

Fact sheets on the EU-Cariforum EPA*

EPAs are trade agreements - But they aim at achieving development objectives through the promotion of regional integration, the gradual integration of CF countries into the world economy, capacity building in trade policy and trade related issues, supporting the conditions for increased investment

Objectives

The EPA will help strengthen the governance of regional integration and consolidate the integration of regional markets. In particular, they will:

- Foster the effective implementation of regional trade commitments by supporting existing or planned trade integration projects.
- Expand regional trade to services and investment through more transparent, stable and liberal regional rules, where regions choose to include these issues in the EPA.
- Consolidate a set of regional trade-related rules by addressing "behind the border" issues that have acted as a brake on trade, such as TBTs and SPS. Where the region is ready, cooperation in, and the harmonisation of, competition, intellectual property and public procurement rules, will improve business conditions.

The importance of development aspect of EPA reflected in Part 1 of the Agreement (trade partnership for sustainable Development) recalling the basic principles of the partnership:

sustainable development, regional integration, monitoring and last but not least, general provisions on development cooperation, recognizing that dev cooperation is a crucial element in the new trade partnership as well as the exemplary summary of cooperation priorities (Art 8).

In addition, each sectoral chapter contains a specific article outlining cooperation priorities which are areas in which the Parties agree to cooperate.

Actions

Hence, the establishment of the EPA entails reforms at regional and national level but also include detailed development cooperation provisions that commit the EU to support these EPA-related reforms in order to maximise the benefits and minimise the costs.

In addition to the above, the benefits of the EPA include improved access to the EU market via a duty free, quota free trade regime and simplified rules of origin for CARIFORUM goods but also unprecedented access for certain services and service providers. This implies significant trade liberalisation, even though the need for a sufficient element of asymmetry both in terms of schedules and cover has been fully recognised by the EC, by providing for long transition periods of up to 25 years and for the exclusion of a number of sensitive products. In addition to market access in goods and services, the agreement covers a comprehensive set of provisions on trade rules and disciplines (e.g. Technical Barriers to Trade, Sanitary and Phytosanitary Measures, Agriculture and Fisheries, Competition, Innovation and Intellectual Property, Public Procurement, Environment and Social Aspects), institutional provisions, as well as an important development component to ensure that the Caribbean states are able to adjust to the new challenges of globalisation and to maximise the benefits from the agreement. It also contains a built-in agenda for future negotiations in a number of areas such as services and government procurement.

Approach

The general approach of the EPA is to build on and reinforce regional integration in the Caribbean by means of market building and, in subsequent market opening, to use asymmetric flexibility for the benefit of the Caribbean in terms of

product coverage and periods for tariff elimination and provide tailor made assistance thereby helping to promote sustainable development. In addition, the introduction of specific cooperation provisions in the text of the agreement ensures that the EPA will become a genuine development tool.

Financial Support

Already the preparatory phase (2002-2007) has been used for capacity-building, supporting regional integration, strengthening of regional organisations and enhancement of competitiveness, inter alia through a range of activities under the 9th EDF Regional Programme, all-ACP programmes as well as sector specific programmes, such as to facilitate transition in the banana, sugar, rice or rum industries i.e., €76 million for regional cooperation (9th EDF), and €680 million for adjustment in sensitive productions (bananas, rum, rice and sugar), Similarly the 10th EDF (2008-2013) entails very significant assistance to EPA related needs:

The regional programme, which focuses on regional integration and EPA, more than doubled between the 9th and the 10th 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 concerns €454 million (\$635 million) out of € +/- 600 million, that is 75% of the national programmes. Obviously the Cotonou agreement will last until 2020.

Accordingly, the 10th EDF – representing over €760 million (\$1 billion) - will be followed up by a third financial protocol, covering the period beyond 2013.

Finally it is noteworthy that The Declaration on Development Cooperation reiterates 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.

** From the "European Community—Caribbean Region, Regional Strategy Paper and Indicative Programme 2008-2013", Annex IIA. http://ec.europa.eu/development/icenter/repository/scanned_r9CARAI_rsp-2007-2013_en.pdf*

This fact sheet describes the content of part of the EU-Cariforum EPA. It does not in any way replace or interpret the provisions of this agreement.