

## Extended Abstract

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<b>Paper/Poster Title</b>	<b>Implications of the European Green Deal for agri-food trade with developing countries</b>
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<b>Abstract</b>	<i>200 words max</i>
<p>Achieving the ambitions of the European Green Deal, including the targets set out in the Farm to Fork Strategy, will also have implications for the EU's trading partners. This paper identifies the principal impacts as those arising directly from the production, consumption and trade changes in the EU but also indirectly if higher sustainability standards are extended to imports through, for example, the application of mirror clauses or mandatory due diligence for importers. The consequences of these changes for developing countries are discussed, including ways in which the EU should take their interests into account in implementing the Green Deal, in line with its commitment to policy coherence for development.</p>	
<b>Keywords</b>	Trade, sustainability, European Green Deal, developing countries
<b>JEL Code</b>	Q01, Q17, Q37 see: <a href="http://www.aeaweb.org/jel/guide/jel.php?class=Q">www.aeaweb.org/jel/guide/jel.php?class=Q</a> )
<b>Introduction</b>	<i>100 – 250 words</i>
<p>The European Green Deal aims to bring about a more sustainable agricultural and food system, with fewer emissions, less pollution, better animal welfare, more space for nature, and healthier diets. Farmers will face more demanding standards and the dietary habits of consumers must change. Trade policy is expected to be coherent and supportive of these Green Deal objectives. In order to prevent competition from imports that do not meet the same standards, to avoid the displacement of EU emissions and pollution abroad by substituting imports for EU production, and as a policy lever designed to raise international standards, the EU is discussing requirements that imports should meet similar standards as EU producers across a range of sustainability criteria ('mirror clauses' and due diligence requirements).</p> <p>The corresponding adjustments in production and consumption within the EU arising from these Green Deal initiatives will have both direct and indirect implications for the EU's trading partners particularly in the Global South. The direct effects will reflect changes in trade opportunities arising from lower production in the EU interacting with the changes in market demand that may arise from changes in consumer preferences, reductions in food waste, and changes in the food environment. The indirect effects will arise because of the planned extension of EU sustainability criteria to imported commodities, which in trade terms will be seen as an increase in non-tariff barriers by exporting countries</p>	

<b>Methodology</b>	<b>100 – 250 words</b>
<p>I. Introduction. This section will highlight the growing importance of sustainability issues in international trade and motivate why it is relevant to also reflect on the external dimension of the European Green Deal particularly for developing countries in the light of the EU’s commitment to policy coherence for development.</p> <p>II. Policy context. This section will trace the growing importance of sustainability issues in the EU debate around agri-food trade policy. The EU’s new trade policy strategy in February 2021 underlined that trade policy is expected to contribute to Green Deal objectives. Other evidence is the debate around enforcing sustainability commitments in bilateral trade agreements, the requirement in the CAP post 2022 political agreement for the Commission to publish its views on import standards by June 2022, and the French Presidency commitment to make ‘mirror clauses’ one of its priorities. It will also summarise recent studies of the likely production, consumption and trade effects of implementing Green Deal policies in the EU agri-food sector.</p> <p>III. Mirror clauses. This section will explore the debate around mirror clauses, for and against, including their consistency with WTO rules.</p> <p>IV. Case studies. This section will present examples of applying sustainability standards in agri-food trade, drawing from the restrictions on imports related to antibiotic use under the Veterinary Medicinal Products Regulation, the Commission’s proposed Regulation on deforestation-free supply chains, and the proposed tightening of the rules on Maximum Residue Limits for pesticides.</p>	
<b>Results</b>	<b>100 – 250 words</b>
<p>V. The results will evaluate in a qualitative way the likely outcome of both the direct impacts (arising from production, consumption and trade changes within the EU) and indirect impacts (arising from higher import standards) for export opportunities and import competition for developing countries. For example, a shift in diet preferences towards greater consumption of fish, fruits and vegetables may create market opportunities, while tighter MRLs may make it more difficult to access these opportunities. International trade statistics will be analysed to identify potential winners and losers.</p>	
<b>Discussion and Conclusion</b>	<b>100 – 250 words</b>
<p>VI. The conclusions will summarise the issues likely to arise if the EU pursues the objective of requiring imported agri-food products to meet similar standards to those required of EU producers. These include (a) practical difficulties of implementing such requirements at the border (b) likely reactions of trading partners within the WTO, and (c) possible EU initiatives to help particularly the more vulnerable developing countries to take advantage of new opportunities including support for meeting higher import standards that are introduced.</p>	

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