

Third Meeting of the Joint CARIFORUM-EU Council

Georgetown, Guyana

16 July 2015

Joint Communiqué

1. The Third Meeting of the Joint CARIFORUM-European Union (EU) Council under the Economic Partnership Agreement (EPA) took place in Georgetown, Guyana, on 16 July 2015. The Meeting was held under the chairmanship of Hon. Oliver Joseph, Minister of Economic Development, Planning, Trade, Cooperatives and International Business of Grenada.
2. Several CARIFORUM States were represented at the Ministerial level. The EU was represented by Mr. Jean Asselborn, Minister of Foreign Affairs of Luxembourg representing the Council of the European Union, and Mrs. Cecilia Malmström, Commissioner for Trade, European Commission.
3. The Meeting marked the first political engagement, between CARIFORUM and the EU, on the Joint CARIFORUM-EU Five Year Review of the EPA provided for in the Joint Declaration on The Signing of the CARIFORUM-EU EPA. Accordingly, the Meeting affirmed its unwavering commitment to the EPA as a comprehensive and forward-looking platform for economic and social cooperation. The two Sides placed strong emphasis on the Five Year Review to determine the Agreement's impact, including the costs, benefits and other consequences of implementation, and to inform, as necessary, amendment of the provisions of the Agreement and the adjustment of their application.
4. The two Sides agreed that immediate attention should be paid to the continuous monitoring of the EPA, as provided for in Article 5. In this vein, the two Sides also agreed to develop a joint monitoring system in sufficient time to inform future reviews of the Agreement and to provide the support required to facilitate the development of the monitoring system.
5. CARIFORUM and the EU examined the status of ratification and urged CARIFORUM and EU Member States which had not yet done so to take urgent action to ratify the Agreement. Haiti was invited to ratify with a view to applying the Agreement as soon as feasible.
6. CARIFORUM and the EU welcomed progress made in implementing the EPA, and in particular the duty-free quota-free market access for CARIFORUM exports to the EU, as well as the tariff cuts made by CARIFORUM States. The Meeting noted that CARIFORUM States had not yet been able to fully convert the market access offered by the EPA into meaningful market presence. It was emphasized that the global financial and economic crisis of 2008, coming right at the commencement of the implementation of the EPA, had exposed the vulnerable nature of CARIFORUM economies and had generally impacted on levels of trade, collection of government revenue, as well as on foreign exchange earnings particularly in the tourism dependent economies. The two Sides would further review any additional revenue implications of the EPA. Furthermore, the Meeting expressed concern that, with some exceptions, the EPA has not yet had the anticipated impact on overall trade between CARIFORUM and the EU. However, both

Sides remain hopeful about the EPA's prospects as there is evidence that it stimulated trade in some sectors.

7. The Meeting noted that all the EPA institutions were now operational and that the policy dialogue had been further enhanced through separate meetings on development cooperation, agriculture & fisheries, services and monitoring. It was however generally recognized that challenges persist. Furthermore, there was agreement that the lessons learnt so far in implementation pointed to the need to pay close attention to institutional capacity, built-in constraints of the Agreement and CARIFORUM's supply-side capacity constraints in order for the full potential of the EPA to be realized. The two Sides agreed to take joint action and to engage in continuous consultations in addressing these constraining challenges.
8. CARIFORUM States acknowledged the support which the EU has provided for EPA implementation under the 10th European Development Fund (EDF) Caribbean Regional Indicative Programme (CRIP) as well as through bilateral Aid-for-Trade (AfT) support provided by some EU Member States. The recently signed 11th EDF CRIP, valued at €346 million, which provides for a significant allocation for Regional Economic Cooperation and Integration, including provision for EPA implementation, was also welcomed. The overall allocation for the Caribbean region for the period 2014-2020 has been maintained at €1 billion, due mainly to the doubling of the regional envelope. This illustrates the high level of EU political commitment towards investment, growth, and sustainable development to the region. Attention was drawn to the development cooperation provisions of the EPA and consensus was reached that the Technical Sub-Committee on Development Cooperation would keep these provisions of the Agreement under continuous review. Note was taken of the expiration of the ACP-EU Partnership Agreement or the "Cotonou Agreement" in 2020 and CARIFORUM's position that there is need to ensure adequate development cooperation in support of EPA implementation in the post Cotonou period.
9. The Meeting reviewed the regional integration aspects of the Agreement. CARIFORUM and the EU confirmed their expectation that implementation of the relevant provisions would positively contribute to the sustainable development of the region. Action would be taken to implement the provisions as a matter of priority.
10. The Meeting noted that services are a key economic driver for the EU and for most CARIFORUM States, accounting for over 70 percent of their GDP. CARIFORUM commended the EU for its current initiatives which have either been put in place or are being developed to facilitate CARIFORUM Service Suppliers' easier access to the EU market. In that regard, the Meeting took note of the EU's action in respect of the expansion of the list of CARIFORUM States participating in the Schengen Visa Waiver Regime, the Directive on Intra-corporate Transferees and the latest European Commission proposals for revising the Visa Code and creating of a touring visa to facilitate the entry and temporary presence of natural persons for business purposes, including service providers. Concerns were, however, expressed that some CARIFORUM service suppliers continued to be constrained in establishing and maintaining market presence in the EU, and that CARIFORUM had not yet completed all the legislative requirements on mode 4. Both Sides also recognized the importance of prioritizing and operationalizing relevant joint actions to

strengthen the regulatory environment in CARIFORUM States pertaining to Services, including in relation to Mutual Recognition Agreements (MRAs). The Meeting noted that the investment and trade in services provisions of the EPA have not yet yielded all the anticipated benefits and concluded that CARIFORUM and the EU should work towards ensuring that the provisions deliver their full potential. CARIFORUM and the EU underscored the importance of continuous engagement on the Services provisions of the EPA and agreed to explore measures that support the development of the capacity of CARIFORUM service suppliers to gain meaningful access to the EU market and to address challenges associated with the collection of services trade data.

11. Both Sides recommitted to the principles of the Protocol on Cultural Cooperation and agreed to exchange views on how to give effect to the provisions of the Protocol.
12. CARIFORUM and the EU reviewed the Agriculture and Fisheries aspects of the EPA and confirmed that their effective implementation would significantly contribute to CARIFORUM Food and Nutrition Security and sustainable development. CARIFORUM and the EU have agreed to set up a Special Committee on Agriculture and Fisheries to exchange information, consult and take action in these fields.
13. CARIFORUM and the EU committed to take action to ensure improved communication on the EPA at all levels, including at political, regional and national levels to ensure improved coordination of implementation of the EPA, knowledge of its provisions and realization of its potential benefits. In this context the Meeting welcomed the updated list of EU services enquiry points and recognised that such enquiry points should be more visible and accessible to the private sector.
14. The Meeting emphasised the role that the EPA's Parliamentary Committee and Consultative Committee have to play in EPA implementation, monitoring and communication. CARIFORUM and the EU resolved to make their joint reports available to both Committees as soon as they were finalised.
15. The two Sides expressed confidence that, in spite of the challenges which had so far confronted EPA implementation, the Agreement has tremendous potential for contributing to the sustainable development of CARIFORUM States. The Meeting called upon the Trade and Development Committee and its Special Committees to take action to ensure urgent and continuous follow up to the Five Year Review. CARIFORUM and the EU vowed to intensify their efforts in the next five year period towards the achievement of the EPA's objectives and to further strengthen their partnership.
16. The two Sides reaffirmed their commitment to coordinate efforts to ensure the effective implementation of the agreements reached and decisions made during the Five Year Review of the EPA.
17. CARIFORUM and the EU expressed their deep appreciation to the Government and people of Guyana for the warm hospitality, excellent arrangements and courtesies extended which greatly facilitated the fruitful deliberations of the Third Meeting of the Joint CARIFORUM-EU Council.