



**HORIZON**  
**2020**



**Understanding the linkages  
between trade and sustainability**

**Main Lessons learned**

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# Outline

1. Our project in a nutshell

2. Main lessons learned

3. Supporting evidence

4. Policy recommendations

5. MATS results

# TRADE4SD objectives

- **Provide a framework behind** trade and sustainability linkages (WP1)
- **Provide a structured review** of how SDGs are currently included in trade rules (WP2)
- Measure the links between trade, trade policies and sustainability via elaborating a new and **robust sustainability toolbox integrating econometric and SDGs indicators** (WP3)
- **Provide context-specific case studies** of selected agri-food value chains in relevant EU trade partners in Asia and Africa (WP4)
- **Analyse the coherence of the current EU trade-related policies** (trade, CAP, energy, climate, bioeconomy, nutritional) in view of their impacts on trade and SDGs (WP5)
- **Identify options for improving the sustainability impacts of EU trade policy** and provide evidence-based policy recommendations (WP6)
- **Facilitate the science-to-society dialogue** (WP7)

# List of Consortium Members

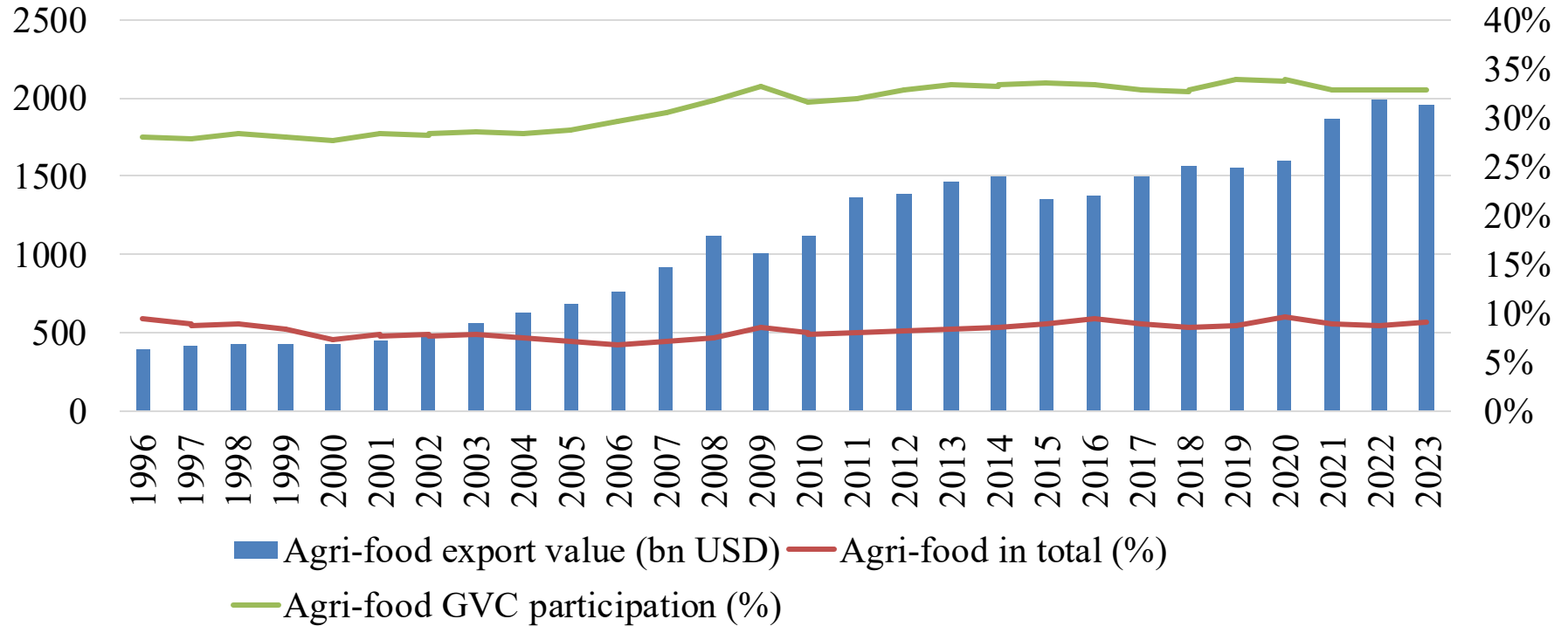
No.	Participant Organisation Name	Country
1	Budapesti Corvinus Egyetem (CUB)	HU
2	University of Kent (UNIKENT)	UK
3	Consiglio per la Ricerca in Agricoltura e l'Analisi dell'Economia Agraria (CREA)	IT
4	Johann Heinrich von Thünen-Institut, Bundesforschungsinstitut für ländliche Räume, Wald und Fischerei (THUENEN)	DE
5	The University of Sussex (UOS)	UK
6	University of Ghana (UG)	GH
7	Luonnonvarakeskus (LUKE)	FI
8	Centrum Analiz Społeczno-Ekonomicznych-Fundacja Naukowa (CASE)	PL
9	Food and Agriculture Organization of the United Nations (FAO)	IT
10	Institut National D'Etudes Supérieures Agronomiques de Montpellier (INRAE)	FR
11	Confederazione Generale Dell'Agricoltura Italiana (CONFAGRICOLTURA)	IT
12	Truong Dai Hoc Kinh Te Thanh Pho Ho Chi Minh (UEH)	VN
13	Luminaconsult Sprl (LUMINA)	BE

# Our storyline (Main lessons learned)

- The world has changed a lot recently, including trade trends
- European citizens still believe in trade liberalisation even during crisis periods
- However, trade liberalisation per se is not enough for the world to become more sustainable
- The EU has had different approaches recently to make the world more sustainable via trade but was not efficient
- Our recommendations
  - Strengthen Local Contexts in Agri-Food Trade Policy
  - Redesign Trade Agreements
  - Build coherent policies

# SUPPORTING EVIDENCE

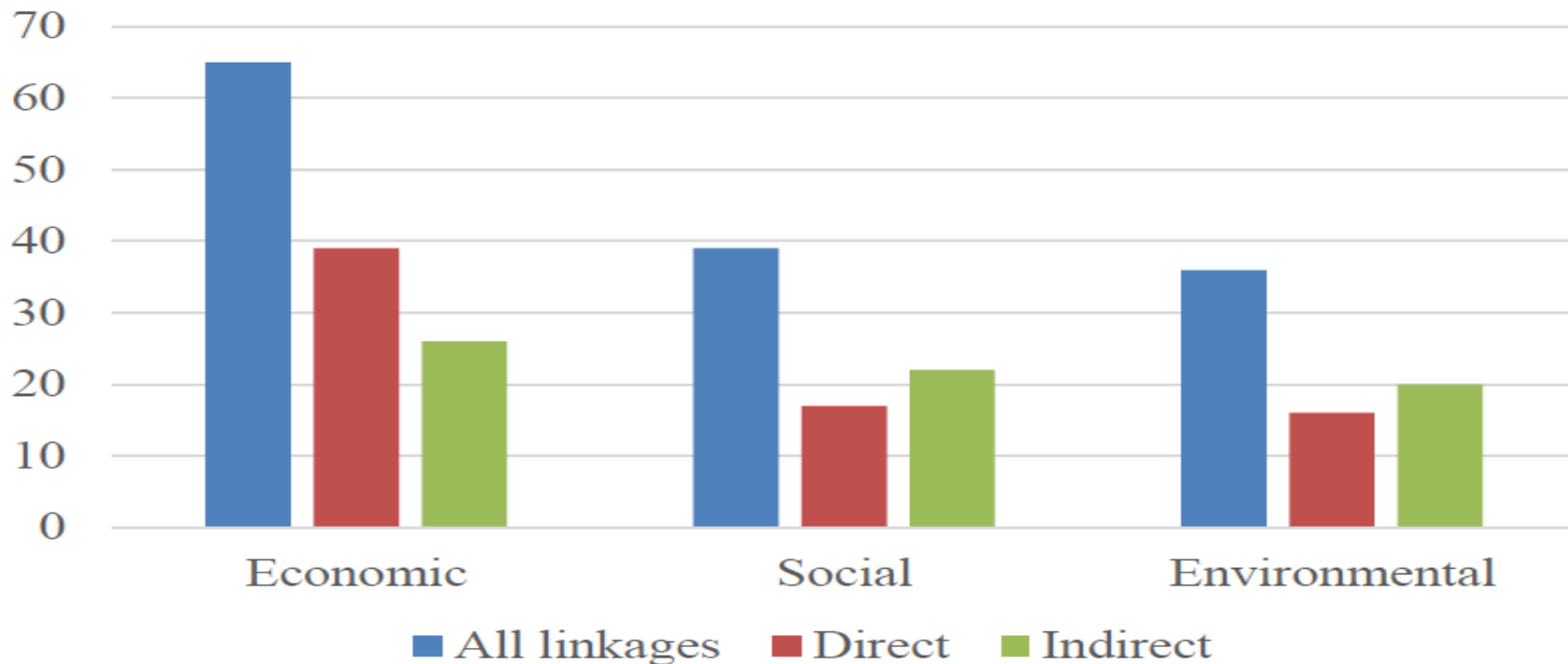
„The world has changed a lot recently, including trade trends”



## SUPPORTING EVIDENCE

„The world has changed a lot recently, including trade trends”

Linkages between trade and SDGs based on the literature

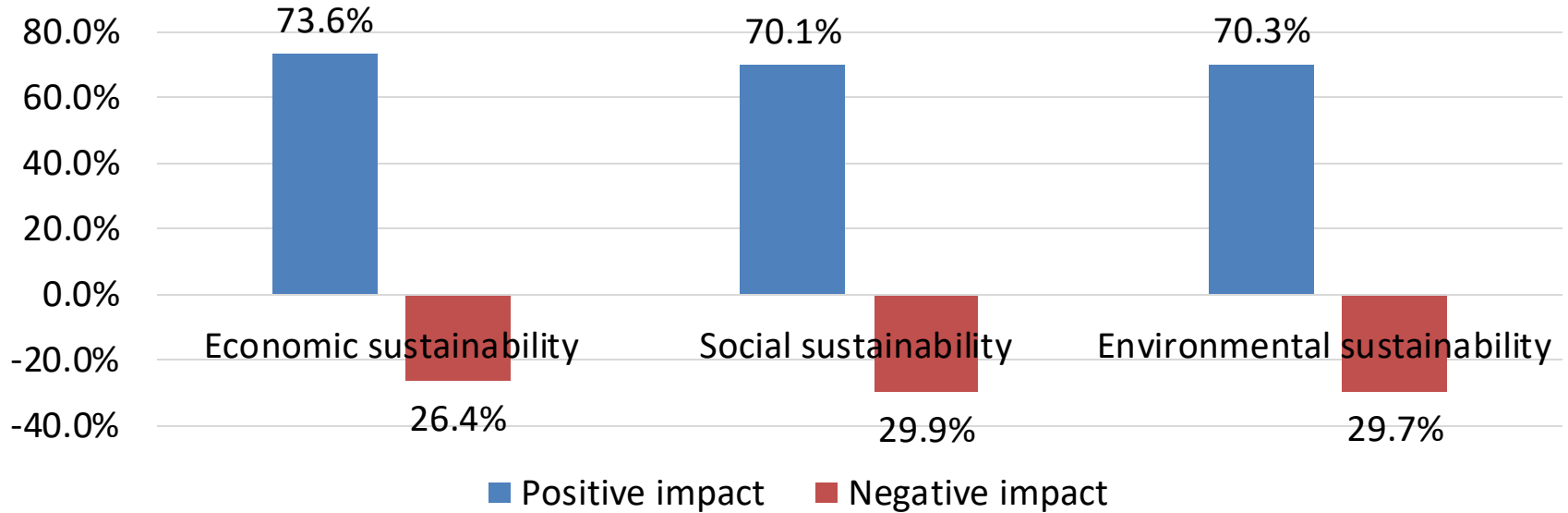


Source: Deliverable 1.1.

## SUPPORTING EVIDENCE

„European citizens still believe in trade liberalisation even during crisis periods”

Direction of impact of agri-food trade liberalisation, total, own country (% of respondents)



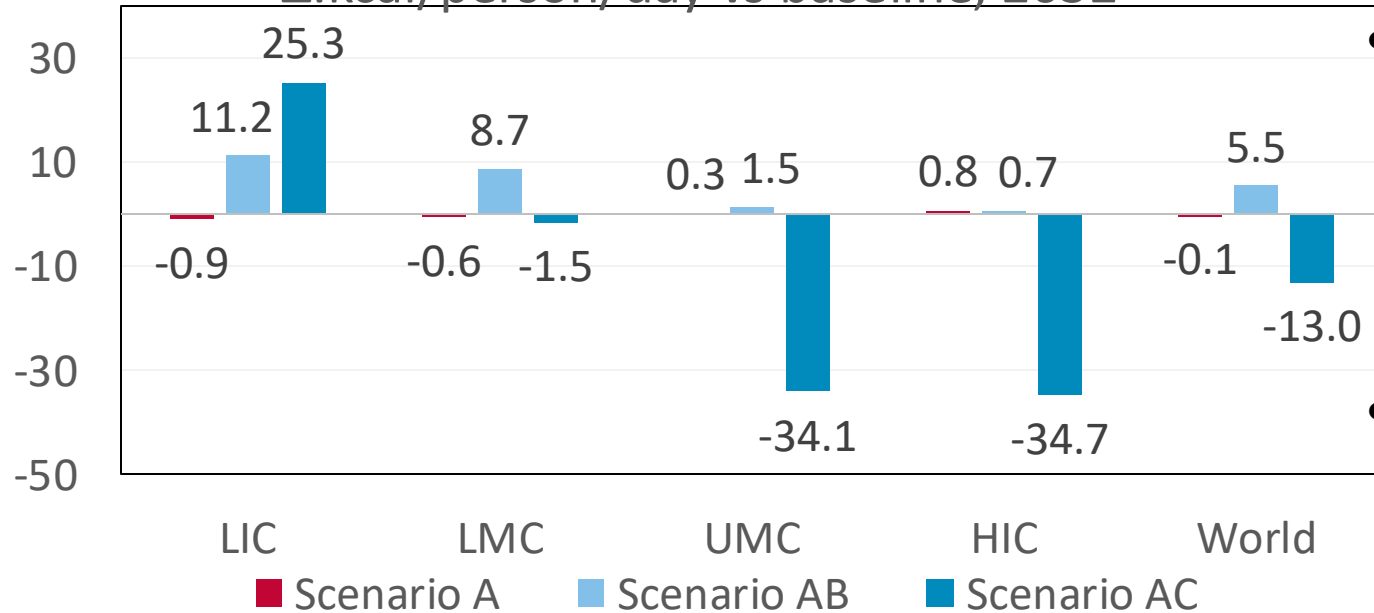
Source: Deliverable 1.4.



## SUPPORTING EVIDENCE

„However, trade liberalisation per se is not enough for the world to become more sustainable”

$\Delta$ .kcal/person/day vs baseline, 2032



**A\_EU:** Global trade liberalization, reducing tariffs gradually by 50% and doubling tariff-rate quotas

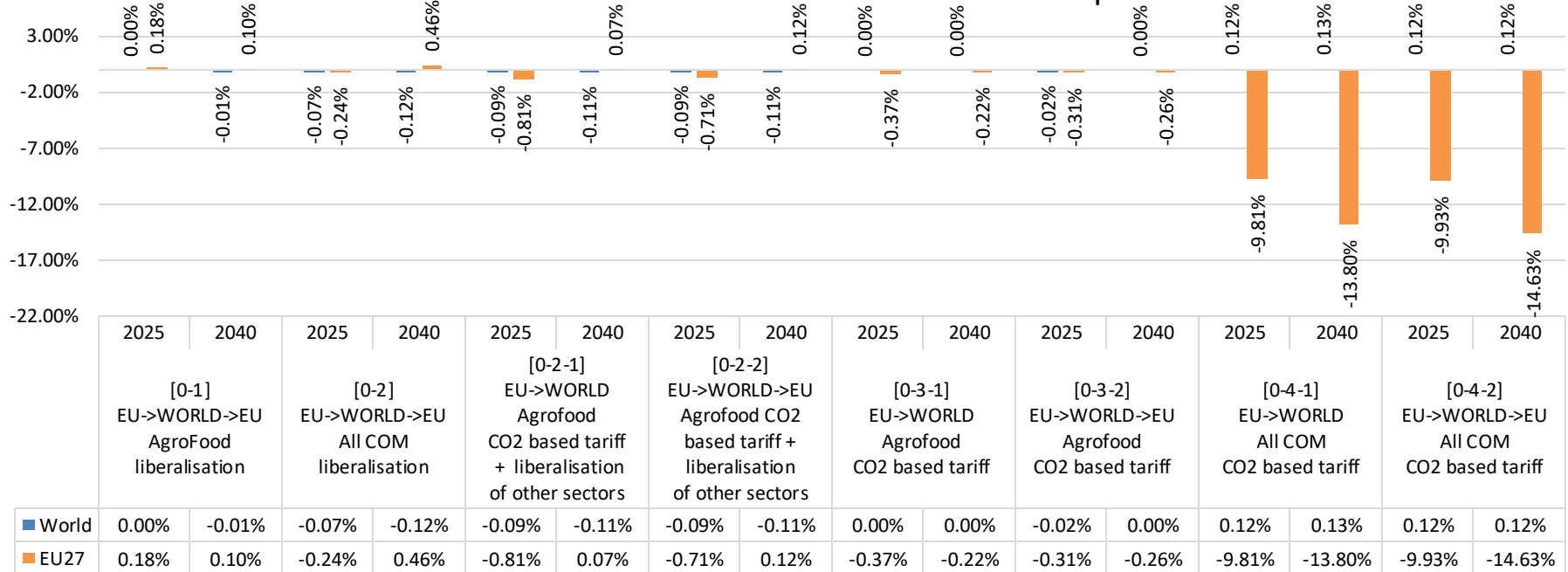
**F\_EU:** Setting the share of fallow land in arable land to 10%

- **AF\_EU:** Combination of A\_EU and F\_EU

# SUPPORTING EVIDENCE

„However, trade liberalisation per se is not enough for the world to become more sustainable”

Liberalisation leads to an increase of emissions unless coupled with carbon tariffs



## SUPPORTING EVIDENCE

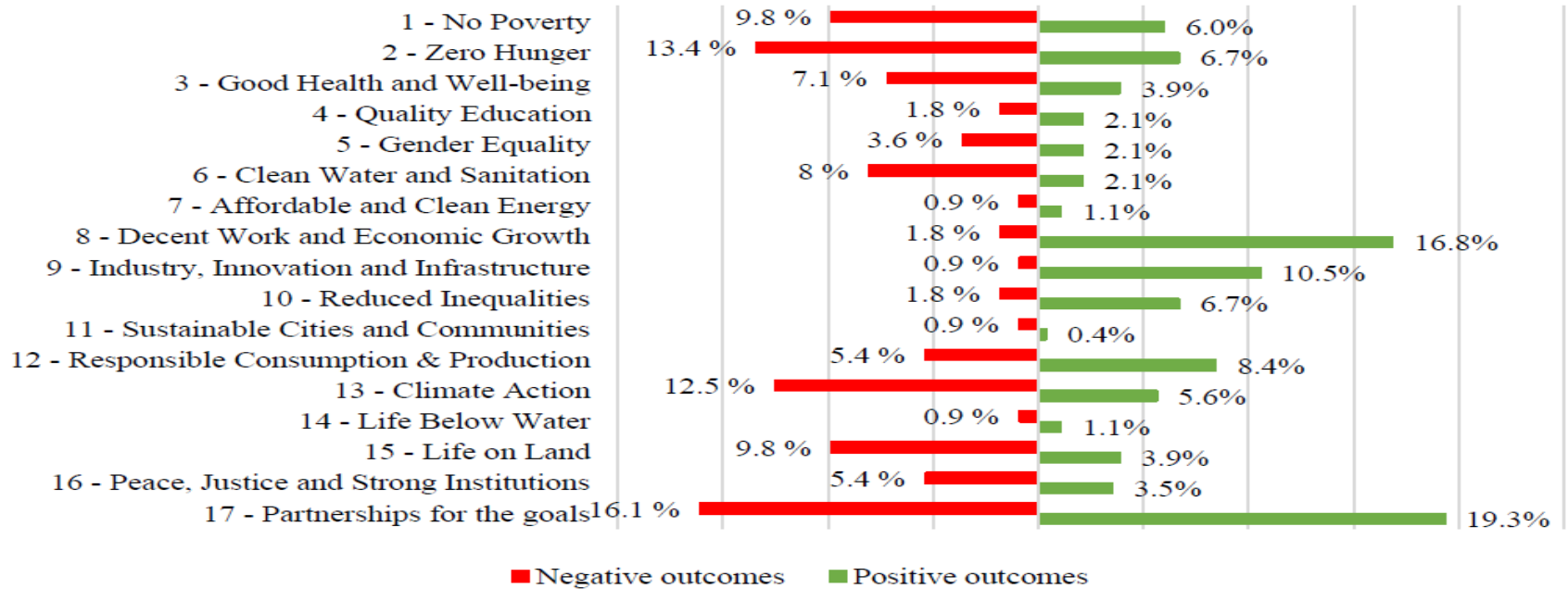
„The EU has had different approaches recently to make the world more sustainable via trade but was not efficient”

- **Current approaches/policies are not always efficient**
  - **CBAM**: complexity in implementation and carbon calculation hinders effectiveness
  - **Enforcement of TSD chapters has been weak**, with limited mechanisms for sanctions, often relying on voluntary commitments not leading to substantial sustainability changes
  - **Deforestation regulation**: potentially leading to market shifts rather than substantial reduction in deforestation, as producers might redirect products to less-regulated markets
- Evidence on inefficiency
  - Compliance vs. Action
  - Trade diversion
  - Administrative complexity

## SUPPORTING EVIDENCE

„The EU has had different approaches recently to make the world more sustainable via trade but was not efficient”

Positive and negative outcomes of trade on the SDGs



Source: Deliverable 1.1.

# Policy Recommendation 1:

## Strengthening Local Contexts in Agri-Food Trade Policy

- **Trade policies often overlook local realities:** Current trade agreements and policies tend to prioritise global competitiveness over localised sustainability concerns.
- **One-size-fits-all policies are ineffective:** Trade's contribution to sustainability is highly context-dependent.
- **Localisation strengthens resilience and inclusivity:** By integrating local contexts into trade policy, the EU can promote sustainable rural development, enhance food security, and ensure trade benefits are equitably distributed.
- **More intensive consultation and co-creation** is needed with local stakeholders to increase the efficiency of trade agreements
  - It is essential that the EU prioritise comprehensive training programs and technical assistance

# Policy Recommendation 2: Redesign Trade Agreements

- **Future agreements must explicitly include trade and sustainable development (TSD) provisions**, aligning them with SDG targets and ensuring a balance of economic, environmental, and social impacts.
- **SDG proofing** is advised to increase the sustainability components of EU trade agreements
  - Harmonisation of existing agreements is also needed
- Future trade agreements should focus on the **entire value chain** and integration mechanisms should be developed at this level
- Future trade agreements need **much more follow-up on implementation**

## Policy Recommendation 3: Build Coherent Policies

- **More coordination is needed** inside Europe to increase policy coherence in terms of trade and sustainability
- We need coordinated actions instead of implementing ideas of „ivory towers”
  - Existing and future trade agreements also need to be coordinated
- **The EU must transition from isolated initiatives to a comprehensive framework of coordinated actions** to address the multifaceted challenges of trade and sustainability - with an enhanced food systems policy (F2F 2.0)

# The policy context

Vision for Agriculture  
and Food  
(February 2025)

Draghi report  
(September 2024)

EU strategic dialogue  
on the future of  
agriculture  
(September 2024)

Political Guidelines  
for the Next European  
Commission (July  
2024)

Letta Report  
(April 2024)

Green Deal  
(December 2019)



# Thanks for your attention!

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