The EU Clean Trade and Investment Partnerships (CTIPs): Turning Risks into Opportunities for Just Transition?

Unlocking opportunities for a just transition: Policy brief 3

As global competition for strategic resources intensifies, securing the critical inputs needed to accelerate the transition to low-carbon economies has become a priority for the European Union (EU). Diversifying alliances is now essential, not only to secure resources for European industries and reduce dependencies but also to access new export markets amid deteriorating transatlantic relations.

This brief, the third in SOLIDAR's series examining how new EU's initiatives can advance a just green transition in Europe and globally, sets out recommendations for the EU's new Clean Trade and Investment Partnerships (CTIPs). It calls for ambitious measures, such as embedding targeted, enforceable sustainability commitments in clean supply chains and ensuring meaningful participation of civil society and trade unions, to ensure that this new partnership model is designed and implemented with just transition principles at its core.

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I. Background

The Clean Trade and Investment Partnerships (CTIPs) are a new flagship initiative of the European Commission, first announced in the Political Guidelines outlining the priorities for the 2024-2029 legislative cycle and officially presented as part of the Clean Industrial Deal (CID)[1]. Designed to complement traditional Free Trade Agreements (FTAs), the CTIPs promise a faster, more flexible, and more targeted approach tailored to the strategic interests of the EU and its partners.

Through this new partnership model, the EU seeks to deepen trade and investment ties with trading partners in the Global South. They aim to foster trade and investments in clean supply chains, covering critical raw materials (CRMs), clean energy, and clean technologies, serving as the external arm of the EU's new industrial strategy under the CID. By bringing together trade, investment, regulatory cooperation, and sustainability standards under a single framework - supported by Global Gateway investment packages - they aim to create more mutually beneficial partnerships.

The CTIPs are at an early stage of development, and their ultimate impact will depend on the policy choices guiding their design and implementation. While no CTIP has been concluded to date, the first negotiations were launched with South Africa in March 2025, and will serve as a key test case. Additional partnerships with countries across the Global South are expected in the coming years.[2]

II. SOLIDAR's recommendations

While the CTIPs have the potential to strengthen cooperation on clean supply chains, they also carry risks that could undermine their contribution to promote just transition globally. These include their i) **non-binding nature**, which limits enforceable obligations, transparency, oversight, and legal certainty; ii) **social and environmental risks**, as CTIPs target sectors such as critical raw materials, clean energy, and low-carbon technologies that can perpetuate extractive models and externalize environmental and social costs; and iii) **duplication and fragmentation**, as they coexist with EU and member states initiatives (e.g., FTAs, Just Energy Transition Partnerships (JETPs), strategic partnerships on CRMs, Global Gateway projects), risking overstretched resources, reduced policy coherence and limited added value.

SOLIDAR believes, however, that **these risks can be turned into opportunities**.

Precisely because this new instrument is still in development, CTIPs offer a timely opportunity to learn from past initiatives and rethink how the EU approaches its trade engagement with partners in the Global South. The EU's credibility as a reliable trading partner and climate champion will, however, depend on its ability to balance competing priorities, fostering local value addition abroad and enabling trading partners to retain more value over their natural resources, while simultaneously supporting industrial decarbonization and quality jobs at home.

1 European Commission (2025) "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The Clean Industrial Deal – A joint roadmap for competitiveness and decarbonisation (COM 2025/85 final)".
2 European Commission (2025) "EU-South Africa Summit Declaration".

CTIPs can add value by providing clear, targeted cooperation in strategic clean sectors, aligning trade, investment, and regulatory policies with development and social objectives, and establishing timelines and transparency in commitments. By bringing together policy areas that had previously run in parallel and often in an uncoordinated manner , the CTIPs can help maximize the EU's engagement with third countries, contributing to rebuild trust, strengthen cooperation, and address tensions linked to the European Green Deal.[3] In a context of global competition for resources, the CTIPs offer the EU an opportunity to put forward a more attractive value proposition tailored to the parties' needs and interest, and act as a reliable, sustainable partner, providing an alternative to China and filling the leadership gap left by the US.

SOLIDAR therefore is putting forward 5 recommendations to ensure that CTIPs are designed and implemented with just transition principles at their core:

1 Make CTIPs more effective by establishing legally binding commitments

CTIPs are currently conceived as non-binding instruments, relying on cooperation commitments without clear enforceable obligations or the possibility of trade remedies. This limits transparency, oversight, and democratic scrutiny. It also limits the parties' ability to guarantee compliance with sustainability or labour standards while reducing legal certainty for investors. Without legal certainty, commitments on sustainability, labor and social rights, local value addition and beneficiation remain voluntary.

The Commission should consider evolving CTIPs into legally binding agreements, particularly when engaging with non-preferential partners or where existing trade deals are outdated.[4] Binding commitments would improve effectiveness, enhance legal certainty, and increase investment security for businesses on both sides.

2 Institutionalize civil society, trade unions and parliamentary participation

The Commission should ensure effective parliamentary involvement and create a standard process for civil society's participation in the negotiation and implementation of CTIPs.

Unlike FTAs, non-binding instruments like CTIPs are negotiated by the Commission under Council oversight, leaving the European Parliament with no formal role. As CTIPs gain political and strategic relevance, stronger democratic oversight is essential.[5] The revised Framework Agreement on interinstitutional relations introduced new commitments for the Commission to keep the Parliament involved in non-binding international agreements, which must now be fully implemented in practice.[6] The Commission should move beyond information-sharing to ensure regular Parliament consultation throughout the CTIP process.

3 NewClimate Institute (2025) "Joint Policy Brief: Making CTIPs work for climate, industry and development".
4 Europe Jacques Delors (2025) "A New Era of EU Mini-Trade Deals? Re-prioritising Sustainable Development through Clean Trade and Investment Partnerships (CTIPs)".
5 Verellen (2024) "Making Non-binding Agreements in the EU: a Role for the European Parliament?".
6 European Commission (2025) "Commission-Parliament Framework Agreement: greater transparency and trust, better dialogue".

Similar mechanisms are needed for civil society and trade unions' involvement, as non-binding instruments lack the formal consultation structures found in FTAs. The Commission should:

- **Institutionalize consultations** with civil society and trade unions on both sides.
- Establish an **independent complaint mechanism** to report labour, human rights, or environmental breaches linked to CTIPs; and
- Allocate **sufficient resources** to guarantee meaningful participation of diverse stakeholders, especially from Global South partners.

3 Embed targeted, measurable sustainability commitments

CTIPs focus on sectors, which are among the most environmentally and socially hazardous.[7] Without strong safeguards, they risk perpetuating extractive models that trap partner countries in low-value activities while externalizing social and environmental costs. CTIPs should include specific, measurable, and enforceable social and environmental provisions tailored to the clean supply chains they cover, to ensure that the transition to a low-carbon economy does not exacerbate inequalities or harm development pathways in the Global South.[8] This is especially important as the EU is simplifying and, at times, weakening its supply chain due diligence regulations. CTIPs must help prevent a race to the bottom which would increase inequalities, perpetuate ecological harm, and supply dependencies which the Clean Industrial Deal is meant to overcome. For example, weak environmental and labor norms abroad may generate short-term cost advantages for competitors but would disadvantage responsible EU producers and distort fair competition in green technologies.

While older FTAs already include core standards, such as non-regression clauses and respect for ILO conventions or the Paris Agreement, they often lack granular provisions addressing the environmental and social risks of strategic clean supply chains, such as critical raw materials, green hydrogen, or other low-carbon technologies.[9] CTIPs offer the opportunity to fill this gap, embedding targeted obligations for sector-specific risks.

Examples of commitments that could be integrated into CTIPs include:

- **Non-regression clauses** to prevent backsliding on environmental, labor, and human rights standards, particularly when engaging with non-preferential trading partners.
- Obligations to **uphold international treaties**, including core ILO conventions and the Paris Agreement.
- Adoption of recognized **international frameworks and standards**, such as the Initiative for Responsible Mining Assurance (IRMA), the OECD Due Diligence Guidance, and the UN Guiding Principles on Business and Human Rights.
- Inclusion of robust **social safeguards**, including Indigenous Peoples' rights and Free, Prior, and Informed Consent (FPIC).
- **Technical and financial assistance** to support partner countries in meeting sustainability standards and strengthening local capacities.

7 SOMO (2024) "The EU's critical minerals crusade"; SOLIDAR (2024) "Critical Minerals, Critical Conditions: The Struggle of Nickel Mine Workers in Indonesia".
8 ETUC (2024) "Industrial Policy for Quality Jobs: Trade and industrial policy".
9 IndustriAll Europe (2025) "Position Paper 2025/164: International trade must be good for people and the planet".

4 Strengthen implementation, monitoring, and oversight

The effectiveness of CTIPs depends on robust implementation and monitoring, especially given their non-binding nature. Each partnership should be accompanied by:

- **Implementation's roadmaps** with clear time-bound objectives, targets, and timelines that are publicly available to ensure accountability and measure impact.
- **Review clauses** to calibrate or withdraw commitments if one party fails to deliver.
- **Monitoring of the Global Gateway projects and investments** supported by the CTIP, with active involvement of local actors, civil society, and trade unions.

5 Step up engagement with Least Developed Countries (LDCs)

While CTIPs currently appear designed to engage major emerging economies and resource-rich countries, the EU should also develop tailored approaches for Least Developed Countries (LDCs) and more vulnerable partners, where it has limited direct economic or strategic interests.

This is particularly important in the context of the ongoing Multiannual Financial Framework (MFF) discussions, to ensure that adequate budget and resources are reserved to support just transition efforts in these countries, ensuring that no country is left behind in the global transition.

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SOLIDAR is a European and worldwide network of Civil Society Organisations (CSOs) working to advance social justice through a just transition in Europe and worldwide. Our over 50 member organisations are based in 27 countries (19 of which are EU countries) and include national CSOs in Europe, as non-EU, EU-wide and organisations active at the international level.

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