

To the attention of Mr. Bernd Lange Member of the European Parliament Group of the Progressive Alliance of Socialists and Democrats bernd.lange@europarl.europa.eu

Dear Mr. Lange,

Greetings,

I write to you on behalf of the Arab NGO Network for Development, a network organization with membership of over 250 civil society organizations working in 12 Arab countries on economic and social policies and rights.

As a group working for the public interest in the Arab region and globally, we congratulate the Group of the Progressive Alliance of Socialists and Democrats on its position opposing the introduction of an investor-state dispute settlement (ISDS) in the Transatlantic Trade and Investment Partnership (TTIP). Indeed, as the S&D block have acknowledged, the ISDS regime have been proved to hold significant threats to policy space that states need in crucial areas such as health and environment, and have been exploited by corporate interests.

Moreover, we are encouraged by the step announced by the EU Trade Commissioner Karel De Gucht in regard to holding a public consultation on ISDS under the TTIP and publishing the text proposed by the EU in this regard.

Our letter to you addresses particularly our concern with the negotiations between the EU and Morocco on the Deep and Comprehensive Free Trade Agreement.

As you have been following, the negotiations between the EU and Morocco include an expansion of their existing trade agreement to include liberalization of trade in services, government procurement liberalization, competition policy, intellectual property protection and investment and investor protection. Thus, these negotiations will address areas that are at the heart of shaping the structure of the national Moroccan economy, and may directly affect Morocco's ability and sovereignty in terms of regulating the economy in line with national development goals. In this regard, ANND has raised its concerns in various platforms, lately through commenting on the substance and process of the Trade Sustainability Impact Assessment (SIA).

We expect that the same standards and approaches adopted by the EU in regard to the investment chapter in the TTIP be implemented in the case of ongoing negotiations between the EU and Morocco. We expect this to include undertaking public consultations through publishing the proposed EU texts in the areas of negotiations that are of crucial regulatory implications, including investment protection, competition policy, and government procurement. We look forward to the same respect of 'public opinion', including that by civil society and labor unions, in EU's relation with Southern Mediterranean partnership countries as well.



We also expect that the EU would rethink the investment protection provisions under the DCFTA with Morocco and ensure that the terms of the agreement ensure balance between the rights and responsibilities of the investors, and refrain from encroaching on policy and regulatory space.

Finally, we underline the importance that the sustainability impact assessments of proposed trade agreements adopt a rights-based approach, in both the qualitative and quantitative dimensions. The SIA is expected to investigate the implications of regulatory provisions and commitments proposed under the agreement and their impact on policy space needed for Moroccan authority in addressing development challenges.

In this context, we recall that the Lisbon Treaty, through its Article 21, have expressly mandated the Union to ensure 'consistency' with the principles that have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law in all areas of its external action; this includes trade and investment agreements with third parties.

It is also worth recalling that the European Parliament in its resolution on the future European international investment policy (2010/2203(INI) of 6 April 2011), addressing the model of investment agreements pursued by the EU, have indicated the need to secure a model of agreements in investment that respect the capacity for public intervention. The resolution called for clarifying the definition of investor in order to redress any negative impacts on public interest and the sovereign right to regulate; avoiding protection of forms of investment that are speculative or result in abusive practices; and making the dispute settlement regime more transparent, more inclusive, including the obligation to exhaust local remedies.

We thank you for your consideration of our concerns and we remain at your disposal for further dialogue on the subject. We invite you to also consider that points raised in the annexed states concerning the DCFTA negotiations.



Ziad Abdel Samad Executive Director Arab NGO Network for Development

## Annexes:

- 1. Statement- Civil Society Organizations in Morocco and the Arab Countries Voice Concerns of Deep and Comprehensive Free Trade agreement between Morocco and the EU, Available at http://www.annd.org/english/data/latest/file/106.pdf
- 2. Comments and Suggestions from ANND on Trade Sustainability Impact Assessment (SIA) of a DCFTA between the EU and Morocco