

# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

## Canadian and European Leaders Sign CETA

**Canada and the EU finally signed the Comprehensive Economic and Trade Agreement (CETA) on October 30<sup>th</sup> after a week of intense negotiations with the Belgian French-speaking region of Wallonia.**

The signing of the agreement paves the way for the ratification process by each party's parliaments, after which the accord can be partially implemented. That being said, because the agreement is a so-called mixed accord, it still needs to be approved by 38 EU national and regional parliaments to be fully implemented.

EU Council's president, Donald Tusk, remains optimistic CETA will be ratified by all EU national and regional parliaments. "My prediction is there is no huge problem with European parliaments. After my talks with all 28 member states' leaders, I have no doubt CETA is the least controversial trade agreement you could imagine," Tusk stressed on Sunday.

"We are setting standards which will determine globalization in the coming years. Nothing in other trade agreements will be able to remain below the level of what we have reached today with Canada," EU Commission President, Jean-Claude Juncker, added.

### How the Deal Went Down

The agreement between the Belgian federal government and its federated entities struck the morning of October 27<sup>th</sup> resolved the concerns voiced by some of the Belgian regions – Wallonia, Brussels-Capital Region and the Federation of Wallonia-Brussels – who threatened to veto the larger CETA pact.

The Belgian declaration was then submitted to the EU permanent committee (COREPER, the Committee of Permanent Representatives in the European Union — ambassadorial level) for evaluation. The COREPER's approval later that day, paving the way for the EU Commission to seek written approvals from its 28 member-states before midnight on October 8<sup>th</sup>, sped up

the process. To do so, the Belgian federal government needed to be given the full power from its federated entities (i.e. the so-called regional minister-presidents) to sign CETA on their behalf, which happened the evening October 28<sup>th</sup>.

The written approvals were all collected by the end of Friday, giving Tusk the freedom to contact Canada's Prime Minister, Justin Trudeau, to set up a new summit date to sign the agreement.

### Belgian Declaration in Short

The Belgian declaration will allow the federated entities to monitor the provisional implementation of CETA, especially on agriculture, which will happen after Canada and the EU parliaments ratify the deal.

Belgium will also request the EU Court of Justice to look at whether the Investment Court System (ICS) is compatible with European treaties.

In addition, the declaration stipulates that four Belgian regional parliaments (Wallonia region, Brussels-Capital region, Communauté germanophone and Commission communautaire francophone) warned the EU that they will not ratify the agreement on the basis of the current ISDS/ICS provision (since CETA is a mixed agreement, the full implementation of the deal will require the ratification of each Member state's national and/or regional parliaments).

Paul Magnette, Wallonia's Minister-President, said Wallonia's request was not about re-opening the negotiations. There was not enough time to do that. However, Wallonia wanted the interpretative declaration to be amended and to make those amendments legally binding.

EU sources said Wallonia leaders believe that CETA will not bring any positive gains to their region, which is the biggest of the seven Belgian federated entities. Wallonia is an old industrial region with weak agricultural sectors, except for cheese, which benefits from geographic indicator (GI) protection in Belgium, but which is not produced in

enough quantity to be exported internationally, thus its absence from the list of GIs protected in CETA.

The Walloon government wanted special safeguards to protect its agriculture. It also asked for protection of Belgian public services, for which it obtained full satisfaction during the negotiations held on October 20<sup>th</sup>. Back then, the only remaining hurdle was the ISDS/ICS provision, one European source said.

However, the Belgians needed time to coordinate their discussion/position domestically, therefore requested the cancellation of the October 27<sup>th</sup> EU/Canada summit. Ultimately, Tusk decided (on October 24<sup>th</sup>) to maintain the date of the summit, which irritated Magnette and the Walloon government, and ultimately led to the extension of the negotiations.

**Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.**

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