

The Caribbean – EU EPA: A Model Agreement? Report on the Workshop

On Wednesday 22 April, the Caribbean Politics Group along with the Royal Commonwealth Society and the Caribbean Council organised a half-day workshop at the Commonwealth Club in London. The event focused on the Economic Partnership Agreement (EPA) which was recently signed by the EU and the Cariforum (CARICOM countries and the Dominican Republic). Participants included members of the Caribbean Regional Negotiating Mechanism, the European Commission, the Commonwealth Secretariat, Caribbean and British universities, the private sector and civil society organisations. Funding was provided by: the Political Studies Association, the University of the West of England and Jamaica National Bank. The venue was provided free of charge by the Royal Commonwealth Society and the organisation of the event was facilitated by the Caribbean Council. The workshop was the first large-scale public event to be organised in the UK on the EPA process.

The afternoon began with a keynote address from David O’Sullivan, the Director General for Trade at the European Commission. He began by stating that the EPA was a trade and development agreement and had been designed around three major principles: reciprocity, a regional approach to trade, and the development of regional integration. He argued that criticisms of the Commission which had been made by NGOs were unfounded as the EU had sought to work with the Caribbean to ensure the protection of ‘sensitive products’. In that regard, only 80% of the Caribbean market had been liberalised, ensuring the Caribbean economies could protect their most vulnerable products.



David O’Sullivan

Panel one, chaired by Patsy Robertson of the Commonwealth Secretariat, presented an overview of the EPA. The first speaker, Ambassador Henry Gill, Director General

of the Caribbean Regional Negotiating Mechanism (CRNM), was able to provide important insights into the negotiating process leading up to the EPA. He pointed out that the EPA was a free trade agreement plus and the plus was development related. A number of positive aspects of the agreement were highlighted: it would give a boost to regional integration, it includes an extensive list of 'excluded' products, the period allowed for liberalisation is extensive and the Caribbean will be able to tap into EU innovation assistance and funding. Ambassador Gill ended his speech arguing that the challenge of implementation was significant and currently, the process was occurring too slowly, both at the national and regional level. The second speaker on the panel was the Jamaican High Commissioner to Britain, the Honourable Burchell Whiteman. He spoke about the crucial need for public education within the region, both for the private sector and wider members of society and about the possible benefits the EPA could bring for economic development. In essence, he argued that the EPA provided an opportunity for Caribbean businesses to reposition themselves within the global market, to be competitive and efficient and thereby promote greater economic development and opportunities.



Patsy Robertson, Ambassador Henry Gill

Panel two, chaired by Dr Peter Clegg of the University of the West of England, focused on the crucial issue of implementation. Ambassador Richard Bernal, former Director General of the CRNM, spoke about the fundamental need to organise institutional frameworks both at a regional and national level to ensure that the advantage gained by being the first region to sign an EPA was not lost. A number of key issues remain to be addressed: the legislative and institutional framework needs to be organised, the process of accessing resources was currently too bureaucratic, the

private sector should be more proactive and less cautious, more should be done to access aid for trade, and the public sector needs to be the focal point for coordination of the EPA across governments. The second speaker, David Jessop of the Caribbean Council, began by discussing the difficulties of implementation of the EPA in the current financial crisis. He expressed concern that national governments might become more protectionist in order to respond to the current challenges facing them. However, his main concern was that the private sector is not sufficiently aware of how to engage with the EPA. He called for a Caribbean wide business council, completion of the Caribbean Single Market Economy (CSME), a more proactive trade policy, and better coordination with donors. Dr John Rapley, of the Caribbean Policy and Research Institute (CaPRI) reported on modelling his think tank had undertaken regarding the possible impact of the EPA. Using the Jamaican case, he noted the areas likely to be negatively affected were prepared food and garments (which would be subject to greater competition) and there would be a reduction of 0.4% in fiscal revenue. On the positive side, there would be a small increase in trade, an estimated 2.7% increase in GDP and tourism, financial, business services and communications were likely to improve. Rapley concluded by pointing out that the concentration on the EPA had meant policymakers had not been sufficiently focused on relations with the bigger trading partners of the US and Canada. The final speaker on the panel was Milton Lawrence, of ECIC Holdings Limited. He argued the private sector should have been more strongly represented at the workshop given its' central role in trade. The question currently on the table was how the private sector was going to be engaged in the EPA implementation process. In that regard, he called for greater communication between the private sector and the institutions within the region to ensure the success of the agreement.



Dr John Rapley, Ambassador Richard Bernal, Dr Peter Clegg, David Jessop, Milton Lawrence

Panel three, chaired by Dr Amanda Sives of the University of Liverpool, focused on the wider implications of the EPA for other regions in the ACP. The first two speakers

on the panel focused on the experience of EPA negotiations in the African region. Dr Chris Stevens, of the Overseas Development Institute, spoke about four key issues: the interim agreements signed so far are mixed with some countries likely to benefit and others not, it is the implementation of trade rules rather than tariffs which are likely to be challenging, inter-regional trade is likely to be more problematic than trade with the EU and the question of mechanisms for implementation of the agreement continues to be a problem. Dr Paul Goodison, former Director of the European Research Office in Brussels, cautioned against the wholesale transfer of the Caribbean EPA to Africa due to the differences in levels of development, the nature of trade relations with the EU and market size. His main area of concern was the lack of institutional support for the process. In addition, he raised scepticism, based on the previous inefficiency of the adjustment assistance given by the EU, that the technical and financial assistance promised by the EPA would be forthcoming in any meaningful form. The final two speakers, Roy Rodriguez and Elroy Turner, were from the Commonwealth Secretariat. They spoke about the work being undertaken by the Secretariat to train and assist ACP country negotiators. Rodriguez explained whilst the Secretariat does not have extensive financial resources, it is seen as a trusted partner by developing countries. Mr Turner spoke about the Hubs and Spokes project which has provided £20m to assist trade negotiators in ACP countries. The aim of this has been to: improve the knowledge base of the key stakeholders, develop trade data systems and build capacity and assisting the creation of national/international trade networks. Currently, over 4,000 people have been trained and as well as sensitisation and training, the project has provided briefings for Ministers and developed strong networks between negotiators which has allowed them to share experiences.



Dr Chris Stevens, Dr Paul Goodison

The workshop attracted over one hundred people and provided an invaluable forum for discussing both trade negotiation processes as well as the challenges facing the

Caribbean in terms of implementation of the EPA and those confronting African and Pacific regions which have yet to conclude the final agreements. The mood of the workshop was that now the Caribbean agreement had been signed, the key issue was to ensure that it was properly implemented. The EPA process is a unique one in which reciprocal, regional trade agreements between a developed region and developing ones seeks to deepen trade in order to promote development. What was clear from the discussions at the workshop was that the conclusion of negotiations was only the very first step in the process and the success or otherwise of the EPA would be in the implementation.

Dr Amanda Sives, Convenor of the Caribbean Politics Group and Lecturer in Politics at the University of Liverpool.