



# CARIFORUM-EC EPA: DEVELOPMENT SUPPORT<sup>1</sup>

*October 2008*

By explicitly taking into account the development objectives, needs and interests of the CARIFORUM region, the EPA is very different from every other trade agreement negotiated up to now between developed and developing countries. It is specifically designed to take into account the level of development of the Cariforum economies. This comprehensive approach is what constitutes the development dimension of the EPA and all the provisions of the EPA are designed to support it. Development cooperation and support is one element of this wider development dimension.

Nevertheless, at the outset, the Cariforum EPA recognizes that development cooperation is a crucial element in this new trade partnership and sets out a summary of cooperation priorities (see Part I: Trade Partnership for Sustainable Development, Art 7 and 8). In addition, each sectoral chapter contains a specific article outlining cooperation priorities which will facilitate the effective and timely implementation of the commitment included therein.

## **Financial Support**

During the preparatory phase for the EPA the EC has used the Cotonou Agreement financing mechanisms to support a range of cooperation activities covering capacity-building, supporting regional integration, strengthening of regional organisations and enhancing of competitiveness. The 9th European Development Fund or "EDF" (2002 – 2007) Regional Programme allocated €76 million to supporting regional integration and establishing the Caribbean Single Market and Economy (CSME) as well as private sector development and support for EPA negotiation. EU Member State capacity building programmes have also supported the objectives of the EPA and helped Cariforum countries prepare for it at the national and regional level.

The EDF also includes all-ACP programmes with elements in the Caribbean supporting areas like fisheries development and agriculture, including the all ACP trade capacity building programmes like "Trade.com" a €50 million ACP support facility. On top of this, since 1999 the EC has been delivering support to traditional sensitive products to facilitate transition in the banana, sugar, rice and rum industries. The total allocated so far is now €680 million.

---

<sup>1</sup> This fact sheet describes the content of part of the CARIFORUM-EC EPA but it does not in any way replace or interpret the provisions of this Agreement.

Similarly the 10<sup>th</sup> EDF (2008-2013) entails very significant assistance to EPA related needs. The Caribbean regional programme, which focuses on regional integration and EPA, more than doubled between the 9<sup>th</sup> and the 10<sup>th</sup> EDF to € 165 million.

In addition, the national indicative programmes are also oriented towards activities linked to the EPA: 5 programmes will target competitiveness, 3 programmes will contribute to governance and public administration reforms, and 3 will focus on infrastructure. In total, this amounts to € 454 million (\$ 635 million) out of about €600 million (or about 75%) allocated to national programmes.

The Cotonou agreement will last until 2020. Accordingly, the 10<sup>th</sup> EDF will be followed up by a third financial protocol, covering the period beyond 2013.

Finally the Declaration on Development Cooperation (attached to the Agreement) reiterates the EU's commitment to ensure that Cariforum countries will benefit from an equitable share of EU Member States' Aid for Trade. EU Member States are committed to reach an annual amount of € 1 billion by 2010 in trade-related assistance, with a range of 50% available for ACP countries.

*Fact sheet prepared by DG Development unit D1*