



CIVIL SOCIETY DIALOGUE

CSD meeting on Georgia and Moldova: draft inception report of the ex-post evaluation

Date: 25 May, 2021

Time: 10:30 – 12:30, CET

Location: Virtual meeting via WEBEX

Lead speakers

Deputy Head of Europe and Eastern Neighbourhood Unit, Directorate-General for Trade, (DG Trade) European Commission
Team Leader/Study Coordinator, accompanied by study team from the Centre for European Policy Studies (CEPS)

Moderator

Civil Society Coordination, Transparency, Civil Society and Communication Unit, DG Trade, European Commission

Opening remarks

DG Trade opened the meeting by welcoming the participation of civil society and highlighting the importance of the dialogue for conducting the ex-post evaluation. DG Trade also flagged the unprecedented nature of the DCFTAs through their aspects of legal approximation. DG Trade added that the legal approximation should not be a purpose in itself but that it should lead to the gradual economic integration of the partner countries into the internal market. This could be achieved through the economic and social reforms grounded on the political motives to bring the DCFTA countries closer to the EU. In this respect, this ex-post evaluation will be very important to evaluate the effects of these unique Agreements and to assess the extent to which the DCFTAs contributed to reaching the key objectives of the EU's trade and neighbourhood (Eastern Partnership (EaP)) policies. DG Trade added that the Commission is committed to further trade liberalization in the areas of digital and green economy which could further reshape the trade relations among the EU and its EaP partners.

CEPS also thanked the civil society organisations for their participation and reiterated the importance of their feedback for conducting the ex-post evaluation.

Presentation & Discussion of the Inception Report

The CEPS Study Team presented the Inception Report, which had been shared on the CSD meeting webpage two weeks ahead of the CSD meeting.¹ The presentation focused on the methodology, the assessment framework, consultation strategy and the evaluation work plan of the study. The corresponding slides are available on the website of the ex-post evaluation.²

¹ <https://trade.ec.europa.eu/dialogue/meetdetails.cfm?meet=11591>.

² <https://www.dcfta-evaluation.eu/study-outputs/>.

Discussion Highlights / Questions and Replies

Friedrich-Ebert-Stiftung (EU Office) inquired about the strategies and logic behind mapping stakeholders for the consultations and flagged the technical difficulties which the stakeholders from Georgia and Moldova might face while accessing the surveys run on the EU consultations portal. The Study Team explained that the stakeholders are mapped across seven groups of stakeholders including the representatives of public and private sectors, consumer organisations, international organisations, NGOs and CSOs, and academics, think tanks and research centres. The Study Team also noted that for Moldova the mapping exercise also included stakeholders from Transnistria. DG Trade responded to the comments raised around the technical aspects of the consultations and noted that the proposals from civil society will be taken into consideration to make sure that stakeholders' consultations are not constrained by technical hurdles.

Lithuanian Investors Association asked (1) why consultations with business organisations will mainly focus on the enterprises in the DCFTA states and not in the EU member states, (2) why case studies on SMEs do not cover traditional export product categories from Georgia and Moldova, and (3) to what extent the ex-post evaluation will assess the aspects of transparency in financial services, and the rights of shareholders and investors which are key for investments in the DCFTA states. The Study Team explained that the focus on enterprises from Georgia and Moldova is justified by the fact that the companies from the DCFTA states have few export opportunities to the EU and are not well known on the European markets. The Study Team also clarified that the selection of sectors for the case studies on SMEs intended to study the product groups from both agricultural and non-agricultural sectors which do not yet figure among the major export product categories but show considerable growth rates since the provisional application of the DCFTAs. The aim is to bring new insights on the effects of the Agreements on non-traditional exports from Georgia and Moldova which benefit from the greater access to the EU market. The Study Team noted that the aspects of transparency of accounting and shareholders' rights are indeed very important aspects which will be assessed by the ex-post evaluation, in particular under Task 11 on the effects of the Agreements on services and FDIs, Task 14.7 on the DCFTAs' impact on business conduct and corporate social responsibility and Task 16 on the DCFTAs' effects on competitiveness, business environment and investment climate.

European Services Forum noted the challenges associated with conducting quantitative assessment of the DCFTAs' effects on trade in services, including the lack of the data and limitations of the CGE modelling conducted by DG Trade. The Study Team agreed with the comments and noted that in consultation with DG Trade the ex-post evaluation will fill the gaps in the data on services by collecting all available databases from the local stakeholders and will address the limitations of the CGE modelling by applying additional empirical tools in consultation with DG Trade.

European Economic and Social Committee inquired whether youth employment and education would be mainstreamed in the ex-post evaluation. Another question referred to the mapped stakeholders for the human rights impact assessment and the absence of disaggregated data to study the DCFTAs' effects on human rights, including mental health of the citizens of the parties. The Study Team explained that youth aspects will be considered by the ex-post evaluation under Tasks 14.2-14.4 on the social and labour effects of the Agreements. The Study Team also clarified that the rationale behind the selection of the three aspects for human rights impact assessment – fairness in accessing trade-related benefits, sustainable use of natural resources and the enjoyment of best physical and mental health – is that these are the trigger factors for the improvement of other fundamental rights, which may be linked to the benefits of the trade liberalization under the DCFTAs. The Study Team also added that the human rights impact assessment will, to the extent possible, be based on the quantitative assessment and that the gaps in the data will be filled by

the outputs of the stakeholders' consultations.

Concluding Remarks

DG Trade thanked all participations for their useful questions and observations and reiterated that given the importance and challenges of the ex-post evaluation the participation of civil society will be vital. CEPS' Study Team also thanked participants for their valuable comments and noted that raised questions and proposals will be taken into consideration during the implementation phase of the ex-post evaluation.