



Introduction to the CARIFORUM-EC EPA¹

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The CARIFORUM countries and the EU launched Economic Partnership Agreement (EPA) negotiations back in April 2004 with an ambitious negotiating roadmap covering the full range of trade issues. The final EPA reflects this roadmap and forms a comprehensive and far reaching agreement. It covers trade in goods and services, investment, trade related issues like innovation and intellectual property as well as links to development cooperation.

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. This comprehensive approach is what constitutes the development dimension of the EPA and all the provisions of the EPA are designed to support it. The approach is explained in more detail below.

Summary of the CARIFORUM EPA objectives

- Reducing and eradicating poverty through a trade partnership
- Promoting regional integration, economic cooperation and good governance
- Ensuring the gradual integration of the CARIFORUM countries into the world economy
- Improving the CARIFORUM countries capacity in trade policy and trade related issues
- Promoting economic growth, increasing investment and improving private sector capacity and competitiveness in CARIFORUM
- Strengthening CARIFORUM – EU trade relations

The CARIFORUM EPA countries

The 15 CARIFORUM EPA countries are: Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Saint Kitts and Nevis, Suriname, and Trinidad and Tobago. Haiti was not in a position to sign at this stage but the EU and the regional partners will continue to engage with Haiti to create the conditions for them to join the Agreement as soon as possible. Cuba is also a member of CARIFORUM but is not part of the ACP group and did not participate in negotiations.

¹ 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.

The Development Dimension Explained

The development dimension of the Caribbean EPA is built up of a series of principles, objectives and specific undertakings throughout the agreement. Some of the key aspects of the development dimension are:

- Making **sustainable development** the overarching objective of the EPA;
- Including the principle of promoting Caribbean **regional economic integration** throughout the agreement and identifying specific measures to support this, such as common CARIFORUM commitments in trade in goods and services as well as various investment provisions and other common undertakings;
- Ensuring existing obstacles to trade and investment are gradually removed to help create enhanced economic opportunities and wealth generation in the Caribbean;
- Using **asymmetrical and progressive** obligations to ensure CARIFORUM countries do not go as far as the EU in undertaking commitments in areas ranging from trade in goods and services to investment, intellectual property and competition policy;
- Building in significant **transition periods** to allow CARIFORUM commitments to phase in over time in order to build the human and institutional capacity needed to advance the Caribbean regional integration process;
- Including specific EU concessions like free access to Europe for CARIFORUM goods and unprecedented arrangements for CARIFORUM service providers;
- Setting out market access arrangements in a legally binding agreement so there is no uncertainty over future trading conditions for Caribbean traders and investors;
- Providing improved "Rules of Origin" to promote value added processing in the Caribbean region.
- Ensuring specific provisions address key sustainable development issues, such as eco-innovation, social issues and the environment;
- Using specific **safeguard clauses** to protect CARIFORUM economies from export surges, food security problems and balance of payments difficulties.
- Guaranteeing each signatory the **right to regulate economic activity** on their territory, particularly as regards services, investment and measures to protect the environment or the rights of workers from a race to the bottom;
- Identifying priorities for cooperation in each chapter of the agreement.
- Using enhanced development cooperation to support the implementation of the agreement, including financial cooperation from the European Development Fund and EU member states.

The Structure of the EPA

The EPA is a legally binding international agreement set out in a document of several hundred pages. Its main content and structure are as follows:

The CARIFORUM EPA	
Part I: Trade Partnership for Sustainable development (art. 1 – 8)	<i>Objectives, principles, sustainable development, regional integration, monitoring, cooperation in international fora, development cooperation, cooperation priorities</i>
Part II: Trade and Trade related Matters	
I. Trade in goods (art. 9 – 59)	<i>Customs duties, trade defence instruments, non-tariff measures, customs and trade facilitation, agriculture and fisheries, technical barriers to trade sanitary and phyto-sanitary measures</i>
II. Investment, trade in services, e-commerce (art. 60 - 121)	
III. Current payments and capital movement (art. 122 - 124)	
IV. Trade related issues (art. 125-201)	
1. Competition	
2. Innovation and Intellectual Property	
3. Public Procurement	
4. Environment	
5. Social Aspects	
6. Protection of personal data	
Part III: Dispute Avoidance and Settlement (art. 202 – 223)	<i>Consultation and mediation, dispute settlement procedures</i>
Part IV: General Exceptions (art. 224-226)	
Part V: Institutional Provisions (art. 227-232)	<i>Joint CARIFORUM-EC Council, CARIFORUM-EC Trade and Development Committee, CARIFORUM-EC Parliamentary Committee, CARIFORUM-EC Consultative Committee</i>
Part VI: General and Final Provisions art. (233-250)	
Protocol on Rules of Origin	
Protocol on Mutual Administrative Assistance in Customs Matters	
Protocol on Cultural Cooperation	

Summary Fact Sheets

Summary fact sheets are available to explain some aspects in more detail. These fact sheets cover:

- Trade in goods
- Trade in services
- Investment
- Competition
- Innovation and Intellectual Property
- Public Procurement
- Development cooperation

Background to Economic Partnership Agreements

EPAs are trade and economic partnerships between regional groups of African Caribbean and Pacific (ACP) countries and the EU. They replace the trade arrangements of the EU-ACP Cotonou Partnership Agreement which expired at the end of 2007. The ACP countries decided themselves on the regional groupings for EPA negotiations. There are four negotiating regions in Africa, one in the Pacific and one in the Caribbean. The Caribbean group is made up of the 15 CARIFORUM countries.

EPAs will establish comprehensive trade agreements to promote sustainable development and poverty reduction by helping integrate ACP regions into the world trading system and supporting their own regional economic integration. They will promote cooperation in a range of trade-related areas and improve access to EU markets as part of new goods and services trade arrangements compatible with WTO rules.

The development partnership between the EU and the ACP countries set out in the Cotonou Agreement is much broader than just trade and there are close links between the EPAs and EU development cooperation. This will ensure ACP countries have the support available to benefit from and implement EPAs effectively.

Bringing ACP-EU Trade Relations in line with WTO commitments

The EPAs solve a long running dispute between the EU and ACP and other developing countries. Under WTO rules developed countries must treat all developing countries equally rather than favour those where they have historical or cultural links as was the case with the Cotonou trade arrangements.

This led to years of legal wrangling and complaints from non-ACP developing countries that undermined security for ACP traders and investors. The EU and ACP therefore agreed with other WTO members to negotiate new WTO compatible trade arrangements under a special waiver from their WTO commitments that expired in 2007.

To comply with WTO rules and continue to provide the ACP with preferential EU market access, EPAs must establish a Free Trade Area that opens up “substantially all trade” between the ACP regions and the EU. They do this immediately by opening on the EU side and gradual change on the ACP side. EPAs also make full use of the provision in WTO rules for exclusions, safeguards and monitoring to protect sensitive and emerging industries.

For more information on the CARIFORUM EPA, see:

The DG Trade web pages on EPAs: http://ec.europa.eu/trade/issues/bilateral/regions/acp/news_epa_en.htm

The website of the Caribbean Regional Negotiating Machinery: www.crnw.org

Full text of the CARIFORUM-EC EPA: http://ec.europa.eu/trade/issues/bilateral/regions/acp/pr220208_en.htm

Full text of the Cotonou Agreement: http://ec.europa.eu/development/geographical/cotonou/cotonoudoc_en.cfm