Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Recommendation 2254 (2023)[1]

Safeguarding democracy, rights and the environment in international trade

Parliamentary Assembly

1. The Parliamentary Assembly refers to its Resolution 2496 (2023) "Safeguarding democracy, rights and the environment in international trade". It underscores the close interdependence between policies pursued by the Council of Europe member States in the area of trade and investment, and the implementation of shared values "in the interests of economic and social progress", as stated in the Statute of the Council of Europe (ETS No. 1). International trade arrangements must evolve with society and reflect its increased attention to human dignity and sustainable development.

2. Considering the imperative for the Council of Europe and its member States to contribute to the achievement of the United Nations Sustainable Development Goals, aimed at promoting human prosperity worldwide while protecting the planet, the Assembly emphasises the need to rebalance States' economic, social and environmental commitments at global and domestic levels, including through trade policies and agreements.

3. The Assembly therefore reiterates its proposals for action by member States, as contained in its Resolution 2496 (2023), and urges the Committee of Ministers to recommend in turn that member States' governments:

3.1. support multilateral negotiations towards the reform of the dispute settlement system for interstate trade disputes of the World Trade Organization (WTO), on the one hand, and the establishment of a multilateral investment court under the auspices of the United Nations for enterprise versus State disputes, on the other hand;

3.2. ensure that all new trade and investment agreements contain comprehensive provisions on sustainable development and protection of fundamental rights, and strengthen enforcement mechanisms for these provisions, commensurate with those protecting investors;

3.3. assess existing trade and investment commitments under the "old generation" treaties and, where necessary, launch their revision with a view to upgrading them with provisions on sustainable development and protection of fundamental rights, so as to ensure that they contribute to the implementation of global environmental treaties and the United Nations Sustainable Development Goals;

3.4. use trade and investment agreements as tools to promote democratic norms and human rights, including social rights, on a global scale;

3.5. systematically involve parliaments in negotiations for the conclusion or reform of any trade and investment treaties in order to enhance democratic scrutiny and transparency of the process from the negotiation mandate to the final ratification of such agreements;

1. *Assembly debate* on 27 April 2023 (13th sitting) (see Doc. 15739, report of the Committee on Social Affairs, Health and Sustainable Development, rapporteur: Mr Geraint Davies). *Text adopted by the Assembly* on 27 April 2023 (13th sitting).

3.6. where necessary, consider taking lawful unilateral measures in international trade to enforce domestic environmental standards at the border based on the European Union's carbon border adjustment mechanism, and consider extending such measures to cover fundamental rights, including labour rights, and public health;

3.7. promote corporate due-diligence obligations through trade with regard to the protection of the environment, fundamental rights and public health;

3.8. work together for a co-ordinated revision of the Energy Charter Treaty in order to minimise the length of the sunset clause and its negative impact on the environment, climate change and fundamental rights.