



# **CARIFORUM**

**Update on the CARIFORUM-EC Economic Partnership Agreement  
to the  
88<sup>th</sup> Session of the ACP Council of Ministers  
Brussels, 15-18 December 2008**

## **I. Signing, WTO Notification and Provisional Application**

1. On 15 October 2008, thirteen CARIFORUM States and the EC signed the CARIFORUM-EC Economic Partnership Agreement (EPA) at a ceremony in Barbados. Guyana subsequently signed the Agreement on 20 October in Brussels. Haiti, the only UN-designated LDC in the CARIFORUM Group, has not yet signed the Agreement.
2. Consistent with the Decision of 14 December 2006 by the General Council of the WTO on Transparency Mechanism for Regional Trade Agreements (RTAs), the CARIFORUM-EU EPA was jointly notified to the Committee on Regional Trade Agreements (CRTA) on 16 October 2008. The notification was modified on October 22 to reflect Guyana's addition to the slate of CARIFORUM signatory states. Two factors contributed to the prompt notification of the Agreement. The first was the then impending Appellate Body hearing on bananas (16-17 October) and the desire to ensure that there was legal coverage for the preference being accorded to CARIFORUM bananas exports. The second was Article 243(3) of the EPA which committed the parties to commence provisional application of the Agreement "as soon as possible, but no later than 31 October 2008".
3. The Transparency Mechanism dictates that, "as a rule, notification must take place directly following the parties' ratification of the RTA or any party's decision on application of the relevant parts of an agreement, and before the application of preferential treatment between the parties". Consequently, it was necessary for the two Sides to notify the Agreement prior to the date agreed for the commencement of provisional application.
4. The Secretary General of the Council of the European Union is the depository for the Agreement. Only one of the fourteen signatory CARIFORUM states is still to notify the EC Depository that the conditions necessary for provisional application of the Agreement have been fulfilled. Given the region-to-region nature of the EPA, provisional application by the CARIFORUM party will only take effect when all of the CARIFORUM

signatories have individually completed the domestic procedure necessary to enable provisional application or ratification. It is anticipated that the remaining signatory CARIFORUM state will deposit its notification shortly.

## **II. WTO Transparency Mechanism**

5. Due to the presence of a non-WTO Member (The Bahamas) among the signatories to the CARIFORUM-EC EPA, the WTO Committee on Regional Trade Agreements (CRTA) has not issued a schedule for its consideration. WTO Members are yet to establish procedures on the consideration of RTAs including a WTO non-Member and it is unclear when consensus on this issue will be reached. Further, currently, the WTO Secretariat has in its queue 46 RTAs for which factual presentations remain outstanding.
6. It should be noted that the inclusion of a WTO non-Member is not confined to the CARIFORUM-EC EPA. WTO non-Members are also in other African and Pacific groupings such as ESA.

## **III. RPTF state of play**

7. The CARIFORUM-EC Regional Preparatory Task Force (RPTF) continues to implement its work programme of overseeing the execution of a comprehensive set of studies. These studies are aimed at assisting in providing the EC and other potential donors with a better understanding of the region's needs, translating the cooperation provisions of the EPA into concrete and actionable sector programmes destined for any potential donor, detailing timing and activities required in order to allow the region to fully implement the commitments in the Agreement. Efforts are being made to accelerate the work of the Task Force.
8. The last meeting of the Task Force was held on 9<sup>th</sup> December 2008 in Barbados. To date, studies chronicling CARIFORUM support needs have been completed in the following six areas:-
  - Competitiveness and Innovation;
  - Customs and Trade Facilitation;

- Competition Policy;
  - Public Procurement,
  - Technical Barriers to Trade; and
  - Sanitary and Phytosanitary Measures for Fisheries Access to EU market.
9. Terms of reference for the launch of studies in several other areas have also been completed. The CARIFORUM is currently working with the Commission to finalise terms of reference for the remaining areas.
10. With the recent signing of the Caribbean Regional Indicative programme (CRIP) on November 15 on the occasion of the European Development Days, the financial framework is now in place for drawing down resources to fund programmes identified in the completed studies.

#### **IV. EPA Implementation issues**

11. The CARIFORUM-EC EPA is a comprehensive agreement covering, *inter alia*, trade in Goods, Services and Investment, Competition Policy, Innovation and Intellectual Property, Transparency in Public Procurement, Environment and Social Aspects, and Personal Data Protection. There is also an overarching Development Chapter, which outlines the scope and cooperation priorities, such as support to build human, legal and institutional capacity, promotion of private sector and enterprise development, diversification of export base and support to develop infrastructure necessary to conduct trade. This chapter is complemented by subject-specific development cooperation priorities.
12. Implementation of the CARIFORUM-EC EPA is critical in exploiting the economic opportunities presented by this modern trade and development agreement. Implementation assumes even greater importance especially given that the pursuit of strengthened CARIFORUM regional integration is one of the central tenets underlying the EPA.

13. CARIFORUM has already started to give consideration to an “EPA Implementation Road Map”. The Road Map, which will be refined based on the output of the studies, sets out the legislative and policy actions required at the national and regional levels; timelines for accomplishment of each action; an estimate of the resources required for the implementation of EPA commitments; and possible sources of funding, including those already committed by the EC. In addition, several Member States have established or are in the process of establishing national EPA Implementation Units.

14. While the major implementing legislation will not be needed immediately upon provisional application of the Agreement, some “immediate action items” are triggered, such as the need to convene initial meetings of the institutional bodies and more specifically the Joint CARIFORUM-EC Council and the Trade and Development Committee upon provisional application of the Agreement.

## **V. Recent Activities**

15. In addition to the dissemination of information to stakeholders on the CARIFORUM-EC EPA, CARIFORUM has initiated actions aimed at taking advantage of the opportunities under the EPA. Specifically, in September 2008, a study tour of European capitals was conducted involving several Caribbean organisations and business owners, including the Caribbean Association of Industry and Commerce, Caribbean Export Agency and the Caribbean Regional Negotiating Machinery. The tour focussed on match-making of Caribbean and European businesses in the area of creative industry and Information and Communication Technology (ICT).

16. CARIFORUM and the EC also held its first Business Forum on 24-25 November in Barbados. The Business Forum aims to build private sector capacity in the CARIFORUM region by providing a platform to facilitate dialogue between CARIFORUM and European firms and investors. Among the issues discussed were the opportunities and challenges associated with doing business in Europe and the CARIFORUM region in the area of services

export from a general and sectoral perspective as well as how to effectively use the EPA as a tool to expand trade between the two regions

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