



UNITED NATIONS



Economic Commission for Latin America and the Caribbean  
Subregional Headquarters for the Caribbean

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Expert group meeting to consider the impact  
of the EU-CARIFORUM Economic Partnership Agreement  
on CARIFORUM countries  
16 January 2014  
Port of Spain, Trinidad

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**REPORT ON EXPERT GROUP MEETING TO CONSIDER THE IMPACT  
OF THE EU-CARIFORUM ECONOMIC PARTNERSHIP AGREEMENT  
ON CARIFORUM COUNTRIES**

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## CONTENTS

A. ATTENDANCE AND ORGANIZATION OF WORK.....	1
1. Place and date .....	1
2. Attendance.....	1
B. OUTLINE OF PROCEEDINGS .....	1
1. Opening of the meeting .....	1
2. Presentation of Methodology.....	1
3. Presentation of findings.....	2
4. Closing remarks .....	3
Annex I List of participants .....	4
Annex II Agenda .....	5



## **A. ATTENDANCE AND ORGANIZATION OF WORK**

### **1. Place and date**

1. The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) subregional headquarters for the Caribbean convened an expert group meeting to discuss the findings of the ECLAC preliminary study to examine the impact of the EU-CARIFORUM Economic Partnership Agreement (EPA) on CARIFORUM countries at the ECLAC office in Port of Spain, Trinidad.

### **2. Attendance**

2. The meeting was held via videoconference, and was attended remotely by representatives from the Caribbean Community Secretariat (CARICOM), the Organization of Eastern Caribbean States (OECS), the Ministry of International Trade of Saint Kitts and Nevis, the EPA Implementation and Coordination Units of Saint Lucia and the Dominican Republic. At the meeting venue, the Ministry of Trade, Industry and Investment of Trinidad and Tobago was represented.

## **B. OUTLINE OF PROCEEDINGS**

### **1. Opening of the meeting**

3. Welcome and opening remarks were made by the Director of the ECLAC subregional headquarters for the Caribbean. In her address, she discussed the importance of the EPA and the monitoring of the process. She acknowledged that the work done by the Consultant was just the beginning and suggested that the region needs to establish a monitoring mechanism for the EPA moving forward. The Director of the EPA Implementation Unit from CARICOM then made complementary welcoming remarks. He thanked ECLAC for its work and reiterated CARICOM's commitment to working with ECLAC. He anticipated circulating the final report to the member States and giving ECLAC the opportunity to discuss the findings of the report at a meeting with the Caribbean Forum of African, Caribbean and Pacific States (CARIFORUM).

4. Following these statements, the meeting Chairman, the Deputy Director a.i. of ECLAC, outlined the agenda.

### **2. Presentation of Methodology**

5. The Consultant thanked ECLAC for giving him the opportunity to conduct the study, outlined the methodology utilized and then spoke of the challenges faced. Specifically, the discussion focused on the five CARIFORUM countries selected for the country studies, as well as the risk inherent in this selection, given the differences that exist amongst regional economies. As such, an expansion of the study to include Jamaica, and Saint Vincent and the Grenadines in particular was determined to be useful, given the former's economic situation and the latter's recent environmental challenges.

## **DISCUSSION**

6. Following the Consultant's presentation, the Chairman then opened the floor to questions. A representative from CARICOM acknowledged that considerable work had gone into the underpinning econometric modelling. He noted however, that the report made no mention of the countries' EPA commitments. He also observed that a significant number of agricultural products were omitted from the analysis and opined that use of both Harmonized System and Standard International Trade Classification

categories of trade statistics was questionable. He indicated that not much analysis was done on the issue of food security and that the trade data should have been adjusted for inflation.

7. The CARICOM representative also pointed out that the first draft of the study failed to discuss the rules of origin governing CARIFORUM-EU trade under the EPA. In addition, he mentioned that the agricultural industry's ability to export was not discussed and the definition of food security used was inaccurate.

8. The representative from Saint Kitts and Nevis indicated that more information about market intelligence, transport and logistics costs should have been presented in the report. In addition, he felt that information on the impact of European Union's (EU) stringent sanitary and phytosanitary (SPS) requirements standards for seafood should be included. The Director of the CARICOM EPA Implementation Unit then commented that operational issues needed to be taken into account, in addition to economic issues. The representative from the OECS emphasized the lack of information on the non-tariff barriers employed by the EU. He also expressed the view that more primary research could have been undertaken in the member countries to determine their export capacity and supply-side impediments.

9. The Consultant thanked the participants for their comments and suggestions, and said that efforts will be made to incorporate these, as far as possible, in the revised draft of the study. He underscored the intensive nature of the study and indicated that, given the time constraints, the research team was not able to explore all the desired avenues of the project.

10. The Economic Affairs Officer of ECLAC commended the constructive nature of the meetings' discussions and said the suggestions would be taken on board. He also raised the issue of the global financial crisis, and how its fallout is still affecting some Caribbean States to this day. The floor was then opened to another round of questions and comments on the methodology presentation.

11. A representative from the CARICOM Secretariat suggested that the introduction to the study should make reference to the declaration in the EPA that a five-year review should be undertaken, as well as the commitment by Parties of the Agreement to review and implement the recommended changes.

12. The representative from Saint Kitts and Nevis noted, in this context, that the state of play in respect of EPA implementation in each member country and the resulting benefits from the Agreement had not been mentioned in the study. In addition, the Director of the CARICOM EPA Implementation Unit raised the issue of balance in the report; suggesting that the comments from stakeholder interviews should be juxtaposed against the work that was being undertaken by the CARICOM Secretariat in getting member States EPA compliant. Accordingly, the Economic Affairs Officer of ECLAC indicated that the organization would solicit more information with a view to ensuring balance in the presentation of the findings of the study.

### **3. Presentation of findings**

13. The Consultant presented his findings, focusing on key issues and major concerns raised during stakeholder consultations. These included the dissemination of information about the EPA, the ability of countries in the sample to implement aspects of the Agreement, as well as their ability to take advantage of market access opportunities. A major limitation of the study was the small subset of countries included in the country studies and empirical analyses.

14. The Consultant concluded that based on the findings of the study, the EPA had made no discernable impact on regional integration. He indicated that the ability of CARICOM economies to

increase exports under the EPA was limited by, *inter alia*, maritime related transportation issues and characteristic current account and fiscal account imbalances being experienced in many countries in the region, which have constrained resources available to modernize key economic infrastructure and enhance export competitiveness. He suggested that the expanding and increasingly competitive services sector within CARIFORUM countries should be examined for additional export opportunities under the EPA. He also suggested that the spill-over effects of the global financial crisis had delayed the effective implementation of the EPA since addressing domestic priorities had become a priority for governments.

## DISCUSSION

15. The Director of the CARICOM EPA Implementation Unit noted that the CARIFORUM Directorate of the CARICOM Secretariat had made significant efforts towards ensuring the public education of exporters from the member States. He suggested that it might be useful to examine the correlation between public awareness and performance among the countries. He also suggested that the regional and national governments and business community should engage in discussions on the EPA. It was noted that the Directorate had conducted sensitization activities with a range of stakeholders both during and after the consultation, and that there is a limit to the degree to which highly technical EPA-related information could be simplified.

16. He also mentioned that the report should have addressed the responsibilities of the economic operators such as the private sector in keeping informed on the EPA implementation. From that perspective, he considered the analysis unbalanced. He further commented that there was need to reflect the work being carried out on the ground by CARICOM. He also suggested that the report should highlight new natural trading partners within the EU.

17. A representative from the OECS confirmed that the CARICOM Secretariat had engaged in comprehensive information dissemination about the EPA for both the public and private sectors of the OECS in 2008. He recommended that in future, the involvement of the OECS Secretariat be considered when using a sample of OECS countries. He also highlighted the need for more targeted education initiatives to be undertaken in the OECS to take advantage of the EPA.

18. The representative from the Ministry of Trade, Industry and Investment of Trinidad and Tobago suggested that the study should discuss the role of the private sector in more detail. She also suggested that it would be useful to highlight the Articles of the EPA that need to be implemented as well as the implementation schedule. She further indicated that the study should provide an indication of what may be necessary, as well as how long it may take, for the region to get back on track with its EPA implementation commitments.

## 4. Closing remarks

19. The Economic Affairs Officer of ECLAC closed the meeting by thanking the CARICOM Secretariat and member States for their participation. He assured the participants that ECLAC would seek to meaningfully address all the concerns and recommendations raised with regard to the existing draft. He emphasized that the study would be reviewed with specific attention paid to the need for rebalancing the country studies to reflect the EPA-related technical work and capacity building initiatives undertaken by, *inter alia*, the CARICOM Secretariat and other organizations of the Caribbean Community, the CARIFORUM Directorate and the Caribbean Export Development Agency.

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Annex II

**AGENDA**

1. Welcome remarks
2. Overview and methodology of the EU-CARIFORUM EPA assessment study
3. Plenary discussion on presentation and study
4. Findings and recommendations of the study
5. Plenary discussion on presentation of findings and recommendations
6. Summary and the way forward
7. Closure of the meeting