

# CETA como o Primeiro Acordo Comercial da UE de Terceira Geração: Será que age como um?

## CETA as the EU's First Third-Generation Trade Agreement: Does It Act Like One?

Patrick Leblond,  
Crina Viju-Miljusevic

**Abstract**—O Acordo Global Económico e Comercial (CETA) entre o Canadá e a União Europeia (UE) tem sido aclamado como o definidor de tendências para acordos comerciais de terceira geração, que se concentram predominantemente em obstáculos para além das fronteiras ao comércio internacional (por exemplo, regras e regulamentos) do que em barreiras (por exemplo, tarifas). O CETA constituiu a base para acordos comerciais subsequentes da UE, que são um elemento chave da política comercial da UE. Também serviu de inspiração para acordos comerciais de terceira geração fora da UE. A grande questão para a política comercial, na UE e fora dela, é se os acordos comerciais de terceira geração alcançam os objectivos pretendidos no que diz respeito às barreiras não-alfandegárias (beyond-the-border). Por outras palavras, serão eles instrumentos eficazes na liberalização do comércio internacional? Afinal de contas, facilitar o comércio através da cooperação regulamentar e administrativa é muito mais difícil do que eliminar ou baixar os direitos aduaneiros sobre mercadorias importadas. Tendo estado em vigor (provisoriamente) durante cinco anos, o CETA oferece o melhor caso para estudar a eficácia dos acordos comerciais de terceira geração.

**Palavras-Chave** — Acordos comerciais de terceira geração, CETA, cooperação regulamentar, aquisições, circulação de pessoas

**Abstract**—The Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union (EU) has been hailed as the trend-setter for third-generation trade agreements, which focus predominantly on beyond-the-border impediments to international trade (e.g., rules and regulations) than at-the-border barriers (e.g., tariffs). CETA formed the basis for subsequent EU trade agreements, which are a key element of the EU's trade policy. It also provided inspiration for third-generation trade agreements outside the EU. The big question for trade policy, in the EU and beyond, is whether third-generation trade agreements achieve their intended objectives with respect to beyond-the-border obstacles to trade. In other words, are they effective instruments in liberalizing international trade? After all, facilitating trade through regulatory and administrative cooperation is much more difficult than eliminating or lowering tariffs on imported goods. Having been in force (provisionally) for five years, CETA offers the best case to study the effectiveness of third-generation trade agreements.

**Keywords** — Third generation trade agreements, CETA, regulatory cooperation, procurement, movement of people

**Submitted**—13-12-2022. **Accepted**—18-12-2022.



• Patrick Leblond, Crina Viju-Miljusevic.

*The authors would like to express their gratitude to Mengxue Peng and Jake Rooke for their able research assistance. They would also like to thank the anonymous*

*reviewer for their useful comments on an earlier draft of this article and the Jean Monnet Centre of Excellence at Carleton University under the European Union's Erasmus+ program for providing funding in support of this article's preparation.*

## 1 Introduction

THE Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union (EU), which entered into force provisionally in September 2017<sup>1</sup>, was hailed at the time of its negotiation as a "landmark" agreement (Dendrinou and Verlaine, 2016). According to Fahey (2017), the CETA was "heralded as the best, the most ambitious and the most progressive form of trade agreement by leading European Union actors that the EU has ever concluded" (293). Allee et al. (2017) found that the CETA was a novel trade agreement, with only seven percent of its language copied from 49 previous agreements that the authors analysed. It was also seen as a "forerunner" or "template" for the Transatlantic Trade and Investment Partnership (TTIP) agreement between the EU and the United States before it was abandoned by the Trump administration (Fahey, 2017; Goff, 2014). The CETA also served as a model for the Trade and Cooperation Agreement between the EU and the United Kingdom following the latter's "Brexit" (Neuwahl, 2021).

Along with the Trans-Pacific Partnership (TPP) agreement, which was negotiated at the same time, the CETA was considered the first "deep" trade agreement. Mattoo et al. (2020) define deep trade agreements (DTAs) as "reciprocal agreements between countries that cover not just trade but additional policy areas, such as international flows of investment and labour, and the protection of intellectual property rights and the environment, among others" (3). DTAs such as the CETA are considered third-generation trade agreements. Because they go deeper than

first and second-generation ("free") trade agreements<sup>2</sup>, they usually also include more extensive institutional mechanisms to facilitate cooperation between the parties, because a significant amount of work to remove existing or potential barriers to trade is expected to occur after the agreement has entered into force. Therefore, DTAs are often referred to as "living" agreements.

Now that the CETA has been in force for over five years, it provides us with enough time to make an initial assessment of the agreement's effectiveness as the flagship third-generation trade agreement. During this period, trade in goods and services between Canada and the EU has grown significantly more rapidly than before. But is this positive outcome due to provisions pertaining to third-generation trade issues or is it just the result of tariff reductions/elimination (i.e., first-generation trade provisions)? The short answer to this question is that we do not know (yet), because the CETA's third-generation provisions and their impact have not been measured so far. This contribution provides a first step towards such measurement by examining the qualitative (or institutional) progress that has been achieved on the CETA's third-generation commitments. Based on such an assessment, does the CETA act as the third-generation trade agreement that it was designed to be? The short answer is yes; however, progress is taking longer than originally anticipated or hoped for, which should limit the impact of third-generation measures on the agreement's economic impact. To develop the argument, this contribution first makes the case that the CETA is a third-generation trade agreement. Then, it examines the CETA's performance during its first five years of operation, looking specifically at the following DTA policy areas: public procurement, movement of people, certification of goods and

1. As a "mixed" or "shared" competence trade agreement, the CETA must be ratified not only by the European Parliament but also by the national (and sometimes regional) parliaments of all 27 EU member states. Until this process is completed, the CETA is in force provisionally with some provisions pertaining to mixed competencies being suspended temporarily.

2. The literature often uses the terms free trade agreements (FTAs) and preferential trade agreements (PTAs) interchangeably; however, as Rodrik (2018) argues, DTAs are not as free or even preferential as first- and second-generation trade agreements, because they deal increasingly with standards, rules and regulations rather than traditional market access issues such as tariffs and quotas. Third-generation policy issues can open up cross-border economic exchanges as well as restrict them. Consequently, we use the term "trade agreements" herein to refer to FTAs, PTAs, customs unions, and economic partnership agreements.

regulatory cooperation, with a particular focus on the CETA's Regulatory Cooperation Forum.

## 2 The CETA as a third-generation EU trade agreement

Over recent decades, trade agreements have been major impetuses for economic growth. They have played a significant role in opening markets and creating framework conditions beneficial to trade and investment. They have evolved in time, expanding their scale and scope. They can be categorized into three generations (see Table 1).

**Table 1:** Three generations of trade agreements

	1 <sup>st</sup> Generation	2 <sup>nd</sup> Generation	3 <sup>rd</sup> Generation
<b>Background</b>	<ul style="list-style-type: none"> <li>• Development of regionalism</li> </ul>	<ul style="list-style-type: none"> <li>• Rise of trade in services</li> <li>• Emergence of global value chains (GVCs)</li> </ul>	<ul style="list-style-type: none"> <li>• Digitization of the economy: increasing deterritorialization of trade</li> <li>• Growing dematerialized world trade</li> <li>• Interconnected world economy</li> </ul>
<b>Characteristics</b>	<ul style="list-style-type: none"> <li>• Focus on tariff barriers</li> <li>• Easy to implement</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on non-tariff barriers</li> <li>• Internationalization of firms</li> <li>• A regulation and integration model based on contractual approach</li> </ul>	<ul style="list-style-type: none"> <li>• Attempt to liberalize other policy issues that affect trade in goods and services (e.g., investment, people, ideas, sustainability, data)</li> <li>• Non-trade objectives (e.g., human rights, gender equality, climate change)</li> <li>• Necessity of wider and deeper cooperation</li> <li>• A renewal of economic regulation</li> </ul>
<b>Examples</b>	<ul style="list-style-type: none"> <li>• EEC</li> <li>• EU-Switzerland</li> <li>• EU-Mexico</li> </ul>	<ul style="list-style-type: none"> <li>• NAFTA</li> <li>• EU-Switzerland</li> <li>• EU-Colombia-Peru-Ecuador</li> </ul>	<ul style="list-style-type: none"> <li>• CETA</li> <li>• Updated EU-Mexico</li> </ul>
<b>Innovations</b>	<ul style="list-style-type: none"> <li>• FTAs</li> <li>• Custom unions</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion of social clause</li> <li>• Protection of intellectual property rights</li> <li>• Dispute settlement mechanism</li> <li>• Institutions to assist implementation</li> <li>• Government procurement provisions</li> <li>• Provisions on <u>labour</u> and the environment</li> </ul>	<ul style="list-style-type: none"> <li>• Mixed agreements</li> <li>• Precautionary principle</li> <li>• New "Regulatory Cooperation Forum"</li> <li>• Deepening and widening of regulatory cooperation (issue-specific committees)</li> <li>• Investment court system</li> <li>• Enhanced protection of intellectual property rights</li> <li>• Adoption of negative list approach</li> <li>• Updated public procurement processes</li> </ul>

### *First-generation trade agreements*

Rioux et al. (2020) argue that the European model as the ideal model of multidimensional regional integration has laid the foundation of the first generation of trade agreements. The EU's first-generation trade agreements were concluded before the 2006 European Commission's "Global Europe" Communication and Stabilisation and Association Agreements (SAAs) with Western Balkan countries, concluded between 2009 and 2016 (European Commission, 2017a; 2018). Since first-generation trade agreements focus on the reduction or elimination of tariff barriers, the implementation process is easy. Specifically, the customs administrations only need to release the new tariffs when agreements enter into force (Leblond and Viju-Miljusevic, 2019). Besides, these agreements typically cover industrial goods, with agricultural products added to their scope at a later stage.

Two examples of first-generation trade agreements signed by the EU are the ones with Switzerland and Mexico. The agreement signed between the EU and Switzerland dates back to 1972. The bilateral agreement aimed to remove barriers to trade for industrial and some agricultural products: import and export customs duties, discriminatory taxation, and quantitative restrictions and measures with equivalent effect (Katunar et al., 2014). The trade agreement between the EU and Mexico, concluded in 2000, focused on the progressive liberalization and ultimate elimination of tariffs as well as the establishment of preferential tariff quotas (European Commission, 2018). The EU-Mexico FTA includes 11 chapters: market access, rules of origin, technical standards, sanitary and phytosanitary standards, safeguards, investment and related payments, trade in services, public sector procurement, competition, intellectual property, and dispute settlement (Caballero, 2022). The agreement covered all industrial goods and a small proportion of agricultural and fishery products. Nonetheless, EU-Mexico trade agreement is considered modest because non-tariff barriers are barely covered. Additionally, it did not address new emerging issues in trade and investment, such as environmental and social provisions (European Commission, 2017b).

### *Second-generation trade agreements*

As international trade has embraced several structural changes since the 1990s, trade agreements had to expand their focus (Leblond and Viju-Miljusevic, 2019; Rioux et al., 2020). The first key development was the growth of trade in services, which has expanded more swiftly than trade in goods since the 1990s to become the most active component of world trade (WTO, 2015). The second significant development is the emergence of global value chains (GVCs), which led to intermediate goods and services being traded globally (Leblond and Viju-Miljusevic, 2019; Rioux et al., 2020). GVCs are a result of multinational firms establishing subsidiaries and dividing up their manufacturing processes and activities across the world. Against this background, second-generation trade agreements were shaped by the North American Free Trade Agreement (NAFTA), which adopted a decentralized, market-led model based on national laws and a contractual approach (Rioux, 2022; Rioux et al., 2020; Rioux et al., 2015). It entered into force in 1994.

The NAFTA was the first trade agreement signed by two developed countries with a developing/emerging country. As a consequence, it incorporated a social clause (Rioux et al., 2020). Broadly, the agreement sought to remove barriers to trade in goods and services as well as the movement of capital across the three North American economies. It also aimed to advance fair competition as well as promote and secure cross-border investments between the parties (Harbine, 2002). Notably, the NAFTA was the first trade agreement to include obligations to protect intellectual property rights. The NAFTA's Free Trade Commission, consisting of cabinet-level representatives who meet annually, was set up to supervise the agreement's implementation. Working groups were also established to help with implementation, such as reviewing rules of origin and proposing modifications. In his review of the NAFTA, Gantz (2004) argues that the agreement is evolutionary rather than revolutionary in terms of investment provisions. By introducing a formal investor-state dispute settlement mechanism, NAFTA allowed US companies to seek arbitration

outside Mexico by an independent body. Apart from establishing a new pattern for trade agreements in terms of services, investment, intellectual properties and business-related mobility, the NAFTA was the first trade agreement to include labour and environment provisions (Lester et al., 2017).

The EU's bilateral agreements with Switzerland and the EU-Colombia-Peru-Ecuador trade agreement are examples of second-generation trade agreements. Due to the limited scope of the 1972 EU-Switzerland trade agreement, the two parties signed a series of bilateral agreements known as "Bilaterals I" in 1999. These agreements cover areas such as free movement of people, technical barriers to trade, public procurement, agriculture, transport, and research. In 2004, the two parties signed "Bilaterals II", which expanded the areas of cooperation to include processed agricultural products, statistics and combating fraud (European Commission, 2022a). For its part, the EU-Colombia-Peru-Ecuador trade agreement has been provisionally applied in Peru since March 1, 2013, in Colombia since August 1, 2013, and in Ecuador since January 1, 2017. In addition to partial or full elimination of tariffs, the agreement focuses on non-tariff barriers. Additionally, it addresses some of the new areas of importance such as trade in services, government procurement and intellectual property rights, including geographical indicators. A social clause commits the parties to respect human and labour rights as well as environmental protection (European Commission, 2022b).

### *Third-generation trade agreements*

With the development of the Internet, electronic commerce and new information and communications technologies such as electronic data interchange, enterprise resource planning software, radio-frequency identification, artificial intelligence, the world economy has become even more interconnected and interdependent. Consequently, international trade agreements have evolved and adapted to these changes (Leblond and Viju-Miljusevic, 2019; Rioux et al., 2020). Third-generation trade agreements not only aim to reduce and eliminate conventional tariff and

non-tariff barriers, but include so-called "WTO-plus" provisions (i.e., not covered by WTO agreements): e.g., competition policy, data protection, environmental laws, investment, labour market conditions and human rights (González et al., 2017; Sliwiska, 2019). Owing to the wide-ranging issues included in third-generation agreements, their implementation requires wider and deeper cooperation when compared to trade agreements from previous generations (González et al., 2017).

The CETA is the world's first third-generation trade agreement to come into force. Apart from establishing a free trade area for goods and services, the CETA also aims to minimize regulatory and administrative barriers that hinder trade and investment flows (González et al., 2017). In recognition of digital trade's increasing importance, the CETA includes a separate chapter on electronic commerce. It recognizes the importance of transnational regulatory cooperation to ensure the agreement's effective implementation, which is why it offers an extensive institutional framework to facilitate such cooperation (Leblond, 2016; Rioux et al., 2020). It is also the first agreement involving only developed countries to include provisions related to sustainable development, the movement of people and the protection of labour and the environment.

The CETA's investment court system (ICS) is remarkably different from traditional investor-state dispute-settlement mechanisms, such as the NAFTA's chapter 11 (Gantz, 2022). Unlike other agreements, the ICS allows for the formation of a tribunal with fifteen members: five respectively appointed by both the EU and Canada and the rest of five appointed by third-party countries. It also includes an appellate tribunal. Furthermore, the CETA sets out from previous trade agreements by increasing the scale and scope of intellectual property rights' protection (e.g., covering the patent protection of seeds and medicines) (Couvreur, 2015; Sliwiska, 2019). Another noteworthy enhancement in this area is the expanded protection of the EU's geographical indications, which are applied in the EU (González et al., 2017). CETA has also extended public procurement obligations to sub-regional entities in both jurisdictions, including not only provincial and regional governments but also municipal govern-

ments (Rioux et al., 2020). In regard to sectoral coverage, the CETA is the first trade agreement to adopt a negative list approach (Madner, 2016). This means that products that are not explicitly excluded are up for liberalization.

### 3 The CETA's economic performance

From an economic perspective, the CETA seems to be working as intended. Despite the Covid-19 pandemic, which disrupted international trade flows and investments, economic activity between Canada and the EU remains higher than before the agreement came into force: in 2021, two-way trade in goods was 34 percent higher than before 2016 (Global Affairs Canada, 2022a). On average, the annual rate of growth for Canada-EU bilateral trade was 7.9 percent in 2018-2019, compared to 4.4 percent for the period 2011-2016 (Global Affairs Canada and European Commission, 2021). Agricultural products, which represented 9.3 percent of total bilateral trade between the two economies in 2019, increased by 35 percent between 2016 and 2020 (see Figure 1). For non-agricultural products, the increase was 10 percent over the same period, but with a significant decline in machinery, mineral fuels and motor vehicles and parts between 2019 and 2020 because of the Covid-19 pandemic (see Figure 1).

**Table 2:** Total Canada-EU Goods Trade, sectors with largest growth (million Euro)

Sector	2016	2019	2020	Growth 2016-2019 (%)	Growth 2016-2020 (%)
<b>Total Canada-EU Trade</b>					
<b>Agricultural products</b>	5,399	6,200	7,274	14.8	34.7
<b>Non-agricultural products</b>	47,167	60,470	51,884	28.2	10
Machinery	9,204	11,864	9,769	28.9	6.1
Pharmaceutical products	4,790	6,845	6,899	42.9	44
Ores, slag and ash	1,766	3,483	3,625	97.2	105.3
Mineral fuels	2,912	4,219	2,100	44.9	-27.9
Motor vehicles and parts	5,187	6,025	4,363	16.2	-15.9

*Source: Global Affairs Canada and European Commission (2021)*

Among Canadian merchandise exports to the EU, the products that enjoyed the largest tariff reductions (more than 10 percentage points) registered the highest growth rate between 2016

and 2021: 54.5 percent on average. In total, products that received tariff reductions under CETA recorded a growth rate of 24.6 percent over the period 2016-2021. Canadian imports from the EU grew at 46.2 percent during the same period; however, there was little variation in growth rates across products with different levels of tariff reductions (Global Affairs Canada, 2022a).

Canada-EU trade in services shows a similar trend, with a total growth rate of 39 percent over 2016-2019 period. Canadian services exports to the EU increased by 37 percent while EU services exports to Canada grew by 41 percent. The Canadian services exports to the EU that registered the most increase post-CETA are other business services, transportation and travel services. They accounted for 70 percent of total services trade in 2019. The three main categories of EU services exports that recorded the most growth post-CETA are commercial services, transportation and travel services (Global Affairs Canada and European Commission, 2021). Canada's services exports started to recover from the Covid-19 pandemic in 2021, mainly within the category of commercial services, travel and transportation. Thus, Canada's services exports to the EU grew by 4.2 percent while Canada's services imports from the EU rose by 11.7 percent (Global Affairs Canada, 2022b).

From an economic perspective, the CETA appears to have had a positive impact on trade between Canada and the EU in its first five years of existence, for both goods and services. At its third meeting, held in Brussels in early December 2022, the CETA's Joint Committee (ministerial level) issued a statement that said the same: "Following five years of provisional application, Canadian and European businesses are reaping the benefits of CETA two-way trade having increased by over 30%. CETA has boosted job creation for both partners. The Joint Committee received a comprehensive assessment of the strong economic outcomes of the Agreement over the last five years."<sup>3</sup> The big question for this article's purpose is what portion of the CETA's positive economic impact is due to provisions that pertain to third-generation

trade issues when compared to tariff reductions (or elimination). It is telling that Global Affairs Canada's (2022a) assessment of the CETA's performance in its first five years is devoted solely to goods and tariff reductions, with particular attention paid to utilization rates of the agreement's preferences. There is no mention of the impact of regulatory cooperation, government procurement or the mobility of persons. In another report published shortly after the CETA's assessment, Global Affairs Canada (2022b) acknowledges that "[t]raditionally, analyses of FTAs have focused primarily on the economic and welfare impacts of reducing tariffs on goods" and that other (non-tariff) commitments should be evaluated to determine if they are achieving their intended outcomes. However, while summarizing "a selection of existing empirical analyses regarding key areas of FTAs beyond tariffs," the report concludes that "it is too early for the impact of these newly introduced, non-tariff commitments to be reliably measured." So, although a proper economic assessment of the CETA's third-generation trade provisions remains elusive, it is still possible to examine the qualitative progress that has been achieved on these commitments. This is what the analysis in the next sections is about, focusing on a selection of key commitments undertaken by Canada and the EU in the CETA.

#### 4 Institutional and regulatory cooperation in the CETA

The scope of regulatory cooperation within trade agreements has expanded in the last two decades to include intellectual property, public procurement, telecommunications, electronic commerce, professional qualifications, and environment and green industries. The WTO and OECD have struggled in their efforts at regulatory transparency and international standards. Consequently, bilateral or regional trade agreements have come to be perceived as major venues for regulatory cooperation so that further trade liberalization might be achieved (Hoekman and Sabel, 2019). The reason for the interest in international regulatory cooperation (IRC) is that differences in regulatory standards can act as barriers to

3. [https://policy.trade.ec.europa.eu/news/joint-statement-ceta-five-years-cornerstone-canadaeu-economic-relations-2022-12-02\\_en](https://policy.trade.ec.europa.eu/news/joint-statement-ceta-five-years-cornerstone-canadaeu-economic-relations-2022-12-02_en).

trade (Hobbs, 2007). They can either lead to an import ban if the exporting firm cannot satisfy the importing country's regulatory requirements or, in a similar fashion to a tariff, to additional costs in order to meet the importing country's standards (Gaisford and Kerr, 2001). The OECD (1994) defines IRC "as the range of institutional and procedural frameworks within which national governments, sub-national governments, and the wider public can work together to build more integrated systems for rule-making and implementation, subject to constraints of democratic values, such as accountability, openness and sovereignty" (15). The OECD has outlined eleven forms of IRC mechanisms, which range from higher levels of cooperation such as harmonization or mutual recognition of technical regulations to very low levels of cooperation such as dialogue and informational exchanges.

Regulatory differences are often the result of the isolated development of domestic regulations which, while they vary in specifics, yield similar regulatory outcomes. Thus, if harmonization were to be achieved in trade agreements, the potential gains from trade could be reaped with minimal loss in regulatory benefit. This notion underlies the commitment to reducing regulatory barriers to trade in the WTO (James and Anderson, 2005), the extensive regulatory harmonization in the EU (Gaisford et al., 2003) and the commitments to regulatory cooperation in most major trade agreements such as the NAFTA, the Asia Pacific Economic Cooperation (APEC) and the Association of South East Asian Nations (ASEAN) (Yeung et al., 1999). However, in general, there are strong assumptions underlying the process of regulatory harmonization: (1) the differences in regulations do not accurately reflect actual differences in societies' preferences; (2) that preferences are not strongly held in the societies (Kerr, 2006). Harmonization is feasible depending on the degree of divergence in standards - as divergence increases, the costs of adjustment are likely to rise - and the degree to which the existing standards reflect the preferences of a country's population. If there is a strong attachment to an existing standard, then considerable utility may be lost by moving to an alternative standard (Sawyer, 2004). Harmonization can also be achieved by accepting existing

international standards, a method that is often used in current trade agreements. Another form of high IRC is mutual recognition. Through mutual recognition, parties mutually recognize some parts of their regulatory regimes. Mutual recognition is based on sufficient trust in the equivalence of regulations and the process of conformity led by regulatory bodies. In this situation, parties can keep distinct domestic regulations, with no trade restrictiveness impact. In general, cooperation is easier between parties that have similar regulatory approaches and are at a similar level of development.

Traditionally, trade agreements dealt with purely economic interests. In the case where requests for protection come not from producers with a vested interest but rather consumers, environmentalists or other civil society groups, the issues likely lack an economic motivation - although, as with any rule-making, there may be significant economic ramifications. In cases where standards differ substantially between countries, trade agreements provide only a limited set of feasible outcomes. If standards differ in minor ways, then an agreement on mutual recognition can be attempted. Trade agreements are negotiated by diplomats while devising standards, whether based on science or not, requires considerable technical expertise. What can, however, be accomplished in a trade agreement is the establishment of an institutional forum (or fora) where cooperation negotiations can be mandated. Also, as most IRC activities occur outside of trade agreements, the latter still provide the institutional framework, context and impetus to initiate and advance cooperation.

In EU's case, it has been successful in achieving harmonization to its rules with countries that are preparing for EU accession or in trade agreements with developing countries. In these cases, the burden of adjustment falls on the partner countries (Goldberg, 2019). However, with highly developed economies, the approach to IRC is different. The CETA is a good example of such an approach for the EU. It includes several chapters that address regulatory cooperation. It also establishes a long list of specialized committees (in article 26.2) to manage various regulatory and administrative aspects affecting trade and investment



between Canada and the EU. These specialized committees are mandated to meet at least once per year. Finally, the CETA also devotes a specific chapter on regulatory cooperation (chapter 21), whose objectives are outlined in article 21.3 and include building trust, facilitating bilateral trade and investment as well as contributing to the protection of human, animal or plant life, health and the environment. Chapter 21 clearly mentions that cooperation is voluntary and policy-makers and regulators from Canada and the EU are not constrained from adopting new legislation. The CETA also includes one regulatory sectoral annex that focuses on regulatory cooperation in motor vehicles. This is the only sector where harmonization of regulations is envisioned by committing Canada to adopt international standards defined by the United Nations. Additionally, two new protocols are part of CETA: "protocol on the mutual acceptance of the results of conformity assessment" and "protocol on the mutual recognition of the compliance and enforcement programme regarding good manufacturing practices for pharmaceutical products." These protocols allow for mutual recognition for a list of specified product categories.

The CETA's institutional framework is quite unique given the need to engage stakeholders, including businesses and civil society organizations, in negotiating, among others, regulatory issues pertaining to human and social rights and the environment (Deblock, 2022). Institutional coordination is, therefore, crucial to the CETA's effective implementation as a third-generation trade agreement (Camilleri, 2022; Leblond, 2016). A comprehensive assessment of the CETA's institutional and regulatory cooperation to implement the agreement's third-generation provisions and address beyond-the-border barriers to trade and investment is beyond the scope of this article. So, this article focuses its analysis on three key, third-generation innovations provided by the CETA: the Regulatory Cooperation Forum, government procurement and the movement of persons. The analysis is sufficient to offer a preliminary conclusion on the CETA's behaviour as a third-generation trade agreement.

### *The CETA's Regulatory Cooperation Forum*

The CETA, through article 21.6, has created a Regulatory Cooperation Forum (RCF) to perform a variety of tasks, including being a discussion platform for regulatory policy, consultations with stakeholders, assistance to regulators, review of regulatory initiatives and encouragement of bilateral cooperation (Deblock, 2022). Despite not having decision-making power, the RCF enables and encourages further discussion on bilateral regulatory cooperation between Canada and the EU.

The RCF met four times since its inception, in December 2018, February 2020, February 2021 and May 2022. Based on stakeholders' submissions,<sup>4</sup> the parties adopted a work plan that is updated regularly with new opportunities for regulatory cooperation (Global Affairs Canada, 2022c). At the first meeting, the parties identified five fields of cooperation: cybersecurity and the Internet of things, animal welfare (transportation of animals), "cosmetic-like" drug products, pharmaceutical inspections, and safety of consumer products through exchange of information between the EU RAPEX (rapid alert system for dangerous products) alert system and Canada's RADAR (consumer product incident reporting system). The parties decided to work on the first four topics during the following year. For the last topic, an administrative arrangement for information exchange had already been established in November 2018 (Global Affairs Canada, 2018). At the RCF's second meeting, three additional fields of cooperation were added to the workplan: wood pellet boilers, Standards Council of Canada and CEN-CENELEC Agreement, and paediatric medicines (Global Affairs Canada, 2020).

The outcomes of RCF's discussions on these issues range from regular technical exchange of information and joint communication initiatives

4. The European Commission's call for proposals for regulatory cooperation activities in the RCF was issued on 18 January 2018, four months after the CETA came into force provisionally (<https://ec.europa.eu/newsroom/growth/items/612647>). Stakeholders had one month to send in their proposals. Global Affairs Canada's consultation with stakeholders with respect to their views on the RCF took place on February 10 and 11 April 2018 (<https://open.canada.ca/data/en/dataset/c45c4cda-7134-4e65-8e99-5214eb07bcf3>).



(consumer product safety, animal welfare, wood pellet boilers) to mutual recognition of compliance and enforcement programmes (pharmaceutical inspections) to increased regulatory harmonization ("cosmetic-like" drug products, pediatric medicines). For pharmaceutical products, the parties agreed, under the CETA Protocol, on the "mutual recognition of the compliance and enforcement programme regarding good manufacturing practices" (Global Affairs Canada, 2022c). The RCF initiative focused on expanding the existing framework to include extra-jurisdictional inspections. The discussions were successful and the new decision was launched on 1 April 2021 in Canada and 15 April 2021 in the EU (Global Affairs Canada, 2022c). For "cosmetic-like" drug products, the goal was the elimination of quarantine and confirmatory re-testing for such products coming into the EU from Canada. The discussions resulted in the elimination of the requirements for Canada for sunscreens, toothpastes and anti-dandruff shampoos starting in June 2021 (Global Affairs Canada, 2022d). In terms of pediatric medicines, Health Canada and the European Medicines Agency (EMA) are looking to increase regulatory harmonization for pediatric regulations based on existing models of collaboration. Owing to the Covid -19 pandemic, the priorities of the two agencies shifted and the process has been delayed. However, the RCF provided the necessary platform for exchanging information and for a better understanding of how the EMA implements its regulations in the EU (Global Affairs Canada, 2022d).

The CETA's RCF has clearly been an effective instrument in resolving some regulatory issues that acted as impediments to trade between Canada and the EU. It has also encouraged the sharing of information between Canadian and European regulatory authorities, which is the first step in finding solutions to regulatory obstacles to trade. However, it is difficult to determine how effective the CETA's RCF has been. Given that such institutional mechanisms are recent innovations in trade agreements (Deblock, 2022), the basis for assessing the RCF is still very thin. Nevertheless, it is possible to think that the RCF could have taken on more fields of cooperation if it met more often than once per year, which is the

minimum set by the CETA. The challenge for the individuals involved in the CETA's RCF is that they may be involved in similar forums that are part of other third-generation trade agreements. This could make it difficult for them to meet more often and increase the scope of the fields or issues for cooperation that they take on. As a result, some issues must wait in the queue until they can make it on the RCF's work plan. The fact that not all proposed regulatory cooperation issues can make it on the RCF's work plan raises the question about how and when they make it on the work plan. The CETA offers no guidelines for such determination with respect to the RCF and other specialized committees (van Rooy, 2022). Although van Rooy (2022: 121) calls the RCF's transparency on its work plan and what has been achieved "refreshing", she nevertheless argues in favour of oversight mechanisms (possibly by parliaments) and participatory rights for stakeholders based on explicit procedural rules for the RCF, and regulatory cooperation mechanisms in general (ibid: 132).

#### *The CETA and government procurement*

Chapter 19 defines the principles and rules that govern government procurement between Canada and the EU, at all levels of government (from the municipal to the federal/supranational).<sup>5</sup> Accessing provincial and municipal government procurement markets in Canada was one of the EU's major goals in negotiating the CETA (D'Erman, 2020; Leblond, 2016). When the CETA negotiations began (2008-09), the WTO's Agreement on Government Procurement (GPA) did not include Canadian provinces and municipalities; it covered only federal government procurement contracts. This situation changed with the revised GPA, which entered into force on 6 April 2014. In this revised agreement, the provinces accepted to be part of Canada's schedule. Nevertheless, chapter 19 goes beyond Canada's commitments under the GPA. According to Casier (2019: 13):

5. For a brief description of the CETA's chapter 19, see Ruffat and Leblond (2022).

CETA covers more entities, and the thresholds for goods and services procurement by sub-central entities is also lower than under the WTO GPA.

CETA includes roughly twenty more central government entities and significantly more sub-national entities, including most regional, local, district or other forms of municipal government, as well as all publicly funded academic, health and social-service entities.

In exchange, the EU agreed to open its access "to most of the utility sectors that it withholds under the GPA, namely: drinking water; electricity; transport by urban railways; automated systems; tramways, trolley bus, bus or cable; and transport by railways" (Grier, 2020: 202).

Under the CETA, the Canadian federal government also committed to create a single platform (referred to as the "single point of access" [SPA]) for all government procurement in Canada by 2022 (Ruffat and Leblond, 2022: 148). The EU already had the Tenders Electronic Daily (TED), which provided firms with all procurement tenders offered by governments and public institutions in the EU, from the municipal to the supranational level.

To help with the chapter 19's implementation, the CETA established the Committee on Government Procurement (CGP). The CGP held its first meeting on 15 March 2018.<sup>6</sup> At the meeting, Canada and the EU discussed the EU's legislative package on strategic public procurement. They also adjusted the CETA's threshold values (at which the agreement's provisions on government procurement apply) into domestic currency to reflect variations in the values of the Canadian dollar and the euro relative to special drawing rights (SDR).<sup>7</sup> The CETA's threshold values are expressed in SDR. At this first meeting, Canada updated the EU on the development of the SPA while the EU shared its experience with the TED. Government procurement opportunities, notably in the space sector, which the CETA opened

for both sides, were also discussed, among other issues.

The CGP's second meeting occurred on 22 February 2019.<sup>8</sup> Again, Canada updated the EU on the progress with the SPA's development. Both parties shared information on promotional activities, including the publication of guidance documents. They also talked about the modalities for the exchange of statistics on procurement awards to suppliers located in the other jurisdiction. Finally, the EU shared information about its policies on green procurement.

The third CGP meeting took place on 25-26 November 2020.<sup>9</sup> Once more, the parties discussed the SPA's progress. They also reviewed and discussed suppliers' experience in taking advantage of the CETA's chapter 19 as well as issues raised by other stakeholders. They also agreed to continue the discussion on the systematic exchange of statistics on CETA-covered contracts awarded to Canadian and EU-based suppliers. The parties continued their discussion of the coverage of space-related procurement under the CETA. Finally, they shared information about legislative and regulatory developments in their respective jurisdictions that are related to public procurement (e.g., the EU's Green Deal or Canada's Ethical Procurement of Apparel Initiative).

The CGP held its fourth meeting on 14 December 2021.<sup>10</sup> At the meeting, Canada announced that the SPA website, "CanadaBuys", was finally under development.<sup>11</sup> For its part, the EU informed Canada of a new online tool, "Access2Procurement", that allows suppliers to find out if a tender is covered by the CETA. Canada also updated the EU on the "state of play" regarding procurement by the Canadian Space Agency and coverage under the CETA. Finally, the EU shared information with Canada about the proposed Foreign Subsidies Regulation and the International Procurement Instrument. The fifth and most recent meeting of the CGP happened

6. [https://trade.ec.europa.eu/doclib/docs/2018/april/tradoc\\_156706.pdf](https://trade.ec.europa.eu/doclib/docs/2018/april/tradoc_156706.pdf).

7. SDR are a synthetic unit of measure, derived from a basket of currencies, used by the International Monetary Fund for its financing and operations.

8. [https://trade.ec.europa.eu/doclib/docs/2019/april/tradoc\\_157845.pdf](https://trade.ec.europa.eu/doclib/docs/2019/april/tradoc_157845.pdf).

9. [https://trade.ec.europa.eu/doclib/docs/2020/november/tradoc\\_159079.pdf](https://trade.ec.europa.eu/doclib/docs/2020/november/tradoc_159079.pdf).

10. [https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/2021-12-14-summary\\_report-rapport\\_summaire.aspx?lang=eng](https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/2021-12-14-summary_report-rapport_summaire.aspx?lang=eng).

11. <https://canadabuys.canada.ca/en>.

on 3 October 2022. Regrettably, no report of the meeting was available at the time of writing (December 2022), only an agenda that covered, specifically, the following: Canada's SPA, the EU's International Procurement Instrument, and the Canadian Space Agency.<sup>12</sup>

In sum, the CGP has been consistent in the topics that it has covered in its first five meetings, notably the SPA and the coverage of space procurement by the CETA. Reports of the CGP's meetings demonstrate that a significant amount of information was shared between Canada and the EU with respect to legislative and regulatory developments relevant to government procurement. Discussions on statistics, supplier experience and other stakeholder concerns also took place. As such, the CGP appears to have played the role for which it was established. One can wonder if Canada's SPA would ever have seen the light of day without the need to provide updates on its development at every CGP meeting. Nevertheless, after five years of the CETA being in force provisionally, the SPA is still under development, even if the CanadaBuys website is functional with tenders from federal, provincial and municipal government entities.

### *The CETA and the movement of persons*

The CETA aims to facilitate the movement of persons for business purposes between Canada and the EU in two ways: the temporary entry and stay of natural persons for business purposes (chapter 10) and the mutual recognition of professional qualifications (chapter 11). These two chapters' ultimate goal is to make trade in services and investment between Canada and the EU easier. For instance, in the case of professional services, a European engineer or an architect might have to spend a significant period of time in Canada to manage or supervise a project under a contract obtained by a European engineering firm. In such a case, the engineer or architect in question must be able to remain in Canada for more than the few months allowed for visitors. Moreover, this person may need to have his or her professional

qualifications officially recognized in Canada to be able to sign statutory documents that may be required by the authorities. The same logic applies to the need to send one or several employees to oversee a new investment (e.g., the building of a new factory or the acquisition of a company) in the other party.

According to the CETA's article 10.7.5, the "permissible length of stay of key personnel" is as follows: (a) intra-corporate transferees (specialists and senior personnel): the lesser of three years or the length of the contract, with a possible extension of up to 18 months at the discretion of the Party granting the temporary entry and stay; (b) intra-corporate transferees (graduate trainees): the lesser of one year or the length of the contract; (c) investors: one year, with possible extensions at the discretion of the Party granting the temporary entry and stay; (d) business visitors for investment purposes: 90 days within any six month period. Contractual service suppliers and independent professionals, the maximum length of stay that CETA allows them is 12 months, under certain conditions (see article 10.8). According to Mignon (2020), 635 work permits and 44 work permit extensions were issued under the CETA's provisions by Canadian immigration authorities in 2018. Unfortunately, no other statistics could be found on such CETA work permits. So, the provisions found in the CETAs chapter 10 appear to work in practice, with individuals having benefited from them; we just do not know to what extent.

The CETA's second component with respect to the movement of persons concerns the mutual recognition of professional qualifications, which is necessary if business professionals want to offer their services in the other party's territory. Chapter 11 aims to get Canadian and EU authorities to negotiate and sign mutual recognition agreements (MRAs) that allow qualified professionals (or technicians) to provide services and act according to their formal qualifications and be legally recognized as such in both Canada and the EU. Concluding such MRAs is particularly challenging because professional qualifications are provincial competencies in Canada while they remain under the responsibility of member states inside the EU. In other words, the Canadian federal government

12. <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/2022-10-03-gp-agenda-ordre-jour-mp.aspx?lang=eng>.

and the European Commission, which are responsible for the CETA's implementation, can only encourage occupational regulatory bodies in Canada and the EU to propose and negotiate MRAs with each other; they have no legal authority to mandate such agreements. They are supposed to, through the so-called "MRA Committee"<sup>13</sup> to provide a framework for negotiating and concluding MRAs under the CETA's chapter 11 (article 11.6 and annex 11-A offer guidelines for negotiations). The MRA Committee is also responsible for the final approval of MRAs between Canadian and European authorities.

According to the joint study conducted by the European Commission and the Government of Canada in 2008, there were more than 440 occupational and professional bodies in Canada alone (Brender, 2014: 15). After the France-Quebec agreement on labour mobility was signed in the fall of 2008, 70 MRAs had been signed between French and Quebec bodies at the end of 2014 (Doutriaux, 2015: 256). Therefore, there were high hopes for the CETA with respect to the mutual recognition of professional qualifications between Canada and the EU because of the CETA. Surprisingly, it is only in March 2022 that the first MRA was concluded (for architects); it is planned to come into effect in early 2023 (European Commission, 2022c). The first steps towards this MRA were taken by the Architects' Council of Europe and the Canadian Architectural Licensing Authorities in April 2019, when they submitted their proposal to the MRA Committee (Camilieri, 2022). Although it has taken many years to conclude these negotiations, they nevertheless represent an example of how the CETA can be an enabling tool for intensified regulatory cooperation and the mobility of professionals between Canada and the EU. According to the European Commission (2022c), this "MRA is the first of its kind which the EU has negotiated." It is now expected that other professional bodies will move forward with their own MRAs, using the successful template offered by Canadian and European architects.

13. Formally, the MRA Committee is known at the Joint Committee on Mutual Recognition of Professional Qualifications.

## 5 Conclusion

What the analysis herein demonstrates is that so-called "beyond-the-border" issues dealing with standards and regulations can take a long time to be resolved, because they require the cooperation of several actors (e.g., different levels of governments and/or different ministries or agencies as well as businesses and other organizations), with interests that do not always align perfectly, not to mention a certain degree of political or bureaucratic inertia. In other words, first- and second-generation provisions in trade agreements are quicker to be implemented and realized than third-generation ones. Deep trade agreements such as the CETA take time and effort to realize the benefits associated with third-generation elements.

Nevertheless, it is not a reason to give up on DTAs; third-generation benefits appear to materialize over time, at least based on regulatory cooperation, the monitoring of parties' commitments and the sharing of information. Consequently, the EU should make it a priority to collect non-trade data such as the number of people who apply and obtain work permits under the CETA's chapter 10. Similarly, statistics on government procurement tenders to which suppliers from the other party(ies) have bid on or won would be useful to assess the effectiveness of DTAs such as the CETA. In addition, building a database of regulatory cooperation (committee meetings, activities, agreements, shared information, etc.) in third-generation trade agreements would be helpful in assessing their effectiveness. Such a database would also serve to identify the factors that make regulatory cooperation successful or not. Finally, the EU's trade policy should plan for more human and financial resources for managing and implementing third-generation trade agreements. If such resources are not increased as regulatory cooperation fora and specialized committees multiply as more third-generation trade agreements come into force, there is a high risk that the effectiveness of regulatory cooperation decreases with each new or updated agreement as resources are stretched more thinly across more and more fora and committees. The implementation of third-generation provisions in trade agreements would

suffer as a result, with the benefits of such agreements taking even longer to materialize than they have done with the CETA.

The analysis conducted herein tells us that the outcomes associated with third-generation trade agreements might take longer to develop due to the time and efforts needed to make third-generation provisions work effectively. This is an important characteristic of third-generation trade agreements that needs to be shared with the business community and the general public. Otherwise, by creating unrealistic expectations with respect to an agreement's economic benefits when it is signed or enters into force, there is a risk that businesses and individuals will end up concluding that DTAs are not worth it because they do not (or take too long to) deliver on their promises. Consequently, support for future DTAs could be jeopardized, which would undermine the EUs and other countries' trade policies with respect to trade agreements.

## References

- [1] Allee, T., Elsig, M. and Lugg, A. (2017). "Is the European Union Trade Deal with Canada New or Recycled? A Text-as-data Approach". *Global Policy* 8(2): 246-252.
- [2] Brender, N. (2014). "Across the Sea with CETA: What New Labour Mobility Might Mean for Canadian Business." Briefing, July. Ottawa, ON: The Conference Board of Canada.
- [3] Caballero, E.S. (2022). "The modernization of the European Union-Mexico Association Agreement: between change and continuity". *EU-LAC Foundation*, Occasional paper FC/EU-LAC (7). Available at [https://eulacfoundation.org/sites/default/files/2022-06/Especial\\_FC\\_EULAC\\_7\\_EN.pdf](https://eulacfoundation.org/sites/default/files/2022-06/Especial_FC_EULAC_7_EN.pdf).
- [4] Camilleri, M. (2022). "Regulatory Cooperation under CETA: Facing Up to the "Gorilla in the Room"." In R.G. Finbow (ed.) *CETA Implementation and Implications: Unravelling the Puzzle*. Montreal: McGill-Queens University Press (pp. 97-115).
- [5] Casier, L. (2019). "Canada's International Trade Obligations: Barrier or Opportunity for Sustainable Public Procurement? Unpacking Canada's WTO GPA and CETA Commitments in Relation to Sustainable Procurement." IISD Report, International Institute for Sustainable Development. <https://www.iisd.org/sites/default/files/publications/canada-international-trade-spp.pdf>.
- [6] Couvreur, A. (2015). "New Generation Regional Trade Agreements and the Precautionary Principle: Focus on the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union." *Asper Review of International Business and Trade Law* 15: 265-292.
- [7] Deblock, C. (2022). "Canada and International Regulatory Cooperation: A Comparison of USMCA, CETA and CPTPP." In G. Gagné and M. Rioux (eds.) *NAFTA 2.0. From the First NAFTA to the United States-Mexico-Canada Agreement*. Palgrave MacMillan.
- [8] Dendrinou, V. and Verlaine, J.-A. (2016). "EU, Canada Sign Landmark Free-Trade Agreement", *The Wall Street Journal*, October 30. [urlhttps://www.wsj.com/articles/eu-canada-prepare-to-sign-ceta-trade-deal-1477831000](https://www.wsj.com/articles/eu-canada-prepare-to-sign-ceta-trade-deal-1477831000).
- [9] D'Erman, V.J. (2020). "The EU's Realist Power: Public Procurement and CETA Negotiations with Canada". *Journal of International Relations and Development* 23(1): 123.
- [10] Doutriaux, Y. (2015). "La reconnaissance des qualifications professionnelles: Entente France-Québec et AECG." In C. Deblock, J. Lebullenger and S. Paquin (eds.) *Un nouveau pont sur l'Atlantique: L'Accord économique et commercial global entre l'Union européenne et le Canada*. Quebec, QC: Presses de l'Université du Québec (pp. 249-259).
- [11] European Commission. (2017a). *Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on implementation of free trade agreements 1 January 2016-31 December 2016*, Directorate-General for Trade. Publications Office, <https://data.europa.eu/doi/10.2781/085887>.
- [12] European Commission. (2017b). *Ex-post evaluation of the implementation of the EU- Mexico Free Trade Agreement*, Directorate-General for Trade. [https://trade.ec.europa.eu/doclib/docs/2017/august/tradoc\\_156011.pdf](https://trade.ec.europa.eu/doclib/docs/2017/august/tradoc_156011.pdf).
- [13] European Commission (2018). *Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on implementation of free trade agreements 1 January 2017 - 31 December 2017*, Directorate-General

- for Trade. Publications Office, [https://trade.ec.europa.eu/doclib/docs/2018/october/tradoc\\_157468.pdf](https://trade.ec.europa.eu/doclib/docs/2018/october/tradoc_157468.pdf).
- [14] European Commission (2022a). Switzerland. Directorate-General for Trade. <https://trade.ec.europa.eu/access-to-markets/en/content/switzerland>.
- [15] European Commission (2022b). EU-Colombia-Peru-Ecuador Trade Agreement. Directorate-General for Trade. <https://trade.ec.europa.eu/access-to-markets/cs/content/eu-colombia-peru-ecuador-trade-agreement>.
- [16] European Commission (2022c). EU and Canada lay the foundations for free movement of architects. 21 March. [https://policy.trade.ec.europa.eu/news/eu-and-canada-lay-foundations-free-movement-architects-2022-03-21\\_en](https://policy.trade.ec.europa.eu/news/eu-and-canada-lay-foundations-free-movement-architects-2022-03-21_en).
- [17] Fahey, E. (2017). "CETA and Global Governance Law: What Kind of Model Agreement Is It Really in Law?". *European Papers* 2(1): 293-302. [https://www.europeanpapers.eu/en/system/files/pdf\\_version/EP\\_EF\\_2017\\_I\\_007\\_Elaine\\_Fahey\\_00119.pdf](https://www.europeanpapers.eu/en/system/files/pdf_version/EP_EF_2017_I_007_Elaine_Fahey_00119.pdf).
- [18] Gaisford, J.D. and Kerr, W. A. (2001). *Economic Analysis for International Trade Negotiations*. Cheltenham: Edward Elgar Press.
- [19] Gaisford, J.D., Kerr, W.A. and Perdakis, N. (2003). *Economic Analysis for EU Accession Negotiations Agri-Food Issues in the EU's Eastward Expansion*. Cheltenham: Edward Elgar Press.
- [20] Gantz, D.A. (2004). "The Evolution of FTA Investment Provisions: From NAFTA to the United States Chile Free Trade Agreement." *American University International Law Review* 19(4): 679-768.
- [21] Gantz, D.A. (2022). "Canada's Approaches to Investor-State Dispute Settlement: Addressing Divergencies among CETA, USMCA, CPTPP, and the Canada-China FIPA." In R.G. Finbow (ed.) *CETA Implementation and Implications: Unravelling the Puzzle*. Montreal: McGill-Queen's University Press (pp. 183-209).
- [22] Global Affairs Canada (2018). 1st Meeting of the CETA Regulatory Cooperation Forum. [https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/2018-12-14\\_rcf\\_report-rapport\\_fcr.aspx?lang=eng](https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/2018-12-14_rcf_report-rapport_fcr.aspx?lang=eng).
- [23] Global Affairs Canada (2020). 2nd Meeting of the CETA Regulatory Cooperation Forum. [https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/2020-02-RCF\\_report-FCMR\\_rapport.aspx?lang=eng](https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/2020-02-RCF_report-FCMR_rapport.aspx?lang=eng).
- [24] Global Affairs Canada and European Commission. (2021). "An Overview of Canada-EU Trade Performance under CETA." Second Canada-EU CETA Joint Committee Meeting. [https://www.international.gc.ca/trade-commerce/assets/pdfs/economist-economiste/statistics-statistiques/joint-ceta-statistics-report-ec\\_final-np-en.pdf](https://www.international.gc.ca/trade-commerce/assets/pdfs/economist-economiste/statistics-statistiques/joint-ceta-statistics-report-ec_final-np-en.pdf).
- [25] Global Affairs Canada. (2021). 2021 Canada's State of Trade. A Closer Look at Foreign Direct Investment. Office of the Chief Economist. <https://www.international.gc.ca/transparency-transparence/assets/pdfs/state-trade-commerce-international/SoT-ENG.pdf>.
- [26] Global Affairs Canada. (2022a). *CETA@5 Delivering trade benefits during unprecedented times*. Office of the Chief Economist. <https://www.international.gc.ca/trade-commerce/economist-economiste/analysis-analyse/benefits-ceta5-avantages.aspx?lang=eng>.
- [27] Global Affairs Canada, (2022b). *2022 Canada's State of Trade. The Benefits of Free Trade Agreements*. Office of the Chief Economist. <https://www.international.gc.ca/transparency-transparence/assets/pdfs/state-trade-commerce-international/2022/sot-2022-eng.pdf>.
- [28] Global Affairs Canada. (2022c). *Comprehensive Economic and Trade Agreement Regulatory Cooperation Forum - Work Plan*. <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/2021-07-28-work-travail-plan.aspx?lang=eng>.
- [29] Global Affairs Canada. (2022d). *4th Meeting of the CETA Regulatory Cooperation Forum*. [https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/2022-05-03-rcf\\_summary-sommaire\\_fcr.aspx?lang=eng](https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/2022-05-03-rcf_summary-sommaire_fcr.aspx?lang=eng).
- [30] Goff, P. (2014). "Transatlantic Economic Agreements: Parsing CETA and TTIP". CIGI Papers No. 35, Centre for International Governance Innovation, July 21. [https://www.cigionline.org/static/documents/cigi\\_paper\\_35\\_0.pdf](https://www.cigionline.org/static/documents/cigi_paper_35_0.pdf).
- [31] Golberg, E. (2019). *Regulatory Cooperation A Reality Check*. M-RCBG Working Paper No. 115. Available at [https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/img/115\\_final.pdf](https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/img/115_final.pdf)
- [32] González, M., Gordo, E. and Manrique, M. (2017). "The EU's new-generation trade agreements: the CETA treaty." *Economic Bulletin, Banco de España*, issue SEP: 1-7.
- [33] Grier, J.H. (2020). "Growing Significance of Regional Trade Agreements in Opening Public Procurement." In A. Castelli, G. Piga, S. Saussier and T. Tátrai (eds) *The Challenges of Public Procurement Reforms*. New York: Routledge (pp. 184-218).
- [34] Harbine, J. (2002). "NAFTA Chapter 11 Arbitration: Deciding the Price of Free Trade." *Ecology Law Quarterly* 29(2): 371394.
- [35] Hobbs, J.E. (2007). "Technical Barriers to Trade." In W.A. Kerr and J.D. Gaisford (eds.) *Handbook on International Trade Policy*. Cheltenham: Edward Elgar Press (pp. 394-403).
- [36] Hoekman, B. and Sabel, C. (2019). "Open Plurilateral Agreements, International Regulatory Cooperation and the WTO." *Global Policy* 10(3): 297-312.
- [37] James, S. and Anderson, K. (2005). "On the Need for More Economic Assessment of Quarantine Policies." In K. Anderson and T. Josling (eds.) *In the WTO and Agriculture*, Vol. II. Cheltenham: Edward Elgar Press (pp. 197-216).
- [38] Katunar, M., Maljak, M. and Martini, S. (2014). "The Evolution of the EU's Foreign Trade Policy." Available at <https://hrcak.srce.hr/file/216772>
- [39] Kerr, W.A. (2006). "International Harmonization and the Gains from Trade." *Journal of International Law and Trade Policy* 7(2): 116-125.
- [40] Leblond, P. (2016). "Making the Most of CETA: A Complete and Effective Implementation Is Key to Realizing the Agreement's Full Potential." CIGI Papers No. 114, Centre for International Governance Innovation, October 30, <https://www.cigionline.org/publications/making-most-ceta-complete-and-effective-implementation-key-realizing-agreements-full-0/>.
- [41] Leblond, P. and Viju-Miljusevic, C. (2019). "EU trade policy in the twenty-first century: change, continuity and challenges." *Journal of European Public Policy* 26(12): 18361846.
- [42] Lester, S., Manak, I. and Ikenson, D. (2017). "Renegotiating NAFTA in the Era of Trump: Keeping the Trade Liberalization In and the Protectionism Out." CATO Working Paper 46. Available at [https://assets.realclear.com/files/2017/08/648\\_nafta.pdf](https://assets.realclear.com/files/2017/08/648_nafta.pdf).
- [43] Madner, V. (2017). "A New Generation of Trade Agreements: An Opportunity Not to Be Missed?" In S. Griller, W. Obwexer and E. Vranes (eds) *Mega-Regional Trade Agree-*

- ments: CETA, TTIP, And TiSA: New Orientation for EU External Economic Relations, Oxford: Oxford Academic, pp. 308-315.
- [44] Matttoo, A., Rocha, M. and Ruta, M. (2020). "The Evolution of Deep Trade Agreements." In Matttoo, A., Rocha, M. and Ruta, M. (eds). *Handbook of Deep Trade Agreements*. Washington, DC: The World Bank.
- [45] Mignon, N. (2020). "The CETA Report on Mobility of Professionals." EU Delegation to Canada. [https://trade.ec.europa.eu/doclib/docs/2020/december/tradoc\\_159158.pdf](https://trade.ec.europa.eu/doclib/docs/2020/december/tradoc_159158.pdf).
- [46] Neuwahl, N.A.E.M. (2021). "The 2020 EU-UK Trade and Cooperation Agreement as a Canada Style Agreement". May 19, EU3D Research Paper No. 4, <https://ssrn.com/abstract=3633959>.
- [47] OECD (1994). *Regulatory Cooperation for an Independent World*. Paris: OECD Publishing. Available at [https://www.oecd-ilibrary.org/governance/regulatory-cooperation-for-an-interdependent-world\\_9789264062436-en](https://www.oecd-ilibrary.org/governance/regulatory-cooperation-for-an-interdependent-world_9789264062436-en).
- [48] Rioux, M., Ares, M. and Huang, P. (2015). "Beyond NAFTA with Three Countries: The Impact of Global Value Chains on an Outdated Trade Agreement." *Open Journal of Political Science* 5: 264-276.
- [49] Rioux, M., Deblock, C. and Wells, G.-P. (2020). "CETA, an Innovative Agreement with Many Unsettled Trajectories." *Open Journal of Political Science* 10: 50-60.
- [50] Rodrik, D. (2018). "What Do Trade Agreements Really Do?" *Journal of Economic Perspectives* 32(2): 73-90.
- [51] Ruffat, A. and Leblond, P. (2022). "Public Procurement under CETA Chapter 19." In R.G. Finbow (ed.) *CETA Implementation and Implications: Unravelling the Puzzle*. Montreal: McGill-Queens University Press (pp. 143-158).
- [52] Iwiska, M. (2019). "New generation trade agreements as an economic challenge for the European Union and its Member States the case of CETA." *Przegląd Europejski* 4(4): 141158.
- [53] Statistics Canada (2022). "International investment position, Canadian direct investment abroad and foreign direct investment in Canada, by industry and select countries, annual (x1,000,000)", Table 36-10-0659-01, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610065901>.
- [54] Van Rooy, C. (2022). "A Cautionary Tale of Regulatory Cooperation in CETA: Executive Expertise and the Influence of Foreign Governments in Domestic Regulatory Processes." In R.G. Finbow (ed.) *CETA Implementation and Implications: Unravelling the Puzzle*. Montreal: McGill-Queens University Press (pp. 116-140).
- [55] WTO (2015). "Trade in Services: The Most Dynamic Segment of International Trade." Geneva: World Trade Organization. Available at [https://www.wto.org/english/thewto\\_e/20y\\_e/services\\_brochure2015\\_e.pdf](https://www.wto.org/english/thewto_e/20y_e/services_brochure2015_e.pdf).
- [56] Yeung, M.T., Perdakis, N. and Kerr, W.A. (1999). *Regional Trading Blocs in the Global Economy: The EU and ASEAN*. Cheltenham: Edward Elgar Press.



**Patrick Leblond** is CN Paul M. Tellier Chair on Business and Public Policy and Associate Professor in the Graduate School of Public and International Affairs at the University of Ottawa. He is also Senior Fellow at the Centre for International Governance Innovation (CIGI), Research Fellow at CIRANO and Affiliated Professor of International Business at HEC Montréal. Dr. Leblond is an expert on economic governance and policy with a particular focus on Canada, North America, Europe and, increasingly, China. He has published extensively on financial and monetary integration, banking regulation, international trade and business-government relations. Before embarking on his academic career, he worked in accounting and auditing for Ernst Young as well as in corporate finance and strategy consulting for Arthur Andersen Co. and SECOR Consulting. ORCID: <https://orcid.org/0000-0002-9889-7498>



**Crina Viju-Miljusevic** Associate Professor and Director of the Institute of European, Russian and Eurasian Studies at Carleton University. She is also the Associate Director of the Centre for European Studies at Carleton University, and she holds a Jean Monnet Chair in EU External Relations: Competing Regionalism in Eurasia funded by the Erasmus+ Programme of the European Union. Her research interests include the economic effects of different trade policies applied within the EU, US and Canada, European economic integration, and the EU as an external actor. Crina's current research focuses on the EU trade policy, Canada-EU Comprehensive Economic and Trade Agreement (CETA) as well as the EU, Russia and China as competing actors in Eurasia. She has an extensive publication record, including edited or co-edited volumes, and numerous journal articles, book chapters and conference presentations. ORCID: <https://orcid.org/0000-0001-9705-5101>