group 4	Private sector	Business associations, SMEs

AIV.2 Overview of overall stakeholder involvement

In what follows, the various consultation tools used in this evaluation are described. Details are provided on the number of participants per consultation tool, as well as on the challenges encountered by the evaluation team.

Interviews

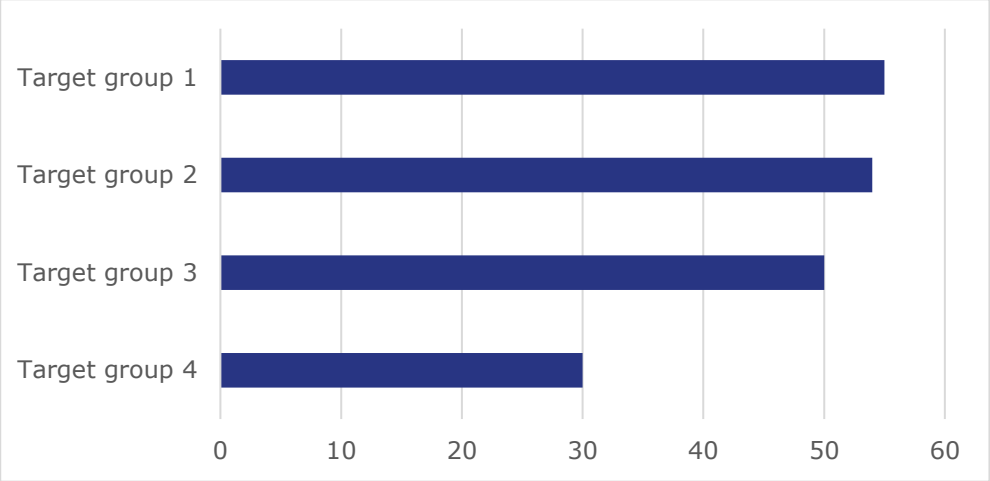
Given the broad geographic and thematic scope of this evaluation, in-depth, semi-structured interviews with stakeholders have represented the main consultation tool used in this evaluation. In total, 198 interviews were conducted, with stakeholders from 134 organisations and/or institutions. These include six scoping interviews with academic experts who were consulted at inception phase.

While the majority of interviews were carried out with individual participants, in several cases, these took place in the form of group interviews or discussions. The majority of interviews were held virtually, over Microsoft Teams. Some interviews, particularly in Honduras and Colombia, were held over the phone. Some team members based in partner countries, as well as country experts were able to hold physical interviews. Physical interviews were held in Japan, Viet Nam, Costa Rica, and Georgia, among other partner countries.

The distribution of interviews across the four target groups is well-balanced for groups 1 to 3, but there were relatively fewer interviews conducted with stakeholders categorised in target group 4, which includes business associations and SMEs.[28]

[28] It is important to note that this does not imply that the input from business organisations and SMEs are less represented across the gathered input from consulted stakeholders. In total, 7 business associations were consulted which are members of a Domestic Advisory Group of one of the FTA partner countries, resulting in being categorised under target group 1, rather than target group 4.

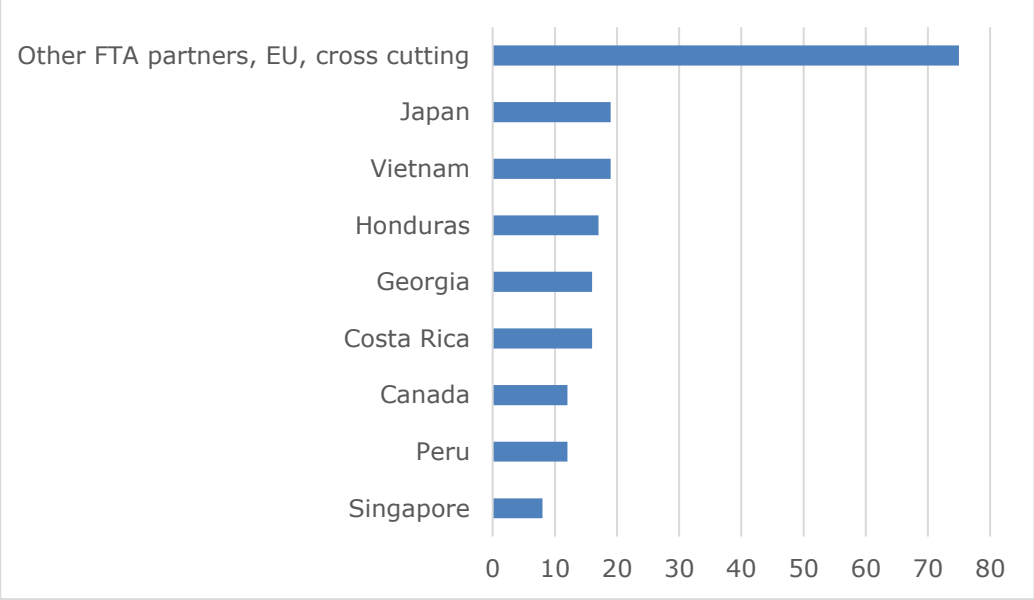
Figure AIV.1 Overview of conducted interviews per target group



In terms of the country coverage of the interviews among the 8 focus countries, individual country interviews, encompassing stakeholders across target groups 1-4, range between 12 and 20 interviews. With the exception of Singapore, where considerable difficulty was experienced in securing interviews with local governmental administrations, NGOs, and business organisations.

In total, 74 interviews were conducted covering cross-cutting issues and aggregate regions, as well as EU FTA partner countries beyond the 8 focus countries, including South Korea, Ecuador, Colombia, and Moldova, among others.

Figure AIV.2: Country coverage of the conducted interviews



A challenge that the evaluation team encountered during the interviews was stakeholders' limited awareness of the specific environmental provisions in EU FTAs. Particularly in partner countries, this was compounded by stakeholders appearing to be more aware of, and interested in, the recent EU autonomous measures such as the EUDR.

Civil Society Dialogue

The civil society dialogue meetings held by DG TRADE provided an opportunity to receive additional input from EU civil society on the overall methodology of the evaluation, as well as on its preliminary findings. Two meetings were organised with civil society: on the 10th of January, 2024; and on the 25th of February, 2025. During these meetings, the representatives of civil society monitored the progress of the evaluation and provided comments and feedback to ensure the quality and objectivity of the report. Both meetings were held in hybrid format.

Survey with the private sector and civil society organisations

The survey was part of the study's consultation process. Two different surveys of approximately 20 questions targeting civil society and private sector organisations respectively were designed. The questions were for the most part single and multiple-choice with predefined response options, thereby facilitating completion.

Given the range of different types of actions that have to be examined and evaluated, specific questions were designed for the two different set of stakeholders. However, all questions focused on horizontal and comparable issues in the specific criteria such as effectiveness, efficiency, and relevance.

The majority of the questions included in the survey were multiple-choice questions, asking the participant to assign a score based on a Likert scale. The purpose of this set-up is to ensure participants do not need to spend more than 15 minutes answering the survey, as it is known that lengthy surveys tend to discourage participation. At the same time, however, a number of voluntary open questions were also included, allowing those participants that are willing and interested in providing more information to do so.

The survey addressing CSOs included an assessment of the role of the EU trade agreement across the cross-cutting priorities of the study (MEA Ratification and compliance, regulatory cooperation, non-regression, alliance building, green/climate friendly technologies) and some key issues (deforestation, biodiversity protection, circular economy). The survey directed to the private sector was focused on assessing the impact of the agreement's environmental provisions on their business.

The survey remained online for a duration of 4 weeks, allowing ample opportunity for stakeholders to participate. It was facilitated through the EU Survey platform and accessed via two primary channels:

- The consortium leader's LinkedIn account; and
- European Commission networks: X (previously known as Twitter) and the DG TRADE newsletter.

Furthermore, the survey was circulated among key stakeholders, including selected trade associations involved in the consultation process, who distributed the link among their members and shared it on their social media platforms. A total of 15 stakeholders

responded to the questionnaire for CSOs. A total of 9 stakeholders responded to the questionnaire for the private sector.

To adhere to EU GDPR regulations, the survey included a privacy statement and was designed to maintain respondent anonymity.

AIV.2 Summary of stakeholders' contributions

In what follows, the views and contributions of stakeholders are summarised. Overall, public sector stakeholders across the EU and partner countries were positive with regard to the role of EU agreements in promoting regulatory cooperation and maintaining environmental commitments, with virtually all stakeholders stressing that the implementing factors of the agreements provide important avenues for dialogue and information exchange. Public sector stakeholders in developing economies also stressed the importance of the nexus between regulatory cooperation activities and technical assistances, with several examples being raised with regard to assistance being provided for environmental legislation and/or policy.

However, while being positive with regard to the Agreements' TSD Chapters and their implementing factors, public sector stakeholders, stressed that the environmental provisions EU FTAs are only of the instruments that the EU can and does use to facilitate dialogue on environmental policy issues, and that they work in synergy with other forms of political and technical dialogue, as well as with other agreements and cooperation frameworks, such as, for example, the Green Alliances and Partnerships.

Civil society stakeholders, including academic experts, in both the EU and partner countries provided a somewhat more mixed picture, as there seems to be a general view that relative to labour provisions, environmental provisions only entail broad commitments, and as such they do not always provide sufficient instruments for monitoring. Stakeholders at the European Commission appear to broadly agree with this sentiment, although they also highlight that the recent introduction of the Single Entry Point (SEP) and the inclusion, since the beginning of the TSD approach, of stringent clauses against regression, can at least partly overcome some of the issues with monitoring and enforcement.

Finally, private sector stakeholders also paint a mixed picture. On the one hand, there is broad recognition of the opportunities that the agreements open up in terms of greater trade in environmental goods and services and the possibility for technology transfer; on the other, several private sector stakeholders expressed apprehension with regard to the possible additional costs that environmental standards may impose on business. However, it is important to stress that this apprehension appears to stem primarily from recent discussions around the autonomous measures including the EUDR and CBAM, rather than from the environmental clauses of the agreements specifically.

Stakeholders' views on effectiveness, efficiency, and coherence

With regard to the **ratification and compliance with MEAs**, stakeholders in partner countries ranging from Georgia to Colombia expressed, in general, positive statements with regard to the alignment between their own domestic environmental policies and the environmental policy priorities specified in EU FTAs. At least one public sector stakeholder in Viet Nam went one step forward, and expressed the view that the EVFTA has supported the country increase its level of ambition in environmental policy-making.

Stakeholders in countries including Costa Rica, Canada, Singapore, and Japan, particularly in the public sector, express the view that their countries and the EU are like-minded partners and that the FTAs, together with other agreements and political as well as technical dialogues, can open platforms to pursue common objectives in environmental policy. In these countries, there is a view that environmental policy-making, particularly with regards to MEAs, is just as advanced as it is in the EU, and that the implementing factors of the Agreements are useful to promote dialogue and information exchange.

In some countries, particularly developing economies, such as Georgia and Viet Nam among others, stakeholders indicated satisfaction with the level of technical support received by individual EU Member States and other international donors in drafting specific environmental legislation and policies that can support greater compliance with the MEAs listed in each Agreement. Costa Rica is another country in which stakeholders discussed how regulatory cooperation and technical assistance from the EU and its Member States was linked to positive developments in environmental legislation and policy.

The interviews yielded several insightful details and stakeholder opinions with regard to **regulatory cooperation**. Among the examples mentioned, there is cooperation leading to the VPA-FLEGT in Viet Nam and Honduras. In Viet Nam, stakeholders from the EU pointed to progress and cooperation in a wide range of environmental policy issues ranging from the circular economy to plastics recycling and wildlife trafficking. In Peru, stakeholders pointed to recent dialogues in the context of the circular economy, leading to roadmaps to support policy-makers in the formulation of policies promoting more circular practices. In the Republic of Korea, cooperation activities are starting with regards to the modernisation of the country's ETS, with study tours and the exchange of experts. In Costa Rica, stakeholders mentioned, among other examples of regulatory cooperation leading to legislative outcomes, the example of the Circular Economy Law of 2019, resulting from technical support from, and cooperation with the EU and specific Member States. In another important example, stakeholders in both the EU and Japan praised technical and regulatory cooperation between the two parties to facilitate trade in the offshore wind sector, even though this took place primarily through the Regulatory Cooperation Committee established by the EPA rather than the TSD Committee specifically.

It is important to stress that in several other instances, the stakeholders interviewed for the evaluation referred to cooperation with the EU more generally rather than cooperation as promoted under the Agreement or its TSD Chapter specifically. For example, in the case of Canada, CETA and the Strategic Partnership Agreement (SPA) both serve as

frameworks for regulatory cooperation between the parties. Additionally, and interestingly, public sector stakeholders in Costa Rica acknowledged the role of the country as a hub for regulatory cooperation and technical assistance between the EU and the wider Central American region.

There appears to be a consensus that when it comes to regulatory cooperation, the Agreements do provide the EU with an additional platform to engage in dialogue on environmental policy aspects with partner countries, which is accompanied by greater focus and priority. At the same time, stakeholders also acknowledge that the majority of the discussions in the past two years has started revolving around the autonomous measures. While there is overlap between these and the contents of the TSD Chapters, the discussion is moving away from the Chapters.

Among virtually all stakeholders in both the EU and partner countries, there was consensus that **non-regression** clauses are perceived as very useful to help partner countries stick to their own environmental policy baselines. There was a general consensus on this point among experts and EU Commission officials at different DGs and the EUDs. At least one stakeholder reported that this is because non-regression clauses are the only "prescriptive" and "strict" environmental provision in EU FTAs. At the same time, however, EU stakeholders who are knowledgeable of environmental policy in Peru expressed cautious concerns around a recent amendment to the 2011 forest law, a development which they say should continue being monitored.

With regard to **trade in EGS**, both private and public sector stakeholders expressed satisfaction with the market access ensured by the Agreements and with the possibilities that trade in environmental goods may open for technology diffusion, with one stakeholder in Japan expressing a positive view of EU-Japan regulatory cooperation in the offshore wind sector. Stakeholders in Canada, in another example, emphasised a number of joint initiatives and investments in lithium-ion battery manufacturing. Stakeholders in Georgia pointed to the importance of business missions facilitated by the EU to help Georgian businesses gain exposure to technological development and trade opportunities. In Georgia, several stakeholders also noted initiatives and programmes aimed at the technological upgrading of the timber sector to ensure greater sustainability.

When it comes to **alliance building**, stakeholders in both Canada, Japan, and the EU spoke positively of the recently introduced Green Alliances to foster dialogue and cooperation in several important areas of common interest, ranging from the manufacturing of net-zero technologies such as carbon capture, batteries, and green hydrogen; to issues of biodiversity and the circular economy. Stakeholders from the public sector in Georgia spoke positively on recent international initiatives in waste management, which, they said, can reinforce efforts to support compliance with MEAs. Canadian stakeholders reported that Canada is actively pursuing collective action through multilateral fora on critical minerals issues to support the global energy transition, more resilient supply chains, and more sustainable and responsible sourcing practices.

With regard to **the implementing factors of the EU FTAs**, and particularly the DAGs, both public sector and civil society stakeholders in the EU and partner countries concur that the DAGs are a useful platform for civil society to voice their concerns. Several stakeholders acknowledge that there is a trade-off between efficiency and inclusiveness in the DAGs: the current combination of smaller DAGs and larger civil society fora and dialogues is regarded as a good compromise.

While the DAGs are regarded positively, there is also consensus, particularly among civil society stakeholders, that the functioning and effectiveness of DAGs can be improved. One area for improvement that was mentioned frequently is that the DAGs can sometimes function more as spaces for the Commission to provide information unilaterally to civil society while, on the other hand, civil society organisations tend to use the DAGs for advocacy on specific issues rather than as fora for dialogue and monitoring of the agreements. A related issue mentioned by at least two stakeholders who participate in the EU DAGs is that information flow is not always optimal, with DAG members not having access to the minutes of TSD Committee meetings or to information that is not already publicly available.

Civil society stakeholders also pointed to the fact that the DAGs, at least according to their original formulation, should act as watchdogs, enabling the monitoring of the agreements' TSD Chapters. However, since key performance indicators (KPIs), targets, work-plans, and roadmaps are not widely utilised, the DAGs do not function as outcome-oriented forums. Two stakeholders suggested that as a practical idea, the DAGs could be empowered to design roadmaps, allowing civil society stakeholders to identify priority areas that they would want to work on and include concrete measures and follow-up actions that could be pursued Finally, some civil society stakeholders suggested that since the membership of the DAGs is very wide, it may be useful to subdivide discussions according to specific sectors or knowledge groups, for the discussions to be more specific.

Civil society respondents to the survey echoed these sentiments, expressing that the DAGs have the potential to monitor the agreements' implementation o the ground, but that this potential is not fully expressed at the moment.

In addition, in some of the partner countries studied for this evaluation, the functioning of the local DAGs can be affected by external factors that are outside of the EU's control. These factors include the shrinking of civil space in Viet Nam, which was stressed by several stakeholders with knowledge of the country in the EU. Stakeholders in both the EU and Japan also pointed to the role of the Ministry for Foreign Affairs in Japan in selecting environmental organisations that can participate. One academic researcher in Japan expressed the view that Japanese environmental civil society organisations may not yet be using the agreement to the fullest extent.

With regard to the TSD Committee, stakeholders at the EU Commission tend to be of the opinion that the TSD Committee is an effective forum for bilateral dialogue. This view is broadly echoed by their counterparts working in the public administration of partner

countries. However, some stakeholders at the Commission perceive that the once-a-year meeting format can reduce the scope for dialogue. While it is too costly to hold meetings more than once a year, other forms of ongoing dialogue are said to be welcome. One public sector stakeholder in Singapore further indicated that the TSD Committee is particularly useful for parties to clarify their respective positions and improve mutual trust and understanding, particularly at times where the EU introduces new environmental legislation.

With regard to the **efficiency** of the agreements, among public sector stakeholders in the EU there is a consensus that the benefits of the EU agreements in terms of dialogue, information exchange, and trust-building with partner countries on environmental policies and priorities clearly outweigh any administrative costs associated with the Agreements' implementing factors.

With regard to the distribution of costs and benefits, both private sector stakeholders and academic experts in countries including, among others, Costa Rica, Georgia, Ecuador, Viet Nam, and Japan, pointed to businesses facing costs to comply with EU environmental standards. In Viet Nam, public sector stakeholders report of issues with compliance with REACH and the Restricted Substances List (RSL) in the textile and garment sector. In Costa Rica and Honduras, concerns arose around the EUDR. However, the vast majority of these concerns do not arise specifically from the environmental provisions in EU agreements. In addition, several interviewees, including in Viet Nam and Colombia, expressed the view that local firms have increased their awareness of, and compliance with, environmental regulations thanks to their exposure to the EU market, with positive knock-on effects on their export competitiveness. Technical assistance for improvements in agricultural and manufacturing practices in Ecuador is acknowledged by industry associations.

Among private sector respondents to the survey, all of whom are EU-based, some expressed concerns around competition from third-country producers who may not meet the same sustainability standards, with concerns around, for example, the reliability of labelling from third-country products. However, more generally, most private sector stakeholders express the recognition that heightened sustainability ambitions could foster trade and investment prospects for green goods and clean technologies and services. Specific opportunities mentioned include consulting services in the green sector and support mechanisms for companies, reflecting an increasing appreciation for EU-produced clean technology.

Finally, with regard to **coherence**, the general consensus among stakeholders at the EU Commission is that the environmental provisions in EU agreements work in synergy both with EU environmental policies and priorities such as the European Green Deal and with global environmental policy priorities such as the SDGs. The environmental provisions and TSD Chapters are often described as part of a thick network of agreements, dialogues, initiatives, and projects that the EU and its Member States carry forward with partner countries. One area of concern that was mentioned by both civil society stakeholders,

including academic experts, and stakeholders at the EU Commission is that environmental provisions are not specific enough. The labour provisions, by contrast, are widely regarded as more specific. According to stakeholders, this means that the EU has less margin for manoeuvre with partners. At the time at which the consultations take place, the SEP had only been used for labour matters and there were no examples of SEP complaints around environmental issues.[29]

Stakeholders' views on relevance

In addition to the caveat that the environmental provisions in EU agreements are widely regarded as being too broad or not prescriptive enough—an opinion that is shared across stakeholder groups, including civil society and public administration in the EU—there seems to be debate around the relevance of the agreements among stakeholders. There is agreement that the environmental provisions are relevant, and that with each new agreement that the EU signs with partners, the TSD approach becomes more sophisticated. However, some stakeholders at the Commission expressed the view that the Agreements could be modernised, including with regard to dispute settlement and to the inclusion of either new MEAs that are coming to the fore, such as the Kunming-Montreal agreement; or new provisions that are not necessarily linked to MEAs but that are nonetheless important, such as provisions stipulating the protection of forests, marine biology, and biodiversity.

Other stakeholders are of the opinion that modernisation is not needed, because the implementing factors of the agreements allow parties to raise, discuss, and solve issues related to environmental policy and protection regardless of whether these are explicitly stipulated in an agreement. They also point to the difficulties of modernising an agreement, with long negotiating time and uncertainty around political priorities. An example that is often raised by stakeholders at the Commission as well as by civil society stakeholders who participate to the EU DAGs and civil society engagements is that the unilateral, autonomous measures have "hijacked" the discussions with partners. This occurs in the TSD Committee but also in other Committees. One stakeholder reported that the Andean countries wanted to discuss deforestation at all Committees (including trade in goods) including the TSD committee.

[29] The evaluation team was subsequently informed that there is one environmental complaint that has been raised in the SEP.