

CHAPTER 5

TRADE AND SUSTAINABLE DEVELOPMENT

ARTICLE 5.1: CONTEXT AND OBJECTIVES

1. Recalling *Agenda 21 on Environment and Development of 1992*, the *Johannesburg Plan of Implementation on Sustainable Development of 2002*, and the *2006 Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work*, the Parties reaffirm their commitments to promoting the development of international trade in such a way as to contribute to the objective of sustainable development and shall strive to ensure that this objective is integrated and reflected at every level of their trade relationship.
2. The Parties recognise that economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development. They underline the benefit of cooperation on trade-related social and environmental issues as part of a global approach to trade and sustainable development.
3. The Parties recognise that it is not their intention in this Chapter to harmonise the environment or labour standards of the Parties, but to strengthen their trade relations and cooperation in ways that promote sustainable development in the context of paragraphs 1 and 2.

ARTICLE 5.2: SCOPE

1. Except as otherwise provided in this Chapter, this Chapter applies to measures adopted or maintained by the Parties affecting trade-related aspects of environmental and labour⁵ issues in the context of Articles 5.1.1 and 5.1.2.
2. The Parties stress that environmental and labour standards should not be used for protectionist trade purposes. The Parties note that their comparative advantage should in no way be called into question.

ARTICLE 5.3: RIGHT TO REGULATE AND LEVELS OF PROTECTION

Recognising the right of each Party to establish its own levels of environmental and labour protection, and to adopt or modify accordingly its relevant laws and policies, each Party shall seek to ensure that those laws and policies provide for and encourage high levels of environmental and labour protection, consistent with the internationally recognised standards or agreements referred to in Articles 5.4 and 5.5, and shall strive to continue to improve those laws and policies.

⁵ When labour is referred to in this Chapter, it includes the issues relevant to the *Decent Work Agenda* as agreed on in the International Labour Organization (hereinafter referred to as the “ILO”) and in the *2006 Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work*.

ARTICLE 5.4: MULTILATERAL LABOUR STANDARDS AND AGREEMENTS

1. The Parties recognise the value of international cooperation and agreements on employment and labour affairs as a response of the international community to economic, employment and social challenges and opportunities resulting from globalisation. They commit to consulting and cooperating as appropriate on trade-related labour and employment issues of mutual interest.
2. The Parties reaffirm the commitment, under the *2006 Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work*, to recognising full and productive employment and decent work for all as a key element of sustainable development for all countries and as a priority objective of international cooperation and to promoting the development of international trade in a way that is conducive to full and productive employment and decent work for all, including men, women and young people.
3. The Parties, in accordance with the obligations deriving from membership of the ILO and the *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up*, adopted by the International Labour Conference at its 86th Session in 1998, commit to respecting, promoting and realising, in their laws and practices, the principles concerning the fundamental rights, namely:
 - (a) freedom of association and the effective recognition of the right to collective bargaining;
 - (b) the elimination of all forms of forced or compulsory labour;
 - (c) the effective abolition of child labour; and
 - (d) the elimination of discrimination in respect of employment and occupation.
4. The Parties reaffirm the commitment to effectively implementing the ILO Conventions that Turkey and Korea have ratified respectively.

ARTICLE 5.5: MULTILATERAL ENVIRONMENTAL AGREEMENTS

1. The Parties recognise the value of international environmental governance and agreements as a response of the international community to global or regional environmental problems and they commit to consulting and cooperating as appropriate with respect to negotiations on trade-related environmental issues of mutual interest.
2. The Parties reaffirm their commitment to the effective implementation in their laws and practices of the multilateral environmental agreements to which they are party.
3. The Parties reaffirm their commitment to reaching the ultimate objective of the *United Nations Framework Convention on Climate Change and its Kyoto Protocol*. The

Parties commit to cooperating on the development of the future international climate change framework in accordance with the *Bali Action Plan*.⁶

ARTICLE 5.6: TRADE FAVOURING SUSTAINABLE DEVELOPMENT

1. The Parties reconfirm that trade should promote sustainable development in all its dimensions. The Parties recognise the beneficial role that core labour standards and decent work can have on economic efficiency, innovation and productivity, and the Parties highlight the value of greater policy coherence between trade policies, on the one hand, and employment and labour policies on the other.

2. The Parties shall strive to facilitate and promote trade and foreign direct investment in environmental goods and services, including environmental technologies, sustainable renewable energy, energy-efficient products and services and eco-labelled goods, including through addressing related non-tariff barriers. The Parties shall strive to facilitate and promote trade in goods that contribute to sustainable development, including goods that are the subject of schemes such as fair and ethical trade and those involving corporate social responsibility and accountability.

ARTICLE 5.7: UPHOLDING LEVELS OF PROTECTION IN THE APPLICATION AND ENFORCEMENT OF LAWS, REGULATIONS OR STANDARDS

1. Each Party shall not fail to effectively enforce its environmental and labour laws, through a sustained or recurring course of action or inaction, in a manner affecting trade or investment between the Parties.

2. Each Party shall not weaken or reduce the environmental or labour protections afforded in its laws to encourage trade or investment, by waiving or 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.

ARTICLE 5.8: SCIENTIFIC INFORMATION

The Parties recognise the importance, when preparing and implementing measures aimed at protecting the environmental and social conditions that affect trade between the Parties, of taking account of scientific and technical information, and relevant international standards, guidelines or recommendations.

ARTICLE 5.9: TRANSPARENCY

The Parties, in accordance with their respective domestic laws, agree to develop, introduce and implement any measures aimed at protecting the environment and labour conditions that affect trade between the Parties in a transparent manner.

⁶ UNFCCC Decision-1/CP.13 adopted by the 13th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change.

ARTICLE 5.10: COOPERATION

1. Recognising the importance of cooperating on trade-related aspects of social and environmental policies in order to achieve the objectives of the Turkey-Korea FTA, the Parties commit to initiating cooperative activities as set out in paragraph 2.

2. In order to promote the achievement of the objectives of this Chapter and to assist in the fulfilment of their obligations pursuant to it, the Parties have established the following indicative list of areas of cooperation:

- (a) exchange of views on the positive and negative impacts of the Turkey-Korea FTA on sustainable development and ways to enhance, prevent or mitigate them, taking into account sustainability impact assessments carried out by the Parties;
- (b) cooperation in international fora responsible for social or environmental aspects of trade and sustainable development, including in particular the WTO, the ILO, the *United Nations Environment Programme* and multilateral environmental agreements;
- (c) cooperation with a view to promoting the ratification of fundamental and other ILO Conventions and multilateral environmental agreements with an impact on trade;
- (d) exchange of information and cooperation on corporate social responsibility and accountability, including on the effective implementation and follow-up of internationally agreed guidelines, fair and ethical trade, private and public certification and labelling schemes including eco-labelling, and green public procurement;
- (e) exchange of views on the trade impact of environmental regulations, norms and standards;
- (f) cooperation on trade-related aspects of the current and future international climate change regime, including issues relating to global carbon markets, ways to address adverse effects of trade on climate, as well as means to promote low-carbon technologies and energy efficiency;
- (g) cooperation on trade-related aspects of biodiversity including in relation to biofuels;
- (h) cooperation on trade-related measures to promote sustainable fishing practices;
- (i) cooperation on trade-related measures to tackle deforestation including by addressing problems regarding illegal logging;

- (j) cooperation on trade-related aspects of multilateral environmental agreements, including customs cooperation;
- (k) cooperation on trade-related aspects of the ILO *Decent Work Agenda*, including on the inter-linkages between trade and full and productive employment, labour market adjustment, core labour standards, labour statistics, human resources development and life-long learning, social protection and social inclusion, social dialogue and gender equality;
- (l) exchange of views on the relationship between multilateral environmental agreements and international trade rules;
- (m) exchange of information and cooperation on the prevention of industrial pollution and best practice techniques; and
- (n) other forms of environmental cooperation as the Parties may deem appropriate.

3. The Parties shall exert their best efforts to ensure that the applications and benefits of cooperative activities between them are as broad as possible.

ARTICLE 5.11: CONTACT POINTS

1. For the purpose of implementing this Chapter, the Parties hereby establish the following contact points for environment and labour issues respectively:

- (a) for Turkey: Ministry of Environment and Urbanisation and Ministry of Labour and Social Security, or their successors; and
- (b) for Korea: Ministry of Environment and Ministry of Employment and Labor, or their successors.

2. To the extent possible under its domestic legislation, each Party shall provide information through its contact point on the request of the other Party and reply promptly to any question from the other Party relating to this Chapter. Each Party shall notify the other Party of any changes of its contact point in due time.

ARTICLE 5.12: INSTITUTIONAL MECHANISM AND DISPUTE SETTLEMENT

1. On request of a Party, the Joint Committee may decide to establish a committee or working groups to deal with any matter of mutual interest arising under this Chapter.

2. The committee or working groups to be established pursuant to paragraph 1 shall comprise officials from the relevant ministries of each Party.

3. Neither Party shall have recourse to Chapter 6 (Dispute Settlement) for any matter arising under this Chapter.