

Ex-post evaluation of the implementation of the Trade Agreement between the EU and its Member States and Colombia, Peru and Ecuador

(TRADE/2019/C3/C04, Contract No. SI2.826253)

Presentation of study methodology

Civil Society Dialogue Meeting

03 July 2020

Consortium led by

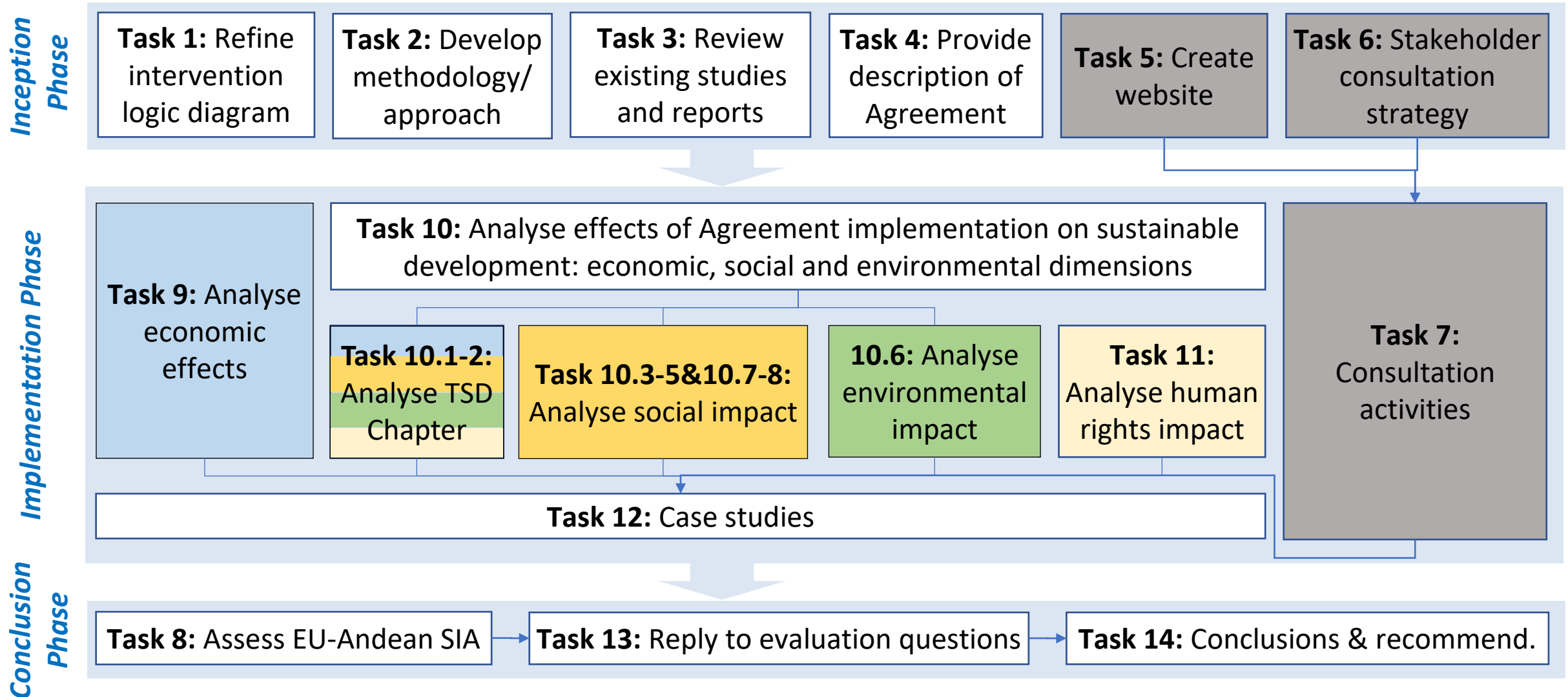


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Overview & introduction

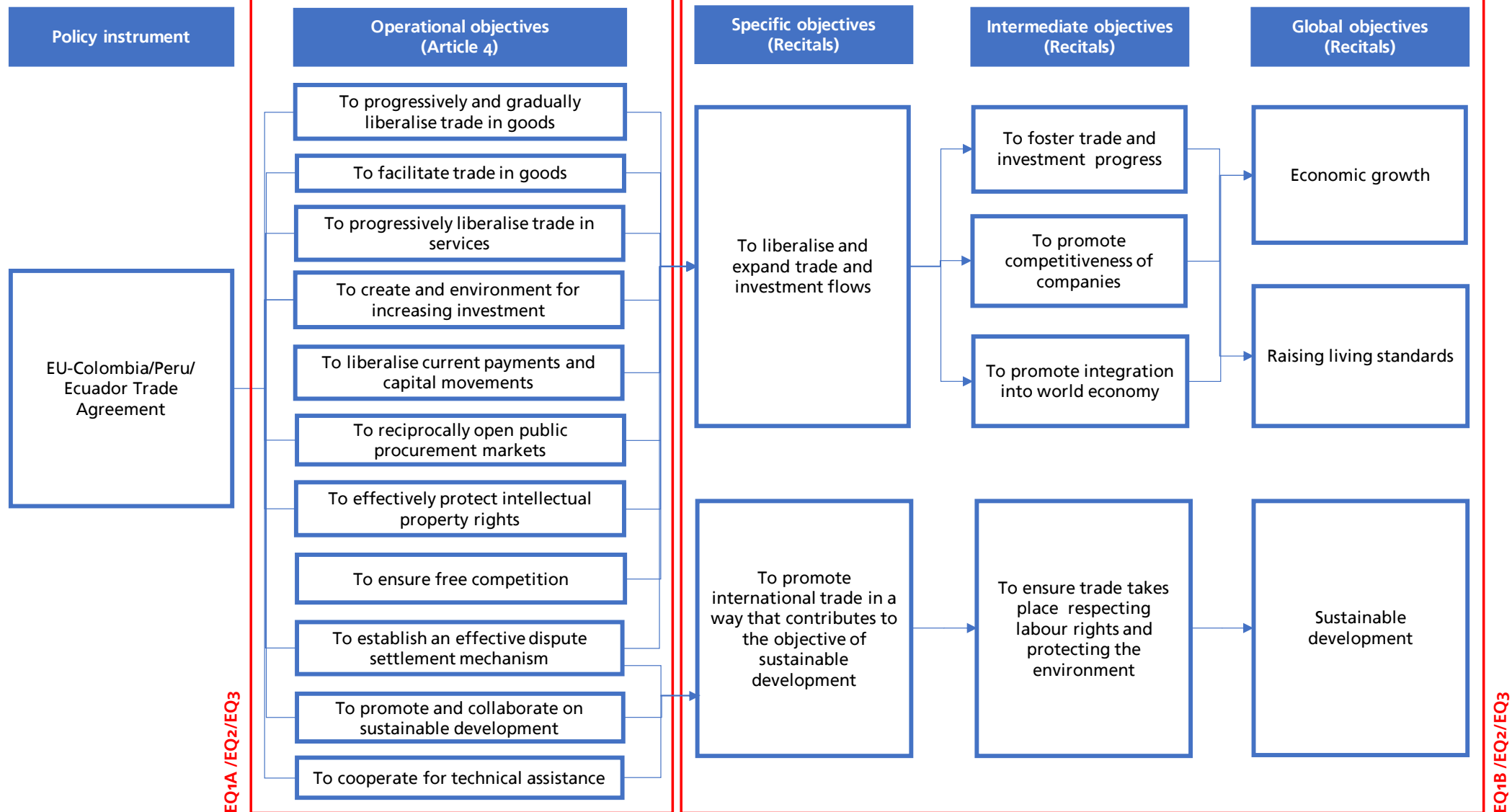
- **Purpose of the evaluation:** analyse impact of implementation of the Trade Agreement on sustainable development in its **economic, social and environmental** dimensions, as well as on **human rights including labour rights**
- **Scope:**
 - **Types of impact:** see above
 - **Criteria:** effectiveness, impact, efficiency, relevance, coherence
 - **Geographically:** impact in Colombia, Peru, Ecuador, EU (some 3rd country/global effects)
 - **Time:** since start of application (2013 for COL, PER; 2017 for ECU). Comparison period (where appropriate): from 5 years prior to start of application
 - **Groups affected:** whole economy, sectors, workers, women, rural/urban
- (Rough) **evaluation timeline** – see schedule: inception report July 2020, interim report end 2020, draft final report end March 2021, final report end May 2021

Overview of approach (tasks as per ToR)



Task 1 – 4: Preparation (methodology & description)

- **Task 1: Refine draft intervention logic:**
 - Based on Agreement and intervention logics used for other EU FTAs (e.g. Korea, CARIFORUM; EUROMED) – see next slide
- **Task 2: Define & develop methodology:** Evaluation framework – (Task 13):
 - Evaluation questions (grouped by evaluation criteria)
 - Judgement criteria, indicators, tools and sources
- **Task 3: Review existing studies:**
 - Starting point: literature mentioned in ToR, plus collection of other papers & studies
- **Task 4: Prepare description of FTA:**
 - Factual description of Agreement, including context of negotiation, and context of implementation so far



Main assumptions (at the level of coherence):

- The Agreement is coherent with EU Trade Policy and other EU policies (EQ7)

Main assumptions (at the level of efficiency):

- The utilisation rate of the Agreement is high (EQ4)
- The Agreement will not lead to trade diversion (EQ4)
- The costs associated with the Agreement are proportionate to the benefits it has generated (EQ5)
- The Agreement does not lead to unnecessary regulatory costs (EQ6)

Main assumptions (at the level of effectiveness, impact and relevance)

- The positive impact of the Agreement is inclusive (and does not benefit only a limited number of stakeholders) (EQ5)
- The Agreement does not lead to negative unintended consequences (EQ3)
- The Agreement leads to trade diversification (EQ4)
- Changes in context do not impact negatively the expected benefits of the Agreement/ The parties remain committed to the Agreement despite the evolving context (EQ8)

Evaluation questions

▪ **Effectiveness/Impact**

- EQ 1A: To what extent have the operational objectives as laid down in Article 4 of the Agreement been achieved?
- EQ 1B: What has been the impact of the Agreement?
- EQ 2: What are the factors influencing (positively or negatively) the achievement of the Agreement's objectives?
- EQ 3: Has the Agreement had unintended (positive or negative) consequences, and if so, which ones?

▪ **Efficiency**

- EQ 4: To what extent has the Agreement been efficient with respect to achieving its objectives?
- EQ 5: To what extent are the costs associated with the Agreement proportionate to the benefits it has generated? Is the distribution of both costs and benefits proportionate among different stakeholder groups and interests?
- EQ 6: Are there unnecessary regulatory costs (including administrative burden)?

▪ **Coherence**

- EQ 7: To what extent has the Agreement been coherent with EU trade and development policies – and in particular, with the EU's commitment to sustainable development in trade policies as a contribution attainment of the SDGs?

▪ **Relevance**

- EQ 8: To what extent do the provisions of the Agreement continue to be relevant in order to address the current trade needs and issues of the EU, Colombia, Peru and Ecuador?

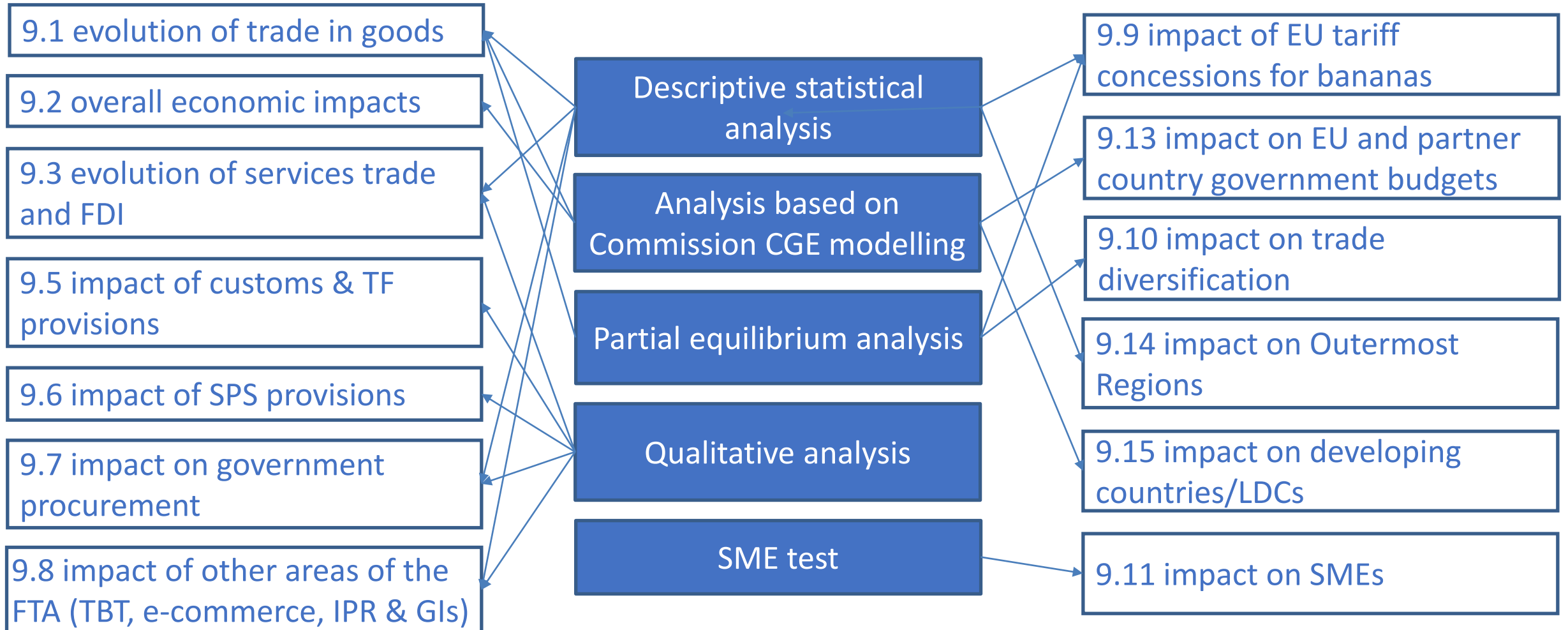
Task 5 – 7: Consultations (1)

- **Task 5: Evaluation website:**
 - <http://www.fta-evaluation.eu>
 - EN/ES
 - Repository of all evaluation documents
- **Task 6: Develop consultation strategy** and **Task 7: Implement consultation strategy**
 - Consultation objectives and scope;
 - Identification and mapping of stakeholders in the EU and partner countries:
 - Identified so far: ≈100 (per partner country)/≈400 (EU), excluding public sector entities
 - Mapping ongoing

Task 5 – 7: Consultations (2)

- Consultation means and activities:
 - Pillar 1: **Meetings with EU civil society (CSD meetings)**: now, draft interim, draft final report;
 - Pillar 2: **Online public consultation** – launch likely after summer break (see schedule)
 - Pillar 3: **Targeted consultation tools** (after summer, see schedule)
 - Workshops in partner countries (main + regional), co-organised by local partners
 - Online survey for businesses in the EU and partner countries: planned in parallel with OPC
 - Interviews and meetings with stakeholders in EU (≥ 30) and partner countries (≥ 20 per country)
 - Possibility of physical workshops/meetings uncertain – possibly virtual
 - Pillar 4: **Meetings with EU institutions**: ISG; meetings with EP, EESC, EU DAG;
 - Pillar 5: **Digital engagement** with stakeholders: website, Twitter: @BKPEconAdvisors, Email newsletters

Task 9: Analysis of economic effects



Tasks 9.4 and 10.1-2: Analysis of the TSD chapter and institutions

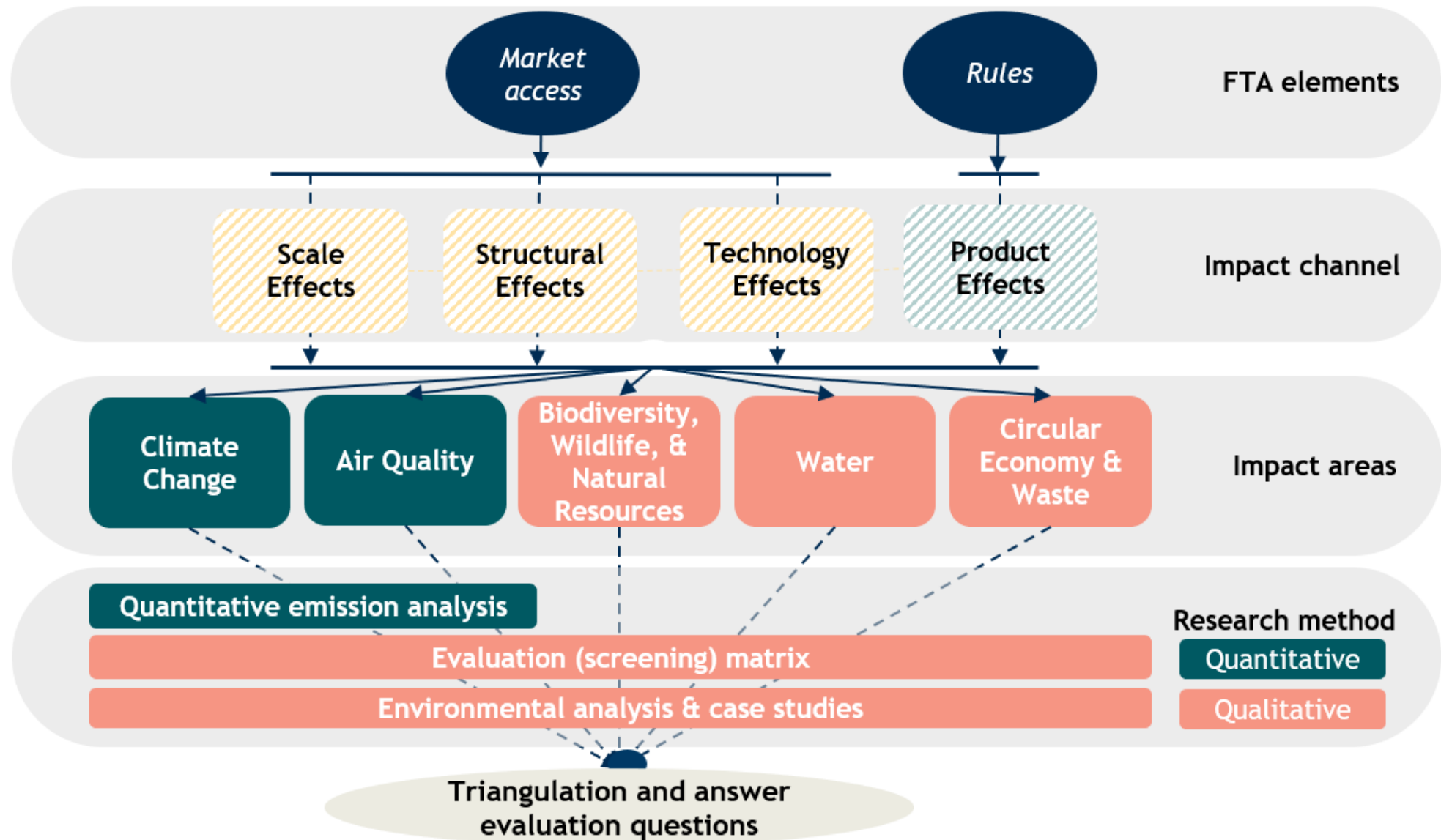
- **Step 1: Analysis of provisions in the TSD chapter** providing framework for actions of the Parties. **Analysis of FTA institutional provisions** setting up the Trade Committee and Sub-Committees, as well as civil society advisory groups / consultative mechanisms; analysis of the Rules of Procedure.
- **Step 2: Mapping actions taken by the Parties** since 2013 in areas covered by the TSD chapter and analysis of their impact on attaining objectives of the TSD chapter and SDGs. **Analysis of the operation of institutional structures** in practice and their impact on effectiveness of the Agreement.
- **Step 3:** Conclusions and recommendations.

Tasks 9.12 & 10.3-5 & 10.7-8: Analysis of consumer and social impacts

- **Quantitative & qualitative analysis:**

- **Tasks 9.12 & 10.3: employment, wages, welfare, and poverty** – starting with CGE results, with additional qualitative analysis to determine FTA impact for related indicators. **Consumer benefits:** additional analysis of FTA effects on consumers (e.g. NTMs, standards).
- **Task 10.4: Impact on Decent Work Agenda:** Analysis of trends in **a) working conditions** (job quality indicators) and enforcement mechanisms (labour inspection), **b) labour standards** and social dialogue, **c) social protection** and **public policies** (education and healthcare). Further analysis of effects for sectors most affected by the FTA.
- **Task 10.5:** Profile of **informal economy** (across sectors, gender, geographic areas, etc.). Analysis of links between trade and informality to draw conclusions about potential effects of FTA on levels or structure of informal economy in the Andean countries.
- **Task 10.7:** Mapping **uptake of CSR practices** in the Andean countries and verifying (e.g. through stakeholder consultations) if and how FTA has influenced it.
- **Task 10.8:** Analysis of the **situation of women** in their roles as workers, entrepreneurs, traders and consumers against background of changes brought about by the FTA.

Task 10.6: Analysis of environmental impacts (1): overall approach



Task 10.6: Analysis of environmental impacts (2): Process

- Subtask 1: Finetune methodology, first round of impact screening (done)
- Subtask 2: Develop baselines, second round of impact screening
 - Per country/impact area. Includes governance and performance
- Subtask 3: Quantitative analysis on GHG emissions and air pollutants
- Subtask 4: Light qualitative analysis on all impact areas, and in-depth case studies on identified key environmental impact areas
- Subtask 5: Triangulation of results and answer evaluation questions

Task 11: Analysis of human rights impacts

Four-step approach

based on HRIA methodology and EC guidelines for HRIA

- **Step 1.** Screening and scoping for specific human rights impact of the FTA;
- **Step 2.** Detailed assessment of three human rights issues in the partner countries;
- **Step 3.** Civil society consultations on the human rights impacts of the FTA;
- **Step 4.** Answer evaluation questions and provide recommendations related to human rights impacts of the FTA.

Task 11: Analysis of human rights impacts

■ Multi-pronged approach

Combining quantitative and extensive qualitative analyses

- to address the challenge of isolating the FTA impact from other factors that could have affected the enjoyment of human rights over time;
- to corroborate/validate findings.



Task 12: Case studies (1)

- ToR: 9 case studies
 - illustrate general findings
 - address issues not very suitable to be analysed at an economy-wide or sectoral level
- Selection criteria:
 - Geographically: cover effects in, and interests across, all Parties. Include country-specific and cross-country case studies;
 - Thematically: cover economic, social, environmental and human rights issues in a balanced way;
 - Provide added value compared to overall analysis
- Selection process:
 - Literature review and statistical analysis
 - Commission and stakeholder inputs

Task 12: Case studies (2): Proposed case studies

No	Case study topic	Geographical focus	Key impact areas
1	Review of specific services and investment issues: the impact of the Agreement on tourism ^[1]	EU	Economic, social, environmental
2	Public sector awareness and implementation of the Agreement's public procurement provisions	EU	Economic/ Agreement implementation
3	Effect of the Agreement on sustainable farming practices and production: the case of bananas ^[2]	Partner countries	Economic and environmental
4	Impact of the Agreement on MSMEs and informal sector	Partner countries	Economic, social & human rights
5	Export diversification and spatial effects of the Agreement: the case of tropical fruit production in Nariño	Colombia	Economic, social & human rights
6	Impact of the Agreement on child labour and children's rights	Partner countries	Human rights
7	Impact of the Agreement on freedom of association in sectors involved in trade with the EU	Partner countries	Human rights, social
8	Impact of the Agreement on biodiversity in Peru – e.g. the case of avocados ^[3]	Peru	Environmental
9	Impact on climate change through LULUCF ^[3]	Partner countries	Environmental

^[1] Depending on further research, focus on other sectors such as telecoms, infrastructure or financial services.

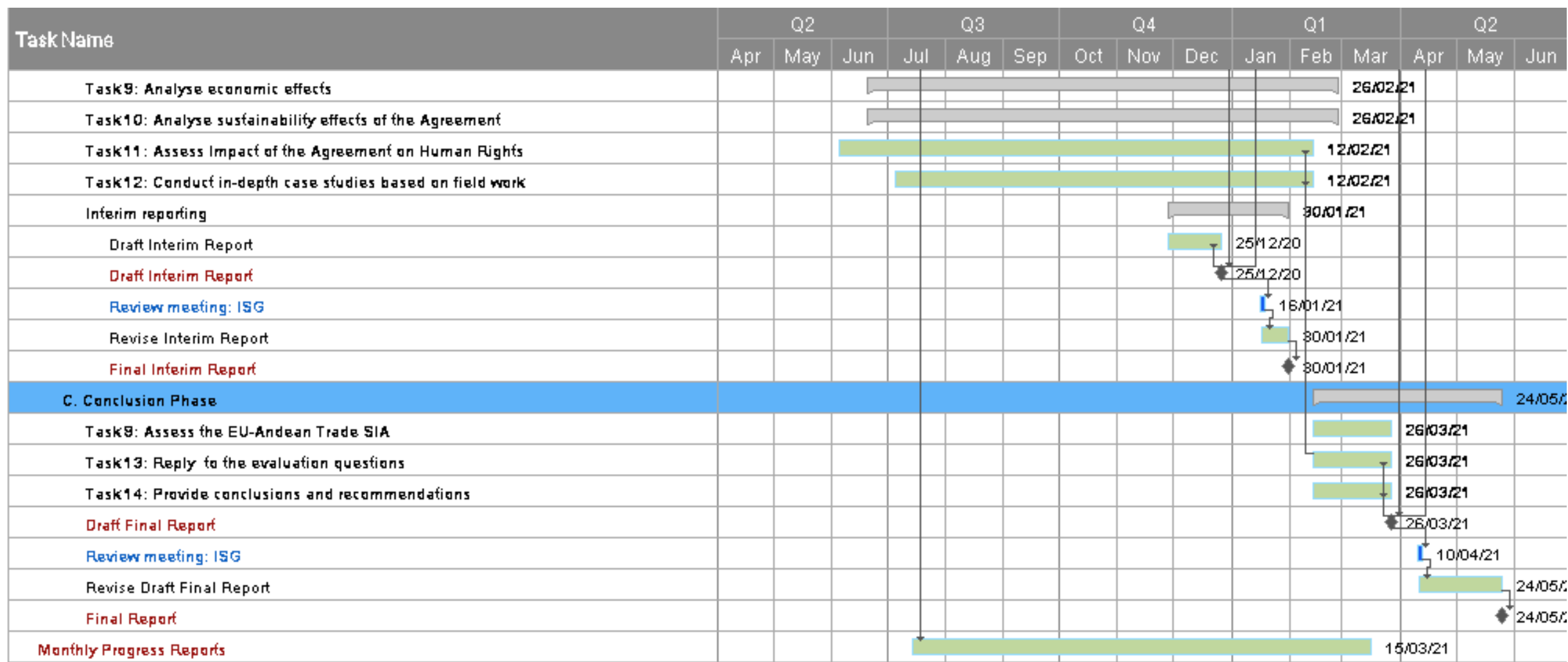
^[2] Focus on bananas still indicative. We will start screening a broader product scope and then narrow down the case study topic.

^[3] Topics to be further specified based on 2nd round of impact screening

Evaluation work plan – consultations

Task Name	Q2			Q3			Q4			Q1			Q2	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Task 7: Consultations														10/04/21
Pillar 1: Civil society dialogue meetings														10/04/21
CSD meeting on draft inception report														03/07/20
CSD meeting on interim report														09/01/21
CSD meeting on draft final report														10/04/21
Pillar 2: Online Public Consultation														25/12/20
Questionnaire formulation														19/06/20
<i>(Approval process within Commission)</i>														17/07/20
<i>(Translation by Commission)</i>														04/09/20
Online survey launch														04/09/20
Online survey open														27/11/20
Analyse survey contributions														25/12/20
Pillar 3: Targeted consultations														26/03/21
Workshops and interviews in Colombia														09/10/20
Workshops and interviews in Ecuador														30/10/20
Workshops and interviews in Peru														20/11/20
Business survey														27/11/20
Other meetings and interviews (in EU and partner countries)														26/03/21
Pillar 4: Consultations with EU institutions														25/03/21
Pillar 5: Website & Electronic Communication														26/03/21

Evaluation work plan – analytical tasks & reporting



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