



*European Economic and Social Committee*

**REX/479**  
**EU-Korea Free Trade Agreement**  
**TSD Chapter**

## **OPINION**

European Economic and Social Committee

**EU-Korea Free Trade Agreement – Trade and Sustainable Development Chapter**

Rapporteur: **Dumitru FORNEA**

Consultation	European Commission, 22/06/2016
Legal basis	Article 304 of the Treaty on the Functioning of the European Union
Section responsible	External Relations
Adopted in section	28/09/2017
Adopted at plenary	18/10/2017
Plenary session No	529
Outcome of vote (for/against/abstentions)	127/0/2

## 1. Conclusions and recommendations

- 1.1 The EESC supports international efforts to maintain peace, including by promoting initiatives aimed at demilitarization and on denuclearization of the Korean Peninsula. In the current context, the Committee wishes first of all to express its fully and unconditioned solidarity to the Republic of Korea with regards to the threats coming from North Korea.
- 1.2 The European Economic and Social Committee (EESC) recognises that, overall, the Free Trade Agreement (FTA) between the European Union (EU) and the Republic of Korea<sup>1</sup> has produced encouraging economic and social results.
- 1.3 However, the implementation of the sustainable development aspects of the FTA, particularly labour issues, remains unsatisfactory. The Committee reiterates the positions taken by the EU Domestic Advisory Group (DAG)<sup>2</sup>, notably that the European Commission should open consultations with the Korean government about the implementation of its commitments on freedom of association and collective bargaining.
- 1.4 The civil society mechanisms in the Trade and Sustainable Development (TSD) chapter of the EU-Korea FTA have been strengthened continuously over the last five years; representativeness and balanced representation of stakeholders has improved significantly, DAGs both in the EU and in Korea have met regularly, and the annual EU-Korea Civil Society Forum (CSF), bringing together the EU DAG and the Korea DAG, was held for the fifth time in February 2017.
- 1.5 So far, four major themes have dominated the DAGs' discussions and activities: fundamental labour rights, corporate social responsibility (CSR), the green economy and trade in the context of sustainable development, and climate change policy, including the emissions trading schemes in the EU and Korea. To further strengthen the role of these consultative mechanisms and to respond to a wider range of concerns of various civil society organisations, the EESC recommends that the DAGs should be able to discuss matters relevant to the civil society or sustainable development and express themselves on any issue covered by the FTA as a whole.
- 1.6 The Committee would urge that, given the increasing number of EU trade agreements entering into force and the consequent increase in the number of civil society monitoring mechanisms in place, the Commission must now urgently ensure that the necessary funds are made available so to enable those mechanisms to operate effectively. Specifically for the EU-Korea FTA, this should include funds for justified activities, including analytical work or workshops accompanying joint annual meetings with the Korea DAG.
- 1.7 Past experience has shown that, in the context of the EU-Korea FTA, the consistency and quality of the dialogue between the EU and Korea have been significantly improved thanks to better coordination of the activities of the EU DAG and the EU institutions, as well as

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<sup>1</sup> Free trade Agreement between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part, [OJ L 127, 14.5.2011- http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2011:127:FULL&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2011:127:FULL&from=EN)

<sup>2</sup> The Domestic Advisory Group(s) on sustainable development (environment and labour) are established under Article 13.12 with the task of advising on the implementation of the Trade and Sustainable Development chapter.

coordination between them and other international organisations such as the ILO and the OECD. The EESC recommends that the working methods developed through this inter-institutional cooperation be used in the next period, including by developing new partnerships for relevant activities and projects.

- 1.8 In order to ensure the effective implementation of the TSD chapter, the EESC considers it paramount that the Parties take into consideration and follow-up the civil society recommendations provided by the DAGs and the CSF. The Committee on Trade and Sustainable Development (CTSD) should respond to the TSD issues and recommendations raised by the DAGs, within a reasonable timeframe.
- 1.9 The EESC calls on the European Commission and the European Parliament to promote in the bilateral discussions with the Korean partners initiatives and political measures to enforce the protection of intellectual property rights (IP) and the fight against counterfeiting, and also by capitalising on cultural diversity by encouraging a balanced trade with products and services from cultural and creative industries from the EU and Korea.
- 1.10 The EESC underlines the importance of continuing to raise awareness among European businesses, particularly SMEs, regarding the opportunities offered by this FTA. The rate of EU utilisation of tariff preferences (71% in 2016, up from 68% in 2015) can be improved by trade facilitation measures and reduced tariff and non-tariff barriers, but also by creating more opportunities for communication and cooperation among the relevant European and Korean partners.
- 1.11 The EU-Korea FTA has been very important for the agri-food sector. The agro-food trade between EU and Korea has increased rapidly in recent years. Due to the problems raised for the EU agricultural sector following the Russian ban and the restrictions imposed by China on Korean exports, both the EU and Korea need access to new markets. The European Commission should do more for a simplified access of the European agricultural and food products on the Korean market.
- 1.12 The Committee underlines the importance of the consultative mechanisms established by the EU-Korea FTA (DAG and CSF), as effective and representative tools that can support the European institutions in their actions related to the implementation of the sustainable development goals and the Paris Agreement, and to strengthen the international cooperation on sustainable development, environmental protection and climate change.

## **2. Background**

- 2.1 The EU-Korea FTA entered into force on 1 July 2011. This was the first EU bilateral "new generation" FTA to be implemented. The evaluation of it is thus an opportunity for reviewing progress not only for this FTA, but also for other subsequent agreements. However, since the mandate for negotiation of the FTA predated the Lisbon Treaty, it could not cover investment.
- 2.2 Generally, the FTA has generated positive trade outcomes for the EU, as reported by the European Commission. Commission data show that in statistical terms, five years after the

implementation of the FTA, EU exports of goods to Korea increased by 59%, from EUR 28 billion in 2010 (last year before provisional application) to EUR 44.5 billion in 2016. Therefore, the EU's trade deficit with Korea of EUR 11.6 billion in 2010 has turned into an EU trade surplus of EUR 3.1 billion in 2016. EU exports of services to Korea increased by 49% compared to 32% for EU imports from Korea from 2010 to 2015. The EU had a EUR 4.8 billion trade surplus in services in 2015. Over the same period, EU inward Foreign Direct Investment (FDI) stocks increased by 59% and EU outward FDI stocks (EU investments in Korea) increased by 33%<sup>3</sup>.

- 2.3 The European Commission is carrying out an evaluation of this FTA<sup>4</sup>. It asked the EESC to contribute with its own assessment of the implementation of the FTA and in particular of its TSD chapter. The conclusions of this opinion have been formulated taking into account, among others, documents and positions of the EU DAG and relevant workshops held in Seoul and Brussels<sup>5</sup>.

### 3. General comments

- 3.1 The economic and social development of Korea over the last fifty years is considered to be a success story. The country's GDP grew from USD 2.36 billion in 1961 to a peak of USD 1 411.3 billion in 2014<sup>6</sup>. During this period, Korea succeeded in building a formidable technological and industrial base that can compete with any other industrial powers in the world.
- 3.2 However, despite this progress, over the last five years, a wave of social demands from citizens and organised civil society for a more equitable distribution of economic benefits among all social classes has been spreading in Korean society. In addition to workers' rights, concern has been expressed by EU and Korean stakeholders about the lack of real civic and social dialogue in the country. Mass protests in Seoul, in late 2016 and early 2017, confirmed this state of affairs.
- 3.3 The election of President Moon Jae-in<sup>7</sup> is seen as the start of a new era for Korean workers, farmers, consumers and employers and many civil society organisations have welcomed the commitments from the newly-elected president on consolidating social justice, specifically regarding workers' rights, decent wages and job security, as well as his intention to look into the case of imprisoned trade union leaders<sup>8</sup>.

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3 Source: European Commission.

4 Evaluation of the Implementation of the Free Trade Agreement between the EU and its Member States and the Republic of Korea Interim Technical Report - [http://trade.ec.europa.eu/doclib/docs/2017/june/tradoc\\_155673.pdf](http://trade.ec.europa.eu/doclib/docs/2017/june/tradoc_155673.pdf)

5 Stakeholder Workshops in Seoul (30 November 2016) and in Brussels (23 March 2017) within the framework of the Korea EU ILO 111 Project, and the ILO seminar in Brussels (6 December 2016) on the "Assessment of Labour Provisions in Trade Agreements: design, implementation and stakeholder involvement".

6 <http://www.tradingeconomics.com/south-korea/gdp>.

7 The new President of the Republic of Korea was elected in May 2017 to replace President Park-Geun-hye, who was impeached in December 2016 on charges of bribery and abuse of power.

8 <https://www.ituc-csi.org/korea-president-moon-and-a-new-era?lang=en>.

#### 4. **The civil society monitoring mechanism under the TSD chapter of the EU-Korea FTA**

- 4.1 The provisions of the new generation of free trade agreements provide for a civil society advisory mechanism. For the EU-Korea FTA, it consists of two Domestic Advisory Groups, one on the EU side and one on the Korean side, overseeing the implementation of the agreement and providing recommendations to the Parties<sup>9</sup>.
- 4.2 In addition to the DAG set up by each Party, the EU-Korea FTA also provides for the holding of a civil society forum<sup>10</sup> once a year, where the two DAGs meet to work together during a joint meeting and have the option of preparing opinions and recommendations.
- 4.3 The Committee strongly welcomes the fact that this creates added value in comparison to the other free trade agreements. These joint meetings are specifically written into the Agreement, which we regret has not yet become standard practice.
- 4.4 The EU-Korea FTA, agreed in 2010, was the first such EU FTA that included a specific Trade and Sustainable Development Chapter, and one that also included a civil society monitoring mechanism. This was a direct consequence of the Commission Communication "Global Europe"<sup>11</sup>, published in October 2006. This stated "as we pursue social justice and cohesion at home we should also seek to promote our values, including social and environmental standards and cultural diversity around the world"<sup>12</sup>.
- 4.5 In its opinion on that communication, the EESC specifically called for the inclusion of a TSD chapter in each subsequent FTA, together with an active monitoring role for civil society<sup>13</sup>.
- 4.6 Starting with the EU-Korea Agreement, there have been seven EU trade agreements with a prominent TSD chapter, with many more in the pipeline awaiting ratification, including those with Canada, Vietnam, Singapore and Japan. The Committee has since called for TSD chapters to be included as well in stand-alone Investment Agreements<sup>14</sup>. The Committee believes that the establishment of these mechanisms is a good example of EU values being put into practice, although the time is now ripe for an overall review<sup>15</sup> based on experience so far.
- 4.7 Often, these monitoring mechanisms have offered the first direct contact for local civil society with the EU, thereby often empowering them to an extent previously unimagined. Nevertheless in most cases, including for Korea, there are major social and cultural differences, which need

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<sup>9</sup> EU-Korea Free Trade Agreement, Article 13.12.

<sup>10</sup> Idem, Article 13.13.

<sup>11</sup> COM(2006) 567 final.

<sup>12</sup> Ibid point 3.1 iii.

<sup>13</sup> [OJ C 211, 19.8.2008 p. 82.](#)

<sup>14</sup> [OJ C 268, 14.8.2015 p. 19.](#)

<sup>15</sup> [OJ C 264, 20.7.2016, p. 123.](#)

time and effort to adapt and come together, and for mutual trust and confidence to be established and developed. Therefore these mechanisms may take considerable time before becoming fully established and effective, and in several cases will need specific capacity building measures.

- 4.8 The Committee welcomes the fact that it itself has had a major role to play and been deeply involved in the establishment of these mechanisms, both at Member level and through its secretariat. It has a core role to play in this aspect of EU international relations.
- 4.9 Discussions in the EU DAG at the end of its first term in 2015 concluded that the mechanism provided an additional channel for dialogue and cooperation with civil society partners on matters linked to trade relations and sustainable development. It also provided input to dialogue by the European Commission and the government representatives of the partner country, while not excluding or limiting exchanges through other existing channels. Nonetheless, the mechanism's capacity to achieve tangible results on the ground has yet to be verified.
- 4.10 The EESC would again stress that the mechanism required time and effort to become fully operational. The initial work focused on setting up the DAG and the CSF and involved institutional set up and capacity building. Only then could the DAG members from both sides move towards a shared understanding of the mechanism's mandate, the representativeness of the civil society organisations, the membership of the DAGs, the relations with the inter-governmental body (i.e. participation by DAG chairs in the meeting of the Committee on Trade and Sustainable Development) and issues to be discussed, etc.
- 4.11 Dialogue developed gradually to cover a range of issues and new aspects were included, such as the participation of an ILO representative in discussions on labour standards. Joint projects on matters of common interest were introduced (such as the EC-led project on climate change and the emissions trading scheme with Korea and another project on ILO Convention No 111) and side events, such as workshops, were organised to exchange information and shared practices with the possibility of including representatives of other relevant organisations and institutions going beyond the DAGs and civil society. At the Korean side's request, a workshop was organised in February 2017 which covered National Action Plans on CSR, Business and Human Rights, and National Contact Points established under the OECD Guidelines for Multinational Enterprises.
- 4.12 The EU DAG's Cooperation and dialogue take place with the European Parliament, as well as with other EU institutions, notably the Commission and the EEAS, which regularly update the EU DAG on the implementation of the TSD chapter of the EU-Korea FTA.
- 4.13 Relations with the EU Delegation in Seoul were maintained and it was important that the Delegation should have the capacity and expertise to follow matters related to trade and sustainable development. The EESC therefore strongly recommends the establishment of a specific post in the Delegation to deal with trade and sustainable development issues.
- 4.14 In terms of delivery, the EESC believes that there is still a need to ensure that recommendations provided by the civil society mechanism are taken seriously and followed up by each Party.

Similarly, there is an urgent need to discuss and reach a joint understanding on the circumstances which could trigger the use of the government consultation procedure envisaged in Article 13.14(1) of the EU-Korea FTA<sup>16</sup>.

- 4.15 According to the terms of the FTA, the DAGs should comprise independent representative organisations in a balanced membership by the stakeholders representing all three dimensions of sustainable development.
- 4.16 Such membership on the EU side should include EU umbrella organisations, as well as organisations with a particular interest or experience in trade, investment or cooperation between the EU and the specific third party, or which have partner organisations, branches or local offices in that partner country. Better use should also be made of expertise and information available through participating EU organisations or their member organisations.
- 4.17 The Committee strongly recommends that each DAG should be able to discuss matters relevant to the civil society or sustainable development (i.e. economic development, social development or environmental protection, or sanitary and phytosanitary requirements, or SME issues), including major impacts arising out of implementation measures.
- 4.18 The Committee would urge that, given the increasing number of EU trade agreements entering into force and the consequent increase in the number of civil society monitoring mechanisms in place, the Commission must now urgently ensure that the necessary funds are made available for to enable those mechanisms to operate effectively. Specifically for the EU-Korea FTA, this should include funds for justified activities, including analytical work or workshops accompanying joint annual meetings with the Korean DAG.
- 4.19 The Committee likewise urges that the established practice of holding the CSF back-to-back with the CTSD annual meeting must become a permanent feature accepted by all parties. This should include the participation of both DAG chairs in the EU-Korea Trade and Sustainable Development Committee meetings.
- 4.20 The Committee welcomes the strong support given by DG TRADE for the insistence by the EU DAG for a balanced membership of the Korea DAG, reflecting the provisions of the agreement. As a result, the Korea DAG changed its membership in 2014, reflecting a better balance from the three sub-groups, although difficulties persist regarding insufficient business expertise and representation in the Korean DAG.
- 4.21 The Committee also believes that greater thought needs to be given to effective communication of DAG activities, not only with other civil society organisations, but also with other EU institutions (notably the European Parliament), not least to encourage greater interest in the EU DAG's work and wider involvement in future of other organisations.

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"A Party may request consultations with the other Party regarding any matter of mutual interest arising under this Chapter, including communications of the Domestic Advisory Group(s) referred to in Article 13.12, by delivering a written request to the contact point of the other Party".



## 5. Opportunities and challenges for business under the EU-Korea FTA

- 5.1 A Business Confidence Survey conducted in 2016 by the European Chamber of Commerce in Korea shows that for European businesses, Korea is and will continue to be an important market. Industry expects that the reviews of rules and regulations will lead to more operational freedom as well as less complexity when doing business in Korea. Discretionary enforcement of regulations and the unpredictable legislative environment are considered to be among the main issues that obstruct the proper conduct of business in Korea<sup>17</sup>.
- 5.2 European business organisations<sup>18</sup> consider that the rate of use of tariff preferences can be improved by raising awareness among companies (particularly SMEs) regarding the opportunities offered by this FTA, and by
- reduced tariff and non-tariff-barriers for EU agri-food exports;
  - trade facilitation including customs clearance, competition and public procurement;
  - full coverage, full reciprocity and effective market access for industrial goods;
  - creating more opportunities for communication and cooperation among relevant European and Korean partners.
- 5.3 EU SMEs (particularly those not included in the global value chains) are calling for a rethink of trade statistics because the existing datasets do not provide a clear picture of indirect exports and are not able to help with identifying new business opportunities and with assessing the trade developments in various sectors. Their proposal is to move from gross trade statistics to trade in value added.
- 5.4 The protection of intellectual property rights (IP) and the fight against counterfeiting is also a key issue for the EU and Korea, mainly in the field of creative and cultural industries: cinema, fashion, video games, smart textiles, music, etc. Therefore, it is important to pay closer attention to the FTA enforcement on issues related to this area. Some European and global organisations have reported difficulties in Korea regarding the effective protection and exploitation of intellectual property rights. Specifically, there have been reports on failures to ensure IP rights for fashion and luxury companies, or the full public performance rights of music producers, performers and authors<sup>19</sup>.
- 5.5 The UNESCO protocol of 2005 is incorporated into this FTA and should provide sufficient guarantees for capitalising on cultural diversity by effectively protecting copyright and encouraging balanced trade with products and services from cultural and creative industries from the EU and Korea. Some European companies find it necessary to improve cooperation and dialogue in this area to avoid any protectionist measures imposed unilaterally, in the context

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<sup>17</sup> European Business in Korea: Business Confidence Survey 2016, European Chamber.; <https://ecck.eu/wp-content/uploads/2017/01/Business-Confidence-Survey-2016.pdf>.

<sup>18</sup> Business Europe position on the EU-Korea FTA: <https://www.businesseurope.eu/sites/buseur/files/media/imported/2007-01113-EN.pdf>.

<sup>19</sup> IFPI Comments on Partial Amendment of Copyright act in South Korea: <https://opennet.or.kr/wp-content/uploads/2013/04/IFPI-Comments-on-Partial-Amendment-of-Copyright-Act-in-South-Korea-March-20131.pdf>.

of increasingly powerful global competition for the promotion of own content (especially in media and cinema).

- 5.6 European agricultural and processed food products have a good reputation with Korean consumers and therefore the EU has substantial agricultural and food exports to the Korean market. The European Commission has made some efforts to promote EU products in Korea but much more could be done to maximise the potential of this privileged trade relationship.
- 5.7 EU agri-food exports to Korea have increased very rapidly in recent years and reached EUR 2.6 billion in 2016. Korea ranks 13th among the most important agri-food trading partners for the EU<sup>20</sup>. The EU-Korea FTA eliminated duties on nearly all EU agricultural products. For certain products, tariff-trade quotas were introduced. The mutual recognition of certain geographical indications (GI) is also important for boosting agri-food exports between the EU and Korea.
- 5.8 Due to the problems that have arisen for the EU agricultural sector following the Russian ban and to the restrictions imposed by China on Korean exports as sanctions against the deployment of the THAAD defence systems, both the EU and Korea need access to new markets and in this context, the EU-Korea FTA has already proved to be mutually beneficial.

## **6. The impact of the EU-Korea FTA on labour standards, industrial relations and generally on the quality of social and civil dialogue**

- 6.1 The TSD chapter reiterates the Parties' commitments in relation to the ILO Conventions and establishes a civil society monitoring and advisory mechanism to oversee the implementation of the FTA and provide recommendations. The EU Member States have ratified all of the ILO's eight core conventions and the Republic of Korea has ratified four. Globally, the countries that have not ratified these ILO Conventions are in a minority<sup>21</sup>.
- 6.2 There are various Free Economic Zones (FEZs)<sup>22</sup> and Free Trade Zones (FTZs)<sup>23</sup> in Korea. Among other incentives, the zones offer some exemptions from national labour and environment laws. For example, companies employing more than 300 employees are exempted from the obligation to hire persons with disabilities that would account for at least 2% of their workforce or to provide for paid leave, usually referred to as "weekly rest".
- 6.3 EESC considers that these exemptions, in their nature and their intent, are in breach of the EU-Korea FTA's Article 13.7 that states "[a] Party shall not weaken or reduce the environmental or labour protections afforded in its laws to encourage trade or investment, by waiving or

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20 [https://ec.europa.eu/agriculture/sites/agriculture/files/trade-analysis/statistics/outside-eu/countries/agri-food-south-korea\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/trade-analysis/statistics/outside-eu/countries/agri-food-south-korea_en.pdf).

21 Fundamental ILO Conventions not ratified by the Republic of Korea: the 1930 Convention No 29 on Forced Labour; the 1948 Convention No 87 on Freedom of Association and Protection of the Right to Organise; the 1949 Convention No 98 on the Right to Organise and Collective Bargaining; the 1957 Convention No 105 on Abolition of Forced Labour.

22 <http://www.fez.go.kr/global/en/index.do>.

23 [http://english.motie.go.kr/en/tp/alltopiccs/bbs/bbsView.do?bbs\\_cd\\_n=3&bbs\\_seq\\_n=12](http://english.motie.go.kr/en/tp/alltopiccs/bbs/bbsView.do?bbs_cd_n=3&bbs_seq_n=12).

otherwise derogating from, or offering to waive or otherwise derogate from, its laws, regulations or standards, in a manner affecting trade or investment between the Parties".

- 6.4 The EU DAG and the CSF have many times raised these questions in the period 2012-2017 and have repeatedly called for the acceleration of the ratification of the core ILO conventions. After the initiative of the EU DAG, the EU-Korea CSF sought to monitor the implementation of Article 13.4.3's provision that "Parties will make continued and sustained efforts" towards ratifying fundamental and up-to-date ILO Conventions. The European Commission raised this issue with the government of Korea.
- 6.5 In June 2015, the Korean government responded that "For the unratified fundamental conventions, some of their provisions do not conform to the current domestic laws and situation, making it difficult to create conditions for ratification in Korea". The government's response continues: "As a country's laws and systems, particularly labour laws, should reflect its socially and economically unique characteristics and be based on tripartite agreements, it is not easy to improve domestic laws and systems within a short period of time." This is not in line with the stipulations of Article 13.4.3 and the TSD chapter in general.
- 6.6 On 15 September 2015, the CSF issued a statement expressing "its disappointment with the lack of progress and concrete steps in particular regarding ratification and effective implementation of the ILO fundamental conventions and urge[d] the Parties to renew their efforts in that direction".
- 6.7 The Committee urges the European Commission to take up formal consultations with the Korean government as requested by the EU DAG in its letters to the Commissioner for Trade (De Gucht in January 2014 and Malmström in December 2016) and by the European Parliament in its resolution of 18 May 2017<sup>24</sup>. The consultations would start with a focus on Korea's failure to ratify the ILO Conventions and on issues relating to Korea's breach of the labour provisions as prescribed by the FTA's TSD chapter.
- 6.8 In the future, it is important to strengthen the cooperation between the Government of the Republic of Korea and the social partners, for instance via more thematic projects jointly financed and implemented by the European Commission, the EESC and the ILO. Representatives of the social partners and other civil society organisations in Korea and the EU, who participate in both DAGs, must be involved directly in the implementation of these projects.

## **7. Environmental protection and the promotion of sustainable development**

- 7.1 This FTA reaffirms the EU Member States' commitments to the multilateral environmental agreements to which they are party, such as the UN Framework Convention on Climate Change

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European Parliament resolution of 18 May 2017 on the implementation of the Free Trade Agreement between the European Union and the Republic of Korea (2015/2059(INI)) (<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2017-0225+0+DOC+XML+V0//EN&language=EN>).

and the Paris Agreement, the Convention on Biological Diversity (CBD) and CITES on international trade in endangered species of wild flora and fauna.

- 7.2 Since 2015, Korea has had its own national emissions trading scheme (KETS), the first programme of this type in operation in East Asia. The KETS covers approximately 525 of the country's largest emitters, which account for around 68% of national GHG emissions. The KETS covers direct emissions of six Kyoto gases as well as indirect emissions from electricity consumption. The Republic of Korea intends to reduce its GHG emission – 37% below the business-as-usual scenario by 2030 (INDC submission to the UNFCCC). This equals a 22% reduction compared to 2012 emissions levels<sup>25</sup>. On 8 July 2016, the EU launched a EUR 3.5 million cooperation project with the Republic of Korea to support the implementation of KETS. The project will run until January 2019 and is funded under the EU's Foreign Partnership Instrument with an in-kind contribution from the Korean government and will be steered jointly by the EU and the Korean Ministry of Strategy and Finance<sup>26</sup>.
- 7.3 A former president, Lee Myung Baek initiated a government initiative called "Green Growth". On 27-28 October 2015, the 19th Forum on Eco-innovation took place in Seoul as part of EU-Korea cooperation on environmental issues. Since 2006, the European fora on eco-innovation have been bringing together specialists from the science and engineering, policy, finance, NGO, academic and business communities. The forum explored new business opportunities in eco-innovation and learned about the latest trends in the circular economy, with a special focus on innovative materials and products<sup>27</sup>.
- 7.4 Under the consultative mechanisms established by the EU-Korea FTA, civil society representatives from the EU and Korea have expressed their interest in focusing attention on issues related to the implementation of the SDG's and the Paris Agreement. The Committee is convinced that both the DAG's and the CSF are effective and representative tools that can assist European institutions in their actions to strengthen the international cooperation on sustainable development, environmental protection and climate change.

Brussels, 18 October 2017

Georges DASSIS

The president of the European Economic and Social Committee

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<sup>25</sup> International Carbon Action Partnership, 9 January 2017, Korea Emissions Trading Scheme.

<sup>26</sup> [http://ec.europa.eu/clima/news/articles/news\\_2016070801\\_en](http://ec.europa.eu/clima/news/articles/news_2016070801_en).

<sup>27</sup> [http://ec.europa.eu/environment/archives/ecoinnovation2015/2nd\\_forum/index\\_en.html](http://ec.europa.eu/environment/archives/ecoinnovation2015/2nd_forum/index_en.html).