

## Several points regarding the EU Japan EPA

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### **-Legally binding nature and institutionalisation**

The Economic Partnership Agreement (EPA) as well as the Strategic Partnership Agreement (SPA) between the EU and Japan are legally binding. This is very important. They are not simply political declarations. The EPA is not simply an agreement of cooperation. Rather, the EPA institutionalised the relationship between the EU and Japan to some extent: The EPA established a Joint committee of representatives of the EU and Japan. After the EPA entered into force on 1 February 2019, the first Joint committee took place on 10 April 2019 according to Article 22.1 of the EPA. The Joint Committee is held regularly once a year. The Joint Committee can take decisions which bind the EU and Japan (Article 22.2). There are several specialised committees under the Joint Committee. The EPA also provides for its own dispute settlement mechanism (Chapter 21), which establishes a dedicated panel for this purpose.

### **-Chapter on Trade and Sustainable Development**

The EPA is a free trade agreement, but has a special chapter for environmental issues, Chapter 16 “Trade and Sustainable Development”. It refers to climate change including the Paris agreement explicitly. It is of note that the Chapter provides for the participation of civil society. The EU and Japan share common values such as the respect of democracy, human rights and the rule of law. The EPA makes participatory democracy concrete in this chapter. The Committee on Trade and Sustainable Development, one of specialised committees, is responsible for the implementation of this chapter. The Committee on Trade and Sustainable Development is established and its first meeting took place on 29 and 30 January 2020. Furthermore, the First Joint Dialog with Civil Society was held on 31 January 2020, in which representatives of economic, environmental and labour organisations participated. The EU and Japan must convene the Joint Dialog regularly. The civil society contributes to the implementation of Chapter 16. Chapter 16 lays down a special dispute settlement procedure which provides for the participation of civil society in this dispute settlement mechanism. Domestic advisory groups and the Joint Dialog may submit their observations to the Committee on Trade and Sustainable Development.

### **-The EPA and the SPA**

The EU and Japan concluded not only the EPA, but also the SPA. These agreements work in tandem. The importance of the SPA is that it is a legally binding document, although the

words and phrases are very soft. It means that the EU and Japan now have a long-lasting legal foundation for enhancing bilateral cooperation and cooperation at international level. The EU and Japan are like-minded global partners and they can cooperate in comprehensive fields such as peace and security, environment and energy, and new technologies.

#### **-Cooperation in climate change and energy, in particular towards a hydrogen society**

In Japan a document titled “Basic Hydrogen Strategy” was approved at the Ministerial Council in December 2018. This document indicates that Japan will lead in global efforts to establish a carbon-free society. Moreover, a New Strategic Roadmap for Hydrogen and Fuel Cells was formulated by the Japanese Cabinet in March 2019. Recently, Prime Minister Yoshihide Suga declared a goal to achieve net zero carbon emission by 2050. The EU now recognises the importance of a hydrogen society. The Document “The Partnership on Sustainable Connectivity and Quality Infrastructure between Japan and the EU” of 2019 also refers to cooperation in areas of hydrogen and fuel cells.

#### **-Investment Court**

The EU and Japan are negotiating an investment protection agreement. The EU requests the establishment of an investment court, while Japan maintains that the Investor-State Dispute Settlement mechanism (ISDS) is enough to guarantee investors’ protection.

#### **-RCEP (signed on 15 November 2020)**

The 15 countries (Japan, China, South Korea, Australia, New Zealand and 10 ASEAN members) signed the Regional Comprehensive Economic Partnership agreement, which aims to cut tariffs and to establish common rules. India participated in the negotiations, but did not signed in the agreement.

#### **Reference**

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