1. **IDENTIFICATION**

<table>
<thead>
<tr>
<th>Title of the action</th>
<th>Support to civil society participation in the implementation of EU trade agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country(ies)/Region</td>
<td>Global (countries with which the EU has signed trade agreements)</td>
</tr>
<tr>
<td>Total cost</td>
<td>Total estimated cost: EUR 3 000 000</td>
</tr>
<tr>
<td></td>
<td>Total amount of the EU budget contribution: EUR 3 000 000</td>
</tr>
<tr>
<td>Total duration¹</td>
<td>36 months</td>
</tr>
<tr>
<td>Method of implementation</td>
<td>Direct Management</td>
</tr>
<tr>
<td></td>
<td>Procurement – Services</td>
</tr>
<tr>
<td>Markers (from CRIS DAC form)</td>
<td>Rio Convention Markers</td>
</tr>
<tr>
<td></td>
<td>Not targeted</td>
</tr>
<tr>
<td>Biological diversity</td>
<td>✓</td>
</tr>
<tr>
<td>Combat desertification</td>
<td>✓</td>
</tr>
<tr>
<td>Climate change mitigation</td>
<td>❏</td>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>✓</td>
</tr>
</tbody>
</table>

¹ Maximum duration of the operational implementation period of individual contracts upon their signature.

2. **RATIONALE AND CONTEXT**

2.1. **Summary of the action and its objectives**

This action aims to improve the efficiency on how civil society organisations (CSO) monitor the implementation of trade agreements. Trade Agreements and Economic
Partnership Agreements are signed between the EU and partner countries around the world. Chapters such as Trade and Sustainable Development (TSD) include dedicated civil society engagement mechanisms, either with direct provisions in the agreement itself or through the provisions established in the Cotonou Agreement.

Each new trade agreement leads to the setup of a dedicated EU civil society working group. The increase in the number of agreements, an uneven output and the limited involvement of some of these working groups has led the European Commission to seek a more systemic approach. With a total of seven agreements in place and between four and eight expected in the coming years, the European Commission, together with its partners, will no longer be able to adequately implement the increased workload.

Through this action the EU intends to develop robust and efficient systems to implement international best practices on civil society engagement so that participation of both the European and partner countries' civil society in the implementation of the agreements is maintained constant and where possible increased.

2.2. Context

The EU has been negotiating multilateral trade agreements at the level of the World Trade Organization (WTO, replacing the GATT) since its creation in 1994; the global and consensual nature of WTO negotiations with its 164 members drastically limits the speed of progress in multilateral trade. Therefore, the EU has in parallel engaged in bilateral and regional negotiations with third countries.

EU trade agreements concluded since the EU-Korea agreement in 2011 are part of a new generation of trade agreements. They include, among other novelties, provisions on trade and sustainable development, addressing labour and environmental issues of relevance in a trade and investment context. These provisions establish dedicated mechanisms involving civil society in the monitoring of the TSD chapter implementation.

The mechanisms are established with different modalities according to the specificities of the agreement and countries, while the substance remains consistent across agreements. Formats include mechanisms at domestic level, within the EU and partner countries respectively (Domestic Advisory Groups - DAGs), as well as at joint level between the partners (e.g. Joint Civil Society Dialogue Forum, Joint Consultative Committee).

There is strong societal and political expectation, notably from the European Parliament (EP), that the EU will ensure full and effective implementation of such mechanisms. Concerns have been raised by the EP and other stakeholders as to whether current implementation of the agreements enables full use of these mechanisms by both EU and partner countries’ civil society.

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2 General Agreement on Tariffs and Trade, created in 1947.
So far, working groups have been set up with South Korea, Colombia-Peru-Ecuador, Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama), Georgia, Moldova, Ukraine and the Cariforum countries. Partner countries are requested to set up DAGs simultaneously.

For each agreement, three to four meetings a year are planned to reflect on the implementation of the TSD chapters. At least one of the meetings is a forum, i.e. a joint meeting between the EU and the partners' country DAG. The outcomes of these meetings are forwarded to the Parties who, generally in a back to back session, integrate their conclusions into their agendas.

EU’s ultimate objective is to make sure that the implementation of its trade agreements delivers positive outcomes in terms of transparency and accountability, and to contribute to the implementation of the trade and sustainable development chapters of the agreements, which includes the international core labour standards and multilateral environmental agreements, climate change, corporate social responsibility, biological diversity, forestry and fisheries. In other words, overall aim is to promote and defend internationally agreed standards and values.

The European Commissions' Trade for All Communication adopted in October 2015 - in line with the '2030 UN Sustainable Development Goals' - recalls that "the Commission will actively engage with civil society" in order to "raise people's awareness and get feedback from stakeholders".

2.3. Lessons learnt

DG TRADE has coordinated civil society working groups in trade agreements for the last four years and has seen its number increase to a level that can no longer be adequately managed on an ad hoc basis. This is not only true for the institutions coordinating the advisory groups (European Commission and EESC). Civil society organisations have difficulties too in participating to the many meeting planned (17 in 2016). This project aims to better organise and coordinate these meetings, as well as to rationalise work by consolidating meetings by region or topic.

2.4. Complementary actions

Several DGs in the European Commission fund projects that are directly or indirectly related to the implementation of trade agreements or programs connected to labour and environmental issues. Synergies with this project should be encouraged.

DG EMPL: EMPL co-funds a pilot project on surveys on the effective application of core labour standards in GSP-plus and FTA partner countries. EMPL closely cooperates with DG TRADE on this issue. It has programmed resources for extending these surveys to all GSP-plus and FTA partners. The objective is to obtain real time and validated information on the effective situation of core labour standards.

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5 The European Economic and Social Committee
application. It involves social partners and other civil society. EU delegations have been requested by TRADE and EMPL to cooperate with the contracted experts.

DG NEAR: civil society participation is in line with NEAR's policies. Countries under the remit of NEAR have to commit between 5 to 15% of their total envelope dedicated to bilateral aid/support to the support of CSOs' involvement. In some cases, parts of these amounts are allocated to similar projects of Trade Agreements monitoring (with different protocols and under different modalities). Communication channels with these projects will be developed in order to avoid overlaps and to reinforce complementarity and synergies whenever possible.

DG DEVCO: DEVCO's funds are allocated to the consultation of CSOs at large in the development agenda with a specific view to address cross-cutting issues in a comprehensive way with the support of Civil Society. The targeted stakeholders of DEVCO and TRADE are quite similar; therefore exchange of information is crucial. DEVCO gives support both to ITUC and the IOE (employers' organisations) with grants (direct award), which are a key stakeholder in the landscape of interested parties concerned by the proposed action. The European Development Fund provides development aid to ACP countries, including in the economic field. Similarly to bilateral aid to countries under the remit of DG NEAR, this includes as well support to local non-state actors, among which the private sector and all the related stakeholders (trade unions and business corporations).

3. **Detailed Description**

3.1. **Objectives**

The overall objective of this project is to contribute to increased transparency and accountability of Sustainable Development (SD) chapters of Trade Agreements through increased and standardised participation of civil society.

The specific objectives are:

1. Developing civil society engagement mechanisms that work as efficiently as possible;

2. Fostering better links between civil society in the EU and in partner countries;

3. Implementing international best practice and, over time, increasing and maintaining the genuine and meaningful participation of both European and partner countries' civil society in follow up of SD provisions of Trade Agreements.

3.2. **Expected results and main activities**

The expected results of the action are:

R1: Robust, harmonised and efficient systems to deliver civil society involvement;

R2: More and better quality inputs to the implementation of trade and sustainable development provisions;
R3: Follow-up mechanisms in place with regular feedback from the domestic advisory groups;

R4: Positive impact on business practices in the context of trade relations;

R5: Inputs by civil society mechanisms to the implementation of the relevant provisions in Trade Agreements are strengthened;

R6: Strengthened civil society working groups regarding the number of participants, the coherence of the issues between working groups by sharing learning across the different countries’ civil society mechanisms and interactions.

Main indicative activities:

1. Establish a unified methodology for CSO consultation

This will be based on the current methodologies developed by DG TRADE on the one hand and EESC on the other hand.

2. Organise training sessions for new DAG members on the following key topics:

   (1) Agreement framework and content,

   (2) DAG functioning,

   (3) Expectations on members,

   (4) Rights of members,

   (5) Specific issues (labour / environment / …),

   (6) Opinion drafting.

3. Preparation for the DAG sessions; 3 to 4 meetings a year per Trade Agreement

This includes agenda setting, invitations, note taking, and all matters related to logistics and organisation.

One of the annual meetings takes the form of a forum, i.e. a joint meeting between the EU and the partner country DAG.

4. Dissemination of results and outcomes of DAG sessions to the Parties

This includes formalisation of the process with a similar approach between all DAGs concerned.

The outcomes of these meetings are forwarded to the Parties who, generally in a back to back session, integrate their conclusions into their agendas.

For each agreement, three to four meetings a year are planned to reflect on the implementation of the TSD provisions. At least one of the meetings is a forum.
3.3. Risks and assumptions

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low or unbalanced participation of independent civil society</td>
<td>M</td>
<td>An information strategy in the EU and in the Partner country/region will be developed to encourage CSO to participate into the advisory groups. Involvement of institutions (EESC) as well as networks of EU organisations that have contacts with organisations locally will be explored.</td>
</tr>
<tr>
<td>organisations to the advisory groups, because of a limited interest in some of the agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited results due to lack of political willingness by the Parties or/and jeopardised administrative process by third country Party</td>
<td>M</td>
<td>The Parties will be reminded their commitments to yield positive results; ratifying and implementing ILO conventions and Multilateral Environmental Agreements are as important as delivering a positive agenda, such as CSR or climate change. Opinions issued by the Domestic Advisory Group sessions will be presented to and discussed between Parties.</td>
</tr>
<tr>
<td>Civil society organisations criticize their government beyond the limits of the SD chapters that are under their scrutiny in the present exercise</td>
<td>M</td>
<td>It is important that the groups are independent and have a balanced representation between business, trade unions and NGOs, in order to deliver balanced opinions on issues related to the SD chapters. It is the role of the Parties to make sure the DAGs are set up accordingly and that CSOs and private sector representatives are briefed about their roles and the limits of these roles.</td>
</tr>
</tbody>
</table>

3.4. Stakeholders

EU DAG members are identified by DG TRADE through a call issued via its civil society dialogue database7. To become a member of a DAG, an organisation needs to be registered in the transparency register of the European Commission/European Parliament8. Organisations are independent from EU institutions, not for profit and

7 http://trade.ec.europa.eu/civilsoc/search.cfm
8 http://ec.europa.eu/transparencyregister/public/homePage.do
have an expertise in trade issues related to sustainable development. Examples of members are NGOs, trade unions and business organisations. Potential members signal their interest to DG TRADE, and those who meet the criteria then meet as a group to agree and approve a balanced membership which represents economic, social and environmental interests. In addition to this the EESC also selects members for the DAG, one in each of its groups.

Members of the DAG are de facto members of the joint committees. Partner country DAG members are identified through similar mechanisms in their respective countries.

4. **IMPLEMENTATION ISSUES**

4.1. **Method of implementation**

4.1.1. *Procurement (direct management)*

(a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.

(b) Indicative timing to launch the call: 2nd quarter 2017.

The call for tenders will be managed by FPI, whereas the contract will be managed through a cross sub-delegation of funds to DG TRADE.

4.2. **Indicative budget**

<table>
<thead>
<tr>
<th>Method of Implementation</th>
<th>Amount in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.1. – Procurement (direct management)</td>
<td>3</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

4.3. **Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of the project will be a continuous process and part of the implementing partner’s responsibility. To this end, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate progress and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.
The action will be supervised by a steering committee, whose indicative composition comprises Commissions' DGs TRADE, ENV, DEVCO, EMPL, NEAR, the EESC and other EU services (EEAS/FPI) as relevant. DG TRADE will provide the technical oversight of the action.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

4.4. Evaluation and audit

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above will be funded from sources other than those allocated to this specific action.

4.5. Communication and visibility

Communication and visibility will be an integral part of the project. The implementing partner will establish a communication plan in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.