

**FIVE YEAR REVIEW OF THE CARIFORUM-EU ECONOMIC PARTNERSHIP  
AGREEMENT  
JOINT WORKING DOCUMENT  
14 JULY 2015**

**A. INTRODUCTION**

1. The Economic Partnership Agreement between the CARIFORUM States of the one part, and the European Community and its Member States, of the other part was signed by the Parties on 15 October 2008<sup>1</sup>. All Parties (with the exception of Haiti) are provisionally applying the EPA.
2. The basis for the Five Year Review of the CARIFORUM-EU EPA is set out in the *Declaration on the Signing of the Economic Partnership Agreement*. The Declaration, in part, states the following:

*We understand that, in the context of our continued monitoring of the Agreement within its Institutions, as provided for under article 5 of the Agreement, a comprehensive review of the Agreement shall be undertaken not later than five (5) years after the date of signature and at subsequent five-yearly intervals, in order to determine the impact of the Agreement, including the costs and consequences of implementation and we undertake to amend its provisions and adjust their application as necessary.*

3. Under Article 227 of the EPA the Joint CARIFORUM-EU Council supervises the implementation of the Agreement and is responsible for undertaking the five year review. In preparation for the comprehensive review of the EPA by the Third Meeting of the Joint CARIFORUM-EU Council, the Parties undertook the following actions:
  - The piloting of a Study entitled “Monitoring the Implementation & Results of the CARIFORUM-EU EPA Agreement” which provided a basis for discussion between the Parties;
  - The establishment, at the Fourth Meeting of the Trade and Development Committee, of a CARIFORUM-EU Task Force on the Five Year Review to review the implementation and operation of the EPA to date and to make proposals for the consideration of the Joint CARIFORUM-EU Council;
  - The convening of the Technical Sub-Committee on Development Cooperation as well as sector specific meetings on agriculture and fisheries, monitoring, and

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<sup>1</sup> Guyana signed the CARIFORUM-EU Economic Partnership Agreement (EPA) on 20 October 2008 and Haiti signed on 10 December 2009

trade in services to advise and make recommendations to the TDC on the five year review;

- The convening of the Fifth Meeting of the Trade and Development Committee to review the recommendations of the Task Force.

## **B. BACKGROUND**

4. This review of the EPA by the Joint Council represents the first opportunity for the Parties to undertake an overall assessment of the Agreement and to determine its impact, including the costs and consequences of implementation.
5. The review exercise has also benefitted from discussions within the Joint CARIFORUM-EU EPA Institutions, including the CARIFORUM-EU Parliamentary and Consultative Committees<sup>2</sup>. Article 5 of the EPA requires the Parties to continuously monitor the operation of the Agreement through, *inter alia*, the joint institutions set up under the Agreement. Although in the context of the joint institutions there has been some monitoring, to date no system has been developed and as such there are no formal benchmarks or indicators to help structure how the review is undertaken within the Joint Institutions. In order to ensure that the objectives of the Agreement are realised and the Agreement is properly implemented, the two Sides established a joint task force on monitoring with a view to developing an appropriate monitoring system.
6. The review exercise also included exchanges on the links between development cooperation and EPA implementation, including an analysis of the coverage and impact of the cooperation assistance under the 10<sup>th</sup> EDF as well as exchanges on the magnitude of the adjustment needs and the resources allocated under ongoing and future EU instruments.
7. The review process could also result in the amendment of some of the provisions of the Agreement and the adjustment of their application as necessary. This could be effected through:
  - Unilateral undertakings ;
  - The triggering of review clauses of the Agreement which could then be effected by Decisions of the Trade and Development Committee or the Joint CARIFORUM-EU Council; and
  - A renegotiation of provisions of the EPA.

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<sup>2</sup> The Joint Declaration of the Second Meeting of the CARIFORUM-EU Parliamentary Committee and the Joint Statement of the First Meeting of the CARIFORUM-EU Consultative Committee are attached at **Annex I**

## **Global Financial and Economic Crisis**

8. The review study suggests that the global financial and economic crisis had a profound impact on economic development generally and on the ability of the Parties to take advantage of the market access opportunities available under the Agreement. According to the review study, the global financial and economic crisis had a negative impact on key economic indicators and sectors such as GDP, government revenue, remittances, foreign direct investment, tourism and infrastructure projects.
9. The global financial and economic crisis was also more impactful on those CARIFORUM States that were also affected by the preceding food and energy crisis 2006-2008. Compounding this problem were the natural disasters<sup>3</sup> experienced by some CARIFORUM States, which had a negative impact on economic growth during the review period.
10. The review study also suggests that the financial and economic crisis had an impact on trade as there were reductions in the majority of CARIFORUM States' trade with the rest of world. Guyana and Suriname performed better than other CARIFORUM States as their economic output was bolstered by the mining and export of gold, bauxite, diamonds and petroleum.

## **CARIFORUM-EU Trade**

11. With respect to trade in goods, the review study shows that with the exception of the Dominican Republic, Guyana and Suriname, CARIFORUM States experienced declines in the value of goods imported from the EU during the review period. In instances where there were increases in imports, a number of these products were either excluded from liberalisation, subject to long phase out periods or were already zero rated<sup>4</sup>. As such it is difficult to link some of these imports to the Agreement.
12. The limited impact is also reflected in CARIFORUM's exports to the EU. According to the review study commodity and energy producing countries experienced export growth during the review period. The study also suggests that the export growth recorded during the period was attributed to other factors that were unrelated to the EPA such as changes to the internal market regime in the EU or due to restructuring of the private sector to take advantage of other trade agreements such as DR-CAFTA.

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<sup>3</sup> Some of the CARIFORUM States affected by natural disasters include: Antigua and Barbuda, Belize, Dominica, Guyana, Haïti, Jamaica and Saint Lucia

<sup>4</sup> Some of CARIFORUM imports from the EU included: machinery equipment, motor vehicles, spare parts, beauty products, jewellery, laundry machines, tobacco, whiskey, wines, olive oil, onions and shallots.

13. It is important to note that there was a significant decline in trade between the Organisation of Eastern Caribbean States (OECS) and the EU. The value of the OECS exports significantly reduced when compared to the five years before the signature of the Agreement, due in part to changes to the EU internal regime and difficulties in improving the competitiveness of industries in the OECS.
14. With respect to trade in services, the review was significantly affected by the limited data available on CARIFORUM-EU Trade. Although there has been improvement in the collection of statistics on trade in services, there remain gaps that prevent an analysis of CARIFORUM-EU trade at the sector or country levels (tourism being a notable exception).

### **Impact of the EPA on CARIFORUM States**

15. According to the review study, estimates for revenue losses of CARIFORUM States range from € 74 million to € 159 m for the period 2009-2013, and from € 353 m to € 498 m for the period 2009-2033. This projection does not take into account any trade divergence resulting from lower tariffs being applied to EU goods over the period of liberalisation nor the elimination of other duties and charges as provided for under Article 16. The projections also do not take into account any fiscal adjustment measures implemented by CARIFORUM States.
16. The signature of the EPA represented a departure from the principle of non-reciprocity for the OECS as they were not required to grant market access to their bilateral FTA partners<sup>5</sup> before the signature of the EPA. This may have required a degree of adjustment for the OECS that was greater than what was experienced in other CARIFORUM States.
17. The EPA had a positive impact on the development of trade policy in the region and has also impacted on positions taken in subsequent trade negotiations with third Countries<sup>6</sup>.

### **Development Cooperation**

18. Under Article 7 of the EPA, the Parties recognise that development cooperation is a crucial element of their partnership and an essential factor in the realisation of the objectives of the Agreement. The Parties agreed that supporting EPA Implementation shall be carried out within the frameworks of the Cotonou Agreement and the General Budget of the European Union. Member States of the

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<sup>5</sup> Such as the Agreement Establishing a Free Trade Area Between Caribbean Community and the Dominican Republic and CARICOM-Costa Rica Agreement

<sup>6</sup> This includes the negotiation of bilateral agreements between St. Kitts and Nevis and Brazil

EU have also collectively undertaken to support development cooperation activities related to the implementation of the EPA, including regional economic cooperation and integration.

19. In the Joint Declaration on Development Cooperation, the Parties also recognise the important adjustment challenges that the implementation of this Agreement will pose, in particular to smaller economies among the CARIFORUM States and that an important number of commitments undertaken in this Agreement will require the rapid start of reforms.

### **Main actions taken to date**

20. Some of the main actions taken since the signature of the EPA are listed below:

- Ratification of the Agreement by seven (7) CARIFORUM States<sup>7</sup> and seventeen (17) EU Member States<sup>8</sup>. Some CARIFORUM States have also enacted legislation to give domestic effect to the EPA;
- The Joint EPA Institutions established have been operationalised and are contributing to the operation of the Agreement. The TDC has also agreed to establish:
  - The Technical Sub-Committee on Development Cooperation;
  - A Special Committee on Agriculture and Fisheries; and
  - Informal committees.<sup>9</sup>
- Some of the outcomes of the Joint Institutions include:
  - The Decision of the Joint Council on the Participation in the Consultative Committee;
  - The incorporation of the investment and trade in services commitments by the Bahamas into Annex IV of the EPA;
  - The undertaking by the EU not to challenge the imposition of restrictions on the importation of used vehicles by Barbados, Jamaica, Suriname and Trinidad and Tobago;
  - The Decision of the TDC to develop modalities for collaboration on cultural exchanges and dialogue between CARIFORUM and the EU to give effect to Protocol III on Cultural Cooperation;

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<sup>7</sup> These are the Dominican Republic, Antigua and Barbuda, Dominica, Belize, Guyana, Saint Lucia and St. Vincent and the Grenadines

<sup>8</sup> These are Austria, Belgium, Bulgaria, Cyprus, Denmark, Finland, France, Greece, Italy, Lithuania, Malta, Netherlands, Portugal, Slovakia, Spain, Sweden and the United Kingdom

<sup>9</sup> This includes the informal working group on the ten year moratorium for motor vehicles and their parts and components, a small working group on paper and paper board products and an informal working on Haiti.

- The Decision of the TDC to develop modalities to promote regular dialogue on tourism matters in keeping with Article 118 of the EPA;
  - The Decision adopted by the Special Committee on Customs Cooperation and Trade Facilitation to grant the Dominican Republic a derogation from Protocol I of the EPA for certain textiles; and
  - The agreement to correct the error in Appendix I to Annex III related to HS sub-heading 8536.70;
- All of the national and regional EPA coordinators have been notified as provided for under Article 234 of the EPA and are operational;
  - The 10<sup>th</sup> European Development Fund (EDF) Caribbean Regional Indicative Programme (CRIP) provided direct support for EPA implementation to CARIFORUM States under the programme *Support to the Forum of Caribbean States in the Implementation of Commitments Undertaken under the Economic Partnership Agreement*. Indirect support was also provided to CARIFORUM States under other 10<sup>th</sup> CRIP Programmes<sup>10</sup>.

Support for EPA implementation was also accessed through 10th EDF intra-ACP programmes such as ACP Business Climate and the ACP MTS Programme<sup>11</sup>.

- The 11<sup>th</sup> EDF CRIP that was signed on 11 June 2015 in Brussels will also support the implementation of the EPA in CARIFORUM States.
- Additional support for EPA implementation was provided through bilateral Aid-for-Trade (AfT) Programmes that were financed by The United Kingdom, Germany and Spain. These programmes have facilitated actions geared towards EPA implementation at the national and regional levels.
- With respect to trade in goods:
  - The EU has granted duty free and quota free access for all products except chapter 93 of the Harmonised System (arms and ammunition) to all CARIFORUM States. Haiti has equivalent access to EU markets under the 'Everything But Arms' component of the Generalised Scheme of Preferences, but does not benefit from the same rules of origin.
  - CARIFORUM States have been effecting tariff reductions as scheduled in Appendix I to Annex III<sup>12</sup>;

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<sup>10</sup> The Regional Private Sector Development Programme, The CARICOM Single Market and Economy and Economic Integration Programme, The Economic Integration and Trade of the OECS and The Dominican Republic-Haiti bi-national programme.

<sup>11</sup> Other Intra-ACP programmes that indirectly supports EPA implementation include the Agricultural Policy Support Programme (APP)

- CARIFORUM States have also notified the Other Duties and Charges that are subject to removal by 2018;
  - Improved sharing of information on Customs administration issues including matters related to the provision of updates on specimen impression of stamps used on EUR 1 movement certificates as well as updates on authorised offices responsible for certifying the originating status of goods.
- With respect to Trade in Services:
    - The CARIFORUM Directorate conducted legislative gap analyses for some CARIFORUM States in order to determine the areas requiring legislative intervention for EPA compliance. The Directorate also developed pieces of model legislation<sup>13</sup> to assist CARIFORUM States with the development of their legislative framework consistent with their EPA obligations and to take advantage of the Agreement.
    - The CARIFORUM Directorate also provided technical assistance in the form of a compilation of measures of general application to enable the enquiry points to meet their obligations under Article 86.
    - CARIFORUM and EU professional associations have also held exchanges on the development of mutual recognition agreements for architecture and engineering services. Representatives from the architecture profession have advanced the development of regional MRAs, which would be used as a basis for negotiating a mutual recognition agreement with the EU<sup>14</sup>. Work towards the development of a mutual recognition agreement for the engineering sector is less advanced.
    - CARIFORUM has developed an action plan to assist the entertainment services industry in increasing their exports to the European Union. Work towards the development of a registry for cultural practitioners has also commenced.
  - The development of plans at the national level to guide EPA Implementation. A detailed regional roadmap was also prepared to coordinate EPA related actions.

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<sup>12</sup> For 2011 thirteen States; for 2013 eleven States;.

<sup>13</sup> Telecommunications, maritime transport, professional services and ,temporary presence of natural persons for business purposes,

<sup>14</sup> Article 85 (2) requires the Parties to encourage the relevant professional bodies in their respective jurisdictions to jointly develop and provide recommendations to the Trade and Development Committee. Under paragraph 3 of the same Article, the Parties shall encourage the relevant professional bodies in their respective territories to start negotiations no later than three years after entry into force of the Agreement.

- National EPA Implementation Units were also established to support the coordination of EPA related actions and a regional Unit was set up provide technical support to States.

## **Challenges**

21. Some of the challenges relating to the implementation of the Agreement include the following:

- The conversion of market access offered by the EPA into meaningful market presence remains a major challenge for the CARIFORUM private sector. This includes the limited productive capacity and supply side constraints affecting the private sector, as well as the need for trade and investment promotion.
- With respect to regional integration among CARIFORUM States, the implementation of Article 238 ('regional preference') has not yet materialised as contemplated;
- No monitoring system was set up during the period under review notwithstanding the link between the continuous monitoring of the EPA and the Five Year Review of the EPA. This affects the extent to which the two Sides could utilise objective data to take decisions relating to the EPA and had an impact on the depth and scope of this current review;
- Issues which remain unresolved at the level of the Joint Institutions are::
  - The application of the 10 year moratorium for motor vehicles and their parts and components;
  - The treatment by Trinidad and Tobago of paper and paper board products; and
  - The application of the octroi de mer by the outermost regions.
- The modalities related to cultural industries and the tourism sector have not been implemented.
- Designated enquiry points, contact points and/or competent authorities do not necessarily correspond to the ones listed in the EPA and some may not have the capacity to discharge their functions effectively.
- The financing of needs for EPA Implementation under the Cotonou Agreement is a challenge given the finite nature of resources available under that instrument.

Additionally, the value of programmes available at the national level has shrunk while the overall value of the Regional Indicative Programme has increased.

- The investment and trade in services provisions have not yielded the benefits as originally envisaged. In particular CARIFORUM service suppliers have faced problems in taking advantage of the commitments on the temporary presence of natural persons for business purposes.
- Most of CARIFORUM exports were concentrated in the mineral and traditional commodity product groups. Trade in new sectors was limited and CARIFORUM has not yet reached to the level of diversification of exports as anticipated in Article 8 (iv) of the Agreement. With the exception of goods originating from the Dominican Republic (including certain textiles, medical supplies and electronic equipment etc) there were few new products exported to the EU.
- A challenge affecting the Parties in the area of agriculture and fisheries is giving effect to Chapter 5 of the CARIFORUM-EU Economic Partnership Agreement (EPA). The need for exchange of information and consultation, including in relation to traditional and non-traditional agricultural products, has been identified.<sup>15</sup> Activating the cooperation provisions has also been identified.<sup>16</sup>
- The Chapters related to Social Aspects and Environment have further fleshed out the Trade and Sustainable Development (TSD) aspect of the partnership established under the Cotonou Agreement. These chapters require the maintenance of levels of protection meeting relevant international standards. Regional integration aspects could be further developed and discussed in line with Articles 185 and 194 of the EPA. The Parties have not felt the need to seek advice from relevant international bodies or to request the convening of a committee of experts.
- The EPA contains a large number of articles related to CARIFORUM regional integration (in customs, SPS, services etc.). The potential of these articles for discussing and promoting regional integration has not yet been well exploited.
- Although the OECS has commenced work on the establishment of a regime for free circulation of goods within the OECS Economic Union, further work needs to be done on the free movement of EU goods within CARIFORUM.

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<sup>15</sup> Articles 41 and 42 of the CARIFORUM-EU EPA

<sup>16</sup> Article 43.

### **C. ANALYSIS**

22. The global financial and economic crisis dealt a major blow to the economic stability of most CARIFORUM States and had a negative impact on GDP, trade and other socio-economic indicators. This arguably also had an impacted on the implementation of EPA related reforms, as CARIFORUM States did not have the resources to enhance their capacity to undertake the necessary actions to take advantage of the Agreement. The recession also affected the extent to which the private sector could source affordable financing to adjust to the changing and more competitive business environment. The ability to support the development of “new industries” as well as micro small and medium sized enterprises was also compromised.
23. Although the precise magnitude of the revenue loss is not verified, any significant reductions in revenue collection would affect the efforts by States to address the fiscal challenges brought on by the global economic and financial crisis. Given the highly indebted state of the majority of CARIFORUM economies already before the crisis, any reduction or loss of revenue would have a negative impact on these Countries growth strategies and developmental objectives. There is need to further review the revenue implications of the EPA.

#### **The Continuous monitoring of the EPA**

24. Developing a monitoring and evaluation system for the EPA poses challenges given, in particular, the limited human and financial resources for extensive data collection, analysis and reporting in a timely manner.
25. Given the challenges, the following basic principles, at a minimum, should underpin the monitoring system:
  - the existing or planned monitoring mechanisms at the national, sub-regional and regional levels;
  - the need for an effective and user friendly tool that could facilitate the generation of monitoring reports, at the national and regional levels in a sustainable manner;
  - the costs associated with monitoring at the various levels and the scarce human and financial resources of the Parties need to be considered; and
  - the need to avoid duplication of efforts with existing monitoring frameworks.
26. Additionally, the monitoring and evaluation system should address not just implementation of the Agreement by the Parties, but also the operation of the Agreement as envisaged by Article 5. The monitoring system must also take into account the overall annual review of the EPA by the Trade and Development

Committee as well as the review every five years by the Joint Council. Also of significance is the extent to which the results of the development cooperation objectives are being realised.

27. With the aim of commencing the implementation of the system in 2016, the following next steps have been agreed:
- The Monitoring Task Force will meet with a consultant that has been identified to assist CARIFORUM States with the development of the monitoring system to further refine and clarify the parameters of the project by the end of July 2015.
  - The convening of a stakeholders meeting to verify and endorse the findings of the consultancy.
  - The two sides will take further decisions on the M&E system based on the report and other findings at the Sixth Meeting of the Trade and Development Committee.

### **Development Cooperation**

The adjustment challenges posed by the implementation of the EPA are recognised by the inclusion of cooperation provisions throughout the Agreement. A listing of these provisions is at **Annex III** to this working document.

28. Some of the areas where the delivery of support to CARIFORUM States has commenced include: fiscal reform, technical barriers to trade, sanitary and phytosanitary measures, trade in services, institutional capacity building, private sector development, competition, procurement and customs and trade facilitation.
29. However there are some areas where the provision of support is still required including: monitoring the operation of the EPA, innovation and research, intellectual property, trade in services, cultural industries, customs and trade facilitation and private sector development.
30. The Parties have established a Technical Sub-committee on Development Cooperation to further consolidate on-going CARIFORUM-EU dialogue on EPA development cooperation and to monitor the implementation of EPA development cooperation priorities. The Sub-Committee is charged with examining all the relevant provisions of the EPA and making recommendations to the Trade and Development Committee on approaches and actions aiming at implementation of those provisions. The two sides have agreed to explore further opportunities for EPA-related development cooperation between CARIFORUM States and individual EU Member States.

## **Operational and Capacity Constraints**

31. A major constraint affecting CARIFORUM States is the limited institutional capacity at the national and regional levels. At the national level, some of these institutional and implementation issues are:
- Limited human and financial resources to effectively coordinate the implementation of EPA-related actions;
  - Absence of key institutions;
  - Inadequate institutional capacity; and
  - Weakness in national institutions to provide support to the Private Sector.
32. At the regional level, a number of the institutional and capacity constraints mirror the challenges at the national level. These include:
- Limited human and financial resources for the coordination of EPA implementation; and
  - Capacity limitations in existing regional institutions to promote investment and private sector development, enhance trade in services, comply with standards and technical requirements, negotiate mutual recognition agreements, and to promote and take advantage of intellectual property.

## **Dispute Avoidance and Settlement**

33. During the period under review, there was no dispute between the Parties requiring the triggering of any of the mechanisms set out in Part III, Dispute Avoidance and Settlement. However, the list of 15 arbitrators, which was required within three months of provisional application of the EPA, has not yet been established. To date, agreement has been reached with respect to ten of the fifteen individuals and the two Sides are close to having agreement on the full list.
34. Additionally, given the fact that, unlike the EPA, the Cotonou Agreement is one of limited duration, CARIFORUM has flagged the need to take stock of Article 203(2) which provides that in the event of a dispute concerning development finance cooperation, the procedures set out in Article 98 of the Cotonou Agreement will apply.

## **Institutional Provisions**

35. The CARIFORUM-EU Economic Partnership Agreement (EPA) establishes four (4) main institutions which have responsibility for the implementation, monitoring and review of the Agreement. The Institutions are the Joint CARIFORUM-EU Council; the CARIFORUM-EU Trade and Development Committee; the CARIFORUM-EU Parliamentary Committee and the CARIFORUM-EU Consultative Committee. The

EPA also establishes the Special Committee on Customs Cooperation and Trade Facilitation and makes provision for the establishment of other Special Committees to be established.

36. Rules of Procedure which the Joint CARIFORUM-EU Council was required to develop are in place and have guided the operations of the relevant joint institutions. (The Parliamentary and Consultative Committees were tasked with developing their respective Rules of Procedure.) However, there has been some difficulty in the practical application of some of the rules. It may therefore be necessary for there to be a review of the Rules of Procedure.

### **Trade in Goods**

37. Although some companies have fared better than others, there remains an issue of increasing market presence for CARIFORUM firms. There are structural challenges that existed before the EPA was signed which continue to frustrate growth in CARIFORUM's exports to the EU. Some of the challenges affecting the private sector include:

- Limited resources to finance innovation as well as research and development which exacerbates the supply side constraints that limit productivity and competitiveness;
- Difficulty in meeting SPS measures and dealing with technical requirements as well as voluntary standards;
- Limited capacity of business support institutions to strengthen competitiveness and promote export-led growth;
- Inadequate access to affordable transportation and energy; and
- Lack of an appropriate regulatory and enabling environment to facilitate trade.

38. There is however evidence that the EPA stimulated trade in a few sectors notably as a result of improved rules of origin under EPA as in the case textiles.

### **Agriculture and Fisheries**

39. With respect to agriculture, CARIFORUM and the EU agree that CARIFORUM requires strategic policies, investment and development cooperation (as referred to above) with respect to: (i) enhancing competitiveness of potentially viable production and value addition in both the traditional and non-traditional export sectors; (ii) export marketing (including market research, improvement of marketing infrastructure and transportation, and the identification of financing and cooperation options for producers and traders); (iii) compliance with and adoption of quality standards relating to food production and marketing, including standards relating to environmentally and socially sound agricultural practices and organic

and non-genetically modified foods; and (iv) promotion of private investment and public-private partnerships in potentially viable production.

40. CARIFORUM has also identified certain commodity trade policy issues that require further dialogue and action, such as: sugar (including the rules related to cumulation for sugar-based products), rum, rice, bananas and cocoa. Additionally, the impact of preference erosion and how to respond to greater competitiveness in the EU and other export markets also require further dialogue and action.
41. With respect to fisheries, CARIFORUM and the EU have identified the need for greater exchange of information, consultation and cooperation, with a view to addressing CARIFORUM issues in relation to: (i) sustainability and resource management; (ii) building the capacity of CARIFORUM operators to comply with national, regional and international technical, health and quality standards for fish and fish products; (iii) building or strengthening the scientific and technical human and institutional capability at regional level for sustainable trade in fisheries products, including aquaculture; (iv) value added/value chain approach to fisheries; (v) addressing Illegal, Unreported and Unregulated (IUU) fishing. The EU however noted that the EPA is not the appropriate forum to discuss the EU's IUU regulation; (vi) research and development; and (vii) strengthening data and information systems.

### **Investment and Trade in Services**

CARIFORUM and the EU have identified the following areas for particular attention regarding the implementation of the services provisions in the EPA:

#### Collection of Data and Statistics in the Area of Trade in Services

42. Given the challenges concerning the collection of data there is need for:
  - Further consultation amongst both Sides on initiatives dealing with the data collection;
  - Further development of the regulatory framework which mandates the collection of services trade data;
  - Formulating recommendations to address the lack of financial and human resources;
  - A targeted approach to gathering information on specific sectors/subsectors; and
  - Collaboration of statistical professionals on both Sides.
43. While it was recognised that significant improvements in data collection by statistical departments have occurred at both the regional and international levels

there are still “gaps” that have affected the availability of data which prevented any meaningful analysis on CARIFORUM-EU Trade.

#### Temporary Presence of Natural Persons for Business Purposes

44. CARIFORUM and the EU agreed that there is a need for the exchange of information on the respective regulatory framework regarding the entry and temporary stay of persons for business purposes under the EPA.
45. CARIFORUM welcomed the development of the following initiatives:
  - extension of the list of countries approved to participate under the Schengen visa waiver regime;
  - the adoption of the Directive on Intra Corporate Transferees; and
  - the Commission’s proposal on touring visas to facilitate the entry and temporary stay of entertainers.
46. CARIFORUM however expressed some concern over the operation of these initiatives and questioned whether the region would derive any tangible benefits as contemplated.

#### Identification of Proposals to Strengthen Enquiry Points (Art 86)

47. It is imperative that the enquiry points are operational and provide up-to-date and relevant information in order to ensure compliance with Article 86 as well as facilitate services trade. The EU has informed that the list of enquiry points in all EU Member States has been updated and could be published.

#### Conclusion of Mutual Recognition Agreements

48. MRAs are an important mechanism for ensuring market presence and opportunities for trade in Architectural Services in addition to the other professional services identified under Article 85.
49. CARIFORUM recognises that it must finalise the process of approval of the draft MRAs (i.e. the Intra-CARICOM and the CARICOM-DR MRA) in order set the stage for concluding a CARIFORUM-EU MRA. CARIFORUM affirmed its commitment to engage in the necessary steps and processes to lead to the approval of the CARIFORUM-EU MRA by the Joint Council.
50. The professional associations from CARIFORUM and the EU must be encouraged to remain engaged in discussions on the development of the MRAs.

## The Way Forward

51. Continuing dialogue on certain sectors and issues affecting services trade is important to facilitate the implementation of the EPA. These issues include:

- The Development of Proposals on Tourism Services;
- Identification of Priority Sectors as well as the necessary Research and Support Required; and
- Support to National Coalitions of Services Industries

## **Cultural Industries**

52. Cooperation in cultural Industries is one of the newer elements of the CARIFORUM-EU partnership and one of the growth sectors for CARIFORUM States, however there has been limited promotion and use of Protocol III on Cultural Cooperation to stimulate opportunities for cultural artistes. The Protocol does not require a review at this time but rather activation. CARIFORUM and the EU should therefore recommit to the principles enshrined in the Protocol and agree that experts from both Sides should:

- identify the challenges facing the sector and provide recommendations on how to address them;
- exchange views on how to give effect to the Protocol; and
- re-examine the Decision concerning modalities on cultural exchanges and provide advice on how to activate and implement them.

53. CARIFORUM will also identify a focal point within the Directorate to facilitate informal exchanges with the European Commission to facilitate the exchange of information.

## **Outermost Regions**

54. Article 239 of the EPA, *inter alia*, promotes enhanced cooperation between CARIFORUM States and the Outermost Regions of the EU and it is well recognised that one of the advantages of the EPA is that it facilitates trade among CARIFORUM States and these outermost regions in the wider Caribbean area. However, the evidence suggests that there has been limited to no growth in trade between CARIFORUM and Martinique, Guadeloupe, French Guiana and St. Martin. This is notwithstanding the close proximity of these regions to CARIFORUM States and the close political, historical and cultural ties that exist between these outermost regions and most CARIFORUM States. Some of the factors that limit trade between CARIFORUM States and the outermost regions include:

- The application of the octroi de mer;
- SPS measures as well as technical requirements and voluntary standards;
- Language, market intelligence and business culture;
- Visa requirements; and
- Limited availability and high cost of air and maritime transportation.

CARIFORUM has commenced engagement in policy and political dialogue with the outermost regions in an effort to address the above factors. CARIFORUM will also seek to develop structures and processes for continuous dialogue to, inter alia, enhance trade with the outermost regions. On its part, the EU welcomes the steps announced by the CARIFORUM to reinforce cooperation with the outermost regions and, in this context, is committed to enhance the integration of these outermost regions in the CARIFORUM geographical area.

### **Clauses Potentially Requiring Follow up**

55. One of the main findings from the Task Force was that the two Sides should examine the review clauses contained in the Agreement to determine those that required attention. A summary listing of the review clauses are attached at **Annex IV**.

### **Built in Agenda**

56. With regard to the built-in Agenda contained in the EPA, the two sides exchanged views on Geographical Indications - Article 145E calls for the negotiation of an agreement on the future protection of Geographical Indications in their territories. The two Sides launched negotiations at the Third Meeting of the Trade and Development Committee and the two Sides have been working collectively in assisting the CARIFORUM private sector in developing product specifications that will assist with the registration of GIs in CARIFORUM and the EU. The Parties are working with a view to finalising the agreement in 2016.

### **General and Final Provisions**

57. During the period under review, no new State has acceded to the EPA. Note is taken however of the case of Croatia which is now a member of the European Union, but has not yet acceded to the EPA.