

Public Consultation on Sustainability Impact Assessment of EU Trade Negotiations.

EPHA Contribution | August 2015

european public health alliance





Public consultation on sustainability impact assessment of EU trade negotiations: EPHA Contribution

Two complementary components of Sustainable Impact Assessment

EPHA does not agree that the quantitative and qualitative analysis of the potential impacts of a trade agreement focus only on economic, social, human rights and environmental impacts as there is a need for a separate stream for public health impacts.

This is a binding requirement of EU law: the aim of the EU as set out in Article 3 of the Treaty on the European Union (TEU) **is to promote peace, its values and the well-being of its peoples**. The goals of the EU's Trade Policy – respecting EU's fundamental values and aims - is creating growth and jobs in Europe, promoting development around the world, and strengthening ties with important trading partners. Fully in line with EU law, **specific emphasis should be given to health in the EU Trade policy given the fact that Article 168 of the Treaty on the Functioning of the European Union (TFEU) requires in a legally binding manner that health should be included in all EU policies**.

Trade negotiations are taking place in a context of the high and growing burden of chronic non-communicable diseases (NCDs) such as cardiovascular disease (CVD), diabetes, certain cancers, Chronic Obstructive Pulmonary Disease (COPD) as well as obesity. There is evidence linking increased globalisation and free trade agreements to a **nutritional transition towards diets characterised by a high intake of cheap, energy-dense nutrition-poor ultra-processed foods, high in (saturated) fats, salt and added sugars (HFSS)**, and a low intake of products high in fibre such as fruit and vegetables, and whole grains.¹ The EU remains large exporter of processed foods. Following the overall logic of FTAs, one would expect a reduction in tariffs to result in an increase in trade and a reduction in prices. The EU weighted average tariffs are 14.6 % for processed foods and 3.7% for agriculture and these are one of the key tariff peaks that is often addressed through Free Trade Agreement negotiations. Increased trade and trade facilitating agreements could **exacerbate the situation by reducing in the market price** for such goods and thereby increasing consumption. The same issue could apply to **alcohol**, where there is also an expectation of reduced tariffs and increased imports.

¹ World Health Organisation (WHO) Globalization, Diets and Noncommunicable Diseases
<http://whqlibdoc.who.int/publications/9241590416.pdf>



Relevance of themes outlined in the revised SIA Handbook for assessing the impacts of trade agreements

The burden of Non-Communicable Diseases (NCDs) should be assessed both qualitative and quantitative manner. NCDs (cardiovascular diseases, cancer, chronic obstructive respiratory disease (COPD), diabetes, musculoskeletal conditions, oral diseases, mental disorders and others) are increasingly widespread, accounting for 86% of deaths in the WHO European Region and 77% of the disease burden².

Beyond the health impact, the economic perspective must be also considered. It is estimated³ that NCDs will cause a US\$ 47 trillion global economic output loss over the period 2011-2030. CVDs cause **50% of all deaths** in Europe⁴ at estimated costs to the EU economy of **€196 billion / year**⁵. Alcohol-abuse is the leading risk factor for ill-health and premature death for the working age population (25-59 years) in Europe⁶. The societal costs of alcohol use in Europe are in excess of €155 billion per year across the EU⁷. Alcohol-related diseases across Europe claim 120,000 lives every year in the EU⁸. The biggest majority of these diseases and deaths are preventable⁹. By having a healthy diet, being physically active, and decreasing the level of alcohol and tobacco consumption, 75% of deaths from cardiovascular disease could be avoided¹⁰ as well as between 30% and 40% of cancers.¹¹

Other issues SIAs should examine

At the heart of international trade is the belief that it will have a positive economic benefit. Historically, economic growth has led to improved population health. Yet this link is now weakening, and attention is being focussed on assessing the effect of Free

² Gaining Health – The European Strategy for Prevention and Control of Non-communicable diseases. WHO, EUR/RC56/8+EUR/RC56/Conf.doc/3 30th June 2006

³ World Economic Forum and Harvard School of Public Health

⁴ <http://www.euro.who.int/en/health-topics/noncommunicable-diseases/cardiovascular-diseases>

⁵ Nichols M, Townsend, N, Scarborough P, Luengo-Fernandez R, Real J, Gray A, Rayner M (2012) ; European Cardiovascular Disease Statistics 2012. European Heart Network, Brussels, European Society of Cardiology, Sophia Antipolis - <http://www.ehnheart.org/cvd-statistics.html>

⁶ Scientific Opinion of the Science Group of the European Alcohol and Health Forum (2011) Alcohol, Work and Productivity

⁷ Rehm, J. et al (2012) Interventions for alcohol dependence in Europe: A missed opportunity to improve public health.

⁸ <http://www.euro.who.int/en/publications/abstracts/status-report-on-alcohol-and-health-in-35-european-countries-2013>

⁹ However, several chronic conditions are not preventable by changing lifestyles (being genetic for example). EPA believes that the Commission should also consider, in its document, the importance of these diseases.

¹⁰ O'Flaherty & Capewell S. Recent levelling of CHD mortality rates among young adults in Scotland may reflect major social inequalities. BMJ 2009; 339: b2613

¹¹ World Cancer Research Fund Recommendations for Cancer Prevention, 2008



Trade Agreements (FTAs) on health and the ability of governments to mitigate against negative impact.¹²

Today's main public health challenges in the EU are chronic diseases, overweight and obesity. Their increasing prevalence is largely the result of changes in the economic and social environment. Tackling the causes require innovative policies and approaches “correcting” these causes. Incorporating flexibility for the EU and its member states’ policy interventions into trade agreements is essential; this means space for experimental interventions which are called for in a complex new health reality. Such experimental interventions should not be seen as trade nuisances but be allowed to prove their effectiveness.

Trade could have an impact on our European standards of protection of health, consumers and the environment to a weaker international or even global lowest common denominator level. Lowest common denominator standards would be against the **strategic economic interests of a knowledge-based economy** like Europe. We have the innovation capacity to be at the forefront of healthy, cleaner, less polluting products and production practices, for example. **This is a competitive advantage that means our standards should be preserved and improved for economic as well as health reasons.** For example, the enormous and terrifying scale of **antimicrobial resistance (AMR)** cannot be tackled without moving to much more restrictive global rules on the use of antibiotics. Drug resistant infections are responsible already for 25,000 deaths every year in the EU and are costing over €1.5 billion annually in the EU.

Stakeholder involvement in the analysis

We appreciate the efforts made to reach out to the public community but in our view, a proper public consultation about new free trade agreements is necessary, which could give a chance for the broader civil society – including public interest NGOs representing public health – to contribute to the process in a structured way. Such a public consultation could have been avoided missing the health component in the handbook for example. Due process of stakeholder consultation and impact assessment is needed, following Commission guidelines on this which means identifying a number of alternative options for EU trade policies, setting out the objectives in a measurable way, assessing the impacts of these options, organising formal consultations where it is clear and transparent who has been consulted, what their input has been, and how those inputs were taken into consideration.

¹² Khan, U., Pallot, R., Taylor, D. and Kanavos, P. (2015) 'The Transatlantic Trade and Investment Partnership: international trade law, health systems and public health' London School of Economics and Political Science and Modus Europe report. www.eph.org/6278



Way of involvement of external consultants for impact assessment

Independence from the Commission negotiating team is crucial in order to have unbiased answers. By selecting the external contractor, in-depth knowledge and specific expertise in the selected areas including health – should be a mandatory requirement. In other words, health policy experts should be deeply involved in the analysis process.

How to improve the guidance provided to consultants carrying out SIAs

Consultants should be briefed about the legal obligation to include health in all EU policies (Health in All Policies Approach).

More guidance is needed also on the coherence of free trade agreements and international obligations the EU is bound with.

As an example, the WHO has set out a range of actions to be implemented within its Global Action Plan for the Prevention and Control of Non-Communicable Diseases.¹³ Actions include initiatives reducing salt levels, eliminating industrially produced trans-fatty acids, decreasing saturated fats and limiting free sugars. Clear and understandable nutrition labelling is recommended in the WHO European Food and Nutrition Action Plan (2015-2020).¹⁴

The World Health Organization Framework Convention on Tobacco Control (WHO FCTC)¹⁵ is legally binding and it is ratified by all the 28 EU Member States and by the EU itself. The WHO FCTC is an evidence-based treaty that reaffirms the right of all people to the highest standard of health. The WHO FCTC represents a paradigm shift in developing a regulatory strategy to address addictive substances; in contrast to previous drug control treaties, the WHO FCTC asserts the importance of demand reduction strategies as well as supply issues and Trade. Plain packaging of tobacco is recommended in the Guidelines to the FCTC (implementation of FCTC Article 11). Policy should not contradict to those principles by considering public health measures as technical barriers to trade.

¹³ <http://www.who.int/nmh/publications/ncd-action-plan/en/>

¹⁴ http://www.euro.who.int/_data/assets/pdf_file/0008/253727/64wd14e_FoodNutAP_140426.pdf?ua=1

¹⁵ http://www.who.int/fctc/text_download/en/

About EPHA

EPHA is a change agent – Europe's leading NGO advocating for better health. We are a dynamic member-led organisation, made up of public health NGOs, patient groups, health professionals, and disease groups working together to improve health and strengthen the voice of public health in Europe. EPHA is a member of, among others, the Social Platform, the Health and Environment Alliance (HEAL), the EU Civil Society Contact Group and the Better Regulation Watchdog.

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