



Study in support of an ex-post evaluation of the Comprehensive Economic and Trade Agreement (CETA) between the European Union and its Member States and Canada

(TRADE/2023/OP/0012)

Presentation Draft Inception Report

**Civil Society Dialogue (CSD) Meeting
18 April 2024**

Consortium led by  Trade Impact B.V.

Contents

1. Overview of the approach

2. Review of existing studies

3. Strategic considerations

4. Economic analysis

5. Social analysis

6. Environmental analysis

7. Human rights analysis

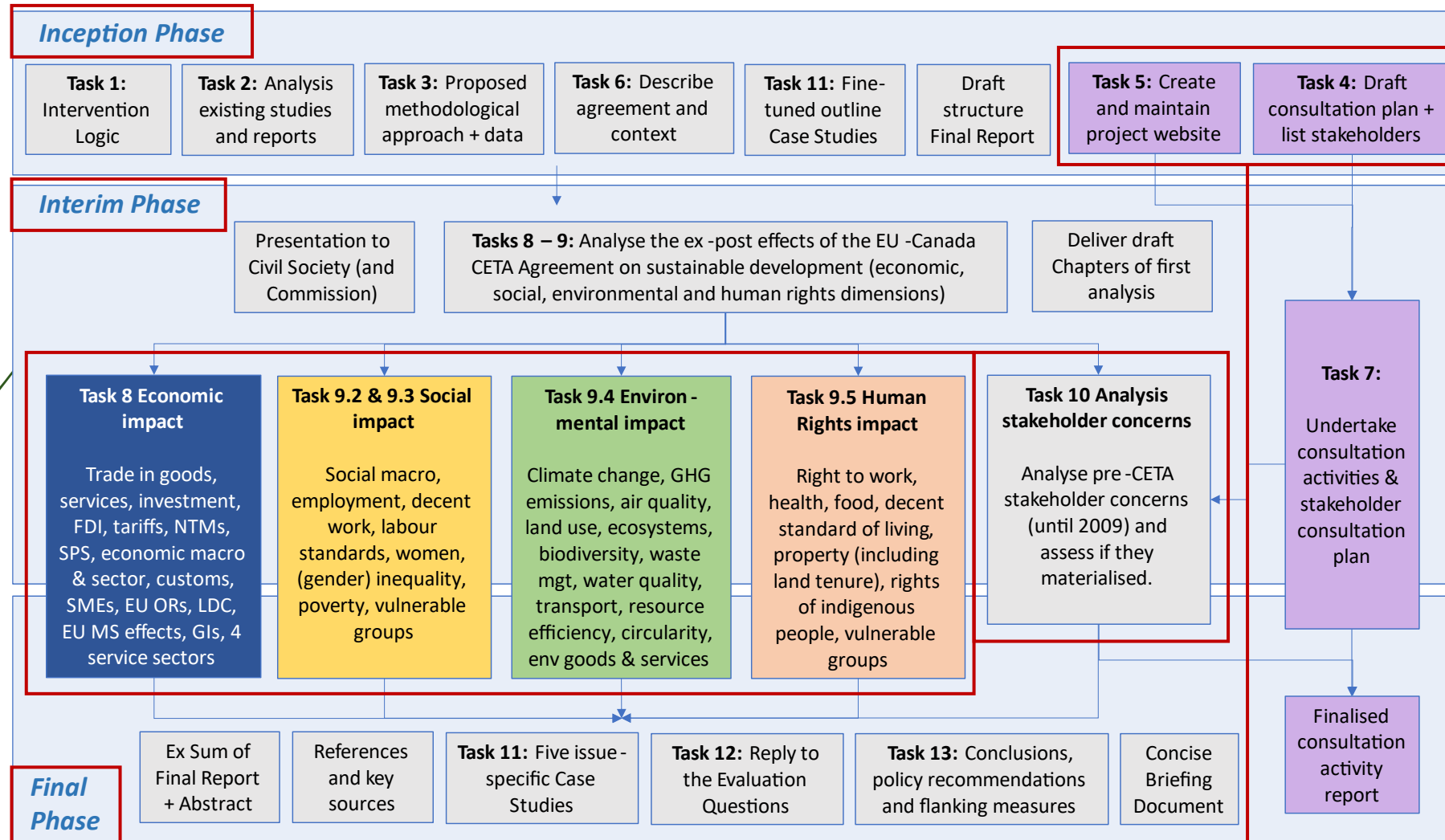
8. Case studies

9. Description of the CETA

10. Consultations approach

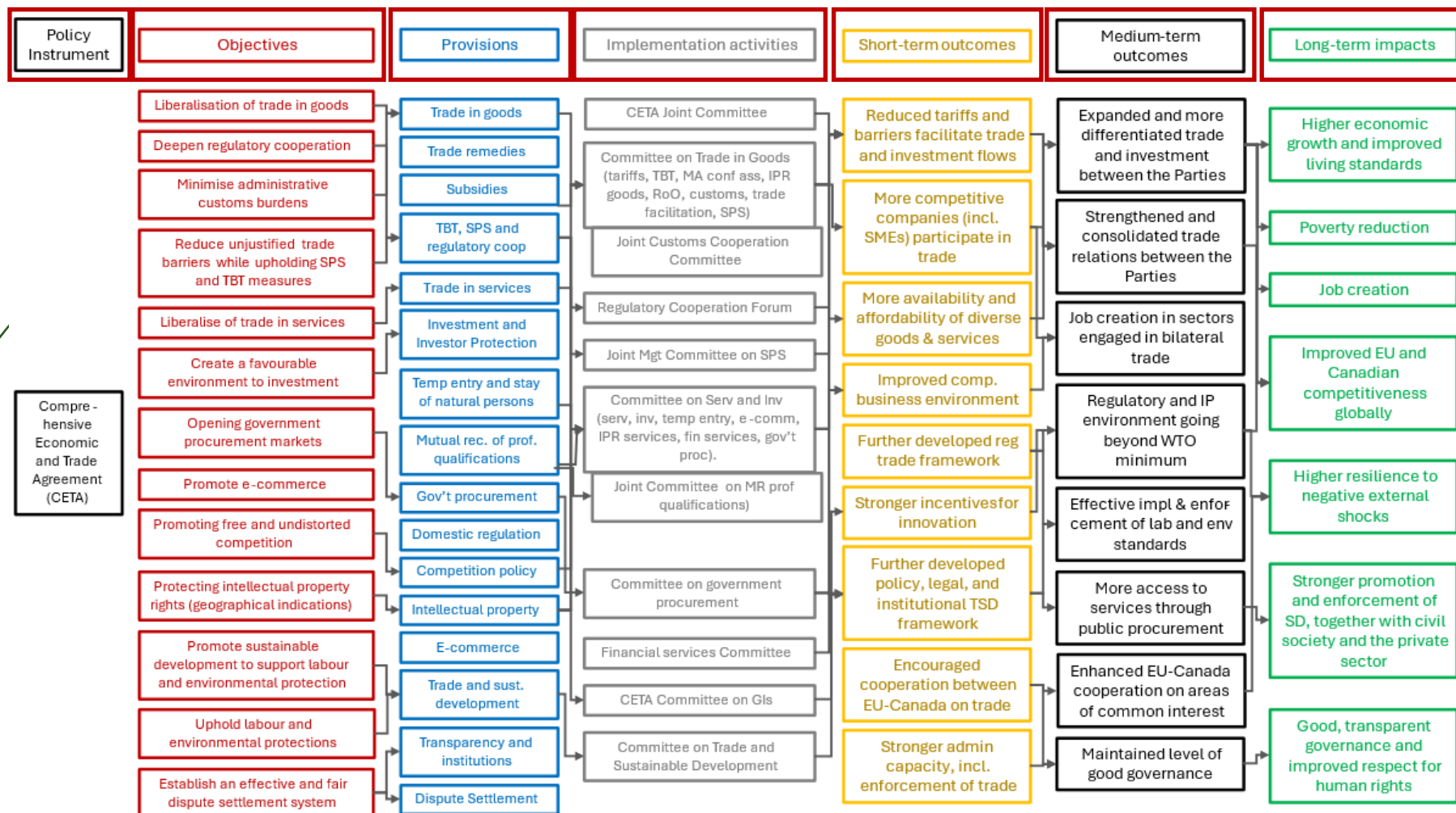
11. Timeline of the project

I. Overview of the approach: study structure



I. Overview of the approach: intervention logic

Figure 2.1: Intervention hypothesis of the CETA



2. Review of existing studies (I)

Table II.1: Comparison of the economic assessments of the CETA

| Study | Model / Data source | Scope / Time frame | GDP (% increase / €) | Welfare | Trade (% Export increase) | Wages (% increase range) U: Unskilled workers S: Skilled workers | | Standard deviation (% increase range) U: Unskilled workers S: Skilled workers | |
|---|---|---|--|--|---|--|--|---|-----------|
| EU-Canada Joint Study (Copenhagen Economics, 2008) | CGE GTAP 7 | Tariff, services and goods NTB effects Short-run and long-run effects | Full liberalisation: • EU: 0.08% (€11.6 bn) • CAN: 0.77% (€8.2 bn) Tariff liberalisation: • EU: 0.03% (€2.9 bn) • CAN: 0.27% (€2.7 bn) Services liberalisation: • EU: 0.04% (€5.8 bn) • CAN: 0.35% (€3.7 bn) NTB goods liberalisation: • EU: 0.02% (€2.9 bn) • CAN: 0.15% (€1.7 bn) | Full liberalization: • EU: €10.5 bn (long-run) / €2.5 bn (short-run) • CAN: €8.4 bn (long-run) / €4.1 bn (short-run) | Bilateral trade Full liberalisation goods: • EU: 36.6% (€12.2 bn) • CAN: 24.3% (€6.3 bn) Full liberalisation services: • EU: 13.1% (€4.8 bn) • CAN: 14.2% (€2.2 bn) | NA | | NA | |
| Trade Sustainability Impact Assessment to be negotiated between the EU and Canada (Development Solutions, 2011) | CGE-model (GEMPACK) GTAP 8 E3MG model (CE) Gravity modelling of investments Consultations | Four liberalisation scenarios (lim agri and services, lim agri, amb agri, lim services, and amb agri and services) Timeframe: until 2020 | Increase range (%) • EU: 0.02–0.03% • CAN: 0.18–0.36% • Trade diversion third countries < 0.05% | Increase (bn USD): • EU: 1.6bn – 3.4bn • CAN: 1.8bn – 2.9bn | Total exports (% range change): • EU: 0.05–0.07% • CAN: 0.54–1.56% | • U • EU: 0.03–0.06% • CAN: 0.40–0.57% | • S • EU: 0.03–0.07% • CAN: 0.37–0.55% | • U NA | • S NA |

2. Review of existing studies (2)

| Study | Model / Data source | Scope / Time frame | GDP (% increase / €) | Welfare | Trade (% Export increase) | Wages (% increase range) | | Standard deviation (% increase range) | |
|--|-----------------------|---|---|---------|--|--------------------------|--------------------|---------------------------------------|--------------------|
| | | | | | | U: Unskilled workers | S: Skilled workers | U: Unskilled workers | S: Skilled workers |
| The Canada-EU Comprehensive Economic and Trade Agreement – A prospective Analysis (Office of parliamentary budget officer, Canada, 2017) | CGE model GTAP 6.2 | Tariff analysis only, some NTMs AVE, STRI in services | <ul style="list-style-type: none"> CAN: 0.4% | NA | <ul style="list-style-type: none"> CAN: 9.3% (X of goods) CAN: 14.0% (X of services) | Positive | Positive | NA | NA |

Source: compiled by the author

3. Strategic objectives of the CETA

- Sketch of the geopolitical and geoeconomic context surrounding the CETA (post-COVID-19 pandemic world, increased global fragmentation, geopolitical tensions, drive towards a net-zero economy)
- We aim to evaluate if/how the CETA contributes to the EU's strategic objectives
- I. Evaluation of effects of the CETA on **EU strategic resilience** (e.g. import dependency, critical raw materials, trade in environmental goods & services)
- II. Evaluation of effects of the CETA on **EU trade diversification** (e.g. market access in new markets to offset the closing of other markets due to geopolitical tensions and global fragmentation)

4. Economic analysis

Step 1: Pre-CETA situation (2012-2016)

(for EU, EUMS, Canada)

- Setting the scene:
 - Evolution of bilateral trade in goods and services
 - Evolution of foreign direct investment (FDI)
 - Review of pre-FTA tariffs and NTMs (liberalization potential)
 - Government procurement
 - Situation regarding SMEs
- Literature review of effects of the CETA

Step 2: Post-CETA situation (2017-2022)

(for EU, EUMS, Canada)

- CGE modelling results to identify marginal effects, statistical analysis of goods, PURs, services trade, FDI & procurement regressions, qualitative analyses drawing on stakeholder- and expert inputs;
- **Focus:** GDP/output, welfare, trade, tariff revenue, PURs, customs, NTMs, GIs, investment, GVCs, Turkey
- **Special focus:** SMEs, trade diversification, critical raw materials, case studies (agriculture & GI, TBT & conformity assessments, procurement, raw materials).

Step 3: Conclusions and recommendations

- Overall analysis of economic impact: main conclusions (incl. in relation to evaluation questions)
- Case study conclusions: key agricultural goods (SPS, IP), TBT and conformity assessments, critical raw materials, public procurement
- Policy recommendations to further improve the CETA going forward
- Aim to strengthen positive & mitigate negative impacts
- Recommendations for future improvements of the CETA & broader policy

5. Social analysis

Step 1: Baseline analysis (2012-2022)

(for EU, EUMS, Canada)

Analysis of observed trends & influencing factors in:

- Employment, income (wages), poverty, and approaches to consumer rights
- Working conditions (job quality), labour standards and enforcement (labour inspection)
- Gender equality

Step 2: Impact analysis

(for EU, EUMS, Canada)

- Impact analysis in areas / sectors most affected by the CETA (based on the CGE model);
- Impact analysis of the CETA provisions, e.g. Trade and Labour Chapter; e-commerce (for consumers), Joint Recommendation on Trade and Gender (qualitative)
- Statistics, literature, and stakeholder engagement

Step 3: Conclusions and recommendations

- Overall analysis of social impact: main conclusions (incl. in relation to attainment of SDGs and evaluation questions)
- Policy recommendations to further improve the CETA going forward
- Aim to strengthen positive & mitigate negative impacts
- Recommendations for future improvements of the operation of the CETA & broader policy

6. Environmental analysis

Step 1: Baseline analysis *(for EU, EUMS, Canada)*

Description, observed trends & influencing factors on six impact areas:

- 1) Natural resources & biodiversity (IEEP (2021) method on impact of FTAs on biodiversity), 2) soil, 3) water, 4) waste, 5) chemicals management, 6) climate change and air quality;

Step 2: Impact assessment *(for EU, EUMS, Canada)*

- In-depth analysis of up to three impact areas most affected by CETA (CGE results & other databases (EDGAR)) including one priority via the case study (environmental goods and services);
- Stakeholder engagement (interviews)

Step 3: Conclusions and recommendations

- Overall analysis of environmental impact (incl. in relation to attainment of SDGs and evaluation questions)
- Case study conclusions: environmental goods & services
- Aim to strengthen positive & mitigate negative impacts
- Recommendations for future improvements of CETA & broader policy

7. Human rights analysis

Step 1: Pre-CETA situation (2012-2016)

(for EU, EUMS, Canada)

- Identify international human rights obligations of the parties based on the ratification status of core international human rights conventions
- Study of any outlier situations in the EU and Canada, including pre-existing vulnerabilities & trends (Human rights profiles – for the EU at EU level)

Step 2: Post-CETA situation (2017-2022)

(for EU, EUMS, Canada)

- Screening and scoping analysis
- Detailed impact analysis of one specific human right if this comes out of screening & scoping (based on CGE model results and human rights indicators);
- Stakeholder engagements (3-5 interviews)

Step 3: Conclusions and recommendations

- Overall analysis of human rights impact (incl. in relation to attainment of SDGs and evaluation questions)
- Aim to strengthen positive & mitigate negative impacts
- Recommendations for future improvements of CETA & broader policy

8. Case studies

Five case studies:

- 1. Trade in key agricultural goods including SPS and IP (GI) protection aspects;
- 2. Technical barriers to Trade and Conformity Assessment and regulatory cooperation;
- 3. Critical raw materials with a focus on critical minerals;
- 4. Environmental goods and services;
- 5. Public procurement.

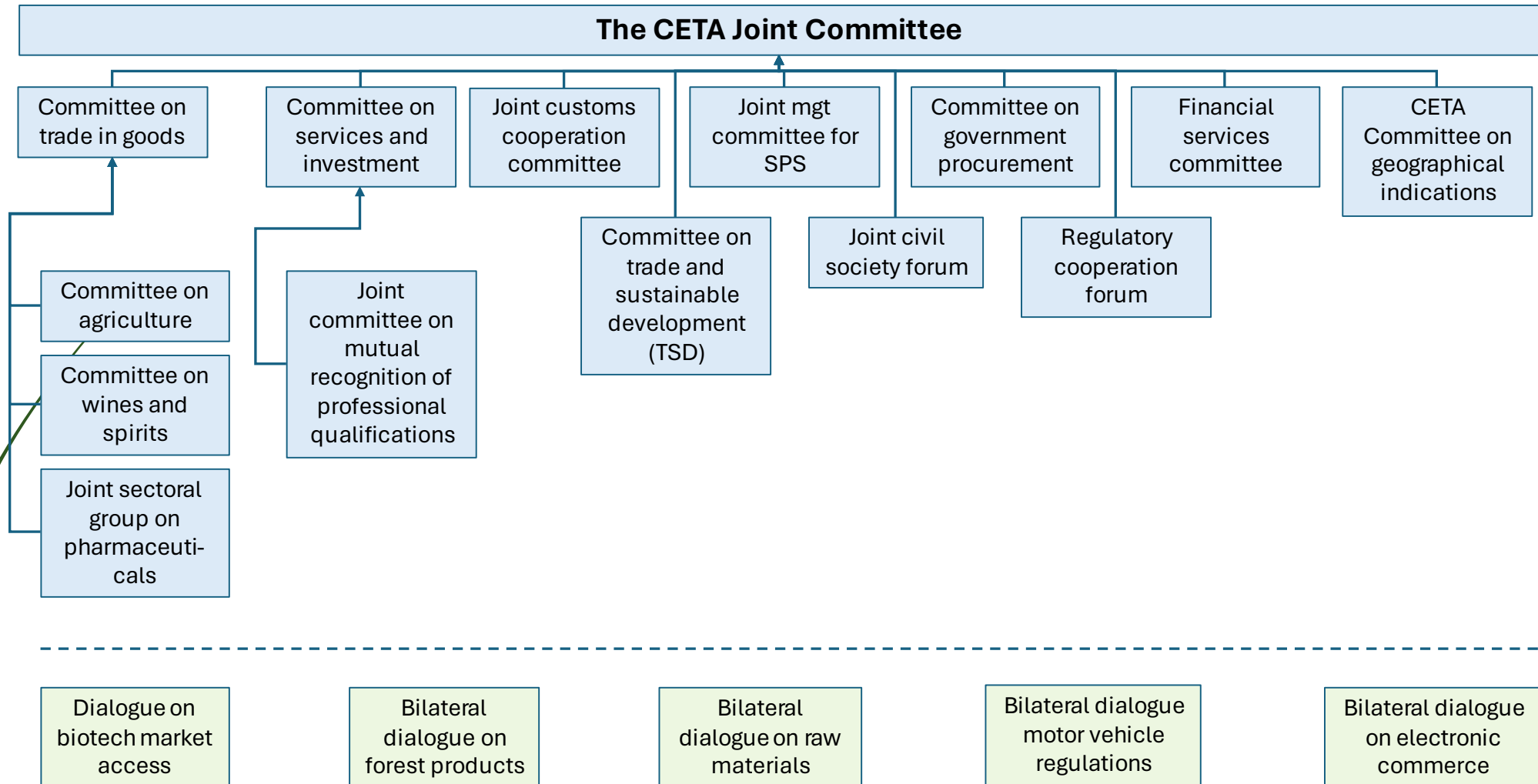
Case study structure (est. 5-15 pages max)

- Introduction
- Baseline situation (pre-CETA)
- Provisions in the CETA
- Economic, social, environmental effects of the CETA
- Conclusions and recommendations

Case study Fact Sheets

- 2 fact sheets per case study (EN, FR)

9. Description of the CETA



10. Consultations approach: overall

- Pillar 1: Two meetings with EU civil society (CSD, digital meetings)
- Pillar 2: Stakeholder consultations in EUMS & Canada:
 - Online business/SME survey in EU, EUMS and Canada
 - Online customs survey in EU, EUMS and Canada
 - Seven online seminars in selected EUMS
 - One overall SME seminar (EU level)
 - One online seminar for Canadian stakeholders
 - SME stakeholder engagement in selected EUMS and Canada
 - Interviews and meetings with stakeholders in EU and Canada
- Pillar 3: Online Public Consultation (OPC survey)
- Pillar 4: Meetings with EU institutions and other meetings (e.g. EESC, INTA Committee)
- Pillar 5: Digital engagement with stakeholders: website, social media strategy, other channels.

10. Consultations approach: website (illustration)

Ex-post evaluation of the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada

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The project has started in January 2024.
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First Newsletter

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About the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada

The EU-Canada Comprehensive Economic and Trade Agreement (CETA) entered into force provisionally on September 21, 2017, eliminating duties on 99% of all tariff lines, as well as opening new possibilities for services and procurement. CETA is a progressive trade agreement which means that it features strong commitments (e.g. on promotion of labour rights, protection of the environment, and sustainable development). Please see more information on the Agreement [on the website of the European Commission](#).

About this Ex-post Evaluation

September 21, 2023 marked the sixth anniversary of the provisional application of CETA. The objective of this ex-post evaluation is to carry out an evidence-based analysis of the economic, social, environmental, and human rights impact of CETA after five years of provisional application. The assessment relies on economic modelling, literature review, statistical data analysis and continuous and wide-ranging stakeholder consultations.

Related to the impact areas, the analysis consists of four sustainability pillars: economic, social, environmental and human rights. Additionally, through case studies, the evaluation provides an in-depth analysis on specific issues, such as environmental goods and services, procurement, critical raw material, agricultural goods, and conformity assessment.

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Consultations

Continuous and wide-ranging consultations with stakeholders in the EU, EU Member States and Canada ensure a high degree of transparency, enrich the analysis with information "from the ground", and provide feedback on draft results. The main channels for communication and consultation - apart from this website and social media - are:

- Interviews with key stakeholders
- Overall online survey
- Business (SME) survey
- Customs survey
- EU Civil society dialogue (CSD) meetings*:
 - on the **Inception Report** (planned for mid April 2024):
 - Q&A
 - Presentation
 - on the **draft Final Report** (planned for February 2025):
 - Presentation
 - Q&A

*Link to the registration page will be published here shortly before the event.

Have your say!

General survey → Let us know what you think
Fill in the survey

Business survey →

Customs survey → Follow us on [Twitter](#) and [LinkedIn](#) [in](#)

Send us your position paper!

Please submit your position paper or any other document that you think is relevant for this study. Simply press the button below and send us your input via attachment to the mail.

If you want your paper or report to be published on our website, please note it in your mail and we will publish it in the section below for other stakeholders to take note of it.

Submit your input

Stakeholder contributions

Public contributions of various stakeholders are published here. Please click on the icon to open the document you want to read.

Submission of

II. Timeline of the project (Inception phase)

Time schedule (GANTT)

| Phase / task / deliverable | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Inception phase | | | | | | | | | | |
| Kick-off meeting with Commission in Brussels | 11/1 | | | | | | | | | |
| Task 1: Intervention logic | | | | | | | | | | |
| Task 2: Analysis existing studies and reports | | | | | | | | | | |
| Task 3: Methodological approach & data (incl. time schedule & work plan) | | | | | | | | | | |
| Task 6: Describe agreement and context | | | | | | | | | | |
| Task 11: Fine-tuned outline of the case studies | | | | | | | | | | |
| Draft structure of the Final Report | | | | | | | | | | |
| Task 4: Draft consultation plan and list of stakeholders | | | | | | | | | | |
| Task 5: Website dedicated to the project | | | | | | | | | | |
| Task 7: Draft questionnaires | | | | | | | | | | |
| Inception reporting | | | | | | | | | | |
| <i>Drafting of inception report</i> | | | | | | | | | | |
| <i>Quality control on content & English by QAB</i> | | | | | | | | | | |
| Draft Inception Report | | | | | | | | | | |
| Review meeting: Commission ISG | | | | | | | | | | |
| Task 7: Civil society dialogue (online) | | | | | | | | | | |
| Task 7: Presentation of Study to EESC | | | | | | | | | | |
| Task 7: Presentation of Study Approach to Canadian Government (VC) | | | | | | | | | | |
| <i>Finalisation of the Inception Report</i> | | | | | | | | | | |
| <i>Translation executive summary (EN, FR, DE)</i> | | | | | | | | | | |
| Final Inception Report | | | | | | | | | | |
| Progress reports | | | | | | | | | | |

II. Timeline of the project (Interim phase)

Time schedule (GANTT)

| Phase / task / deliverable | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 |
|--|--------|--------|--------|------------------|-----------------------|---------------------|--------|--------|--------|--------|
| Interim phase (advanced chapters) | | | | | | | | | | |
| Task 7: Prepare questionnaires for putting online | | | | Prep for surveys | | | | | | |
| Task 7: 16-week overall online questionnaire* | | | | | | OPC Survey | | | | |
| Task 7: 16-week online business/SME questionnaire* | | | | | | Business/SME Survey | | | | |
| Task 7: 16-week online customs questionnaire* | | | | | | Customs Survey | | | | |
| Task 7: Other targeted consultations (Interim Phase) | | | | | Ongoing consultations | | | | | |
| Task 7: (Draft) results of consultations with stakeholders | | | | | | | | | | |
| Task 8: Analyse economic effects (esp. diversification, SC resilience) | | | | | | | | | | |
| Task 9: Analyse social effects | | | | | | | | | | |
| Task 9: Analyse environmental effects | | | | | | | | | | |
| Task 9: Analyse human rights effects | | | | | | | | | | |
| Task 10: Analyse pre-CETA stakeholder inputs and concerns | | | | | | | | | | |
| Evaluation progress (see also Progress Reports) | | | | | | | | | | |
| Chapter reporting | | | | | | | | | | |
| <i>Drafting of chapters for Interim Phase</i> | | | | | | | | | | |
| <i>Quality control on content & English by QAB</i> | | | | | | | | | | |
| <i>Annexes: Quantitative tables; Consultations update</i> | | | | | | | | | | |
| Advanced chapters Interim Phase | | | | | | | | | | 11/10 |
| Review meeting: Commission ISG | | | | | | | | | | 24/10 |
| Progress reports | | | | | | | | | | |

II. Timeline of the project (Final phase)

Time schedule (GANTT)

| Phase / task / deliverable | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | |
|--|--------|-------------------------|--------|--------|--------|--------|--------|--------|--------|--|
| Final phase | | | | | | | | | | |
| Task 7: Other targeted consultations (Final Phase) | | Continued consultations | | | | | | | | |
| Task 7: Seven online seminars for 27 EU MS (Final Phase) | | EUMS Consultations | | | | | | | | |
| Task 7: One online seminar with Canadian stakeholders (Final Phase) | | | | | | | | | | |
| Task 7: One online seminar for EU MS SMEs (Final Phase) | | | | 24/11 | | | | | | |
| Include all previous work/chapters | | | | | | | | | | |
| Task 9: Finalise analysis economic, social, environmental, human rights effects | | | | | | | | | | |
| Task 11: Five case studies (summarised) | | | | | | | | | | |
| Task 12: Evaluation questions | | | | | | | | | | |
| Task 13: Conclusions and policy recommendations | | | | | | | | | | |
| Final reporting | | | | | | | | | | |
| <i>Drafting of draft final report (incl. Annexes)</i> | | | | | | | | | | |
| <i>Executive Summary (EN, FR, DE)</i> | | | | | | | | | | |
| <i>Annexes: Data tables; Consultations report, Case Studies (full), Research methods</i> | | | | | | | | | | |
| <i>Briefing document</i> | | | | | | | | | | |
| Draft final report | | | | | | 20/12 | | | | |
| Review meeting: Commission ISG | | | | | | | 20/1 | | | |
| Task 7: Civil society dialogue (online) | | | | | | | tbc | | | |
| Task 7: Presentation of draft findings to EESC | | | | | | | tbc | | | |
| Task 7: Presentation of draft findings to Canadian Government (VC) | | | | | | | tbc | | | |
| <i>Finalisation of final report</i> | | | | | | | | | | |
| <i>Quality control on content & English by QAB</i> | | | | | | | | | | |
| <i>Finalise executive summary (EN, FR, DE)</i> | | | | | | | | | | |
| Final report | | | | | | | | 11/3 | | |
| Task 7: Presentation of findings to EP (INTA) | | | | | | | | tbc | | |
| Final evaluation meeting (online) | | | | | | | | | 8/4 | |
| Progress reports | | | | | | | | | | |

* We propose a 16-week consultations period for the surveys, because it helps engagement as they fall in part in the holiday period in Europe & Canada, the project timeline allows for

EU-Canada CETA Agreement



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CETA Evaluation