



European Economic and Social Committee

REX/510
The role of Domestic Advisory Groups
in monitoring the implementation of Free Trade Agreements

OPINION

European Economic and Social Committee

The role of Domestic Advisory Groups in monitoring the implementation of Free Trade
Agreements
(European Parliament Referral)

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Referral European Parliament, 11/10/2018
Legal basis Article 304 of the Treaty on the Functioning of the European Union

Section responsible External relations
Adopted in section 15/01/2019
Adopted at plenary 23/01/2019
Plenary session No 540
Outcome of vote
(for/against/abstentions) 152/0/2

1. **Conclusions and recommendations**

- 1.1 EESC recognises that trade contributes to economic development in a wider sense and in this regard supports enlarging the number of trade agreements the EU has in place. However, FTAs are also a centre of intense debate about its contribution to social development and environmental protection, the benefits and drawbacks and on how they are apportioned to the countries and different stakeholders. The EESC wishes to underline this point.
- 1.2 The EU today faces an increasing demand for a constructive dialogue with civil society on trade. One of the key achievements of stakeholders' involvement through DAGs is **strengthening civil society** processes.
- 1.3 The EESC considers that the participation of civil society in all kind of agreements is indispensable. On the one side, that participation responds to the need for monitoring, as well as a way to convey proposals and to put forward legitimate issues that have an impact on all parts of society. On the other side, it is a key element in order to effectively achieve the strategic aspirations that are currently part of agreements, aspirations that cannot be developed only through relations between institutions and governments.

The EESC considers that participation in all kind of agreements has to be done through a single civil society participation body that has to be a joint one, comprising both sides in the agreement.

In the EESC's view, DAGs should be advisory, consultative, institutionalised, competent to cover all provisions in the agreement, made up of a balance membership of all three sectors, representative, responsible and independent role in monitoring and evaluating EU agreements. All these criteria are essential to the empowerment civil society, its visibility and its capacity to draft structured proposals that can effectively influence the decision making.

- 1.4 The DAGs should, among other things, put a particular emphasis on the parties' respect for the Core Labour Standards and fundamental conventions of the ILO as well as for Multilateral Environmental Agreements.
- 1.5 The EESC reiterates its recommendation to mandate DAGs to monitor the impact of all parts of trade agreements on human, labour and environmental rights, and the scope needs to cover **consumer interests**¹.
- 1.6 **The EESC expects that extending the scope of DAG monitoring to the whole agreement and to all aspects of the agreement, also not related to sustainable development while keeping a special attention to these aspects, could complement the efforts put in place by the European Commission to promote better**

¹ REX/500, Opinion on Trade and sustainable development chapters in EU FTAs.

implementation of future EU FTAs and supports such an extension. DAGs are expected to have a positive impact on raising awareness among wider circles of civil society on the benefits of free, rules-based, sustainable and inclusive trade, while addressing shortcomings. Further, they can provide factual information and contribute to an objective approach to trade agreements.

- 1.7 Extending the competence to all aspects of the agreement will in all likelihood make it easier for partner countries to accept civil society monitoring and speed up the DAG establishment.
- 1.8 It is particularly important to engage with **third countries** on the basis of mutual respect and understanding. In the EESC's opinion, joint DAGs meetings with the partner country are extremely important. For all future relevant agreements, the EESC calls for the establishment of a DAG-to-DAG (which is a joint civil society body with the partner countries), not just separate DAGs for each party². In cases where other mechanisms for expressing the opinion of civil society are already in place, it would be essential to keep them, as the time to create trust and appropriate working conditions requires years.
- 1.9 The EESC thinks that what makes DAGs relevant is also their **composition**, and in particular the **representativeness and competence of their members to be insured by an improved selection mechanism in consultation with EESC as in other successful cases**; in the DAGs a **balanced** representation of civil society interests as well as an appropriate internal expertise should be guaranteed. DAGs should be able to involve and consult **external stakeholders**.
- 1.10 The EESC recommends that DAGs meet at least twice a year at EU level and that formal **DAG-to-DAG** meetings take place twice a year in an institutional form using also videoconference, but at least once per year face to face..
- 1.11 The EESC recommends that a **conference of all DAG members** at the EU level be organised in Brussels every year to allow mutual sharing of experience from their respective DAGs.
- 1.12 DAGs should also have the possibility to organise a **hearing** every year. Cooperation with national institutional bodies representing civil society, the national counterparts of the EESC, would be a plus to extend the dialogue outside Brussels and reach a wider audience beyond the current setting, which privileges Brussels-based organisations.
- 1.13 The establishment of multiple bodies under the same agreement creates **confusion** in the EU's trading partners³ and imposes a burden on both third countries and the EESC. The EESC calls on the EU to provide for Join Consultative Mechanisms to be competent for

² SEE REX 503, opinions "Towards an EU-Mercosur Association Agreement", point 6.

³ Opinion REX/500

all pillars of future Association Agreements, starting with the renegotiated agreements with Chile and Mexico, and in the future with Mercosur.

- 1.14 A **reporting mechanism** should be provided for that would allow civil society organisations sitting in future DAGs to report problems in implementation or to present suggestions for improvement. The EESC further recommends that DAG Chair should have the right to present the views of their groups to the Trade and TSD Committees, which should be required to respond to issues and recommendations raised by the DAGs, within a reasonable timeframe. The EESC welcomes the commitment of the European Commission to a **structured, transparent and time-based complaint mechanism** for the implementation of TSD chapters in the future.
- 1.15 Before the civil society bodies are established, the EESC makes a big effort to work on the setting up of DAGs / Consultative Committees well before the entering into force of the agreement. The EESC's efforts should be recognised and supported by the European Parliament and the Council, in particular in their budgetary capacity, and the Commission.
- 1.16 To ensure visibility of the DAGs, the EESC recommends that a **communication strategy is defined**, including the use of webpages, an IT platform for exchanges and social media.
- 1.17 Financial support should be provided for the implementation of future agreements, especially by partner governments. The EESC considers that **the text of the agreements should explicitly provide for the commitment to adequately finance and politically and logistically support the envisaged civil society bodies**, also by the counterpart governments.
- 1.18 The EESC believes its participation to be invaluable and wishes to continue to be part of all DAGs.
- 1.19 Through its rules and way of working and through its members, the EESC provides a structured and organised functioning of the DAG contributing to identifying the counterparts in the partner country, setting the agenda, running the meetings, reporting to EU institutions and civil society, as well as accountability.
- 1.20 The cost of being present in DAGs for the EESC is assumed to double in the next three years and to triple to cover the FTAs currently negotiated. The DAGs will therefore represent a challenge for the EESC in terms of financial and human resources. EESC asks budgetary authorities for an additional budget matching the current expenditure foreseen by the Commission to support Domestic Advisory Groups to fulfil the expected work in terms of quantity and quality.
- 1.21 The EESC suggests the following criteria be considered for establishing a DAG and setting the number of members: the total volume of EU external trade per year, the EU investments in the partner country(ies), the significance of the agreement from a geo-political and strategic perspective, relevant sustainability considerations.

1.22 On the EU side, DAGs **report essentially to the European Commission**, and it would be important in the future to be able to also report to Parliament and the Council. The EESC recommends a regular structured dialogue between the EU DAGs, the Commission, the EEAS, **the European Parliament** and the EU Member States. Concerning the European Parliament, a structured, regular consultation mechanism could be envisaged.

2. **Background**

2.1 The President of the European Parliament, in line with Article 304, first paragraph, second sentence of the Treaty on the Functioning of the European Union, has consulted the EESC for an opinion on the Functioning of the Domestic Advisory Groups⁴, pointing out that "[there] are several aspects that need further analysis and discussion such as the necessary resources for [DAGs] to effectively fulfil their tasks, ways to solve organisational and logistical challenges currently faced by civil society bodies, ways to improve the interaction between [DAGs] and [TSD] committees and any other aspect that would allow to improve the current state of play".

2.2 Domestic Advisory Groups are one key achievement of the inclusion of Trade and Sustainable Development chapters in the EU's free trade agreements. Their establishment is grounded not only in the EU's trade policy, but more broadly in the EU's strong political will to mainstream sustainable development in all its policies and strategies since the Rio+20 Declaration of 2012. The Strategy "**Trade for All**", adopted by the European Commission in 2015, further aimed at greater transparency and inclusiveness in the EU's trade policy, including through a deepened dialogue with civil society.

2.3 On 26 February 2018, the European Commission presented a non paper⁵ that "suggests a set of **15 concrete** and practicable actions to be taken to revamp the TSD chapters", including among others "**[broadening] the substantive scope of competence of DAGs' advice to cover the implementation of the whole agreement in future FTAs**". The non paper states that "[this] approach will be first rolled out with the EU-Mexico and EU-Mercosur FTAs, and thereafter become part of the Commission's standard negotiating approach".

2.4 The EU-Mexico and EU-Mercosur agreements are Association Agreements and so also have political and cooperation pillars negotiated by EEAS. The EU has proposed a "nested" approach with DAGs and civil society fora at the level of the overall Association Agreement and also for the trade part. In contrast, self-standing FTAs such as with

⁴ Letter of Antonio Tajani, President of the European Parliament, to Luca Jahier, President of the European Economic and Social Committee, 11 October 2018.

⁵ The non paper of the Commission services "Feedback and way forward on improving the implementation and enforcement of Trade and Sustainable Development chapters in EU Free Trade Agreements took stock of the debate that involved consultations with the EU Member States, the European Parliament and civil society http://trade.ec.europa.eu/doclib/docs/2018/february/tradoc_156618.pdf.

Indonesia, Australia or New Zealand would have a simpler approach covering the whole FTA. In exchanges with the Commission, it was highlighted that the drafting of the provisions for civil society will be open-ended and they will be free to provide inputs on any matter of interest, also not related to sustainable development.

- 2.5 The EESC has already adopted several opinions⁶ on Trade and Sustainable Development, urging to strengthen its monitoring mechanism and giving recommendations on improving the functioning of DAGs. In its opinion on "Trade and sustainable development chapters in EU Free Trade Agreements", the EESC called specifically for mandating DAGs to monitor the impact of all parts of trade agreements on human, labour and environmental rights, and to extend the scope to cover consumer interests as well as social and economic impact. The EESC further praises the fact that a report on Implementation of Free Trade Agreements will now be published every year.
- 2.6 The EU-Cariforum Economic Partnership Agreement (EPA) and the EU-Korea Free Trade Agreement, which entered into force respectively in 2014 and in 2011, were the **first to provide** for the establishment of a civil society advisory body tasked with the monitoring of the implementation of the Trade and Sustainable Development (TSD) chapter of the agreement. All subsequent EU agreements, including with Central America, Colombia Peru and Ecuador, Georgia, Moldova, Ukraine and Canada, have adopted this approach. Today, eight DAGs, with 27 members of the EESC, are active, five more are expected to be established by 2021, and more may follow in the future, subject to the conclusion of new FTAs negotiations already launched, such as those with Australia and New Zealand, or to the revision of current Agreements.
- 2.7 The DAGs, under the current agreements, allow for a balanced representation of civil society interests through the three sub-groups in which they are organised: employers, trade unions and various interests, including environmental and consumer organisations, as well as other relevant stakeholders. Members of the DAGs are representatives from the main European economic and social organisations, as well as of environmental organisations, consumers, farmers and other third sector interests. The EESC is a permanent component in the membership of DAGs.

3. **General comments**

- 3.1 The EESC recognises that trade contributes to economic growth and to economic development in a wider sense and in this regard, supports enlarging the number of trade agreements the EU has in place. However, FTAs are also a centre of intense debate about its contribution to social development and environmental protection, the benefits and drawbacks and on how they are apportioned to the countries and different stakeholders. The EU today faces an increasing demand for a constructive dialogue with civil society on FTAs. The **current EU mechanisms** for agreements include DAGs, Joint

⁶ EESC Opinion on Trade and sustainable development chapters (TSD) in EU Free Trade Agreements (FTA) (REX 500), EESC opinions "Towards an EU-Mercosur Association Agreement" (REX 503), EESC Opinion "EU-Korea Free Trade Agreement" (REX 479)

Consultative Committees Civil Society Platforms, civil society fora and Joint Civil Society Fora. This complex architecture of consultation mechanisms makes it somehow a challenge to turn them into effective and good functioning structures⁷. Further mechanisms for exchanges with civil society on the EU's trade policy include public consultations and platforms like the Civil Society Dialogue as well as the Group of Experts on EU Trade Agreements (called for by DG Trade)⁸.

- 3.2 The Treaty of Lisbon reinforced and confirmed the EESC function and composition as an institutional representative of organised civil society. The EESC, in partnership with the other institutions, was set up to be the instrument of participatory democracy and civil dialogue at European level. From an institutional perspective, EU civil society views on the EU's trade policy are provided through its opinions by the EESC, and also through other means. In light of its capacity, the EESC requests to be consulted during the negotiating phase of EU AAs, EPAs, and FTAs.
- 3.3 The EESC, a permanent member of DAGs, provides the secretariat of all existing DAGs, has extensive first-hand knowledge of the benefits and impact that civil society monitoring has on the implementation of TSD chapters. Some of the lessons learnt through the work of existing DAGs will apply, *mutatis mutandis*, when the competence of DAGs is extended to the other chapters of the agreements. At the same time, the EESC deems it important to make further considerations and wishes to present **recommendations** on the DAGs' relevance, effectiveness and efficiency, composition, way of working and duration of mandate, administrative and budgetary aspects.

Relevance of DAGs

- 3.4 The EESC supports the concept of sustainable development in its three interrelated and mutually reinforcing economic, social and environmental dimensions. It is clear that international trade can only take place by taking sustainable development, environmental protection and social protection of workers, citizens and consumers rights into account. Agreements must include provisions aimed at establishing a level playing field and fair competition on all these aspects.
- 3.5 In general terms, the participation of representatives from civil society has contributed to better outcomes – in terms of a positive economic, social and environmental impact of trade agreements. The **added value** of their involvement in the EU's FTA monitoring is crucial, as concrete progress in the case of Korea has demonstrated⁹. It is important to remember that the institutionalised dialogue with civil society represents a distinctive feature of the EU's way of life and work; however, we must recognise that it is not always fully shared by our partners. In the EESC's opinion, DAGs should continue to have an

⁷ Point further developed at 4.8

⁸ See Annex for a list of consultative mechanisms per country

⁹ See the formal consultation in 2018 by DG Trade with the Korean Government on the situation of trade union rights in Korea and lack of ratification by Korea of certain ILO Conventions, as repeatedly requested by the EU DAG for Korea.

advisory, consultative, responsible and independent role in monitoring and evaluating EU agreements. Civil society participation is also a pivotal contribution to the strategic value of these agreements, that nowadays goes beyond the mere benefits of trade.

- 3.6 One of the key achievements of stakeholders' involvement through structures like DAGs is **strengthening civil society** processes and empowering organisations of civil society that have little or no recognition by their own governments. This is especially true for partner countries that have a different understanding of the role of civil society than in the EU and for those that have less developed practices when it comes to civil society consultation. On several occasions, in particular when the trade partner is a developing country, the creation of a DAG has allowed for the empowerment of stakeholders who hold critical expertise and for a bottom-up approach to problem-solving through dialogue, cooperation and capacity building¹⁰.
- 3.7 The "cooperative" approach of the civil society organisations (CSO) can represent a policy-relevant contribution to ensure an innovative, effective and successful monitoring of the implementation of clauses of the Free Trade Agreements even in the absence of enforceable provisions. In this case, the role of CSO in the context of trade is to support a pragmatic and flexible approach to sustainable development adapted to the specific conditions of the countries where the DAG will be established. The joint work of DAGs organised in this context between partner countries and the EU can play an important role both in identifying problems and in proposing public policies to overcome them.
- 3.8 The DAGs should, among other things, put a particular emphasis on the parties' ratification and respect for the Core Labour Standards and fundamental conventions of the ILO, as well as for Multilateral Environmental Agreements. The implementation and enforcement of concrete crucial legislation, for example on freedom of association, collective bargaining, social dialogue, social protection, health and safety, and labour inspection, should be a subject of special attention from the DAGs.
- 3.9 Civil society participation through DAGs contributes to maintaining and improving consumer protection, considering environmental implications and ensuring the full respect of the sustainability goals, as well as examining the opportunities for small and medium-sized companies. DAGs can also check for possible negative social consequences as regards equal opportunities for women and men, the rights of disabled people and other minorities as well as equal access to services of general interest. **Consumer** organisations have expressed their support for EU Free Trade Agreements and have demanded that the protection of consumers continue to be guaranteed after liberalisation of markets. Consumers have suggested the introduction of a consumer chapter in future EU agreements. The extended scope of DAG monitoring would enable consumer associations to more closely follow the implementation of the dedicated consumer chapter.

¹⁰ Damien Raess, page 13.

3.10 The DAGs could help prioritising among issues in implementation. As shown by the European Commission in its Report on Trade and Investment Barriers, protectionism in its various forms continues to increase, negatively affecting EU stakeholders. Should breaches of provisions or sub-optimal implementation be noticed, **economic operators** will have in the DAG an additional channel at their disposal to raise awareness on issues on the ground, and the possibility for the DAG to alert to possible links between FTA preference utilisation rates and barriers to trade included in the Market Access Data Base. As shown in a recent report¹¹, non-utilisation of preferential FTA tariffs may be high and difficult to measure for **small and medium-sized enterprises** in particular. Equally, the EESC wishes to reiterate the essential link of the economic dimension and the way tariffs are implemented, to the promotion and protection of jobs.

Extending the scope of DAGs

3.11 **Given such benefits of civil society involvement, the EESC expects that extending the scope of DAG monitoring to the whole agreement and to all aspects of the agreement, also not related to sustainable development while keeping a special attention to these aspects,, could complement the efforts put in place by the European Commission to promote better implementation of EU FTAs.** DAGs are expected to have a positive impact on raising awareness among wider circles of civil society of the benefits of free, rules-based, sustainable and inclusive trade, while addressing shortcomings. Monitoring of FTA implementation is crucial to demonstrate both the benefits and negative impacts stemming from the agreements for businesses, workers, consumers and citizens at large. Further, they can provide factual information and contribute to an objective approach to trade agreements.

3.12 Extending the competence to the business aspects of the agreement will in all likelihood make it easier for partner countries to accept civil society monitoring and speed up the DAG establishment¹². DAGs shall be in a position (composition, way of working, etc.) to properly address the variety of issues arising from all chapters of FTAs and have the ability to engage with the appropriate parts of civil society. The EESC believes that extending the scope of monitoring to the whole agreement will require prioritisation so that efforts are made where most needed, keeping a balanced representation of all interests in the work programme of the DAG.

3.13 However, the EESC regrets that the extension of the scope did not go along with further strengthening the monitoring mechanism with respect to effective enforceability of the commitments in TSD chapters, which is of crucial importance to the EESC, and the important role of DAGs in ensuring that their violations are detected and effectively addressed.

¹¹ Report by UNCTAD and the National Board of Trade Sweden.

¹² For instance, in 2018 implementation issues in the Korea FTA include ratification and implementation of ILO conventions, beef export to Korea, remuneration of intellectual property rights, the regulatory framework, market access for electronics, cars and machinery, and improvement of customs procedures. Other FTAs will obviously have their own.

4. Specific issues to be addressed

The DAG in partner countries

- 4.1 It is particularly important to engage with **third countries** on the basis of mutual respect and understanding. Several governments are very reluctant to negotiate a TSD chapter and set up a civil society monitoring mechanism. In many countries, civil society's involvement in TSD implementation monitoring is often organised according to different schemes compared to the EU. For instance, Canada is setting up two DAGs, one on environment and one on labour. Establishing DAGs is a gradual process that requires an effort on the part of the EU aimed at supporting the counterpart in involving civil society. In the EESC's opinion, joint DAGs with the partner country are extremely important. For all future agreements, the EESC calls for the establishment of a DAG-to-DAG (which is a joint civil society body with the partner countries), not just separate DAGs for each party¹³. However, in cases where other mechanisms for expressing the opinion of civil society are already in place, as in the case of the EU-Chile Association Agreement, it would be essential to keep them, as the time to create trust and appropriate working conditions requires years.
- 4.2 Main shortcomings, some identified in previous EESC Opinions, are unbalanced membership, serious delays, lack of political and financial support by counterpart governments, and exclusion of the most representative organisations in a specific country remain clear obstacles to achieving a proper counterpart. The choice of national organisations instead of existing, representative and balanced regional civil society structures (the case of Central America and Mercosur) is detrimental to civil society's ability to work jointly at regional level, and to regional cohesion itself.
- 4.3 The EU must persuade, diplomatically but firmly, the counterpart countries of the need to comply with the agreement to set up balanced and representative DAGs; to this end, coordination should be established between the Commission, the EEAS, the European Parliament and its various constituent bodies, and the EESC.

Composition and representativeness

- 4.4 What makes DAGs relevant is also their **composition**, and in particular the **representativeness and competence of their members**, which are key aspects that must be retained in the future and further encouraged in third countries. This must be ensured in the selection process. The EESC expects to be consulted on improving the selection process. In the DAGs a **balanced** representation of civil society interests should be guaranteed. The purpose is to ensure that a single stakeholder or subgroup of stakeholders does not dominate the debate or the agenda, which should incorporate items proposed by all subgroups.

¹³ See REX 503, opinion "Towards an EU-Mercosur Association Agreement", point 6.

Efficiency and effectiveness/Logistical and organisational challenges

- 4.5 The restricted number of members (usually no more than six per sub-group), and their modus operandi ensures the efficiency and effectiveness of DAGs. The EESC recommends that DAGs meet at least twice a year at EU level and that **DAG-to-DAG** meetings to be formalised into the texts of future agreements, allowing to meet twice a year (while one of the meetings must be face to face, the second could be held via videoconference for logistics and budgetary reasons). The EESC urges the negotiators to learn from the experience of other free trade agreements, which have set up domestic advisory groups (DAGs) for each party without including any possibility for recognised joint dialogue within the agreements. The clear limitations of this model have been shown. The EESC calls for DAG-to-DAG meetings in current agreements to be formally recognised by the Parties to existing agreements. DAG-to-DAG meetings allow for civil society organisations involved on a regular basis in their respective domestic monitoring exercises to exchange views on implementation issues. The definition of deliverables and a common work programme allows the DAG members to assess the progress made, prepare joint recommendations and report to the institutions and the wider civil society, ensuring transparency, accountability and continuity.
- 4.6 Better coordination of the DAGs will ensure higher quality monitoring by civil society. In light of the considerable knowledge that is acquired within each DAG, the EESC recommends that a **conference of all DAG members** at the EU level be organised in Brussels every year to allow mutual sharing of experience from their respective DAGs.
- 4.7 The composition of future DAGs should mirror the range of topics that will be part of the work programme. This calls for the participation of organisations that have the technical **expertise** on all aspects of trade agreements and direct interests at stake. For the DAGs' monitoring to properly cover all aspects of FTAs, DAGs need to have appropriate expertise internally while also being able to enlarge participation and consult **external stakeholders**. DAGs should also have the possibility to organise a **hearing** every year. Cooperation with national institutional bodies representing civil society, the national counterparts of the EESC, will be a plus to extend the dialogue outside Brussels and reach a wider audience beyond the current setting, which privileges Brussels-based organisations.
- 4.8 The establishment of multiple bodies under the same agreement creates **confusion** in the EU's trading partners¹⁴ and imposes a burden on both third countries and the EESC. It is unnecessary and inefficient to include civil society representation twice – once in the general AA and again in the chapter on Trade and Sustainable Development. For instance, in the case of Association Agreements with Moldova, Georgia and Ukraine, two different bodies are established: the political pillar of the Agreement sets up a Civil Society Platform that is competent for **all** matters under the agreement, while the Trade

¹⁴ Opinion REX/500

pillar within the Agreement sets up a DAG. The EESC calls on the EU to provide for Joint Consultative Mechanisms to be competent for all pillars of future Association Agreements, starting with the renegotiated agreements with Chile and Mexico, and in the future with Mercosur.

- 4.9 It has been observed that breaches of some provisions reported in the past by a DAG were not taken up swiftly. A **reporting mechanism** should be provided for that would allow civil society organisations sitting in future DAGs to report problems in implementation or to present suggestions for improvement. The EESC further recommends that DAG Chair should have the right to present the views of their groups to the Trade and TSD Committees, which should be required to respond to issues and recommendations raised by the DAGs, within a reasonable timeframe. The EESC welcomes the commitment of the European Commission to a **structured, transparent and time-based complaint mechanism** for the implementation of TSD chapters in the future. Such an engagement should also inform the future approach.

More transparency and communication strategy

- 4.10 Before the civil society bodies are established, the EESC makes a big effort to work on the setting up of DAGs / Consultative Committees well before the implementation of the agreement. This is especially the case in Central America, Canada, Japan, Chile, Mercosur or Ukraine, where EESC members have made contact with counterpart organisations and governments in order to raise their awareness on the need to prepare our future joint work. The EESC's efforts should be supported by the European Parliament, DG Trade and EEAS so that information is provided to civil society organisations in the partner countries on the need to establish these civil society bodies to make them operational as soon as possible after the entry into force of the agreement.
- 4.11 After their establishment, and in order to ensure visibility of the DAGs, the EESC recommends that a **communication campaign** is conducted and that the dedicated **webpage** is regularly updated with meeting documents including agenda and minutes. An IT platform to facilitate exchanges between the EU's and the partner countries' DAGs could be set up to this end. Social media should also be used.

Resources needed

- 4.12 Both the EESC and the European Commission have so far provided financing and human resources to assist in the functioning of DAGs. As of 2018, the Commission has set aside a budget of three million euros for three years. An **external contractor** will be in charge of the logistic organisation of DAG meetings.
- 4.13 Further financial support should be provided for the implementation of future agreements, especially by partner governments. The EU institutions should constantly raise the matter with the partner countries' governments to look together for longer-term sustainable solutions. The EESC considers that **the text of the agreements should explicitly**

provide for the commitment to adequately finance and politically and logistically support the envisaged civil society bodies, also by the counterpart governments.

5. The EESC and the DAGS

- 5.1 At the request of the European Commission, the EESC supports DAGs through its members and secretariat. The EESC considers its participation valuable and wishes to continue to be part of all DAGs. The EESC recommends that DAG membership be defined for a term of five years to provide stability and continuity. However, the Chair members should rotate every 2.5 years.
- 5.2 The EESC allows for a structured and organised functioning of the DAG contributing to identifying the counterparts in the partner country, setting the agenda, running the meetings, reporting to EU institutions and civil society, as well as ensuring accountability. For these reasons, EESC is best placed to Chair the DAGs and therefore proposes that future FTAs include provisions for EESC to chair the European DAG.
- 5.3 The cost of being present in DAGs for the EESC is assumed to double in the next three years and to triple to cover the FTAs currently negotiated. The EESC membership of DAGs is expected to require about further 50 EESC members to be involved.
- 5.4 The DAGs will therefore represent a challenge for the EESC in terms of financial and human resources. It is estimated that with all current and future DAGs in place, the annual cost might amount to as much as 24% of the current External Relations Section budget for members.
- 5.5 In terms of human resources, the External Relations Secretariat will also need to be strengthened and its budget for missions reinforced. On the basis of the agreement between the EESC and the European Commission (DG Trade), the EESC Section for External Relations (REX) provides secretariat services to the established EU DAGs and liaises with the partner countries' DAGs in matters related to the annual joint meetings and cooperation between sessions.
- 5.6 The EESC wants to draw special attention to the secretariat work carried out by EESC officials facilitates the DAGs' work in areas which go beyond the purely organisational. The DAGs benefit from the extensive experience of the EESC staff in supporting civil society consultations both within the EU and with third countries or regions (the REX secretariat currently manages 17 joint bodies with third countries). The secretariat:
- provides policy advice for members in their work;
 - assists DAG chairs in drawing up meeting agendas and takes notes of the meetings;
 - advises on potential speakers, experts and civil society organisations which could be invited;
 - prepares meeting files and facilitates provision of a constant flow of information on topics of interest to DAG members;

- uses its network of contacts in other EU institutions and in international organisations in order to facilitate exchanges between the DAGs and those institutions.

However, this task involves more and more effort in both economic and human terms.

- 5.7 The EESC is thankful to the European Parliament, which requested an increase in members' and staff budget in 2017 and 2018, and hopes that such support can be maintained in the future. EESC asks budgetary authorities for an additional budget matching the current expenditure foreseen by the Commission to support Domestic Advisory Groups to fulfil the expected work in terms of quantity and quality.
- 5.8 The limited resources require participation to be set, when initially establishing the DAG, at three EESC members for a regular DAG, 6 members only in exceptional cases, such as
- a DAG with a country/area representing more than EUR 100 billion of the total volume of EU trade per year,
 - or EU investments above EUR 100 billion,
 - or that has a strong significance from a geo-political and strategic perspective,
 - or where sustainability considerations are especially relevant.

Similar criteria could be considered for whether or not to establish a DAG. The EU has Trade Agreements with 69 countries and regions in the world. Not all of them would require the establishment of a DAG.

The EESC and EU's Institutions

- 5.9 DAGs play a different role vis-à-vis the EU and vis-à-vis the partner country. On the EU side, DAGs **report essentially to the European Commission**, and it would be important in the future to be able to also report to Parliament and the Council. Concerning the **European Parliament**, reporting is currently done on an ad-hoc, informal basis at the request either of the INTA Committee or of one of the EP delegations for relations with third countries. A more structured, regular consultation mechanism could be envisaged.

Brussels, 23 January 2019

Luca JAHIER

The president of the European Economic and Social Committee
