



A CRNM Publication



The EPA at a Glance...

An Overview of the CARIFORUM-EC Economic Partnership Agreement

Prepared by the CRNM Information Unit

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NOTES

| Foreword

CARIFORUM States concluded an **Economic Partnership Agreement (EPA)** with Europe, a longstanding and important trading partner, in order to transform their trade relationship, into one based on reciprocity and cooperation.

Through their participation in the EPA negotiation process, CARIFORUM countries have carved some of the space they need to adjust to the challenges of trade liberalization. In addition, CARIFORUM States have been able to secure new opportunities for the development of businesses, jobs and their economies.

The EPA is, however, a long and comprehensive agreement. This publication: “The EPA at a Glance”, was developed by the Information Unit of the Caribbean Regional Negotiating Machinery (CRNM), to provide a synopsis of the EPA. It is our hope that the document will provide information in a concise and accessible way, and help you our valued stakeholders to have a better understanding about the Agreement.

Should you require additional information about the EPA, please visit our website at www.crn.org or contact our Trade Information Officer at tradeinformation@crnm.org

CRNM Information Unit

| About the CRNM

What is the CRNM

Established in 1997, the **Caribbean Regional Negotiating Machinery (CRNM)** is the *principal* regional intergovernmental organization mediating the Caribbean's encounter with the global trading system. Tasked by Caribbean Community (CARICOM) Governments, the RNM has *primary* responsibility for coordinating and spearheading a *cohesive, coherent* regional trade policy, both strategically and on technical issues under negotiation. This entails developing and maintaining an effective framework for the coordination and management of the Caribbean Region's trade negotiating resources and expertise, and undertaking/leading negotiations where appropriate

Vision

The CRNM is the primary catalyst and agent of change leading the process through which the Region maximizes the benefits available from trade in the new, challenging, global economic order.

Core Functions

1. To advise
2. To coordinate
3. To facilitate
4. To negotiate

| Background

The **Cotonou Agreement**, signed in 2000, is a partnership pact between the African, Caribbean and Pacific Group of States (ACP) and the Europe Community (EC). Before the Cotonou Agreement, ACP-European trade relations were facilitated by the **Lomé Convention**, which was originally signed in 1975. The Lomé Convention provided non-reciprocal preferential trade access for ACP goods into Europe.

The Cotonou Agreement, which was negotiated as the successor to Lomé provided for the continuation of Lomé non-reciprocal trade preferences. This arrangement provided access for some traditional and important exports like sugar, and bauxite into the European market.

However, before the Cotonou was negotiated, the Uruguay Round of negotiations culminated in multilateral rules on trade and the establishment of the WTO in 1995. Non-reciprocal preferential agreements are incompatible with these multilateral rules which prohibit discrimination and are based on reciprocity.

As a consequence, the Cotonou Agreement with its non-reciprocal trade preferences required a WTO waiver. It was very difficult to rally international support for the waiver. Many within the international community were opposed to non-reciprocal trade agreements in general. Additionally, some non-ACP developing countries competing in the commodities market, had vested interests in the discontinuation of ACP preferential access to Europe. In exchange for the waiver, which was eventually obtained in 2001, a pledge was made to replace by the end of 2007 the Cotonou trade arrangement with one that was reciprocal. Europe undertook to negotiate EPAs or other WTO compatible alternatives. The CARIFORUM-EC EPA is the first such agreement to be negotiated between six sub-regions of the ACP and Europe.

| What is the EPA?

The **Economic Partnership Agreement or EPA** is:

- A reciprocal trade agreement between the Caribbean Group of States of the ACP and the European Community (EC) designed to replace the trade component of the Cotonou Agreement, which was based on non-reciprocity.
- A trade instrument with strong development components.
- Expected to help CARIFORUM to export more and thereby increase employment, business opportunities and economic growth, which can lead to sustainable development.
- The negotiation of the Agreement was concluded on December 16, 2007.

| Why an EPA?

- The preferential access of ACP countries for bananas, for example, has been successfully challenged at the WTO by the United States of America and competing non-ACP WTO members such as Ecuador.
- By replacing the Cotonou trade arrangement with a WTO compatible EPA, other countries will not be able to successfully challenge the ACP's privileged access to European markets.
- In the absence of an EPA, all CARIFORUM countries except Haiti would have had to resort to the less favourable European **Generalized System of Preferences (GSP)** program. The alternative for Haiti which is a LDC would have been the 'Everything but Arms' (EBA) arrangement under the GSP.

| When will the EPA come into effect?

- On signature of the Agreement by Europe and each of the participating CARIFORUM countries, the rights and obligations under the Agreement would be considered legally binding. However, the rights and obligations would not take effect until one month after Europe and CARIFORUM notify each other of their respective administrative and legislative adjustments necessary to implement the agreement.
- Until such time, Europe and CARIFORUM have agreed to provisionally apply the EPA.

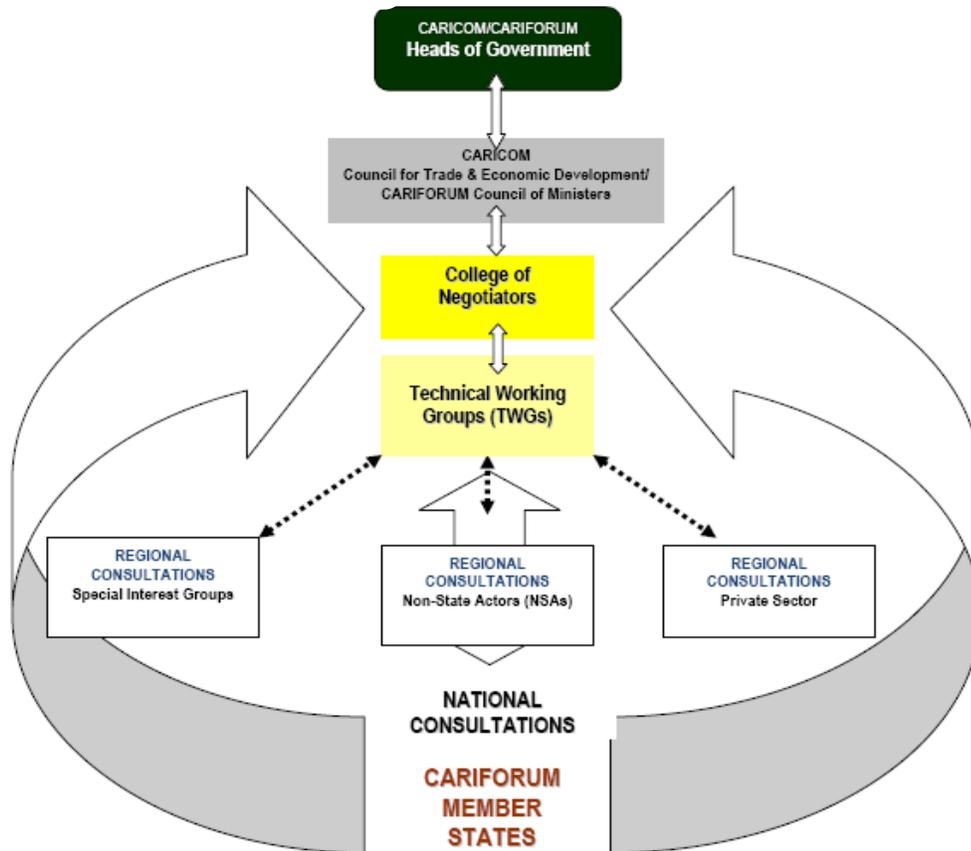
| What was the Negotiating Process?

Several fora were established to formulate regional negotiating positions.

- **National and Regional Consultations:** - entities operating at national and regional levels articulated their positions;
- **Technical Working Group (TWGs):** - national and regional interests were systematically coordinated, harmonised and refined into coherent regional negotiating positions. Participating at this level were representatives of governments, the private sector and Non-governmental Organisations (NGOs);
- **The College of Negotiators:** - The College comprised representatives from regional organizations, private individuals and representatives of regional governments. It formulated recommendations for an overall negotiating strategy based on combined inputs of the participating stakeholder groups;
- **CARICOM Council for Trade and Economic Development (COTED) and the CARIFORUM Council of Ministers:** - reviewed and considered College's recommendations with the aim of refining and approving the negotiating strategy;
- **CARICOM Heads of Government:** - Provided final authorization and approval of a mandate they considered in alignment with the socio-political and economic interests of the Community and the individual Member States.

This process of review ensured, amongst other things, that the negotiating positions took account of the interests of all Member States, including the Dominican Republic. It was ensured that the positions were not at variance with the agenda of the CARICOM integration process as outlined in the **Revised Treaty of Chaguaramas**.

Fig. 1.0 – Illustration of the structure of the Negotiating Process



To complement the formal consultation process at these levels, a parallel process of consultation with regional stakeholders, including the Private sector and Non-Governmental Organizations (NGOs,) was also facilitated and coordinated by the CRNM.

■ CARIFORUM Negotiators worked within the following **Negotiating Guidelines:**

- *Retain preferential access & minimize preference erosion*
- *Minimize negative impact of liberalization in all areas, particularly regarding LDCs;*
- *Maximize market access in goods to the European market*
- *Improve services access, particularly where the Region can benefit in the short term;*
- *Encourage in-coming investment that is environment-friendly*
- *Enhance CARIFORUM competitiveness and diversification through innovation*
- *Protect and stimulate Small and Medium Enterprises(SMEs)*
- *Promote regional integration, economic cooperation and good governance*
- *Conclude a trade agreement relevant and appropriate to CARIFORUM development needs*
- *Seek additional funding for capacity building, integration support, EPA implementation.*

| What's in the Provisions?

Part I of the EPA – Trade Partnership for Sustainable Development

This opening section is very important because it:

- sets the context of the provisions including the relationship between the EPA and the Cotonou;
- outlines the broad objectives and principles of the EPA;
- and presents the general terms of the trade partnership between Europe and CARIFORUM.

What Stands Out

Objectives

The EPA as a trade agreement with development components is designed to open up and enhance trade between Europe and CARIFORUM by removing the barriers to trade between them and by improving CARIFORUM's capacity to trade competitively. Through enhanced open trade, it is anticipated that the EPA will:

- Expand and improve CARIFORUM's industries and economic growth by enabling CARIFORUM States to develop exports in services and a wider range of goods in which they have a comparative advantage;
- Thereby expand employment and business opportunities;
- Provide improved opportunity for CARIFORUM States to access from Europe at lower prices goods and services in which they do not have a comparative advantage;
- Improve CARIFORUM's access to European technology and technical 'know how';
- Increase competition within CARIFORUM's domestic markets caused by the increased presence of European goods and services and thereby improve efficiency in CARIFORUM production processes;
- Provide rules to ensure that trade between CARIFORUM and Europe is fair and accommodates the marked differences in development between the two sides:

- At the same time, ensure sustainability of development by committing both CARIFORUM and Europe to exercise international best practices in trade that prevent environmental degradation and the undermining of labour standards, labour rights and human rights.

Principles

The EPA is built upon the following principles of the Cotonou:

- Equality of the Partners and the ownership of development process;
- Participation;
- Regionalization;
- Special and differential treatment.

The EPA provisions contain the following **trade** principles:

- Asymmetry;
- Cooperation and financial and non-financial development assistance from Europe;
- Reciprocity;
- Most Favoured Nation (MFN) tenet – CARIFORUM and Europe are obliged to extend to each other benefits granted to third parties;
- Fostering of regional integration;
- National treatment;
- Differentiation of treatment of CARICOM LDCs;
- Regional Preference.

Development Cooperation

For the EPA:

- Development provisions are infused throughout the entire Agreement;
- Cooperation can take financial and non-financial forms;
- Financing pertaining to development is to be carried out in accordance with the rules and procedures of the funding mechanisms under the Cotonou Agreement.

- Accessible Financial instruments for development include:
 - The European Development Fund (EDF), specifically the 10th EDF (2008-2013) which provides €165 million. This represents a €108 million increase from the 9th EDF.
 - Funding from the WTO Aid for Trade (Aft). Europe has pledged to provide additional annual financial resources of €1 billion by 2010 to Aft. The commitment to make these funds available to finance the implementation of the EPA is reiterated in the EPA's **Joint Declaration on Development Cooperation**.
 - European Investment Bank (EIB) from which €2 billion is available for investment financing.
- CARIFORUM States and Europe have agreed to examine the necessary arrangements to use the CARICOM Development Fund, once it is established, as a mechanism to channel and mobilize the development support resources from Europe to CARIFORUM.

Part II of the EPA – Trade and Trade Related Matters

This section of the EPA outlines how CARIFORUM and Europe are to cooperate to remove barriers to trade between them. It also addresses other related issues that affect the quality of trade and development. The section covers the following:

- **Trade in goods,**
- **Investment, Services and E-Commerce**
- **Current Payments and Capital Movement**
- **Trade Related Issues: *Competition, Innovation and Intellectual Property, Public Procurement, Environment, Social Aspects and Personal Data Protection.***

Title 1: Trade in Goods

The Chapters that follow under Trade in Goods set out the terms under which trade between CARIFORUM and the European Community is to be opened up.

Chapter 1: Customs Duties

Brief Description: This Chapter outlines how tariffs on most imports from both sides are to be reduced. In keeping with the concept of special and differential treatment of CARIFORUM States, CARIFORUM states as a group are obliged to reduce tariffs, but not to the same extent, or at the same pace as those to be reduced by Europe. In addition, less onerous levels of commitment have been allowed for CARICOM LDCs which include the Members of the Organization of Eastern Caribbean States and Haiti.

What Stands Out

- Immediate duty-free/quota-free market access for all CARIFORUM goods. In the case of rice and sugar this will occur in 2010 and 2015, respectively, rather than immediately.
- On the other hand, CARIFORUM is not obliged to begin reducing its tariffs until 2011 i.e. there is a 3 year moratorium.
- Tariffs on sensitive goods, such as food items and processed food, imported into CARIFORUM will not be removed. Altogether 13.1 % of such products imported from Europe will continue to attract tariffs. These products makeup the **Exclusions List**.
- Tariffs are a significant source of revenue for CARIFORUM States. CARIFORUM will, therefore, be allowed to reduce tariffs on products from the EU gradually in several **Phases**. This will allow CARIFORUM time to find alternative revenue sources and time for CARIFORUM industries to adjust to increased competition.
 - In 2011 CARIFORUM will reduce tariffs on 52.8 % of the goods imported from Europe;
 - In 2013, five years from the date of application of the EPA (2008), CARIFORUM will have no tariffs on 56% of the goods imported from Europe;
 - In 2018, 10 years from the date of application of the EPA, there will be no tariffs on 61.1 % of the goods imported from Europe;
 - In 15 years (by 2023), 82.7% will have been liberalized;
 - In 20 years (by 2028), 84.6% will have been liberalized;
 - In 25 years (by 2033), 86.9% will have been liberalized.

- The triggering of the application of the Most Favoured Nation (MFN) principle resulting from engagement in later Free Trade Agreements (FTAs) with other competing countries:-
 - Europe is obliged to extend to CARIFORUM States any treatment that is given to a third country under a FTA effected after the signing of the EPA that is more advantageous than what is offered to CARIFORUM under the EPA.
 - CARIFORUM States are obliged to extend to Europe any treatment which is given to a major trading economy under a FTA that is more advantageous than what is offered to Europe under the EPA.

- Simplified and more flexible Rules of Origin allow CARIFORUM goods that are produced using material and inputs from other countries to qualify for duty-free/quota-free entry into Europe.

Chapter 2: Trade Defence Measures

Brief Description: This chapter outlines the circumstances appropriate for either CARIFORUM or Europe to impose temporary barriers to trade, including tariffs. The barriers would be triggered if an increase in imports from the trading partner causes serious harm to certain industries or to the economy.

What Stands Out

- Permitted use of Safeguards, which are barriers to trade imposed temporarily to prevent domestic industries and the economy from injury caused by imports :-
 - CARIFORUM States and Europe are permitted to invoke the WTO Safeguard Clause subject to the terms and conditions of the Article XIX of the General Agreement on Tariffs and Trade (GATT);
 - CARIFORUM States and Europe have resort to certain other safeguards not disciplined by the rules of the GATT for a limited period of time in the event that importation of goods causes or threatens to cause serious injury to domestic industries; sectoral disturbances that cause major social problems; and disturbances to agricultural markets or mechanisms that regulate those markets. These safeguards are not subject to the WTO dispute settlement provisions.
- Permitted use of Anti-Dumping Duties in accordance with corresponding WTO provisions. Anti-Dumping Duties are used in order to prevent the unfair and predatory trade practice of dumping.

The practice of **dumping** can involve deliberately exporting a product at a price below the cost of production in order to destroy the industry in the importing country. Controversially, it can also involve exporting products which have low export prices because they are exported from a country where the wages are extremely low or the level of working conditions is very poor.

- Countervailing Measures in accordance with the relevant WTO provisions. Countervailing duties are used to prevent unfair competition between subsidized imports and unsubsidized competing domestic products of the importing country.

Chapter 3: Non-Tariff Barriers

Brief Description: This chapter addresses the reduction of other barriers that impede trade other than tariffs such as quotas or import or export licenses. It also ensures there is no unfair competition between imports and like domestic products within the domestic market.

What Stands Out

- Discrimination against imports is prevented through the application of the National Treatment (NT) principle:-
 - No charges and internal taxes may be applied to imports if they are not similarly applied to like domestic products;
 - Regulations and laws affecting internal sale, offering for sale, purchase, transportation, distribution or use of a product, must be applied to both the import and the like domestic product so as not to accord a disadvantage to the import;

- Though Europe is obliged to eliminate export subsidies, CARIFORUM countries are **not** obliged to eliminate export subsidies on Agricultural products provided that they are applied in accordance with the WTO Agreement on Agriculture and the Agreement on Subsidies and Countervailing Measures

Chapter 4: Customs and Trade Facilitation

Brief Description: *The Chapter sets out to improve customs and trade administrative procedures to ensure that trade between CARIFORUM and Europe is made easier and that trading procedures are more predictable.*

What Stands Out

- Transparency, efficiency, accountability and integrity of CARIFORUM's and Europe's respective **customs operations** are assisted through:
 - Commitments to reduce, simplify and standardize customs data and documentation;
 - Commitments to simplify procedures for goods clearance;
 - Commitments to publicly disclose customs laws, procedures and explanations of such laws and procedures;
 - Cooperation and dialogue between CARIFORUM and Europe.

- Financial and non-financial support to CARIFORUM to assist:
 - Development of modern customs techniques;
 - Automation of customs and other trade procedures;
 - Compliance with relevant international standards and regulations including WTO rules, the Kyoto Convention and the World Customs Organization (WCO).

Chapter 5: Agriculture and Fisheries

Brief Description: The provisions here are aimed at encouraging the sustainable development of the CARIFORUM agricultural and fisheries sector. The provisions are also designed to improve CARIFORUM food security, improve competitiveness and innovation, and encourage the development of new industries. In addition, there are provisions to help shield CARIFORUM's sensitive traditional agricultural exports from the effects of liberalization.

What Stands Out

- Of the average annual value of imported EU agricultural and fisheries products for the period between 2002 and 2004, 75% will continue to attract tariffs.
- EU commitment to eliminate duties on fishing vessels and other fisheries inputs used by CARIFORUM
- Financial and Non-financial trade development support:
 - To improve the competitiveness of the CARIFORUM agricultural and fisheries sector;

- To promote investment from private sources as well as from private-public partnerships;
 - For Cooperation and Dialogue.
- Special arrangements for traditional agricultural exports:-
 - Europe is committed to consulting with CARIFORUM before policy developments take effect, and before any domestic, and or external policy changes are made that would affect the competitiveness of CARIFORUM exports.

Sugar

- From 2008 until December 2009, CARIFORUM **Sugar** exports will be eligible to export an additional 60,000 tonnes into Europe. This quantity, which is above the old Sugar Protocol quota, is to be shared between CARICOM signatories to the Protocol and with the Dominican Republic. This additional quota is particularly advantageous to larger CARIFORUM sugar producers which will now be able to sell more at guaranteed prices.
- After 2009, when the Sugar Protocol expires, CARIFORUM sugar imported into Europe will be free of duty.
- However, after 2009 and until 2015 Europe could still impose tariffs on CARIFORUM sugar exports. It would be able to do so **if** the quantities imported from the ACP as a whole exceeds 3.5 million tones and the amount from ACP countries which are not LDCs exceeds 1.38 million tonnes. ACP LDCs will not be subject to these measures.

Rice

- CARIFORUM Rice exporters will enjoy receiving increased quotas of 187,000 tonnes for 2008 and 250,000 tonnes for 2009. These quotas will be duty free in contrast to the €65 per tonne duty that would have applied.
- Duty-free/quota free access for rice from 2010
- No requirements in the new arrangement for distinctions to be made between whole grain rice and broken rice. This makes it easier for CARIFORUM rice producers to tap into the higher priced market for whole grain rice.
- Licensing and other arrangements related to the rice quota will be kept under review to ensure that CARIFORUM rice producers get the maximum benefit from the trading arrangement.

Bananas

- Duty-free/quota free from inception of the EPA
- Joint Declaration on Bananas which commits EU funding to assist the CARIFORUM banana industry to make socio-economic adjustments to the changing trading environment.

Fig. 2.0 – This table illustrates the Major EU Country Suppliers of Bananas

Importing Country	Major Suppliers
Germany	Latin America dollar producers
Italy	Majority of bananas are purchased from Latin American dollar producers
France/UK	Departments of France, (more than 50%), Caribbean, Ivory Coast and Cameroon, etc.
Spain	Canary Island
UK	75% obtained from the Caribbean

Source: Schuman, R. (2001). *Banana Splits & slipping over Banana Skin*

Chapter 6: Technical Barriers to Trade

Brief Description: This aspect of the Agreement is aimed at helping both CARIFORUM and Europe to comply with each other's mandatory standards. The latter are related to the characteristics, processes and production methods related to products which are designed to protect human, animal and plant life health or safety. At the same time, these provisions help ensure that lack of information about such standards does not unnecessarily impede trade between CARIFORUM and Europe.

What Stands Out

- Commitment to designate contact points to facilitate the channelling and exchange of information regarding technical regulations, standards and conformity assessment procedures as defined in the WTO Technical Barriers to Trade Agreement.
- Financial and non-financial development support to assist:
 - Development of CARIFORUM centres of expertise for the assessment of goods for the purpose of such goods access into the EC market.
 - The development of the capacity of firms to comply with international regulatory requirements.

Chapter 7: Sanitary and Phytosanitary (SPS) Measures

Brief Description: Provisions under this Chapter outline how either CARIFORUM or Europe may use trade restrictions designed to protect risks to humans, animals or plants associated with disease, pests and contaminants. At the same time, these provisions aim to prevent unintended impediments to trade which may come about because of these trade measures. There are also inclusions in this chapter aimed to assist CARIFORUM to comply with Europe's Sanitary and Phytosanitary Measures and to help CARIFORUM States to better develop their own regionally harmonized SPS measures.

What Stands Out

- Commitment to cooperate to establish harmonized SPS measures both in the EC Party and between CARIFORUM States;
- Commitment to establish arrangements to facilitate the recognition of equivalence of specified SPS measures;
- Agreement that in the event that no harmonized SPS measures exist or there is no recognition of equivalence, CARIFORUM and Europe will consult on ways to facilitate trade and reduce unnecessary administrative requirements.

Title 2: Investment, Services & E-Commerce

The chapters under this section of the EPA contain comprehensive provisions to facilitate and attract investment within CARIFORUM, to develop and improve the CARIFORUM services sector, and to provide common rules on e-commerce. These chapters are significant in that CARIFORUM and Europe have agreed for the first time to 'open up' their services sectors and investment policy to each other under a bilateral framework.

Chapter 2: Commercial Presence

Brief Description: This chapter addresses the way either CARIFORUM or European investors, and businesses established in either CARIFORUM States or in Europe are to be treated in order to facilitate trade in services and investment between the two parties.

What Stands Out

Investment

- Most services sectors on each side have been opened to investment. However, CARIFORUM and Europe have **not** made commitments to open the following sectors to investment:-
 - production of or trade in arms, munitions and war material;
 - audio-visual services;
 - national maritime cabotage, and;
 - national and international air transport services, whether scheduled or non-scheduled,
 - mining, manufacturing and processing of nuclear materials;
 - services directly related to the exercise of traffic rights, other than:
 - i. aircraft repair and maintenance services during which an aircraft is withdrawn from service;
 - ii. the selling and marketing of air transport services;

- iii. computer reservation system (CRS) services;
 - iv. other ancillary services that facilitate the operation of air carriers, such as ground handling services, rental services of aircraft with crew, and airport management services.
-
- Discrimination against CARIFORUM Investors operating in the EU and European investors operating within CARIFORUM is prohibited through the application of the National Treatment Principle:-
 - CARIFORUM investors in Europe must be treated no worse than domestic European investors
 - European investors within CARIFORUM must be treated no worse than domestic CARIFORUM investors.
 - Similar to what obtains under trade in goods, there is a triggering of the Most Favoured Nation (MFN) principle as a result of subsequent Free Trade Agreements (FTAs) with other competing countries.
 - The inclusion of rules to ensure that investors safeguard the environment and maintain high labour and occupational health and safety standards.
 - The inclusion of rules that forbid investors from engaging in corruption to obtain special concessions.

Chapter 3: Cross Border Supply of Services

Brief Description: *This chapter addresses the access which CARIFORUM and Europe will provide to each other in services which are traded across their borders.*

What Stands Out

- CARIFORUM has access to over 90% of EU services sectors.
- CARIFORUM has opened up 65% of its key sectors to Europe in order to facilitate investment and the transfer of technology to these economically important sectors. These include:
 - Business services
 - Computer and computer related services
 - Research and Development
 - Environmental services
 - Management consultancy
 - Maritime Transport
 - Entertainment
 - Tourism

Chapter 4: Temporary Presence of Natural Persons for Business Purpose

Brief Description: *In these provisions, market access for CARIFORUM and European independent professional as well as professionals employed by companies that have not established commercial presence is outlined. The commitments offered here to CARIFORUM are significantly more liberal than those offered by the Europeans in their WTO commitments.*

What Stands Out

- 29 European sectors have been opened up to allow professional employees of CARIFORUM firms not established in Europe or contractual service suppliers (CSS) to enter the EU to supply services for up to 6 months.

- All CSS **except** in the areas of fashion model services, chef de cuisine services, and entertainment services must have professional qualifications and must be University Graduates;
- Eleven (11) sectors have been opened up to allow self-employed CARIFORUM professionals to enter the EU to supply services for up to 6 months;
- All self-employed professionals must have professional qualifications and must be University Graduates;
- Visa requirements are not regulated by the EPA. Therefore CARIFORUM States and Europe are free to set and maintain all requirements related to the administration of visas ;
- Economic needs tests may apply but there are no restrictions on the number of CSS that may enter the EU;
- Short term entry of CARIFORUM business visitors into Europe to allow such business persons to engage in non-commercial business activity such as networking and making business contacts, research, marketing and training.
- Protocol on Cultural Cooperation to complement CARIFORUM market access in EU Recreational services markets and to facilitate greater cooperation in the development of cultural industries

Fig. 2.0 – This diagram illustrates Modes of Supply in Services Trade

<p>Mode 1: Cross-border supply is defined to cover services flows from the territory of one Member into the territory of another Member (e.g. banking or architectural services transmitted via telecommunications or mail);</p> <p>Mode 2: Consumption abroad refers to situations where a service consumer moves into another Member's territory to obtain a service;</p> <p>Mode 3: Commercial presence means that a service supplier of one Member establishes a territorial presence, including through ownership or lease of premises, in another Member's territory to provide a service (e.g. domestic subsidiaries of foreign insurance companies or hotel chains); and</p> <p>Mode 4: Presence of natural persons refers to persons of one Member entering the territory of another Member to supply a service.</p>

Chapter 5: Regulatory Framework

Brief Description: *A regulatory framework is outlined for key sectors of particular development interest to CARIFORUM and Europe.*

What Stands Out

- Specific disciplines and regulatory frameworks formulated for key sectors such as :
 - Computing services
 - Courier services
 - Telecommunications
 - Financial services
 - Tourism

- Financial and non-financial development support to:
 - Develop the capacity of CARIFORUM firms
 - Develop sectoral standards and regulatory regimes
 - Build human resources within CARIFORUM through training
 - Develop equivalence of CARIFORUM skills and Mutual Recognition of skills

Chapter 6: E-Commerce

Brief Description: *E-commerce, because it is conducted using a globally accessible system such as the internet, global trade is much accessible to a wider potential consumer base. Therefore, e-commerce can enhance and better enable trade between CARIFORUM and Europe. Provisions in this chapter outline the way CARIFORUM and Europe will cooperate to promote e-commerce between them.*

What Stands Out

- Europe and CARIFORUM are to maintain dialogue on issues related to the regulation of e-commerce, including the recognition of electronic signatures and the protection of consumers in e-commerce

Title 3: Current Payments & Capital Movement

Brief description: The chapters under this section illustrate the CARIFORUM and Europe agreement to ease the process via which payments for commercial transactions can be made and the process through which capital related to investments is moved between the two sides.

What Stands Out

- CARIFORUM and Europe have agreed not to impose restrictions on the free movement of capital related to direct investments;

- CARIFORUM and Europe have the right to implement preventative or precautionary measures for no more than six months in the event that current payments and capital movement cause or threaten to cause difficulties with the operation of monetary policy or exchange rate policy

Title 4: Trade-Related Issues

What Stands Out

These provisions are intended to complement and support the EPA development foci. Rules on Competition and transparency in government procurement, for example, can send powerful and positive signals to both investors and development partners of CARIFORUM's commitment to engender development in these areas.

Chapter 1: Competition

Brief Description: These provisions ensure that competition is free from distortion and is fair. By so doing the interest of both consumers and businesses especially small business are protected.

What Stands Out

- Rules against anti-competitive business practices such as the abuse of market power and dominance, including the commitment to establish legislation to prevent anti-competitive business practices

Chapter 2: Innovation and Intellectual Property

Section 1: Innovation

Brief Description: These provisions ensure that competition is free from distortion and is fair. By so doing the interest of both consumers and businesses especially small business are protected.

What Stands Out

- Development of CARIFORUM innovation systems to develop and enhance the competitiveness of CARIFORUM firms through technological transfer, research and development, and participation in joint ventures.

Section 2: Intellectual Property

Brief Description: *The provisions under this section aim to help create a suitable legislative and administrative environment which will provide protection of intellectual property.*

What Stands Out

- CARIFORUM and Europe agree to adequately implement their obligations under agreements which address intellectual property to which they may be signatory, such as the WTO TRIPS Agreement;
- CARIFORUM LDCs are not obligated to apply the provisions under the Intellectual Property section;
- Support to develop and enforce the protection of intellectual property, including Geographical Indications and traditional knowledge.

Chapter 3: Public Procurement

Brief Description: *Under this Chapter Parties have agreed to rules that would ensure relevant information is freely disclosed in order to facilitate fair and acceptable processes in public tendering.*

What Stands Out

- Rules to facilitate transparency, enhance governance, and help prevent corruption and discrimination in public tendering processes related to the procurement of goods exceeding €164,753;
- Absence of any provisions that facilitate market access;
- The State retains capacity to be the determinant of eligibility to tender for public contracts.

Chapter 4: Environment

Brief Description: *These provisions are designed to assist the prevention of environmental degradation as a result of trade.*

What Stands Out

- Provisions to prevent the degradation of the environment and to engender sustainable development;
- Rights of CARIFORUM and Europe to regulate environmental protection in accordance with their own sustainable development priorities but in a manner that does not cause arbitrary or unjustifiable discrimination against each other;
- There are no enforcement provisions.

Chapter 5: Social Aspects

Brief Description: *These provisions are indicative of the Parties acknowledgment of the need to pursue trade and the benefits of trade while preserving the integrity of international labour standards.*

What Stands Out

- Reaffirmed commitment to ILO labour rights and standards;
- Prevention of the use of labour standards for protectionist trade purposes;
- There are no enforcement provisions.

Chapter 6: Personal Data Protection

Brief Description: *Principles and general rules have been established under these provisions which, when applied, will help protect the fundamental rights and freedoms of individuals with respect to the processing of personal data.*

What Stands Out

- Commitment to establish regulatory and legal regimes which are designed to facilitate the collection and processing of personal data especially with regard to services based on data transfer whilst ensuring the protection of privacy of customers and transparency.
- Financial and non-financial support to develop CARIFORUM legal and regulatory regimes.

Part III of the EPA – Dispute Avoidance and Settlement

These provisions are designed to avoid and settle disputes that may arise between Europe and CARIFORUM.

Chapter 1: Arbitration Procedure

What Stands Out

- Dispute resolution is facilitated within 3 tiers
 - Consultation
 - Mediation
 - Arbitration

Chapter 2: Compliance

- In the event that Europe becomes the successful party in a dispute, sanctions can only be imposed on the CARIFORUM State or States which have been found to be in breach of the EPA.
- Europe must exercise restraint in imposing such sanctions and in seeking compensation from CARIFORUM States. There is no corresponding CARIFORUM obligation.

Chapter 3: Common Provisions

What Stands Out

- Dispute settlement provisions of the EPA do not prejudice any action in the WTO framework, including dispute settlement action;
- Where Europe or a CARIFORUM State has started the dispute settlement process with regard to a particular issue under the Dispute settlement proceedings of either the EPA or the WTO, that Party may not start new dispute settlement proceedings elsewhere until the first proceeding has come to an end.

Part IV of the EPA – General Exceptions

These provisions stipulate the circumstances where CARIFORUM or Europe may derogate from the rules under the EPA. Such derogations would only be permitted if they would not qualify as arbitrary or unjustifiable discrimination against each other.

What Stands Out

- The EPA does not prevent the implementation of measures to protect:
 - public morals,
 - public security,
 - human, plant or animal health and life
- The EPA does not prevent the implementation of measures by CARIFORUM or Europe to prevent tax evasion or tax avoidance.

Part V of the EPA – Institutional Provisions

These provisions facilitate the establishment of institutions vested with specific responsibilities essential to ensuring that the objectives of the EPA are met. These institutions are parallel to the structure of Cotonou Institutional Provisions.

What Stands Out

- **The Joint CARIFORUM-EC Council**
 - Highest institution
 - To meet at Ministerial level at regular intervals not exceeding two years
 - Vested with responsibility to supervise the implementation of the EPA
 - May take decisions concerning any aspect of the agreement as jointly agreed by CARIFORM and the EC.

- **The CARIFORUM-EC Trade and Development Committee**
 - Second highest institution
 - Assists the Joint CARIFORUM-EC Council
 - Vested with specific responsibilities vital to ensuring that all matters affecting the partnership are resolved in an expeditious manner and that the development dimension of the EPA is fulfilled

- **The CARIFORUM-EC Parliamentary Committee**
 - Comprised of representatives from the European Parliament and the legislatures of the CARIFORUM States
 - Facilitates meeting and exchange of views of these representatives on the implementation of the EPA

- **The CARIFORUM-EC Consultative Committee**
 - Designed for the engagement of civil society in the EPA implementation process.
 - Composition to be determined by Joint CARIFORUM-EC Council
 - This Committee facilitates a basic tenet of the Cotonou Agreement and therefore the EPA which is the facilitation of participation of different actors other than the State in the Partnership.

None of these Institutions facilitate supra-nationality or ceding of sovereignty of the CARIFORUM States or the EU. CARIFORUM and Europe have jointly agreed to delegate authority on issues relating specifically to the implementation of the EPA to these institutions.

Part VI of the EPA – General and Final Provisions

These provisions express final arrangements to be facilitated.

What Stands Out

- CARIFORUM states are obliged to extend to each other any advantage that is extended to Europe:-
 - With immediate effect between CARICOM and the Dominican Republic on all duties attracting zero rated duty;
 - Within 1 year between More Developed Countries (MDCs) within CARICOM and the Dominican Republic on all other goods;
 - Within 2 years between Less Developed Countries of CARICOM (LDC) within CARICOM and the Dominican Republic on all other goods;
 - Not before 5 years for Haiti.
- Market access and trade as covered in all areas under the Agreement are facilitated between the Outermost Regions of Europe.
- Possibility of revising the EPA in order to:
 - include the Overseas Countries and Territories (OCTs) associated with the European Community; Within the Region, the **Overseas Countries and Territories (OCTs)** are: *Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, and Turks & Caicos (UK); French Guiana, Guadeloupe, Martinique, and Saint Martin (French); Aruba, Bonaire, Curacao, Saba, Saint Eustatious (Dutch)*

- adjust to the pending expiration of the Cotonou Agreement in 2020;
- broaden and supplement the scope of the EPA .

| Notes

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