

## Executive Summary

**Policy fragmentation undermines sustainability efforts.** The EU's trade policies often lack coherence across sectors, limiting their effectiveness in achieving Sustainable Development Goals (SDGs).

**Greater alignment and coordination are needed within Europe.** Agri-food trade should be positioned as a key driver of sustainability, integrated horizontally across relevant EU policy domains with better coordination between existing and future trade agreements.

**Incoherent policies create trade-offs.** Policies promoting sustainability in agriculture may conflict with trade objectives, requiring a holistic, whole-of-government approach.

**The EU must transition from isolated initiatives to an integrated framework.** A well-coordinated system will maximize the positive impacts of trade on economic, social, and environmental sustainability.

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### Introduction

As the world's largest trading bloc, the European Union (EU) has a responsibility to ensure that trade policies actively contribute to sustainability objectives. However, **policy fragmentation and misalignment between trade, agriculture, and environmental strategies** pose challenges to achieving coherent and effective sustainability outcomes.

Policy Coherence for Development (PCD) is a principle that seeks to reduce contradictions and enhance synergies between EU policies and SDGs. The **EU's Farm to Fork Strategy (F2F), Common Agricultural Policy (CAP), Green Deal, and trade agreements must be harmonised** to ensure that sustainability objectives are not undermined by conflicting priorities. More coordination across European institutions is essential to avoid isolated policymaking and instead implement integrated, well-aligned trade and sustainability strategies.

This policy brief highlights key challenges and presents recommendations for enhancing policy coherence in EU trade and sustainability strategies.

# POLICY BRIEF 3:

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## BUILD COHERENT POLICIES FOR SUSTAINABLE TRADE



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## Key Findings

### 1. Fragmentation in EU Trade and Sustainability Policies

- **Lack of integration across governance levels and sectors** leads to inefficiencies and conflicting objectives.
- **Disjointed policymaking processes** often fail to address trade-offs between economic, social, and environmental sustainability.
- **EU trade policy is largely driven by economic liberalization**, while sustainability policies often remain secondary considerations.

### 2. Conflicting Policy Priorities Weaken Sustainability Efforts

- **Environmental regulations under the Green Deal** sometimes contradict market liberalization goals in trade agreements.
- **CAP subsidies do not always align with sustainability criteria**, creating distortions that hinder progress towards SDG objectives.
- **Trade policies supporting economic growth** may inadvertently contribute to social inequalities, especially in developing economies.

### 3. Policy Incoherence Hinders Implementation of Sustainable Trade Measures

- **Siloed decision-making** within EU institutions limits the effectiveness of trade agreements in promoting sustainability.
- **Insufficient enforcement mechanisms** in Free Trade Agreements (FTAs) reduce accountability for sustainability commitments.
- **Diverging national policies** among EU Member States create challenges in harmonizing sustainability objectives across borders.
- **Existing and future trade agreements lack coordination**, reducing their ability to effectively promote sustainability goals.



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## Policy Implications & Recommendations

### 1. Strengthen Coordination Across EU Institutions and Policy Domains

- **Enhance inter-agency cooperation** by creating a cross-sectoral sustainability task force linking trade, agriculture, climate, and development policies.
- **Ensure consistency in sustainability objectives** across CAP, F2F, the Green Deal, and trade agreements.
- **Implement policy reconciliation mechanisms** to resolve contradictions between trade liberalization and sustainability commitments.
- **Increase coordination between existing and future trade agreements** to ensure policy coherence and avoid contradictory sustainability approaches.

### 2. Align Trade Policy with the EU Sustainability Agenda

- **Agri-food trade should be positioned as a core sustainability driver**, ensuring trade policies complement rather than contradict environmental and social goals.
- **SDG-proofing mechanisms should be systematically applied** to all trade agreements to align them with sustainability commitments.
- **Harmonization of sustainability regulations across EU trade agreements** will enhance consistency and effectiveness.

### 3. Increase Transparency and Stakeholder Involvement

- **Foster inclusive dialogue** with civil society, businesses, and sustainability experts to ensure well-balanced trade policies.
- **Strengthen participatory policymaking processes** by engaging stakeholders at all stages of trade negotiations.
- **Encourage transparency in decision-making** to build public trust and ensure accountability in implementing sustainability commitments.

### 4. Move Beyond Isolated Policies Towards Coordinated Action

- **Replace siloed policymaking** with coordinated actions that reflect the interconnected nature of trade, sustainability, and agriculture with enhanced food systems and whole-of-government approaches.
- **Ensure new trade agreements are aligned with existing sustainability commitments** to maintain consistency across EU policies.
- **Encourage collaboration** between national governments, EU institutions, and trade partners to enhance policy coherence.



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## Conclusion

Ensuring policy coherence is essential for making EU trade policies truly sustainable. Without an integrated approach, conflicting priorities across trade, agriculture, and environmental strategies will continue to undermine sustainability goals. **By enhancing coordination within Europe, aligning trade policy with sustainability agendas, improving enforcement, and increasing stakeholder engagement**, the EU can transition towards a **more coherent and effective policy framework** that supports economic growth while safeguarding environmental and social sustainability. A **more integrated and well-coordinated** approach to trade and sustainability will strengthen the EU's global leadership in fostering inclusive and sustainable trade systems.



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Trade4SD is a 4-year project devoted to research on a topic which is high on the domestic as well as multilateral, EU and bilateral trade policy agenda. The ambition of the project is to explore and foster the positive linkages between trade and sustainable development is to provide policy recommendations for the creation of new opportunities for agents involved in the global, regional and national agri-food value chains, and to define conditions for sustainable livelihoods of farm producers in the EU and developing partner countries. Trade is a central factor in shaping global, regional and local development. Increased trade, empowered by the growth of Global Value Chains (GVCs), has boosted productivity and incomes in many countries.

