

## **RNM Note on Aid for Trade: Any Lessons from the CARIFORUM – EC EPA?**

### **WTO Symposium on Evaluation Identifying Indicators for Monitoring Aid for Trade**

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#### **1. CARIFORUM Economic Profile and Challenges**

a) Caribbean's physical geography (dominated by an archipelago of small island states and remote continental countries) renders the region exposed to high cost of infrastructure, high cost of intra regional maritime and air transport and results in high cost of production and diminished competitiveness;

b) CARIFORUM's states also exude the classic traits of small, vulnerable economies, i.e. preference dependent, especially on agricultural commodities; acute export concentration – reliance on border taxes, increase the price of exports, and create inefficiencies in creating additional value via branding and u

#### **2. Aid for Trade and CARIFORUM EPA**

a)

The Agreement spans a comprehensive range of technical disciplines. In a number of cases, specific CARIFORUM commitments hinge on the delivery of EU development support;

b) Each CARIFORUM EPA chapter enumerates the Caribbean development priorities specific to the stated trade discipline. For example in Agriculture, the following development cooperation priorities are identified, viz.: (i) enhancing the competitiveness of production; (ii) developing export marketing capabilities; (iii) bolstering the ability of economic operators to conform to required quality standards; (iv) promotion of private investment and public – private partnership; and (v) strengthening the scientific, technical, institutional and human capability for sustainable trade in fisheries.

c) Overshadowing the negotiations was the Regional Preparatory Task Force (RPTF) – a joint body of CARIFORUM and EC trade negotiators and development finance experts. Once the text on various disciplines was concluded, the RPTF would commission the conduct of feasibility studies based on TORs prepared by CARIFORUM EC trade negotiators. The studies would primarily address four clusters of activities, viz.: (i) identify specific needs at both national and regional levels; (ii) craft programmes aimed at addressing identified needs; (iii) survey the programming of initiatives in the same disciplines in CARIFORUM states(s); and (iv) develop financing proposal that quantifies the costs of intervention.

#### **3. Lessons of the CARIFORUM EPA Aft Approach**

a) The negotiations fell under the Cotonou Agreement, thereby facilitating the indelible nexus between trade commitments and development funding.

b) The comprehensive gamut of trade disciplines allows for addressing the adjustment that by nature is a multi faceted challenge. For example, the EPA commitments on market access provisions, investment and IPR would allow Guyanese produced Demerara sugar to harness the additional value of GI designated product marketed in Europe instead of the traditional export of raw sugar. Adherence to new trade disciplines requires the marshalling of significant resources for trade capacity building

c) The approach to development cooperation builds on private public partnership in augmenting trade capacity building measures. The Caribbean has a successful example of this approach, namely in the West Indian rum projec