



COMMISSIE VAN DE EUROPESE GEMEENSCHAPPEN

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**MEDEDELING VAN DE COMMISSIE AAN DE RAAD,
HET EUROPEES PARLEMENT EN HET EUROPEES ECONOMISCH EN SOCIAAL
COMITÉ**

**EEN EU-CARIBISCH PARTNERSCHAP VOOR GROEI, STABILITEIT
EN ONTWIKKELING**

{SEC(2006) 268}

DEEL I

1. INLEIDING

Europa heeft sterke historische banden met het Caribisch gebied. Ook vandaag nog onderhouden sommige lidstaten van de EU nauwe betrekkingen met de regio, met name via de Franse départements d'outre-mer (DOM) en de landen en gebieden overzee (LGO) van het VK en Nederland¹. De prominente rol van het Caribisch gebied binnen de ACS-groep en de opname van het gebied in de Overeenkomst van Cotonou vormen de basis van zijn bijzondere betrekkingen met de EU. Het partnerschap tussen de EU en het Caribisch gebied moet ook worden bekeken in het kader van het ruimere strategische partnerschap dat de EU, het Caribisch gebied en de landen van Latijns-Amerika op hun eerste gezamenlijke top in Rio in 1999 hebben gesloten (EU-LAC-partnerschap).

Deze mededeling over het Caribisch gebied², die betrekking heeft op de Caribische ACS-staten³, is gebaseerd op de beginselen van het ontwikkelingsbeleid van de EU, de Europese consensus van 2005⁴ en de Overeenkomst van Cotonou⁵, en bouwt voort op meer dan 30 jaar samenwerkingservaring. De mededeling, die uitgaat van de ethische beginselen gelijkheid, partnerschap en eigen verantwoordelijkheid, geeft de hoofdlijnen aan van het toekomstige beleid inzake de betrekkingen tussen de EU en het Caribisch gebied. Het doel is een sterk en wederzijds voordelig partnerschap op internationaal niveau, waarbinnen beide partijen zullen samenwerken aan de verwezenlijking van hun gedeelde idealen democratie en mensenrechten en aan de strijd tegen armoede en tegen mondiale bedreigingen van vrede, veiligheid en stabiliteit. De EU zal het Caribisch gebied ook bijstaan bij het bereiken van zijn ontwikkelingsdoelstellingen en het uitwerken van maatregelen in het licht van de talrijke specifieke uitdagingen waarmee de regio wordt geconfronteerd. Bij de versterking van het eigen hervormings- en ontwikkelingsprogramma van het Caribisch gebied heeft de EU de volgende drie doelstellingen:

- uittekenen van een politiek partnerschap op basis van gedeelde waarden;
- inspelen op de economische en ecologische sterke en zwakke punten;
- bevorderen van sociale cohesie en bestrijden van armoede.

¹ “Départements d'outre-mer” (overzeese departementen). In het Caribisch gebied telt Frankrijk 3 DOM, namelijk Guadeloupe, Frans-Guyana en Martinique. De DOM maken net zoals de overige ultraperifere regio's integrerend deel uit van de EU.

² Deze mededeling en al haar bijlagen.

³ Antigua en Barbuda, Barbados, de Bahama's, Belize, Dominica, de Dominicaanse Republiek, Grenada, Guyana, Haïti, Jamaica, St Kitts en Nevis, St Lucia, St Vincent en de Grenadines, Suriname en Trinidad en Tobago, die partij zijn bij de Overeenkomst van Cotonou, alsook Cuba dat lid van de ACS-groep maar geen partij bij de Overeenkomst van Cotonou is.

⁴ Europese consensus inzake ontwikkeling, (juli 2005), COM (2005) 311.

⁵ ACS-EU-partnerschapsovereenkomst, die op 23 juni 2000 in Cotonou is ondertekend en in 2005 is herzien.

2. PARTNERS IN EEN GEDEELDE VISIE OP DE TOEKOMST

De Caribische strategie van de EU is opgebouwd rond een gezamenlijke visie op de toekomst, uitgaande van in het verleden gewortelde waarden, gekoppeld aan de maximale benutting van de mogelijkheden van de Overeenkomst van Cotonou. Aan de ene kant bestaat de overkoepelende ontwikkelingsdoelstelling van de EU erin alle landen in het Caribisch gebied bij te staan om hun ontwikkelingsdoelstellingen op lange termijn te bereiken op basis van zelfvoorziening en in een klimaat van veiligheid en stabiliteit. Dit omvat ook steun voor de Caribische landen die tegen 2020, na het verstrijken van de huidige Overeenkomst van Cotonou, bij de ontwikkelde landen willen horen. Aan de andere kant meent de Commissie dat het EU-Caribisch partnerschap strategische economische en politieke kwesties van wederzijds belang op internationaal niveau kan aanpakken (b.v. vrede, strijd tegen de drugshandel, multilateralisme).

Het doel van de mededeling van de EU over het Caribisch gebied is aan te tonen hoe de problemen in het Caribisch gebied door een passende beleidsmix tot kansen kunnen worden omgebogen. Meer concreet betekent dit dat een gestructureerde politieke dialoog met de regio en onderling vastgestelde strategische beleidsdoelstellingen die door de bestaande ontwikkelingssamenwerking en -instrumenten van de EU worden ondersteund, doeltreffender moeten worden geïmplementeerd, parallel met de eigen inspanningen van het Caribisch gebied om zijn potentieel verder te ontwikkelen en te voorkomen dat de regio een centrum van onstabiliteit wordt. Het beste middel om dat doel te bereiken is ervoor te zorgen dat de EU duurzame sociaal-economische groei in de Caraïben aanmoedigt. Tegelijk kan de EU door het bevorderen van goed bestuur op financieel, fiscaal en justitieel gebied en bijstand op terreinen zoals bestrijding van de georganiseerde misdaad, migratie en drugshandel voorkomen dat het Caribisch gebied een kwetsbare regio wordt. Leiderschap en eigen verantwoordelijkheid van het Caribisch gebied zijn daarbij van cruciaal belang.

3. UITDAGINGEN VOOR HET CARIBISCH GEBIED

Geopolitieke uitdagingen

Een belangrijke uitdaging voor het Caribisch gebied is het tot stand brengen van het juiste evenwicht in de betrekkingen met de verschillende partners uit het westelijk halfrond, met name de VS, Brazilië en Venezuela. De meeste Caribische landen zetten zich in voor de handhaving van evenwichtige betrekkingen met de grotere landen in de ruimere regio. Gezien de bestaande verschillen op het halfrond is het een complexe taak een evenwicht in stand te houden waarbij rekening wordt gehouden met de belangen van de kleine eilandstaten, zonder dat de regio van de grote economische ontwikkelingen wordt uitgesloten.

De EU schaaft zich achter de Caribische doelstelling om regionale eenheid in het Caribisch gebied tot stand te brengen, waarbij CARICOM⁶ het integratieorgaan en CARIFORUM⁷ het samenwerkingsorgaan vormt. Een tweede doelstelling is het ontwikkelen van banden tussen de Caraïben en de ruimere regio, met inbegrip van Midden- en Latijns-Amerika. Midden- en

⁶ CARICOM: Caribische gemeenschap. De leden zijn Antigua en Barbuda, Barbados, de Bahama's, Belize, Dominica, Grenada, Guyana, Haïti, Jamaica, Montserrat, St Kitts en Nevis, St Lucia, St Vincent en de Grenadines, Suriname en Trinidad en Tobago.

⁷ Caribisch forum van ACS-staten: omvat alle leden van CARICOM met uitzondering van Montserrat, plus de Dominicaanse Republiek en Cuba.

Latijns-Amerika bieden het Caribisch gebied grote kansen, maar zijn in sommige productsectoren ook concurrenten. Er bestaan territoriale geschillen tussen sommige landen in deze regio's.

Via de DOM is de EU aanwezig in het Caribisch gebied. In het kader van het bredere integratieproces zou de samenwerking tussen de ACS-Caribische groep en de DOM en LGO moeten worden versterkt.

Teneinde de externe dimensie van het integratieproces te versterken zal de EU zich toeleggen op het strategisch EU-LAC-partnerschap. In het algemeen kan het regionale netwerk van landengroepen de interactie en synergie aanzienlijk versterken, wat uiteindelijk zou moeten leiden tot de vlotte integratie van de regio in de wereldeconomie.

Sociaal-economische en ecologische uitdagingen

Het Caribisch gebied bestaat uit een aantal kleine staten, hoofdzakelijk eilanden, met kleine, open maar kwetsbare economieën, die in vele gevallen op een beperkt aantal producten zijn gebaseerd, en zijn gelegen in een regio waar zich vaak natuurrampen voordoen. Het insulaire karakter van het grootste deel van het Caribisch gebied vormt wellicht de belangrijkste belemmering voor het streven naar integratie in de regio en heeft een negatief effect op de kosten van energie, vervoer, communicatie en handelsverkeer.

Het menselijk potentieel in het Caribisch gebied heeft zich sterk ontwikkeld. Toch bestaan er belangrijke ontwikkelingsverschillen in de regio, aangezien zij zowel midden-inkomenslanden als lage-inkomenslanden omvat alsmede het armste land van het halfrond, Haïti. Het gemiddeld BBP per hoofd werd in 2005 geraamd op USD 3640 maar sinds de jaren zeventig is de gemiddelde groei in de regio decennium na decennium vertraagd⁸. Alle landen in de regio blijven in uiteenlopende mate kwetsbaar voor economische crisissituaties en natuurrampen en hebben te maken met gemeenschappelijke sociaal-economische en ecologische problemen, met inbegrip van geringe sociale cohesie en in sommige gevallen ernstige armoede zoals in Haïti, Guyana en sommige OECS-landen (OECS: Organisatie van oostelijke Caribische staten). Andere problemen zijn de werkloosheid, in het bijzonder onder jongeren en ontheemde landarbeiders, migratie en braindrain, een vrij hoog percentage HIV/aids-patiënten, een langzame diversificatie weg van de traditionele sectoren, lage productiviteit en concurrentievermogen, hoge schuldenlast, noodzaak van economische hervorming en herstructurering van de overheidssector. De uitdagingen op milieugebied zijn onder meer natuurrampen, klimaatverandering en het beheer van de natuurlijke hulpbronnen. Afgezien van de economische en sociale problemen worden de veiligheid en de stabiliteit ook bedreigd door politieke en in sommige gevallen etnische spanningen, criminaliteit, drugs en daarmee verband houdende misdaden en gewapend geweld.

Het Caribisch gebied bevindt zich op een kruispunt. Er is krachtadig leiderschap vereist indien de regio al deze uitdagingen wil aangaan. In tegenstelling tot de eerste indruk die kan worden gewekt door de economische indicatoren en de ambitie van sommige landen om tegen 2020 de status van ontwikkeld land te bereiken, bestaan er redenen tot bezorgdheid dat sommige Caribische staten van de groep midden-inkomenslanden naar de groep lage-inkomenslanden kunnen afglijden indien er geen stappen worden ondernomen om de economische tendensen om te buigen en veiligheids- en stabiliteitsstrategieën uit te werken

⁸ "A time to choose - Caribbean Development in the 21st Century", Wereldbank, april 2005.

die terdege rekening houden met de nieuwe mondiale realiteit en de uitdagingen en kansen die voor ons liggen.

Deel II – Van uitdagingen naar kansen

Tien jaar geleden werd de EU beschouwd als het antwoord op de problemen van het Caribisch gebied. Vandaag echter bestaat het gevoel dat de betrekkingen tussen de EU en het Caribisch gebied gespannen zijn, mede onder invloed van de onvermijdelijke wijzigingen in de preferentiële handelsregelingen en de moeilijkheden bij de tenuitvoerlegging en de absorptie van de ontwikkelingssamenwerking. De gemeenschappelijke uitdaging voor de EU en de lidstaten is dat gevoel om te buigen. Het uiteindelijke doel van de EU is het Caribisch gebied te helpen positief op de uitdagingen in de regio te reageren. De EU-strategie met het oog daarop omvat drie hoofdlijnen: uitwerken van een politiek partnerschap gebaseerd op gedeelde waarden, aanpakken van economische en ecologische problemen en bevordering van sociale cohesie en armoedebestrijding. Door gezamenlijk te streven naar het bereiken van deze doelstellingen kan de EU het Caribisch gebied bijstaan bij zijn inspanningen om zich om te vormen tot een regio die heel wat mogelijkheden biedt.

4. UITWERKING VAN EEN POLITIEK PARTNERSCHAP OP BASIS VAN GEDEELDE WAARDEN

Een sterk politiek partnerschap tussen de EU en het Caribisch gebied, dat op gedeelde waarden is gebaseerd, is essentieel voor de verdere versterking van de betrekkingen tussen de EU en het Caribisch gebied en voor een gezamenlijke respons op de politieke uitdagingen in de Caraïben. Bij de ontwikkeling van dit politiek partnerschap moet zowel lokaal als in de regionale internationale fora meer tijd aan die dialoog worden besteed. In het Caribisch gebied zal de EU prioriteit verlenen aan haar betrekkingen met CARIFORUM, teneinde een groot aantal uiteenlopende vraagstukken te behandelen die voor beide partijen van belang zijn. Het gaat daarbij onder meer om de versterking van de democratie, mensenrechten, gelijke kansen, sociale cohesie en mogelijkheden voor fatsoenlijk werk, veiligheid, stabiliteit, conflictpreventie, migratie, drugs en regionale integratie. Er zullen ook contacten worden onderhouden tussen deze nieuwe politieke dialoog en het maatschappelijk middenveld, zodat alle groepen binnen de samenleving hun stem kunnen laten horen.

De tweejaarlijkse EU-LAC-top vormt een belangrijke gelegenheid voor de politieke dialoog tussen de EU en het Caribisch gebied op het hoogste niveau om de evoluerende betrekkingen tussen het Caribisch gebied, de buurlanden en de EU te bespreken. Conform de politieke prioriteit van de EU in het Caribisch gebied zal op de komende EU-Caribische Trojka in Wenen in mei 2006 een nieuwe politieke dialoog worden gestart.

De politieke dialoog van de EU met CARIFORUM en de Latijns-Amerikaanse landen en de Caraïben zal de mogelijkheid bieden om vorderingen te maken in verband met vraagstukken van gemeenschappelijk belang zoals de klemtoon op het proces van ruimere regionale integratie, de versterking van de democratie, mensenrechten, sociale cohesie en kansen op fatsoenlijk werk, veiligheid, stabiliteit, conflictpreventie en drugshandel. De politieke dialoog kan ook van bijzonder belang zijn voor vredesopbouw en het beleid voor vreedzame overgang in Haïti, terwijl nog steeds de mogelijkheid wordt opengehouden van een politieke dialoog met Cuba op gebieden waar de betrekkingen en de steun kunnen worden versterkt in het kader

van het gemeenschappelijk standpunt van 1996, waarop het beleid van de EU ten aanzien van Cuba is gebaseerd⁹.

Veiligheid is de jongste tijd in de hele wereld geëvolueerd tot een belangrijke prioriteit, nadat talrijke landen het slachtoffer van terroristische aanslagen zijn geworden. De zorg voor de veiligheid en de rechtsstaat, rechtvaardigheid, justitie en de volledige naleving van de mensenrechten: al deze elementen worden thans erkend als fundamentele en gezamenlijke prioriteiten voor de EU en het Caribisch gebied. Daartoe zullen de EU en het Caribisch gebied samenwerken aan maatregelen ter verbetering van de veiligheid, met inbegrip van de non-proliferatie van massavernietigingswapens, de strijd tegen de handel in illegale handvuurwapens en lichte wapens (SALW) en terrorismebestrijding.

De EU zou in toenemende mate regionale en nationale ontwikkelingsstrategieën en -instrumenten moeten toepassen om de onderliggende oorzaken van onveiligheid, onstabiele en conflicten aan te pakken zoals armoede, ongelijkheid en gebrek aan sociale cohesie. Vooral in sommige kwetsbare landen, die het risico lopen van de groep van midden-inkomenslanden naar de groep lage-inkomenslanden af te glijden, moet een cultuur van conflictpreventie worden ontwikkeld en bevorderd. Ook de Caribische landen zelf moeten de verantwoordelijkheid hiervoor op zich nemen. Daartoe worden CARICOM/CARIFORUM aangemoedigd door te gaan met initiatieven op het politieke front zoals verkiezingswaarneming en speciale missies voor het oplossen van politieke problemen, waarvoor de EU in de toekomst steun zal blijven verlenen.

Goed en doeltreffend bestuur wordt door het Caribisch gebied erkend als een cruciale voorwaarde voor duurzame ontwikkeling en vormt een van de basisbeginselen van de EU, zoals uiteengezet in de mededeling van 2003 over bestuur en ontwikkeling¹⁰. Centraal voor een goed en doeltreffend bestuur is de versterking van geloofwaardige instellingen zoals parlementen, justitie en overheidssystemen voor financieel beheer op nationaal en regionaal niveau. De EU zal deze belangrijke instellingen systematisch ondersteunen als centrale componenten van de EU-prioriteit inzake goed bestuur in het Caribisch gebied. Het is evenwel een feit dat goed bestuur niet alleen te maken heeft met institutionele opbouw maar ook met een degelijk beleid en passende regelgeving op economisch, sociaal en politiek gebied. De EU zal daarom blijven streven naar transparantie en een doeltreffende uitwisseling van informatie tussen de autoriteiten teneinde corruptie en oneerlijke praktijken in het bedrijfsleven en financiële kringen te bestrijden. De EU zal ook goed bestuur op financieel, fiscaal en justitieel gebied bevorderen.

De EU zet zich ook in voor een versnelde ratificatie van het VN-Verdrag tegen internationale georganiseerde misdaad en het VN-Verdrag tegen corruptie. Bovendien zal zij de goedkeuring en toepassing aanmoedigen van internationale normen voor de preventie en bestrijding van witwaspraktijken, terrorisme, belastingfraude en belastingontduiking. Door het ontwikkelen van interne strategieën en capaciteitsopbouw zal de EU ook zorgen voor versterking van de beperkte institutionele en technische capaciteit van de Caribische landen om georganiseerde misdaad en drugs doeltreffend en alomvattend aan te pakken.

⁹ De betrekkingen van de Europese Unie met Cuba worden geregeld in het gemeenschappelijk standpunt van 2 december 1996 dat de Raad heeft bepaald op grond van artikel J.2 van het Verdrag betreffende de Europese Unie (Publicatieblad L 322 van 12.12.1996, blz. 1).

¹⁰ Mededeling van de Commissie over Bestuur en Ontwikkeling, Brussel, 20.10.2003, COM (2003) 615 definitief.

De activiteiten omvatten:

- versterkte politieke dialoog in het kader van EU-CARIFORUM en EU-LAC over uiteenlopende kwesties van gemeenschappelijk belang;
- maatregelen ter ondersteuning van goed en doeltreffend bestuur;
- versterkte samenwerking in het kader van internationale fora.

5. INSPELEN OP DE ECONOMISCHE EN ECOLOGISCHE STERKE EN ZWAKKE PUNTEN

In een steeds meer interdependente en gemondialiseerde wereld is een van de belangrijke doelstellingen van het EU-ontwikkelingsbeleid de ontwikkelingslanden bijstaan om het mondialiseringsproces in goede banen te leiden. Daarom moet de samenhang tussen het handelsbeleid van de EU en de politieke dialoog van de EU met het Caribisch gebied worden versterkt om levensvatbare economische modellen voor de regio te ontwikkelen. Daartoe zal de EU krachtdadige steun verlenen voor de voltooiing en werking van de Caribische gemeenschappelijke markt en economie (CSME) in het kader van de regionale integratie en van de totstandbrenging van economische partnerschapsovereenkomsten met de EU. De EU zal bijdragen tot de versterking en vereenvoudiging van bestaande regionale instellingen en organen teneinde de vlotte werking van de gemeenschappelijke Caribische markt te waarborgen. Daarnaast kunnen het Speciaal Ontwikkelingsfonds en het Regionaal Ontwikkelingsfonds bijdragen tot het bevorderen van de gemeenschappelijke Caribische markt en economie. Verschillende landen, onder meer landen van de organisatie van oostelijke Caribische Staten zullen direct van die solidariteitsinstrumenten kunnen profiteren.

Een duidelijk omschreven en geloofwaardig integratieprogramma en een goed functionerende interne markt vormen de noodzakelijke pijlers voor het welslagen van de in april 2004 gestarte onderhandelingen over de economische partnerschapsovereenkomsten. Het proces van de economische partnerschapsovereenkomsten zal de Caribische regionale integratie ondersteunen en leiden tot een op regels gebaseerd kader dat het concurrentievermogen zal vergroten, de export zal diversifiëren en regionale markten zal creëren, waardoor de duurzame economische ontwikkeling zal worden bevorderd. Het proces zal ook de aanpassing aan de hervorming van het handelsbeleid vergemakkelijken, met inbegrip van de sociale dimensie, en ervoor zorgen dat de huidige sterke budgettaire afhankelijkheid van de invoeropbrengsten wordt verkleind. Dit integratieproces is van strategisch belang voor de toekomst van de economie in het Caribisch gebied. De ontwikkelingsdimensie moet worden versterkt teneinde het Caribisch gebied beter te helpen om de strategische doelstellingen inzake zijn mondiale concurrentiepositie te bereiken.

De EU zal haar handelsbijstand aan de landen van het Caribisch gebied opvoeren teneinde hun binnenlands en regionaal handelsbeleid en hun onderhandelingscapaciteit te versterken en de landen bij te staan bij het onderhandelen over en implementeren van de WTO-overeenkomsten en de economische partnerschapsovereenkomsten en bij andere gelijktijdige handelsbesprekingen. De EU zal ook de ontwikkeling van maatregelen op het gebied van douane en handelsbevordering en het toepassen van internationale normen aanmoedigen. Het afschaffen van de huidige barrières voor de intraregionale handel en investeringen en het creëren van stabielere, transparantere en meer voorspelbare regels en betrouwbare instellingen zullen in sterke mate bijdragen tot de groei van nationale en regionale economieën.

Essentieel voor het welslagen van de economische diversificatie en de structurele hervormingen is de vaststelling en doeltreffende tenuitvoerlegging door de regio en de regeringen van de Caribische staten van nationale strategieën op lange termijn, in

samenwerking met de particuliere sector, met inbegrip van sociale partners die volledig bij het uitstippelen van die strategieën zijn betrokken. De EU zal zo nodig helpen met de uitwerking van de nationale strategieën. De sleutel tot het welslagen van een strategie is haar vermogen om de particuliere sector als motor van economische vooruitgang op concrete en zinvolle wijze te ondersteunen.

Er moet steun worden verleend aan de particuliere sector en vooral de kleine en middelgrote ondernemingen, die zich moeten profileren als motor van duurzame groei en werkgelegenheid. De belangrijkste doelstelling van de EU is het creëren van een stimulerend ondernemingsklimaat en gunstige voorwaarden voor onderzoek en ontwikkeling en ICT-technologieën in de regio.

De open en in het algemeen kleinschalige economieën in de regio zijn bijzonder kwetsbaar voor de mondiale marktwerking en met name voor wijzigingen die de stabiliteit van de financiële markten beïnvloeden. Daarom moet de ontwikkeling van financiële diensten in de regio hand in hand gaan met de uitwerking van een passend regelgevingskader, met name om fraude door bedrijven en in de financiële wereld te voorkomen en te bestrijden. Bij de samenwerking met het Caribisch gebied, de ACS-staten en de LGO zal de EU steun verlenen voor goed bestuur op financieel, fiscaal en justitieel gebied, in het bijzonder met betrekking tot transparantie en de doeltreffende uitwisseling van informatie voor belastingdoeleinden. Deze kwestie zal ook aan de orde komen in het kader van de economische partnerschapsovereenkomsten.

Ook de Europese Investeringsbank kan een vitale rol spelen bij de totstandbrenging van een geslaagde economische overgang in de regio. In de praktijk betekent dit steun voor structurele hervorming en economische diversificatie, weg van traditionele sectoren naar producten en diensten met een hogere toegevoegde waarde.

Er moet steun worden verleend voor onderlinge verbindingen in en tussen de regio's (regionale luchthavens, havens en ICT). Dit vereist nauwere coördinatie van vervoerbeleid en -diensten in de gehele regio en diepgaande hervormingen van het aanbod (b.v. in de luchtvaartsector). Ook veiligheidsaspecten in de luchtvaart en de zeevaart zijn van toenemend belang.

Op energiegebied zal bijzondere nadruk worden gelegd op duurzame energie. Daarom zal de EU de samenwerking in de ruimere Caribische regio bevorderen teneinde beste praktijken voor de diversificatie van energiebronnen te delen.

Alle EU-bijstand, ongeacht de bron of het instrument, moet op coherente wijze worden verstrekt en worden vastgesteld onder volledige naleving van de nationale ontwikkelingsstrategieën. Voor de ontwikkelingshulp van de EU geldt dit voor de ontwikkelingssamenwerking en alle instrumenten betreffende specifieke producten, met inbegrip van suiker en bananen, die naar gelang van de specifieke kenmerken van ieder land tot doel hebben het concurrentievermogen te bevorderen, de economische diversificatie te ondersteunen en de sociale gevolgen van de grote verschuivingen in deze traditionele sectoren op te vangen.

Het milieu en de natuurlijke hulpbronnen vormen een belangrijk pluspunt voor de regio, de landen en in het bijzonder de armere delen van de plaatselijke bevolking. Het verband tussen milieu en sociaal-economische ontwikkeling zal bijzondere aandacht krijgen in de steun van de EU voor de regio. Afgezien van natuurrampen worden de Caribische staten met talrijke

milieu-uitdagingen geconfronteerd, onder meer bodemaantasting, ontbossing, waterschaarste, beheer van het visbestand, verlies van biodiversiteit, beheer van afvalstoffen en toxische chemische stoffen en in het recentere verleden de klimaatverandering, die alle een sterke weerslag op de sociaal-economische ontwikkeling van de regio hebben. De EU zal steun blijven verlenen voor maatregelen om de milieu-uitdagingen aan te pakken en aan capaciteitsopbouw te doen op terreinen zoals klimaatverandering, schadebeperking en aanpassing en duurzaam beheer van natuurlijke hulpbronnen. De EU zal haar ervaring met mondiale milieukwesties delen met haar Caribische partners. De EU zal ook bijdragen tot het versterken van de capaciteit van de regio voor de beheersing van natuurrampen op alle niveaus, met de klemtoon op risicobeperking, paraatheid, vroegtijdige waarschuwing, preventie en schadebeperking. Met name rehabilitatie, herstel en wederopbouw moeten worden versterkt door nieuwe en snellere uitbetalingsregelingen met van tevoren vastgelegde middelen.

De maatregelen omvatten:

- steun voor de voltooiing van de gemeenschappelijke Caribische markt en economie;
- steun voor regionale integratie op CARICOM-niveau en versterkte regionale samenwerking op CARIFORUM-niveau en tussen CARIFORUM, DOM en LGO;
- voeren en afronden van de onderhandelingen om tegen 2008 een economische partnerschapsovereenkomst EU-CARIFORUM tot stand te brengen, met inbegrip van bijstand op handelsgebied en steun voor goed bestuur op financieel, fiscaal en justitieel gebied;
- steun voor structurele hervormingen en voor economische diversificatie in de ruime zin van het woord, met inbegrip van interconnectiviteit en energie, en steun voor de particuliere sector en het maatschappelijk middenveld;
- steun voor maatregelen ter bestrijding van natuurrampen en andere specifieke milieuproblemen.

6. BEVORDERING VAN SOCIALE COHESIE EN ARMOEDEBESTRIJDING

Het wegwerken van de belangrijkste zwakke punten in het Caribisch gebied zal de regio helpen haar economisch concurrentievermogen te verbeteren en de sociaal-economische cohesie te versterken. Er zal bijzondere nadruk worden gelegd op het voorkomen van verdere grote sociale verschillen en druk op het milieu. Bovendien zullen gecoördineerde maatregelen worden genomen om de migratie aan te pakken en de werkloosheid terug te dringen. Al deze inspanningen moeten gecoördineerd en in het kader van een coherente strategie plaatsvinden.

Hier en daar komen in het Caribisch gebied haarden van extreme armoede voor, hoewel de Caribische landen in het algemeen goed scoren op de millenniumdoelstellingen voor ontwikkeling. De EU zal steun verlenen voor de inspanningen van de Caraïben om de chronische armoede weg te werken door ondersteuningsstrategieën ter verbetering van duurzame inkomensgenererende basisactiviteiten. De EU zal nationale strategieën ondersteunen die onder meer de volgende componenten omvatten: i) steun voor sociale vangnetten en ii) steun voor inkomensgenererende activiteiten voor de armsten op het platteland en in semi-stedelijke en stedelijke gebieden. Door deze doelstelling te ondersteunen zal de EU prioriteit blijven verlenen voor de activiteiten van het maatschappelijk middenveld in het Caribisch gebied.

Steun voor de bestrijding van HIV/aids en andere belangrijke endemische gezondheidsproblemen in de regio vormt een prioriteit voor het Caribisch gebied. Daartoe zal de EU middelen blijven storten in het Wereldfonds voor de bestrijding van HIV/aids,

tuberculose en malaria. Voorts heeft zij een mededeling over de bestrijding van HIV/aids opgesteld.¹¹

In verband met gezondheidszorg in het algemeen zal de EU steun verlenen voor de regionalisering van de samenwerking tussen de gezondheidsdiensten in de regio. De prioriteiten van de EU zullen onder meer omvatten: versterking van de gezondheidszorg in de regio, met bijzondere nadruk op personele middelen en gelijke toegang tot en financiering van gezondheidsdiensten, door in toenemende mate over te gaan op een sectorale aanpak en sectorale begrotingssteun.

Op drugsgebied zal het EU-optreden worden geconcentreerd op het ontwikkelen en implementeren van regionale en nationale strategieën die zowel op het terugdringen van vraag en aanbod zijn gericht als op de daarmee verband houdende toenemende drugsmisdaden en gewapende overvallen. De regionale coördinatie tussen de diverse programma's voor drugsbestrijding moet worden opgevoerd door de desbetreffende duurzame regionale instellingen te versterken. De langetermijndoelstelling bestaat erin te zorgen voor de volledige integratie van de diverse beleidslijnen op drugsgebied in de regionale ontwikkelingsstrategieën en in de sociale, economische en politieke structuren van het Caribisch gebied. De EU zal zich in de eerste plaats richten op een drugspreventiebeleid, met de nadruk op voorlichting en bewustmaking. Op het gebied van het terugdringen van de vraag zal de EU steun verlenen voor de inspanningen van de regio om toezicht, opleiding, juridische en operationele structuren en coördinatie te versterken teneinde de vraag naar drugs te verminderen. Aan de aanbodzijde zal de EU steun verlenen voor de inspanningen van de regio om zich sterker te engageren in de internationale drugsbestrijding en vooral in de versterking van de coördinatie en samenwerking met de Latijns-Amerikaanse landen.

De klemtoon op onderwijs is eveneens cruciaal om sommige delen van de bevolking uit de armoedeval te halen door hun de nodige vaardigheden te verschaffen voor economische diversificatie op terreinen zoals de dienstensector. Maatregelen voor groei die op menselijk kapitaal en kennis is gebaseerd zullen ook bijdragen tot het bereiken van de doelstelling om de sociale mobiliteit te verbeteren van degenen die de negatieve gevolgen van structurele hervormingen en economische overgang ondervinden. Braindrain, sociaal-economische vervreemding en geringe sociale cohesie zijn voor velen in het Caribisch gebied een realiteit. Het verstrekken van de nodige vaardigheden en knowhow om profijt uit de economische diversificatie te kunnen halen zal voor de EU een cruciaal mechanisme zijn om de huidige sociale en sociaal-economische uitdagingen aan te kunnen. De EU speelt al lang een belangrijke rol als ondersteuner van het onderwijs in het Caribisch gebied, met name op secundair, tertiair en universitair niveau. Deze samenwerking zal worden voortgezet en verder versterkt. In aansluiting op de EU-LAC-top in Guadalajara verleent de EU prioriteit aan het creëren van een gemeenschappelijke ruimte voor hoger onderwijs van Europa, Latijns-Amerika en het Caribisch gebied.

De maatregelen omvatten:

- prioriteit voor sociale cohesie en armoedebestrijding bij ontwikkelingsmaatregelen;
- steun voor de bestrijding van HIV/aids en andere endemische gezondheidsproblemen;
- versterkte samenwerking bij de drugsbestrijding aan de vraag- en aanbodzijde en bij drugserelateerde criminaliteit;
- ontwikkeling van personele middelen om economische diversificatie te ondersteunen en armoede en sociale uitsluiting terug te dringen.

¹¹ COM (2005) 654 definitief.

Deel III

7. VERHOOGDE DOELTREFFENDHEID

Zowel de EU als het Caribisch gebied moeten zorgen voor coördinatie bij hun werkzaamheden, waarbij zij gebruik maken van hun in de loop der jaren opgebouwde ervaring, teneinde een meer gestructureerde en beter doordachte samenwerking tot stand te brengen die op de specifieke kenmerken van het Caribisch gebied is afgestemd.

Een aantal structurele problemen is van invloed op de mobilisering van de steun en vormt een bron van spanningen binnen de betrekkingen tussen de EU en de Caraïben. De Caribische landen krijgen steun uit het EOF en uit een aantal andere begrotingsinstrumenten, maar er is een gebrek aan coherentie en complementariteit tussen de verschillende strategieën voor het gebruik van deze instrumenten en de gefinancierde maatregelen. Bovendien vormt het bestaan van een groot aantal kleine projecten in een brede waaier sectoren, gecombineerd met vaak ingewikkelde procedurevoorschriften een onoverkomelijke hinderpaal voor kleine en zwakke nationale en regionale implementatieorganen en overheidsinstellingen. Ook de delegaties van de Commissie in de regio hebben met dit probleem te kampen.

De regionale en nationale steunstrategieën zouden sterker moeten samenhangen en de daaruit voortvloeiende regionale en nationale indicatieve programma's zouden zoveel mogelijk een wederzijds versterkend effect moeten hebben. Het subsidiariteitsbeginsel, waarbij het nationale of het regionale niveau bevoegd is voor de problemen die het best op dat niveau kunnen worden aangepakt, moet het richtsnoer vormen voor de selectie van de maatregelen in het kader van het regionaal indicatief programma respectievelijk de nationale indicatieve programma's. In het algemeen moet gebruik worden gemaakt van begrotingssteun op nationaal niveau en overeenkomsten met de regionale organen voor het verstrekken van bijdragen. De programma's voor begrotingssteun bieden talrijke voordelen zoals het stimuleren van een sterkere betrokkenheid van de plaatselijke actoren, het verlagen van de transactiekosten en een doeltreffender aanwending van de steun. De begrotingssteun zal ook een sterke bijdrage leveren tot de structurele hervorming, vooral wanneer deze wordt verstrekt in een context gekenmerkt door het bestaan en de implementatie van een eengemaakt en solide nationaal of regionaal ontwikkelingsbeleid. In de praktijk zal de begrotingssteun gepaard gaan met de verplichting om een transparant en verantwoordingsplichtig financieel en administratief beheer van de ontwikkelingsgelden te voeren.

Op nationaal niveau zal de EU-bijstand worden uitgewerkt uitgaande van een eengemaakte nationale ontwikkelingsstrategie die alle EG-instrumenten omvat, met inbegrip van het EOF, speciale middelen voor bananen, suiker, rijst en rum en alle andere EG-begrotingslijnen en -faciliteiten. Daarbij zal worden gestreefd naar een oplossing voor de vele problemen die zich voordoen in verband met specifieke instrumenten betreffende bepaalde producten zoals de bijzondere kaderregeling voor bananen. Op regionaal niveau, waarbij nauw wordt samengewerkt met het CARICOM/CARIFORUM-secretariaat, zouden instrumenten zoals het nieuw Regionaal Ontwikkelingsfonds kunnen worden beschouwd als een van de potentiële kanalen voor het verstrekken van de regionale ontwikkelingssteun van de EU in het Caribisch gebied.

De synergie tussen ontwikkelingsprogramma's voor ACS-landen, LGO en DOM en met EU-programma's voor Latijns-Amerika zal actief worden aangemoedigd.

De Europese Commissie heeft een vereenvoudigde structuur voorgesteld voor de externe bijstand van de Gemeenschap, die tot doel heeft de coherentie en samenhang te bevorderen, de financiële en administratieve procedures te verbeteren en de cofinanciering met andere donoren te vergemakkelijken. De Commissie stelt ook voor een gemeenschappelijke opzet voor een gezamenlijk kader voor meerjarenplanning te hanteren dat voor alle EU-lidstaten zou gelden¹².

Door de donorsteun in het begrotingskader op te nemen krijgen de Caribische regeringen bovendien de mogelijkheid om een betere verhouding tussen kapitaaluitgaven en terugkerende uitgaven te bereiken.

De maatregelen omvatten:

- bevordering van het gebruik van eengemaakte nationale en regionale strategieën voor het gebruik van alle EU-ontwikkelingssteun ongeacht de bron of het instrument;
- gebruik van begrotingssteun en overeenkomsten inzake financiële bijdragen als de instrumenten bij uitstek voor het verstrekken van ontwikkelingshulp;
- vereenvoudiging van de financiële en administratieve procedures voor steunverlening en de harmonisatie van de programmering tussen de EG en de lidstaten.

8. CONCLUSIES – TOEGEVOEGDE WAARDE VAN DE EU IN HET CARIBISCH GEBIED

De EU en het Caribisch gebied zijn verenigd in een langdurig en solide partnerschap dat is gebaseerd op een gezamenlijk verleden en gedeelde waarden. In de loop van de jaren is gebleken dat dit partnerschap voor beide zijden belangrijk is en voordelen heeft opgeleverd. De Overeenkomst van Cotonou, die loopt tot 2020, biedt een stevige grondslag waarop deze gewaardeerde betrekkingen verder kunnen worden versterkt. Er moet gebruik worden gemaakt van de talrijke mogelijkheden die de Overeenkomst van Cotonou biedt. De EU en het Caribisch gebied zullen samenwerken als partners in het wereldwijde streven naar de ondersteuning van democratie, universele mensenrechten, vrede en stabiliteit in de wereld en naar de bestrijding van de armoede.

Het Caribisch gebied heeft het pad ingeslagen van regionale integratie, bredere regionale samenwerking, economische diversificatie, herstructurering en hervorming als middel om gebruik te maken van de bestaande mogelijkheden en de negatieve effecten van de mondialisering op de kleine en kwetsbare staten in het gebied tot een minimum te beperken, en om te beantwoorden aan de sterke ambities van de Caribische bevolking inzake menselijke ontwikkeling. De nationale regeringen, het maatschappelijk middenveld, particuliere bedrijven en regionale structuren in het Caribisch gebied zullen vanzelfsprekend verantwoordelijk zijn voor het uitbouwen van hun eigen toekomst. Uitgaande van een gezamenlijke visie op de toekomst en via een versterkt politiek partnerschap en maatregelen om de zwakke punten van de regio op sociaal-economisch en ecologisch gebied aan te pakken, de sociale cohesie te bevorderen en de armoede te bestrijden zal de EU een standvastige partner voor het Caribisch gebied blijven vormen. De Trojka-bijeenkomst van de EU en het Caribisch gebied in het kader van de EU-LAC-top in mei 2006 zal de start van een vernieuwde en brede politieke dialoog vormen.

¹² COM (2006) 88.

ANNEX I

AN EU-CARIBBEAN PARTNERSHIP FOR GROWTH, STABILITY AND DEVELOPMENT

1. The overall context, geopolitical dynamics, independence to present day

Most of the Caribbean countries¹³ gained independence in the 1960s from the European colonial powers. Countries were granted independence on an individual basis even though integration efforts existed since the 1950s, such as the Caribbean Federation¹⁴. It was the height of the cold war and all regions of the world were important to the superpowers jostling for influence, allies and UN votes.

The region is characterized by a strong diversity in its history and socio/cultural development and with great disparities in economic development and wealth distribution; ranging from the impoverished island of Haiti, to the wealthy Turks and Caicos Islands, and with varied forms of government ranging from Cuba's socialism to the stable democracies of the majority of the archipelago.

Several of the smaller islands of the region still retain close links to their former colonial metropolises in the form of self governing overseas countries and territories in the case of the Netherlands and the UK and in the form of parts fully included in the national territory in the case of France.

The early post colonial period was a period of continued strong involvement of the ex-colonial powers which also extended to the economic life of the region, with the establishment of preferential trade arrangements particularly in the area of commodities such as sugar, bananas and rum.

Preferential arrangements with the EU, the US¹⁵ and Canada¹⁶, coupled with above average aid flows, in particular from the former colonial powers resulting from decolonization sentiments, led to the development of higher standards of living than the norm in other developing countries.

This period was also characterised by isolationism and an almost exclusive focusing of external relations on relations with the former European metropolises, the USA and Canada.

The end of the Cold War in the early 1990s meant that the Caribbean region lost geostrategic importance. At the same time, there has been a gradual erosion of preferential trade arrangements, a diminishing of aid and an overall slowdown in growth which accentuated the fault lines in what is now coming to be seen as an inherently unsustainable system.

In terms of ranking in the Human Development Index, six countries are placed in the High Human Development cluster and with the exception of Haiti, a Least Developed Country

¹³ Caribbean countries refer to the ACP Caribbean group of states.

¹⁴ "CARICOM – Our Caribbean Community", CARICOM Secretariat, 2005.

¹⁵ The US Caribbean Basin Initiative (CBI)
http://www.ustr.gov/trade_development/preference_programs/CBI/section_index.html

¹⁶ Canada's CARIBCAN <http://canadagazette.gc.ca/partII/1998/19980218/html/sor104-e.html>

(LDC), the rest are in the Middle Human Development cluster. With the exception of Haiti the region as a whole is currently scoring reasonably well in the MDGs. However, there are concerns that current levels of Human Development and MDG indicators could be unsustainable.

Although characterized by overall satisfactory levels of human development, poverty, inequality and reduced social cohesion are a growing reality. Caribbean countries have experienced serious social problems in recent years.. Indeed, poverty levels range between 8 and 35% with Haiti being the poorest country of the Hemisphere. Unemployment, inequality and the precarious situation and rights of indigenous populations in countries such as Belize, Guyana, Suriname and Dominica further aggravates the socio-economic situation.

The Caribbean, with 2.4%, has the second highest incidence of HIV/AIDS after Sub Saharan Africa. The cost to the region of HIV/AIDS is estimated at 6% of GDP per annum¹⁷.

Security and stability within the region are under threat from a resurgence of internal ethnic tensions, criminality, drugs, drug related crime and armed violence.

Internal social, economic, and in some cases political problems are fuelling a rising migration sapping the region of much needed quality human resources. Despite an overall trend of declining unemployment in the region especially in countries like Barbados and Trinidad & Tobago, where it dropped from more than 20% in the beginning of the 1990s to around 10% in the beginning of the year 2000, unemployment rates tend to remain stable in the rest of the Caribbean region.

The Caribbean is a region at a crossroads. Bold leadership initiatives are required if the region is to face the political, economic and security challenges.

There are concerns- including within the region - that the Caribbean may slip from Middle Income to Low Income country status if steps are not taken to reverse economic trends and to define strategies that will take fully into account emerging global realities and seize the opportunities ahead.

Regionalism in the Caribbean emerged as a response to overcoming the development constraints of small size and is present in various forms from economic/political cooperation and association to economic and monetary union.

CARICOM dates from the early 1970s¹⁸. Similarly to other regional organisations, including the EU, CARICOM had to adjust its original scope and membership to adapt to the very different trade patterns, economic and political structures in the globalised world of today.

The new regionalism in the Caribbean is one that reflects a shift, towards closer relationships between the countries of the wider Caribbean and Latin America.

¹⁷ Haiti is reaching the African average of 5.6% of the population being infected with HIV/AIDS.

¹⁸ "CARICOM – Our Caribbean Community", CARICOM Secretariat, 2005.

2. Partners in a shared vision of the future

The EU and the Caribbean have a long-lasting relationship based on the legacy of history, common values, economic and trade cooperation and an important volume of trade exchange. Colonisation of the Caribbean mainly by Britain, France, Spain and the Netherlands dates back to the 17th Century.

The EU remains very present in the region particularly through its member states who still have close links with the region: France through their DOMs and the UK and the Netherlands through their OCTs, and through privileged bilateral relations between individual Caribbean states and EU Member states. Notwithstanding expressed interest from all sides, effective economic and development cooperation has not fully materialised to date. While efforts are being undertaken in that direction there is clearly a need to do more.

Since the UK accession to the EU the successive EU-ACP Conventions have become the framework for relations between the Caribbean Region and the European Union.

The present preferential Cotonou ACP Agreement, concluded in 2000 and revised in 2005, combines a **political dimension** with trade and **development issues** in a single comprehensive framework, which will remain in place until 2020. However, so far the political dimension of Cotonou has remained largely under utilised. At the regional level political dialogue in future will be prioritised at the annual CARIFORUM – EU Ministerial meetings, while inter-regional level political dialogue will be intensified at the EU-LAC bi-annual summits in a troika context.

The Caribbean forum of ACP States CARIFORUM¹⁹ was established in 1990 to provide a mechanism for the 15 Caribbean ACP states to manage regional cooperation under the Lomé Convention through the EDF. CARIFORUM has grown from a functional cooperation instrument to a forum for political dialogue among the Caribbean ACP states and contributed to the accession of Haiti into CARICOM (CARICOM has an economic integration focus) with the future adherence of the Dominican Republic also a possibility. The technical function of the CARIFORUM Secretariat is to be merged with the CARICOM Secretariat reflecting the importance attached by the CARIFORUM members to deeper regional political cooperation.

The EU-LAC strategic partnership links together the EU's relations with Latin America and the Caribbean and creates a comprehensive common platform for dialogue and cooperation on political and socio-economic issues. Since the first EU-LAC Summit in Rio in 1999, the Summits are key events in this partnership. The next EU-LAC Summit will take place in Vienna in May 2006. This strategic partnership offers significant opportunities for the Caribbean in their efforts to expand their relations to the wider Caribbean and Latin America.

CARIFORUM, also including Cuba as a member, provides a useful platform for strategic political dialogue. The EU's position on Cuba is governed by the Common Position adopted in 1996. The essence of the EU's policy towards Cuba is based on constructive engagement in the political and economic arena. Although Cuba was being actively considered for accession

¹⁹ Caribbean Forum of ACP States CARIFORUM comprises: Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname and Trinidad & Tobago. www.cariforum.org

to the Cotonou Agreement in 2003, political developments related to human rights put that process on hold and have severely strained relations between the two sides.

The Economic Partnership Agreements (EPAs) are perhaps the most innovative element of the Cotonou Agreement. Caribbean ACP countries (with the exception of Cuba), have benefited from preferential market access to the EU under the Cotonou Agreement and its predecessors. However, trade preferences alone are not able to provide the development the region needs and the Caribbean share of EU trade has been in long run decline. Old style preferential schemes based on assistance to commodities such like bananas, sugar etc proved that they were not sustainable with international trade. In addition, liberalisation and trade are phasing out and redefining the rent-based structure of the economies in the Caribbean. In response to this, negotiations on an EPA with the Caribbean started on 16th April 2004 after over a year of ACP talks. The EPA process will build on the current preferences to support Caribbean regional integration processes and provide a rules based framework to help increase competitiveness, diversify exports and create regional markets. Together with the enhancement of trade capacity this new trade regime under the EPA will contribute to sustainable economic development. It will also facilitate adjustment, including its social dimension, to trade policy reforms. The EU is the biggest grant donor in the Caribbean, both at the national and regional level. The overall volume of all forms of European Community aid to the Caribbean since Lome III is estimated at € 2.800 Bn.

The EU strongly supports regional integration in the Caribbean. Regional co-operation, since Lome III estimated at a total of € 331 M, has progressed steadily from simple projects benefiting two or three countries prior to 1990s, to functional cooperation between the entire CARIFORUM group of states aiming at building confidence and fuelling regionalism (1990 – 2000), to genuine regional integration programmes directly supporting CARICOM, and other regional institutions, and the completion of the Caribbean Single Market and Economy, since 2000.

Total allocations on the individual Caribbean countries are around € 1.800 Bn for from Lomé III through to 2007, and have covered a wide range of areas. Levels of aid vary widely between countries with special emphasis on the poorer countries of the region and especially Haiti and Guyana. Substantial commodity related assistance has been provided to the region through the sugar, banana, rice and rum preferential arrangements, estimated at a total of € 649 M (Sugar € 19.477 M , Banana € 216 M, Rum € 70 M, Stabex € 209 M and Sysmin € 134 M)²⁰.

However, **EC development cooperation** has been hampered by a plethora of intervention sectors, funding instruments and small projects collectively taxing the limited implementation capacity of national and CARICOM/CARIFORUM institutions as well as that of EC competent services.

Strategies implemented through structural measures such as Stabex and the Special Framework of Assistance to Traditional Banana Suppliers (SFA Budget line), were not always coherent with the support strategy of the National Indicative Programme (NIP) of the countries concerned nor were they sufficiently geared towards encouraging increased productivity and diversification. There was limited coherence between national and regional development programmes. The Cotonou Agreement, in spite of its substantial innovations,

²⁰ See annex III

has not been able to sufficiently address the development cooperation bottlenecks and the streamlining of various instruments.

Many of the European Member States have strong links with the region, and UK's Department for International Development (DFID) is among one of the most active development partners in the region. In 2004 its estimated budget in the region was € 67 M and the main recipient countries included Montserrat, Jamaica and Guyana.

A number of Caribbean countries such as Dominica, Haiti, Dominican Republic, St Lucia, Suriname and Cuba are benefiting from specific French development aid instruments. French cooperation has mainly been oriented towards economic and social infrastructure projects and the civil society. 90% of the development funds – approximately € 12 M/year- are channelled towards the so-called “Zone de Solidarité Prioritaire “ – Cuba, DR, Haiti and Suriname.

The Federal Government of Germany is another important player in the region placing emphasis on poverty reduction, environmental and resource protection and modernisation of the government and society. The total budget in 2003 was estimated at € 35M. Main priority countries were Guyana, DR and Haiti.

The Netherlands has also made contributions in the region, notably in Suriname where bi-lateral development ties date back to 1975. The Dutch government is its main donor and is mainly active in six sectors, in the field of good governance and in certain long-term projects. The total budget in 2003 was estimated at € 24 M. The main priority countries were Suriname, Jamaica and Haiti.

Spain is also active in development cooperation with the Caribbean both at bi-lateral and regional levels. The total budget in 2004 was estimated at € 54 M. The main priority countries were DR, Cuba and Haiti.

This listing is not considered exhaustive.

European Foreign Direct Investment (FDI) in the region has always been significant. By the year 2003, the outward stock of European FDI in the Caribbean region, including Cuba, was estimated at € 13.7 Bn.

3. Challenges facing the Caribbean

The special characteristics of the Caribbean contribute to the vulnerability of the region and present a certain number of interrelated political, economic and social challenges and opportunities.

3.1. The geo-political challenges

At the EU-LAC summit in Rio in 1999, participating countries made a joint pledge to set up a strategic partnership with a view to forging links in the political, economic and social spheres. The Caribbean states are a part of that strategic partnership and have strong ties with Central America and South America, enshrined in various agreements and through their membership of the Association of Caribbean States (ACS)

Caribbean participation in broader hemispheric groupings, including CARIFORUM, the ACS and the FTAA, together with the creation of an EU- CARICOM free trade area and the EU-

LAC strategic partnership will strongly reinforce the outward looking integration process which should lead to the eventual smooth integration of the region into the world economy.

The CARICOM members and the Dominican Republic are all established democracies with accountable administrations, free press and stable institutions. Nevertheless a number of potential issues could overturn this perception of security and stability with severe implications on economic and social progress.

Internal threats exist in the form of tensions between ethnic groups in some countries, economic downturn also causes social tension. Issues relating to unemployment, instability, drugs and related criminality and armed violence, small arms and light weapon trafficking all negatively impinge on the social fabric and the political life of the region. External threats exist from territorial and border disputes between some CARICOM member states and with some other neighbouring countries.

The advent of globalisation fortifies the need for widening and deepening of the Caribbean Community itself and for the region to move towards a more outward looking relation with the Latin American continent. The influence of individual Caribbean states in international organisations and fora is also quite important.

Cuba also plays an active role in the various international and regional fora. Although it is a full member of the United Nations, its role is limited by the fact that Cuba is not a member of several multilateral institutions such as the IMF, the WB, IDB (Inter American Development Bank) or the OAS (Organisation of American States).

With Venezuela, Cuba is promoting a Latin American alliance, the Iniciativa Bolivariana para las Americas (ALBA) which is seen as an alternative to the US-backed Free Trade Area of the Americas (FTAA). While the FTAA seeks free trade across the Americas as a whole, the ALBA proposes full integration of Latin America only, including the elimination of trade barriers.

The EU-LAC summits of Rio in 1999, Madrid in 2002 and Guadalajara in 2004 have contributed in further deepening the relations between the Latin America countries and the Caribbean. The well established relations of Dominican Republic, a CARIFORUM member, with Latin America countries are also an asset.

Central and Latin America offer extensive opportunities for the Caribbean but are also competitors in some commodity sectors and there are cases of territorial disputes among countries of these regions. The EU-LAC Summit process could offer valuable opportunities for political dialogue and conflict prevention.

An important challenge here is for the Caribbean to find the right balance in its relationships between its different hemispheric partners. Most of the Caribbean countries try to maintain well balanced relations with all big countries in the larger region where it geographically belongs. Given the differences that exist in the hemisphere, maintaining a balance respecting the interests of the very small islands states without excluding the regions from the major economic developments is a major challenge. In the longer term, the Caribbean has to carefully consider and prepare for the impact from the evolution of the situation in Cuba.

3.2. Economic challenges

The average GDP per capita for Caribbean countries in 2005 was estimated at 3640 US\$. There are however within the region significant differences between the countries and also significant inequalities in wealth distribution within the individual countries. The gap between the richest and the poorest countries has tended to widen over the last forty years and divergence in GDP per capita levels has been stronger between the Caribbean economies than the Latin American economies. Nevertheless, the Caribbean has an average income inequality, measured by the GINI Coefficient at 0.38 which is lower than in Latin America. Countries such as Haiti, Dominican Republic, and the small island communities of St. Vincent and the Grenadines, Antigua and Barbuda do however suffer from high levels of inequality than the average Caribbean State²¹.

The insular nature of most of the Caribbean is perhaps the single most important factor creating limitations to the efforts of integration of many small economies in the region and also adversely affecting the cost of energy, transport, communications and trade.

The Caribbean agricultural sector faces real challenges adjusting to structural changes in the global economy. Even before EU market reforms many traditional Caribbean exporters of rice, sugar, rum and bananas were structurally in long term decline under price pressure from more competitive suppliers, and this in spite of substantial EU aid and trade preferences. Preferential access to artificially high EU internal market prices is not a sustainable solution to problems of competitiveness, but the accelerating transition to a more diversified economy will be difficult.

Diversification, particularly in rural areas, is a difficult challenge, and requires a progressive approach. New activities can be developed around the dominant sectors, while simultaneously, if relevant, reinforcing their competitiveness and resilience.

According to the IMF, external current account deficits for the Caribbean are projected to worsen in the short term with the rise in oil prices and rising imports related to construction activity. Several countries are currently faced with macro-economic challenges, and fourteen Caribbean countries are among the thirty most indebted countries in the world.

The Caribbean is the most tourism intensive region in the world. Direct and indirect impacts of tourism account for 18% of total GDP in the region. However, tourism has not created strong linkages within national economies. Tourism infrastructure is mostly foreign owned and investment is being driven by substantial financial and tax incentives granted by the individual countries in competition with one another.

The efforts of several Caribbean countries to promote offshore financial centres have met with problems on two main accounts, namely unfair tax competition and lack of transparency in several areas, including taxation and security against money laundering operations. However, offshore business opportunities may still exist in other sectors. There are already several offshore medical schools in the Caribbean all geared to the US market. If adequately addressed offshore education should have the potential for further expansion.

²¹ Human Development Report 2005

Given the geographically dispersed nature of the Caribbean region interconnection including air, sea and land transport, telecommunications and connectivity and energy networks is another crucial challenge in regional integration and economic cooperation but at present lack of progress in this sector constitutes a major constraint on economic growth²².

The challenge of integrated regional markets is at the heart of the concept of the Economic Partnership Agreements (EPAs). This process of integration and of fostering trade will continue to be accompanied by substantial and increasing support for building trade capacities and for the implementation of supply side reforms, as well as the promotion of customs and trade facilitation measures. The EPA will have to address key challenges such as the dependence of Governments on unpredictable tariff revenues and integration in a diverse region. These are not insignificant, but the alternative of increasing isolation from international markets is the far greater risk to development.

In order to mitigate the differences of economic development that exist among the members of the CSME the region will benefit internally from a Special Development Fund, (SDF), operated by the Caribbean Development Bank (CDB) and the newly established Regional Development Fund (RDF). The setting up of this fund aims at supporting development of the less prosperous countries and regions and innovative strategies to enhance regional competitiveness.

The Caribbean Single Market component of the CSME was launched in January 2006 by six Caribbean States: Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago; the OECS countries are expected to join in the coming months.

To come to grips with the changing international situation countries need to embark on structural reforms and socio-economic transition from their traditional sectors towards higher added value products and services. Several have already embarked or are considering programmes in public and fiscal sector reform, macroeconomic stabilisation programmes, economic diversification, more effective labour markets, enhanced competitiveness, and a move to services and knowledge based economies. All these require strategic planning and investment in many areas, including human resources, energy, and transport and telecommunications infrastructure.

These reforms need to be intensified and speeded up or, current levels of development may be unsustainable, resulting in a slippage of some countries in the region from middle income to low income country status.

The needs are large and beyond the capacity of individual governments and require external assistance. A regional approach is fundamental to dealing with these many challenges.

3.3. Social challenges

Economic downturn is making some governments unable to continue delivering past levels of basic health and education services. Educational attainment is slowing in many islands and public services are deteriorating²³.

²² "A time to choose" Caribbean Development in the 21st century, a document by the World Bank in April 2005, p.xxxvi

²³ See annex IV.

Human resources have always been considered as a very significant part of the region's capital. Throughout the region the level of education, from primary education through to University level, has always been a source of pride. In recent years there are concerns of a decline in standards based in part on economic difficulties and on substantial migration of education professionals attracted by higher salaries in OECD countries. If the efforts to transform the economies of the region from primary commodities production to a diversified knowledge based services economy and if the private sector, both local and potential external investment, is to play its role as the motor of growth there will be an increasing need for a pool of high quality professionals. In this relation, it is important to remember that brain drain is also a major constraint on the region's overall human resources situation.

Unemployed is an endemic concern in the region and unemployment rates tend to be higher in the banana producing countries between 15% in Jamaica to more than 20% in the banana producing Windward Islands. One constraint in the regional approach is the diversity within the region.

Three countries (Cuba, Dominican Republic and Haiti) account for 80% of the population and have very different development and political situations. With the exception of Guyana and Suriname, the countries are generally small, mostly island states with small open economies and located in disaster prone areas making them inherently vulnerable to man-made and natural shocks, both internal and external.

Improved health care in particular HIV/AIDS is considered key to the region's economic development, to its attempt to alleviate poverty and to achieve specific goals of public health reform and reaching the MDGs and other international development commitments. The disparities between countries and the levels of inequality within countries, including access to health care, points to the need to place emphasis on both the national and regional level.

The upgrading of the health care services would also contribute to improve the competitiveness of the general tourism product, especially given the targeted high-end of the tourism market and the retiree group as an untapped, but promising expansion area. It should also be complementary to the international and national efforts to improve the social protection coverage of those excluded from existing systems.

Drugs, associated crime and armed violence are vulnerabilities to be addressed as it threatens the political and social fabric of Caribbean society and hinders the creation of an environment conducive to investment and sustainable growth. The Caribbean is not a drug producing region at this time, but is considered an important transiting link for drugs. The Caribbean is considered more the gateway to drugs destined for Europe as against Central America for drugs to the US.

In recent years a number of strategies to tackle these problems have been developed in the Caribbean, with US and EU support.

The EU, Commission and a number of Member States, has been the main financier of the 1996 – 2001 Regional Plan of Action on Drugs Control - Barbados Plan of Action (BPA).

Drugs are a major significant issue in the EU-LAC strategic partnership. The EU-LAC Co-ordination and Co-operation mechanism, based on the principles of shared responsibility, is a forum for dialogue and co-operation between the two regions on the problem of illicit drug production, consumption and trafficking.

The regional authorities should increase their efforts to plan, co-ordinate, supervise and deliver training related to activities to reduce supply through institutional strengthening and capacity building. Activities could include, inter alia, legal, legislative and regulatory frameworks, intelligence sharing among law enforcement agencies, strengthening of institutions, maritime cooperation, police and judicial co-operation, combating money-laundering, the trafficking of small arms and light weapons and the control of precursors.

3.4. Natural Disasters and the Environment Vulnerability

The Caribbean is currently faced with several structural environmental challenges such as climate change, and limited and fragile coastal, marine, biodiversity, land and freshwater resources.

Nature is a blessing and a curse to the Caribbean region. The natural environment has contributed significantly to the prosperity of the agricultural sector and is at the base of the region's comparative advantage in the tourism sector, where tourism actually is the product on offer. The vagaries of nature, however, in the form of hurricanes, earthquakes, volcanic activity and tidal waves, make the region one of the most disaster prone areas in the world, entailing high economic and social costs.

The Caribbean is twelve times as exposed to disasters as the world average. The Eastern Caribbean countries are among the ten most disaster prone countries in the world. The impact of natural disasters on small island states is devastating as in the case of Grenada where the impact of Hurricane Ivan was estimated at 200% of GDP as compared to 2% average of natural disasters elsewhere in the world.

Land is certainly one of the most limited resources in the Caribbean. It is therefore the subject of intense pressures from human activities. Poor land use and land management as well as increasing conflicts for the access to land (for agriculture, urbanization or other activities) have led to the degradation of this resource. Erosion and land degradation are particularly severe in coastal areas and in areas formerly covered by forests.

Deforestation has been intense in the region and forests now only cover less than 20% of total land area. The ever increasing demand for wood for energy, housing, or timber exportation, or for land, maintains a high pressure on the remaining forests. The Caribbean region is also particularly rich in biodiversity, with many endemic species. Local conservation initiatives do exist, but regional action is needed if biodiversity loss is to be reduced.

Land, forests, biodiversity: all are resources which are under further threat from climate change. Climate change may have an effect on the vegetation cover, on the degradation of land or on the coral reefs and marine resources, therefore affecting agriculture, fishing and even tourism. Its potential effects on these important sectors for the local economies may have a devastating impact on local fragile economies. Sea level rise is also threatening coastal areas, and estimates varying from 30 to 50 cm rise over the next 50 years are commonly accepted. Climate variability is also higher now and has led to more severe extreme climatic events like hurricanes and tropical storms.

Water resources are also under heavy pressure. The development of tourism and of modern agriculture has led to over-extraction of water. Some Caribbean States are far below the limit of 1000 m³ of available water per capita per year, under which countries are considered as

“water scarce”. Careful and sustainable management of this resource is thus an absolute necessity and needs to be actively promoted.

Due to the limited size of their economy and their available land, waste management is usually a critical issue in the Caribbean states. Goods are imported with their package which remains on the island. The increasing share of non-biodegradable waste makes it more difficult to set up sustainable waste management schemes. A great challenge also lies in the way the region can handle the problem of hazardous waste and toxic chemicals.

Sustainability of the tourism-based growth is fragile, because it is often affected by events outside the region and beyond its control. In only a few hours, one hurricane can wipe out the entire tourism industry of one or more small islands. It is also increasingly being challenged by concerns over the conservation of the environment, by the need to upgrade available health care facilities as well as by insecurity related to drugs, drugs related crime and armed violence.

4. The EU Strategy

EU – Caribbean relations have suffered from a combination of factors: conflicting urgent and shifting international priorities and demands on both sides, the changing conditions surrounding commodities of interest to the region including sugar, bananas, rice and rum and difficulties in the implementation of aid.

The EU’s overarching development objective is to assist all the countries in the region to achieve their long term development goals in a self sustaining manner. This includes the generalized achievement of MDGs and poverty reduction, the consolidation and building upon the region’s Human Development achievements and the ambition expressed by some of the Caribbean MICs to join the ranks of the developed states by 2020, at the expiry of the current Cotonou Agreement.

The specific identity and characteristics of the Caribbean region, its prominent role within the ACP group of states and its attachment to the Cotonou Agreement, constitute the basis of its special relationship with the EU and the need for a specific policy approach.

The objectives will be achieved through a new enhanced EU – Caribbean Partnership composed of three interrelated facets, **shaping political partnership, addressing socio-economic and environmental vulnerabilities and combating poverty, inequality, HIV/AIDS and drugs**. Given the EU’s position a major donor in the region, aid effectiveness will be addressed as a cross cutting issue.

4.1. Shaping political partnership based on shared values

For the EU it is important that the Caribbean region remains attached to the values that it shares with the EU and does not slip, through benign neglect and economic difficulties, into a pole of insecurity and instability.

A strong political partnership with the EU, founded on a genuine political dialogue will help strengthen the Caribbean’s position on the international scene, and offer opportunities for collaboration in the UN and other international fora on issues of common interest. Enhanced political dialogue is also a key to increasing the confidence between the EU and its ACP

partners needed to underpin the move towards greater budget and sector support financing and away from the traditional project approach.

Regional integration and the forging of alliances with other regions in the wider Caribbean, including the EU's French Departments and UK and Netherlands OCTs constitute key priorities of the region.

The EU is not only a donor of development aid, but also a political and commercial partner, and its relations with its Caribbean partners should include broad, concrete and constructive political dialogue. Political dialogue is also a cornerstone of the EU – LAC strategic partnership.

The EU is a strong international partner which can help the Caribbean Region consolidate its position within the multilateral system and offer an extra dimension to the close links the region enjoys with North America.

While individual countries have specific needs and national development policies, growing regionalism in the Caribbean confirms the recognition that many common problems are best dealt at the regional level.

- CARICOM is considered the strongest manifestation of regional integrationist will at the political level in the Caribbean.
- CARIFORUM is considered the EU's main intermediary for the wider level of political dialogue and functional co-operation in the region. The upcoming fusion of the Technical functions of the CARIFORUM Secretariat with the CARICOM Secretariat will ensure an enhanced cooperation and coordination between the two entities.

Therefore, EU Political dialogue should be pursued at the CARIFORUM/ CARICOM level and the annual EC-CARIFORUM ministerial meeting should be enhanced and broadened to cover issues beyond the narrow purview of regional cooperation.

The Caribbean has embarked on a path of regional integration, wider regional cooperation, and economic diversification, restructuring and reform, as a means towards harnessing the opportunities and minimising the negative effects of globalisation on its small and currently vulnerable states and as a way to achieve the Caribbean peoples' high aspirations of human development. National Governments, civil society, private enterprise and regional structures in the Caribbean will obviously carry the responsibility for shaping their own future. Based on a shared vision of the future, and through an enhanced political partnership and the support of actions to address the region's vulnerabilities and to promote social cohesion and combat poverty, the EU will be a steadfast partner for the Caribbean in its efforts.

The EU will also continue and enhance its support to other regional institutions linked to CARICOM²⁴ and promote policies that will encourage the integration of these institutions as an integral part of the political environment of CARICOM member states.

The EU will support the enlargement of CARICOM to include other Caribbean states. Already the DR is considering its participation in the CSME which could lead eventually to

²⁴ Including for example the CCJ, UWI, the CTO etc

full membership of CARICOM. The long term position vis-à-vis Cuba will depend, among other considerations, on the pace of transition in that country.

Beyond the issue of Cuba, political dialogue will focus on wide ranging issues, including conflict prevention in Haiti and Guyana. The Presidential and Parliamentary elections of the 7th of February 2006 in Haiti are an encouraging step in the direction of the establishment of the democratic life of this country.

The EU will support the region's own stated policy of widening its links to its hemispheric neighbours within the Caribbean, and in Central and Latin America.

- The opportunities for political dialogue offered by the ACS are also to be considered, especially given the particular status of a number of EU Member states in that body.
- The bi-annual EU-LAC Summit is a major opportunity for EU-Caribbean political dialogue and substantial efforts should be addressed at maximising the benefits from the evolving relationship between the Caribbean and its geographical neighbours. The biannual EU-LAC Summits are key events. They play a vital role in relations between the regions and are a unique opportunity to move forward on issues of common interest.

For the forthcoming Vienna Summit of 12 May 2006, the EU considers that the topics covered by the Guadalajara declaration – social cohesion, regional integration, multilateralism – remain important, but need to be fleshed out further.

The EU also welcomes the organization of a business forum and encourages social partners and civil society to contribute to the Summit.

Security, stability and conflict prevention are essential prerequisites for sustainable development. Security has become a major priority worldwide in recent times as many countries have been victims of terror attacks. Ensuring security and the rule of law, with equity, justice and full respect for human rights, are now fully recognised as fundamental, shared priorities.

The EU and the Caribbean should cooperate in addressing security threats, including non-proliferation of weapons of mass destruction and their means of delivery (WMD), trafficking and spread of illicit Small Arms and Light Weapons (SALW), illicit drugs trafficking and combating terrorism. They should cooperate to reinforce the role of the UN in the multilateral fight against terrorism, including through the full implementation of relevant UN Security Council Resolutions and the UN Convention on Suppression of the Financing of Terrorism, while ensuring respect for human rights in this context.

The EU should increasingly use regional and national development strategies and instruments to address the root-causes of conflict, including poverty, inequality and lack of social cohesion degradation of and access to already scarce natural resources, ethnic and political violence, weak governance, human rights abuses and gender inequality. Especially in certain fragile states a culture of conflict prevention needs to be developed and fostered. **Conflict prevention** is an implicit element in regional integration and co-operation, through awareness of common interest and mutual confidence-building. Regional institutions contribute to structure the dialogue and interaction among members, acting as a peer pressure mechanism.

CARICOM has initiatives on the political front, such as electoral monitoring and special missions for the resolution of political issues²⁵. The EU will support these efforts and other bilateral initiatives at conflict resolutions such as the DR-Haiti talks. The EU is a strong international voice in democratic process and has developed specific expertise in election observation. This tool will be used wherever necessary in the Caribbean region as a means of conflict prevention.

Good and effective governance is also recognised as a crucial prerequisite for sustainable development. Central to good and effective governance is the strengthening of credible institutions – such as parliaments, the judiciary system or public financial management and statistical systems – both at national and regional level. The EU will support institutional capacity building efforts. Governance, however, is not only about institutions, but also about appropriate policies and adequate legal and regulatory frameworks and effective involvement of civil society including social partners. The EU should therefore continue to promote transparency and effective exchange of information between authorities in order to prevent and combat corporate and financial malpractices and corruption. It should in particular encourage transparency in the financial and banking sectors, as well as administrative and judicial cooperation permitting effective exchange of information.

The EU should sustain and accelerate the process of ratification of the UN Convention against Corruption, a central part of which is the requirement that countries confiscate and repatriate illicit assets, and uphold the UN Convention against International Organised Crime. Moreover the EU should encourage the adoption and implementation of international standards relating to the fight against money laundering, terrorism, tax fraud and tax avoidance. The EU also encourages its international partners to sign and implement the main international instruments of crime prevention, like the UN Convention against Transnational Organized Crime and its protocols and the UN Convention against Corruption. The EU should also address the limited institutional and technical capacity of Caribbean countries to deal with organized crime and drugs in an effective and comprehensive manner, through the development of internal strategies as well as capacity building.

The EU should also continue to promote human rights and equal opportunities and protect vulnerable groups, especially women. The EU will support gender mainstreaming and initiatives on gender equality in order to contribute to the implementation of the commitments in the MDGs, the Beijing Platform for Action, the Cairo Programme of Action and the Convention on the Elimination of All Forms of Discrimination against Women.

ACP/DOM/OCT Cooperation: The Caribbean ACPs, the French DOMs and the UK and Netherlands OCTs are part of the same region and have several converging interests. EU policy is to ensure closer cooperation and policy dialogue between these different entities in the field of trade but also in other areas of common interest, such as migration, transport, ICT, education, environmental issues, risk prevention, health, justice and security.

Both Cotonou, EU Member State national legislation²⁶ and the Overseas Association Decision create a favourable environment supporting such a policy dialogue, yet so far there has been little progress in activating it.

²⁵ For example, conflict resolution in Guyana among political parties, election observation in all its member states.

²⁶ In the case of the French DOMs

In 2005, the first Clovis Beaugard Conference was held in Martinique, co-sponsored by the European Commission, to promote ACP/DOM/OCT cooperation. This is a concrete step that should be encouraged in the future. Therefore and during the next funding period, efforts will be undertaken to co-ordinate ERDF and EDF financing. Specific funding will be allocated for the cooperation between the DOM and the ACP/OCT from the ERDF, in the framework of the new objective “Territorial Co-operation”, and from the EDF, respectively. As regards to EPAs and despite their different institutional situation, the French outermost regions show a growing interest in participating in the benefits of the agreement as another partner in the region.

4.2. Addressing economic and environmental opportunities and vulnerabilities

Economically the long term vision is of a region that has achieved a fully integrated economy with strong links to its wider geographic context and beyond. In an increasingly interdependent and globalised world, a major objective of EU development policy is to assist developing countries to better harness the globalisation process, by maximising the benefits derived and minimising the negative impacts.

In the particular case of the Caribbean, this primarily means to contribute to their efforts on structural reforms and economic transition from their traditional sectors towards higher added value products and services and to come to grips with the changing international situation.

Regional integration will increasingly represent a privileged area of future cooperation, where the European Union has a major role to play given its own historic experience.

EU will strongly support the completion and operation of the Caribbean Single Market and Economy (CSME) as an essential element of regional integration and for the establishment of the Economic Partnership Agreement with the EU. The recent openness of the Dominican Republic to become a member of the CSME even though it is not a full member of CARICOM represents perhaps another opportunity for the EU to assist the region in creating the conditions for such a major and challenging integration milestone to succeed. The EU will contribute to strengthening and streamlining of existing regional institutions and organs in view of guaranteeing the smooth operation of the single market. The introduction of the single market by several CARICOM member states in January 2006 and the prospective for the rest of the CARICOM member states to join in the near future creates favourable conditions for a privileged partnership-based relationship between the European Community and CARICOM. Secondment of experts from Member States and European institutions to help address institutional functioning as well as other concrete technical aspects of regional integration, such as customs and trade facilitations measures, could be an area of future regional cooperation.

The Special Development Fund (SDF), the main home grown development instrument of the region based within the CDB, and the new Regional Development Fund could be natural partners of the EU regional development assistance in the Caribbean. These solidarity based regional level funds could also be important instruments for the EU to channel its future assistance and reinforce the integration process.

The timely conclusion of the EPAs process is a strategic area of importance to the future of the Caribbean region. A well defined and credible integration agenda and functioning internal market are the necessary pillars for a successful outcome of the EPA negotiations. This integration process is of strategic importance to the future of the economy of the Caribbean

region. The development dimension should be further strengthened so as to better help the Caribbean region achieve strategic targets of global competitiveness. The EPA, which will properly take account of existing asymmetries between the two areas, shall allow the region to maintain and even improve its access to the EU market. The EU's policy will be to further strengthen the development dimension of EPAs so as to better help the Caribbean region achieve their strategic targets of global competitiveness. As it enters its third phase, the EU will intensify its support to the EPA process so as to make sure that an agreement is concluded by 2007. In this context, it will promote progressive integration of financial markets as well as the development of an appropriate regulatory framework based on transparency.

Trade related assistance is being provided to the Caribbean to strengthen in-country and regional trade policy and negotiation capacity, to assist countries with the negotiation and implementation of the WTO agreements and EPAs, as well as other concurrent trade negotiations.

The removal of current barriers to intra-regional trade and investment and the establishment of more stable, transparent and predictable rules and reliable institutions will contribute significantly to the growth of national and regional economies.

In order to be able to benefit more from increased opportunities to trade and to ensure that benefits from increased trade are distributed more evenly, trade needs to be better integrated into national development strategies and in particular into poverty reduction strategies. The EU should assist the region in this process so as to enable Caribbean governments to effectively use trade as a policy tool to reduce poverty.

The EU strongly encourages and supports efforts to expand trade and economic links to the wider Caribbean region and notably the French DOMs and the UK and NL OCTs, and to Central and Latin America.

Programmes for the restructuring of traditional sectors and enhancing competitiveness and promoting economic diversification have been put in place for bananas, rice, rum and sugar.

In its proposal for reform, the Commission committed itself to accompanying the adaptation process required in those countries. In this context a Regulation on "Establishing Accompanying Measures for Sugar Protocol Countries Affected by the Reform of the EU Sugar Regime" was adopted in 2005, outlining actions to be funded under the budget 2006-2013. Support will be provided on the basis of National Adaptation Strategies, prepared by the Sugar Protocol countries. Foreseen measures could include: (i) Supporting sustainable improvement of the competitiveness of the cane sector, (ii) Promoting diversification of sugar dependent areas (iii) Addressing broader adaptation needs, including mitigation of social impacts.

Key to the successful mitigation of exogenous economic shocks is comprehensive national strategies for restructuring and recovery including the social dimension, fully embedded within overall national and regional development strategies. Such national and regional strategies for reform should accommodate the provision of EU aid through general or sectoral budget support at regional and national level. This would further strengthen national and regional institutions as well as democratic accountability. It would also reinforce coherence in strategic planning and programming and coordination of the development cooperation between the European Community, CARICOM and the individual countries.

Support should be provided to the civil society and the non-state actors (NSA). Support will mainly be aimed at enhancing the capacity building efforts of the civil society and the non-state actors including social partners.

Support should be provided to the private sector and especially small and medium size enterprises that are expected to be the driving force behind sustainable growth and job creation.

EU Research and Development Policy: The EU Research Framework Programmes encourage international cooperation with Caribbean countries and value the potential to reinforce the partnership with that region.

Caribbean countries will benefit from new mechanisms which are being put in place under the 7th EU Research Framework Programme (2007-2013) such as exchange of researchers and coordination of the bi-lateral cooperation programmes vis-à-vis EU Member States and Third Countries. Moreover, Science and Technology Promotion Platforms recently launched with Latin-America and the Caribbean region will further develop these possibilities in a wide regional context.

The EU has supported in the past and will continue its support if required to the CARTAC, the Caribbean Technical Assistance Centre, spearheaded by the IMF, which provides technical assistance on economic and fiscal reform.

The EIB which has a solid track record of development activities in the region should also continue its activities in support of regional integration, private sector and the socio-economic infrastructure in the Caribbean.

Interconnection, whether in the form of air, sea and land transportation is a major element in regional integration and cooperation. The EU has a history of support to the sector of regional transport through the funding of airports, ports, maritime transport, roads and through support to institutional aspects of the transport sector. Interconnectivity programmes, possibly linking with existing programmes in the DOMs and in Latin America will be encouraged.

EU policy will be to continue its support in the area of interconnection, including infrastructure, to encourage the efforts of the individual countries and of the region to enhance their intra-region transport, ensure the closer coordination of their transport policies and liberalise the air transport sector.

Support will also be considered in the areas of energy interconnection, including grid-access to electricity from renewable energy sources and of energy efficiency e.g. by cutting systems losses.

Helping the Caribbean region in their efforts to come to grips with the changing international situation and with the need to embark on structural reforms and economic transition from their traditional sectors towards higher added value products and services is a key objective. In order to achieve this goal, the Caribbean must modernise their states, redefine their overall public sector, reform their government finances, reduce dependence upon import revenues and enhance competitiveness to improve the investment climate so as to create the conditions of sustainable and jobs creating growth.

Key to successful socio-economic transition is the establishment and effective implementation of national long term strategies by the region and the Governments of the Caribbean states.

These National strategies must be the basis for all donor cooperation on the regional and national level. All EU aid, irrespective of source or instrument, will be committed in full coherence with national development strategies. For EC development aid this will apply to 10th EDF development cooperation as well as all commodity specific instruments, including but not limited to sugar and bananas, and STABEX.

The EU will continue and strengthen its support to the sectors of Environmental Management and Natural Disaster Management, with emphasis on climate change adaptation and mitigation, early warning, prevention, recovery and rehabilitation.

The EU will support the current efforts of the Caribbean to engage into a proactive agenda to jointly manage structural environmental challenges such as climate change, chemicals and wastes, as well as limited and fragile coastal, marine, biodiversity, land and freshwater resources. Institutional and legislative framework improvement, capacity building and civil society and local population's involvement will form part of the strategy.

Cooperation in international fora relative to climate change and environmental management will be enhanced.

EU support to the tourism sector must also incorporate the environmental dimension and particularly waste management and coastal zone development. The EU has supported the creation of environmentally managed areas such as the Iwokrama project in Guyana and national parks creation in Grenada, Dominica and elsewhere.

The EDF funded Caribbean Regional Environment Programme with the Caribbean Environment Corporation aimed at strengthening of regional capacity in conservation, management and sustainable development of regional amenity areas (marine, terrestrial, watersheds), illustrated that institutional weaknesses exist in regional bodies which need to be addressed. The EU will therefore also contribute to the building of institutional capacity for environmental management.

CARIFORUM could be supported to train adequate numbers of professionals, to develop a regional action plan, to adopt common approaches to natural resource management, global warming and climate change, to strengthen regional institutional capacities and promote the sustainable use of its biodiversity for commercial purposes.

Environmentally friendly renewable energies could offer the Caribbean much in terms of enhancing the environment but also in economic terms. The EU will promote the pursuit of opportunities in the renewable energies sector, including the promotion of cooperation within the wider Caribbean region and the sharing of best practices and knowhow amongst partner countries. In the second half of 2006 the Finnish presidency of the EU will in the context of the Energy and Environment Partnership with Central America (EPP) organise a conference under the name "European Union Meets Latin America on Renewable Energies" in which the EU will strongly support active Caribbean participation.

The Energy sector in the Caribbean will be eligible for support from the Energy facility, and particular emphasis will be placed on promoting renewable energies.

The EU will contribute significantly to increase the region's capacity in Natural Disaster Management at all levels, with emphasis on risk reduction, preparedness, early warning, prevention, mitigation and recovery, rehabilitation and reconstruction.

Early warning, especially in the case of hurricanes, is technically feasible and the region's capacity has been enhanced through the 8th EDF Radar Warning System (€13.2 million, 2003-06). This programme will contribute to mitigate the economic, social and environmental losses arising from adverse weather conditions, to improve weather data for sensitive productive activities and to develop early warning and public awareness systems.

The EU will assist the Caribbean region in developing and implementing its strategy for a comprehensive disaster management plan. Such a plan must be holistic in scope also covering issues such as building codes, insurance, rapid response mechanisms including in the area of public security, telecommunications etc.

Support will give continuity to the programmes developed by ECHO, through the DIPECHO programme, and earlier EDF funding in association with CDERA and other strategic partners. DIPECHO (Disaster Preparedness ECHO) has been contributing to the improvement of capacity in the protection and preparedness of communities at risk, with focus on the interrelationship of the various levels of action (local, provincial, national and regional) and on initiatives that can be reproducing, and on the co-ordination of donor efforts. Cross fertilisation of best practices with the French DOM and other EU OCTs, will be strongly supported.

The EU will seek means of streamlining responses to natural disasters. Emergency aid through international partners is immediately allocated and rapidly delivered, however, the phase of rehabilitation, recovery and reconstruction requires strengthening. New and faster disbursing arrangements will be actively considered within a pre-committed financing arrangement.

Regional approaches to Natural Disaster Management are an imperative in the Caribbean. The size of most countries is such that disasters can affect over 90% of the country, as in the recent case of Grenada, necessitating immediate external assistance from the region.

Natural Disaster Management was one of the four priority areas retained for Caribbean ACP/OCT/DOM co-operation..

Exchanges of experience and know-how with countries of the wider Caribbean, notably Cuba, will also be actively promoted in the context of regional cooperation.

The EU Natural Disaster Facility that has been decided in 2005 and which will be a part of the 10th EDF development finance arrangements of the Cotonou Agreement will be a major step, particularly in addressing the area of preparedness. Bridging funding has been agreed to cover the period until the coming into force of the new funding and to assist in the design of the facility itself.

4.3. Promoting Social Cohesion and Combating Poverty

Tackling the major vulnerabilities in the Caribbean region will help the countries to both improve their economic competitiveness and ensure a better socio-economic cohesion. The EU's overarching development objective is to assist all the countries in the region to achieve their long term development goals in a self sustaining manner. This includes the generalized achievement of MDGs and poverty reduction, reversing the trend of HIV/AIDS prevalence, the consolidation and building upon the region's Human Development achievements and the

ambition expressed by some of the Caribbean MICs to join the ranks of the developed states by 2020, at the expiry of the current Cotonou Agreement.

Support to the efforts of the individual Caribbean states and of the region to tackle HIV/AIDS as well as other important endemic health problems in the region, including malaria, dengue fever, acquired diabetes and cardiovascular problems, is a political priority of EU development cooperation.

The EU will support interventions for health by strengthening health systems, with special emphasis on human resources, and by increasingly working through sector wide approaches and sector budget support.

The EU is supporting the replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria with a view to maximising benefits for developing countries. In addition, the EU is contributing to the development of new drugs and vaccines against communicable diseases, inter alia through the European and Developing countries Clinical Trials Partnerships (EDCTP). In response to the Council's request²⁷, the Commission will, together with the Member States, develop a roadmap on possible joint action based on the European Programme for Action to confront HIV/AIDS, malaria and tuberculosis²⁸. The EU will, in this context, promote synergies and provide a coherent and coordinated response to the three diseases across relevant policy areas²⁹. In this sense, the Commission has adopted a Communication on combating HIV/AIDS within the European Union and the Neighbouring countries.³⁰

The EU has been at the forefront of international efforts to ensure access to essential medicines for developing countries. These efforts contributed to the adoption of the Doha Declaration on TRIPs and public health in November 2001, which confirms the right of WTO members to use flexibilities in the TRIPs Agreement, including issuing compulsory licenses of pharmaceutical products, for reasons of public health. The EU will also support a better linkage between the fight against communicative diseases and the strengthening of health services with special attention to vulnerable groups.

The EU will support the regionalisation of co-operation in health services. There are already examples of a regional approach to the health sectors within for example the OECS where there is a joint pharmaceuticals procurement programme aiming at economies of scale and the new St Lucia Hospital is intended to provide certain specialities for the sub region. This is also the case with certain other medical facilities in the region and in the French DOM.

²⁷ Council conclusions of 24 May 2005 on "A European programme for action to confront HIV/AIDS, malaria and tuberculosis through external action"

²⁸ Commission Communication of 24 April 2005 (COM (2005) 179 final).

²⁹ Selected areas of action include affordable pharmaceutical products, regulatory capacity, human resources in the health sector, and research and development of new tools and interventions.

³⁰ COM (2005) 654 final

EU support will be focused on the development and implementation of regional and national strategies addressing both the supply and demand reduction aspects of the problem and the associated issues of drugs related crime. It is necessary to strengthen regional co-ordination of the various drug control programmes by reinforcing relevant, sustainable regional institutions. Long-term objectives are to ensure full integration of drug-related policies into regional development strategies as well as into the social, economic and political fabric of the Caribbean.

With respect to demand reduction, the EU will support the region's efforts to increase levels of epidemiological surveillance, specialised training of professionals, revise national and regional action plans, place priority on public health, education and research, link treatment and law enforcement, provide specialised training and develop national and regional institutional capacities, and co-ordination of demand reduction projects. Regional capacity in drugs control will be developed, enabling the regional institutions to plan, co-ordinate and monitor demand reduction efforts throughout the region.

On the supply side the EU will support the region's efforts to deepen its involvement in the international coordination against drugs trafficking, improve regional capacities to disrupt flows, increase regional co-operation, expand regional co-ordination in anti-money laundering and provide specialised training and institutional capacity development.

Increased co-ordination and co-operation with Latin American and other countries and regions are key to the success of efforts in the area of drugs. Full engagement by all partners in the Co-ordination and Co-operation Mechanism on Drugs between the European Union, Latin America and the Caribbean will facilitate the achievement of this objective.

The EU has long played an important role in supporting education in the Caribbean, especially at secondary, tertiary and University level. This co-operation will continue and be enhanced.

The successful EU-supported Caribbean Examination Council (CXC) programme of harmonisation of secondary level education qualifications will be supported in its ongoing extension beyond the original English speaking zone.

Intra-regional University co-operation will be promoted, especially across linguistic frontiers. Such cooperation has already been the subject of a successful 7th EDF University level programme between the University of the West Indies and the Universities of the Dominican Republic and Haiti.

Civil society and the non-state actor University co-operation will also be promoted in the widest sense, eventually including Universities in the French DOMs, the Dutch OCTs and beyond with Universities in Europe and in Latin America. Twinning operations will be promoted.

Means of enhancing the quality of tertiary and university education through networking, mobility of students and scholars and institutional support and innovation, including the use of ICT and the establishment of a communications infrastructure for the research and development sector should be supported.

Enhancing the quality and effectiveness of human resources and enabling knowledge-based growth in order to improve learning skills and thus better address the needs of increasing knowledge-based activity, including services constitute an indispensable element of the region's development progress in which sectoral budget support should be considered an important component. The effective use of ICTs and support to the private sector including through the Investment Facility administered by the EIB, are essential ingredients for improving productivity and competitiveness. The Caribbean diaspora in Europe is a natural ally in the efforts of modernisation and re-positioning of the economy in the Caribbean.

Tertiary, or post secondary education, should be supported, possibly in partnership with the private sector in order to provide the appropriate professional skills in high demand in the restructured economies of the region, especially in the area of Information and Communication Technology (ICT).

Distance learning is a key element in the Caribbean region given its insular and geographically dispersed nature.

Following on from the Guadalajara EU-LAC Summit, the EU is prioritising the creation of a Common Higher Education Area between Europe, Latin America and the Caribbean. The aim is to ensure that a substantial number of teachers and students are invited to visit European universities during the period 2007-2013. It will be the EU policy to promote the fullest possible participation of the Caribbean region in these initiatives.

In the context of the 7th RTD Framework Programme that will come into force in 2007, the EU should facilitate networking between researchers from non-EU countries working in the EU and research organisations in their countries of origin. The co-operation with the research centres of the French outermost regions should also be encouraged in this framework.

Sectoral Budget support, wherever possible, should be considered as a privileged instrument for interventions in the education sector.

5. Being more effective

A number of structural problems impact on aid mobilisation and are also a source of tension in EU-Caribbean relations. The Caribbean countries benefit from EDF funding and also from a number of other budgetary instruments but there has been insufficient coherence and complementarity among the various strategies governing the use of these instruments and the range of actions funded. Additionally, the existence of a large number of small projects covering a wide range of sectors, in combination with often cumbersome procedural requirements, places an unmanageable burden on small and weak national and regional implementing bodies and government institutions. This is also a problem for the EC Delegations in the region.

Coordinated efforts are needed from both the EU and Caribbean side, drawing on the long experience of the past, in order to build a more structured and mature cooperation better adapted to the specificities of the Caribbean region.

Regional and National Support Strategies should have a high degree of coherence and the resulting Regional and National Indicative Programmes should, as much as possible, be mutually reinforcing. The principle of subsidiarity, reserving for the national or regional level what is best addressed at each level, should guide the selection of actions under the RIP and

NIPs. Budget Support at national level, and contribution agreements with regional bodies, should be utilised wherever possible. Budget support programmes offer many potential advantages, including encouraging greater ownership, lowering transaction costs and more effective use of aid. Budget support will also strongly assist structural transformation especially when delivered in a context characterized by the existence and implementation of a single sound national or regional development policy. As a matter of practice budget support will be provided in parallel with the obligation to provide transparent and accountable financial and administrative management of development funds.

At the national level, EU assistance will be articulated around a single national development strategy which will encompass all EC instruments including EDF, special funding related to bananas, sugar, rice and rum and also all other EC budget lines and facilities. Instruments such as the new Regional Development Fund could be considered as one of the potential conduits of the EU regional development assistance in the Caribbean.

Synergies between ACP, OCT and DOM development programmes will be actively encouraged, as well as with EU programmes involving Latin America.

The European Commission has proposed in early 2006 a common format for a Joint Framework for multi-annual planning to be applicable to all EU Member States plus an EU action plan to monitor implementation of coordination.

ANNEX II

Brief Overview of existing regional Organisations and bi-lateral actors in the Caribbean area

The Organisation of Eastern Caribbean States (OECS)³¹ is the inner circle of Caribbean economic/monetary integration, incorporating seven of the smaller Caribbean states. Established in 1981, its main objective is economic integration among its member states. The OECS has a single currency and an Eastern Caribbean Central Bank.

The Caribbean Community CARICOM³² was created in 1973 by the Treaty of Chaguaramas. The completion of the Caribbean Single Market and Economy (CSME) is the current major leap forward in regional integration for the CARICOM Group. The CSME recently came into being on January 30th, 2006, through the affiliation of a core group of states. The OECS member states have delayed accession due to concerns over their ability to fully benefit from the Single Market. The Regional Development Fund is being created to address these concerns. Functional collaboration efforts have resulted in a number of very successful regional ventures.

For CARIFORUM see Annex I

For LAC see Annex I

The **Dominican Republic** has a Free Trade agreement with CARICOM, signed in 1998. Of late there is renewed debate over the possibility that the Dominican Republic would possibly participate in the Caribbean Single Market and Economy. The Dominican Republic is also involved in the Caribbean EPA negotiations with the EU. Its participation in the Central American Free Trade Area (CAFTA) also offers opportunities for building bridges between the different regional economic integration processes.

Cuba: is the only country of the ACP group that is not member of the Cotonou agreement. Cuba, however, is member of the CARIFORUM group, which provides a platform for continuous dialogue with that country. A number of Trade and Economic cooperation agreements exist between Cuba and the Caribbean. While the two sides have substantial differences in matters of democratic governance and human rights there is a measure of political cooperation.

The Caribbean has traditionally supported calls in international bodies to lift the US embargo on Cuba and have strongly supported its integration into CARIFORUM and the ACP group.

Cuban development assistance is crucial to the Caribbean in the health sector. Many Caribbean students train in Cuba which also supports technical assistance to health in many of the Caribbean countries with over 1,000 medical doctors and nurses in the region counterbalancing the brain drain to Europe and the USA.

³¹ Antigua and Barbuda, Dominica, Grenada, Montserrat, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines. Anguilla and the BVI are associate members.

³² Caribbean Community CARICOM: www.caricom.org

The existing objectives of the EU policy with Cuba are to foster civil society development in its widest possible sense, strengthening institutional capacities and assisting in administrative, legal and economic reform.

Both the EU and the Caribbean have to consider the present and the evolution of the situation in Cuba. The regional context, through Cuba's membership of the CARIFORUM group will offer an effective platform for addressing related political and economic issues.

Relations with Central America

The Caribbean shares many goals and challenges with Central America arising from the fact that both the Caribbean and Central America include small developing nations. Belize, a member of CARICOM is also a member of the Central American Integration System. A CARICOM – Central America Forum has existed since 1992 to promote closer relations. Costa Rica and CARICOM also concluded a Free Trade Agreement in 2003. Bananas are, of course, one of the major issues on which Central America and the Caribbean do not see eye to eye.

The Association of Caribbean States (ACS) established in 1994 comprises 25 Caribbean and Central American Member States.³³ The objectives of the ACS are the strengthening of the regional co-operation and integration process, with a view to creating an enhanced economic space in the region; preserving the environmental integrity of the Caribbean Sea which is regarded as the common patrimony of the peoples of the region and promoting the sustainable development of the Greater Caribbean.

An issue of concern is that of the **relations between Belize and Guatemala**. Guatemala recognised Belize's independence in 1992, but the relations between the two countries have been strained by a dispute. Guatemala claims rights over a portion of the Belizean territory which Belize rejects, in addition to an extension of its exit to the Caribbean Sea. Belize has shown flexibility on the exit to the Sea, but less on the territorial claims. Under the auspices of the OAS and, after protracted negotiations, dialogue was again engaged leading in September 2005 to an **“Agreement on a Framework for Negotiations and Confidence Building Measures” (CBM)**. This is to serve as a basis for the talks toward a final settlement between the two countries and includes a wide variety of topics, ranging from the Adjacency Zone where the OAS operates to the migrations of Guatemalans in the border area and the possibility of a juridical settlement.

Belize has become an observer member of the San Jose Political dialogue mechanism which vis a vis political dialogue shall cover all aspects of mutual interest and any other international issues.

³³ ACS Member States: Antigua and Barbuda, Bahamas, Barbados, Belize, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Venezuela. Associate Member: Aruba, France (on behalf of French Guiana, Guadeloupe and Martinique) and the Netherlands Antilles. Observer Countries: Argentina, Brazil, Canada, Chile, Ecuador, Egypt, Finland, India, Italy, the Kingdom of the Netherlands, Korea, Morocco, Peru, Russia, Spain, Turkey, Ukraine, and the United Kingdom.

Relations with Latin America

Venezuela -Caribbean relations are currently characterised by efforts to enhance trade and investment. Venezuela has a border dispute with Guyana, and over the Aves Island, a sand bar located just 70 miles to the west of Dominica.

Petrocaribe, launched in June 2005 is an oil trade pact, under which Venezuela has agreed to finance US\$ 17 billion in oil sales during the next ten years in the region. Caribbean countries buy oil on market value but only a certain amount is needed up front; the remainder can be paid through a 25 year financing agreement on a rate of 1% interest. In addition it allows for nations to pay part of the cost with other products provided to Venezuela, such as bananas, rice, and sugar. 12 of the 15 members of CARICOM plus Cuba and the Dominican Republic signed the agreement on September 7th. Haiti may soon join. There are political and economic concerns on the sustainability of the scheme and as to its impact on regional unity given that Trinidad & Tobago are oil producers and had specific arrangements to supply the CARICOM region.

The Rio Group. The Caribbean is represented in the Rio Group through the Dominican Republic and Guyana (acting for CARICOM). The Rio Group offers possibilities to the Caribbean to reach out and engage their Latin American neighbours in the key areas of expanding political cooperation among the member states; coordinating common positions on international issues; cooperation within regional organizations addressing problems and conflicts, improving inter-American relations and the joint exploration of new fields of cooperation.

Brazil has not had a big presence in the Caribbean until the advent of the Lula Government which saw a renewed diplomatic offensive to establish ties between the two regions. Brazil borders Suriname and Guyana and there have been efforts in the past to establish a Brazilian outlet for its northern provinces through the funding of a road link. Wildcat Brazilian miners operate in southern Guyana and Suriname. Brazil is in charged of all UN security forces in Haïti.

The Organisation of American States.

Central America and the Caribbean hold regular consultations in the context of the Organization of the American States (OAS) and the two regions have been collaborating in the context of the FTAA.

The Caribbean states represent 40% of the membership of the OAS and therefore are a considerable political force within the organisation. With the Caribbean's fifteen votes, the OAS offers a platform for the region to make its voice heard. The OAS collaborates closely with CARICOM on election observation missions within the region.

Relations with the US and Canada

The United States Since 2001 the US have launched a new initiative qualifying the region as part of their "third border" reversing somewhat a trend which saw a declining US interest in the region accompanied by a drop in USAID development activities. Notwithstanding the importance of the relationship with the US in terms of trade, investment, tourism, migrant transfers etc, they are also significant divergence of views on a number of issues including Cuba, Taiwan, Haiti, unilateralism, the ICC and other issues.

The US has traditionally been one of the favoured destinations of **migration**, both legal and illegal, for the Caribbean. Caribbean diaspora communities are a consequential political force in several US states. The US policies of active recruitment of certain professions in the regions such as teachers and medical personnel, contributes significantly to the brain drain.

In terms of **security, drugs and crime, the main** concerns of the US include drugs trafficking from Latin America, money laundering, terrorism finance and the possibility of the rise of radical groups in the region possibly related to areas where there is a substantial Muslim segment in the population. The US policy to expel and repatriate all persons of Caribbean origin, even second generation resident in the US if they are convicted of any crime, is contributing to increasing violent criminality in the region.

After years of steady contraction **USAID development aid** operations are again on the rise. Country offices which had been shut down are being re-opened and generally USAID is more active and visible on the ground especially in relation to Natural Disaster Relief and emergency Aid.

Trade programs have been established known collectively as the Caribbean Basin Initiative (CBI), and are intended to facilitate the economic development and export diversification of the Caribbean Basin economies.

The FTAA: The effort to unite the economies of the Americas into a single free trade area began at the Summit of the Americas, which was held in December 1994 in Miami, U.S.A. The Heads of State and Government of the 34 countries in the region agreed to construct a Free Trade Area of the Americas (FTAA) in which barriers to trade and investment will be progressively eliminated. The initial target for the completion of negotiations towards this agreement was the year 2005. However, this target was not achieved and negotiations are still on-going.

As the proposed agreement includes draft intellectual property provisions that would restrict access to affordable medicines included in the World Trade Organisation (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) special attention needs to be paid to the FTAA negotiations.

Canada is a long standing friend of the Caribbean. Canada and the Caribbean enjoy a long history of close commercial, investment, cultural and political ties. Canada is also home to a very large Caribbean diaspora which is gradually evolving as a political force.

In 1986 Canada established CARIBCAN, an economic and trade development assistance programme for the Commonwealth Caribbean countries and territories. Under the programme 96% of Caribbean exports enter Canada duty free.

Canadian businesses, especially in the financial services sector have established themselves in the Caribbean benefiting from taxation treaties with certain Caribbean countries.

Within the FTAA the Caribbean perceives Canada as being an ally supporting the region's concerns related to its impact and issues regarding small economies and small states.

With about C\$2.7 billion in aid since 1963, the Caribbean is the highest per capita recipient of Canadian Official Development Assistance. CIDA currently provides about C\$80 million in assistance to the region each year.³⁴

Other International relations actors

China has diplomatic relations with 11³⁵ countries in the region. Recent years have seen an increased activity in China – Caribbean relations. China’s increased interest and support to Cuba is seen by Cuba as a crucial element in its foreign relations. China’s Caribbean policy is articulate around basic axes: the Taiwan issue, cooperation in the UN, investment and trade interests and cultural exchanges. China is gradually emerging as a major donor in the Caribbean and has recently earmarked US 1 billion for the region. China is a member of the Caribbean Development Bank since 1998 with a 5.77% capital stake. Areas of assistance include agriculture, maritime transport infrastructure etc and also include showcase projects, especially sports facilities related to the all important cricket sector and particularly the Cricket World cup which will be hosted by the Caribbean in 2007.

According to Chinese statistics, the trade volume between China and the Caribbean in 2004 totalled US\$ 2 billion, a 42.5% year-on-year increase. Importantly, several Caribbean countries have been listed as “official” tourism destinations for Chinese tourists which could mean a major boost in tourism revenues.

Japan has mostly bilateral ties with individual countries although recently cooperation with CARICOM was launched through a partnership for Stability and Development which will provide support for economic and social development. Fisheries are an area of substantial interest in the relations with the region.

The **Bretton Woods Institutions**; the IMF and the World Bank are also operational in the Caribbean. In the case of the Latin America and the Caribbean, the Inter American Development Bank (IDB) augments the work conducted at the World Bank level. The IMF supports economic reform in some Caribbean countries whereas all of them are subject to regular Article IV IMF consultations. Over the years loans have been granted to a broad spectrum of projects in the Caribbean region such as economic and social infrastructure disaster management, debt relief, water and sanitation, land management reforms, information technology equipment and capacity building and others.

The **ILO** is also present in the region. The number of ratifications in the region of core labour standards conventions and other international labour conventions is increasing. However the effective application requires, as in other regions, additional efforts in terms of better enforcement, more effective labour market governance, social dialogue and technical cooperation.

³⁴ Source: CIDA

³⁵ Although the Dominican Republic, Haiti, St Kitts and Nevis and St. Vincent and the Grenadines continue to have relations with Taiwan, China is actively pursuing the development of relations with them as well maintaining commercial missions in both Haiti and the DR.

ANNEX III

Overview of total EC aid to the Caribbean ACP States since Lome III³⁶										
Caribbean ACP States	6th EDF	7th EDF	8th EDF	9th EDF	EDF TOTAL ³⁷	SYSMIN	STABEX	BANANA ³⁸	SUGAR	TOTAL
allocations in millions €	(1986-1990)	(1991-1995)	(1996-2000)	(2000-2007)	(1986-2007)					
Antigua & Barbuda	4.500.000	3.500.000	4.500.000	3.000.000	15.500.000	0	0	0	0	15.500.000
Bahamas	4.000.000	4.400.000	4.500.000	4.500.000	17.400.000	0	0	0	0	17.400.000
Barbados	5.000.000	5.000.000	8.000.000	6.800.000	24.800.000	0	0	0	2.074.000	26.874.000
Belize	8.000.000	9.000.000	9.500.000	8.800.000	35.300.000	0	0	21.770.000	2.702.000	59.772.000
Dominica	6.000.000	5.500.000	6.500.000	15.700.000	33.700.000	0	45.125.771,64	41.810.000	0	120.635.771
Dominican Republic	0	85.000.000	106.000.000	176.000.000	367.000.000	23.353.363	0	0	0	390.353.363
Grenada	5.500.000	6.500.000	6.500.000	7.400.000	25.900.000	0	15.972.927,96	0	0	41.872.927,96
Guyana	22.100.000	32.800.000	32.000.000	48.000.000	134.900.000	15.973.504	0	4.000.000	5.037.000	159.910.504
Haiti	0	112.500.000	148.000.000	239.000.000	499.500.000	0	35.611.523,63	0	0	535.111.523
Jamaica	40.200.000	49.700.000	60.000.000	100.000.000	249.900.000	94.936.162	9.405.120,72	33.640.000	4.641.000	392.522.282
St. Kitts & Nevis.	3.500.000	2.500.000	3.000.000	4.000.000	13.000.000	0	0	0	2.531.000	15.531.000,00
St. Lucia	6.000.000	5.000.000	6.000.000	19.500.000	36.500.000	0	74.736.647,58	56.805.000	0	168.041.647
St. Vincent & the Grenadines	7.000.000	5.400.000	6.000.000	21.000.000	39.400.000	0	63.779.648,19	40.510.000	0	143.689.648
Suriname	24.000.000	27.000.000	32.500.000	19.100.000	102.600.000	0	0	17.470.000	0	120.070.000
Trinidad & Tobago	15.000.000	18.100.000	21.000.000	17.900.000	72.000.000	0	0	0	2.492.000	74.492.000
Total Caribbean ACP States	150.800.000	371.900.000	454.000.000	690.700.000	1.667.400.000	134.263.029	244.020.116	216.005.000	19.477.000	2.281.776.668
Regional allocations	71.000.000	105.000.000	90.000.000	57.000.000						323.000.000
Rum ³⁹										70.000.000
Grand Total Caribbean ACP States										2.674.776.668

36

Grants and loans

37

NIP (Eurostat)

38

Banana Budget line 210318

39

Allocated to WIRSPA (West Indies Rhum and Spirits Procedures Association)

ANNEX IV

Caribbean Socioeconomic and Vulnerability Table					
Population	GDP per capita (2005)	GDP growth % (1998-2003)	Total public debt (% of GDP)	Government expenditures (% of GDP)	Overall fiscal balance (% of GDP)
23.6 M	3640 US\$	2	96	32	- 6
FDI (% of GDP, 1998-2003)	Under five mortality rate (per 1000 births in 2002)	% of population without access to water	HIV/AIDS (% of population aged 15-49)	% of girls to boys in primary and secondary education in 2001	Gross primary completion (%)
6	34	10	2.4	103	93

ANNEX V

Selected Economic Indicators ⁴⁰														
Caribbean ACP States	Population (in thousands per 2003)	GDP per Capita (US\$ - 2003)	Total Public Debt		Govt Expenditure		Overall Fiscal Balance		Current Account Balance		Public investment		Foreign Direct Investments	
			(% of GDP)		(% of GDP)		(% of GDP)		(% of GDP)		(% of GDP)		(% of GDP)	
			1997	2003	1990-97	1998-03	1990-97	1998-03	1990-97	1998-03	1990-97	1998-03	1990-97	1998-03
Antigua & Barbuda	73	11,124	102	142	n.a	29	-5	-8	-4.4	-10.4	n.a.	23	7	6
Bahamas	314	16,691	46	48	n.a	n.a	-2	-2	-3.6	-10.6	n.a.	n.a.	1	3
Barbados	270	9,651	62	84	27	37	-3	-5	2.8	-5.0	11	10	1	1
Belize	256	3,891	41	100	n.a	31	-6	-11	-4.0	-15.1	11	8	3	3
Dominica	79	3,554	61	122	35	41	-3	-8	-18.4	-14.8	19	10	11	5
Dominican Republic	8,745	1,825	23	56	16	18	-3	-3	-3.3	-2.0	15	18	2	5
Grenada	80	4,103	42	113	31	37	-4	-7	-17.2	-24.3	25	12	8	14
Guyana	765	911	211	179	38	44	-4	-6	-17.3	-14.5	18	18	13	7
Haiti	8,326	460	n.a.	44	9	10	-4	-4	-1.8	-1.2	n.a.	n.a.	0	0.2
Jamaica	2,651	2,962	103	142	28	35	0.2	-9	-2.9	-8.0	24	27	3	6
St. Kitts & Nevis.	42	7,641	86	171	30	43	-2	-11	-19.2	-25.9	40	37	12	20
St. Lucia	149	4,048	36	69	27	29	-1	-3	-11.5	-12.8	13	17	8	3
St. Vincent & the Grenadines	120	3,329	48	73	31	33	-1	-4	-17.8	-16.9	19	21	13	12
Suriname	436	2,470	24	44	n.a	36	-4	-6	1.0	-9.0	46	42	-4	-3
Trinidad & Tobago	1,303	7,836	52	54	28	26	0.2	-2	1.9	2.4	15	16	7	7

⁴⁰

IMF and World Bank (WDI)

ANNEX VI



ANNEX II

List of abbreviations

ACP	Africa, Caribbean and Pacific States
ACS	Association of Caribbean States
ALBA	Iniciativa Bolivariana para las Americas
CARICOM	Caribbean Community and Common Market
CARIFORUM	Forum of Caribbean ACP States
CARTAC	Caribbean Technical Assistance Centre
CBI	Caribbean Basin Initiative
CBTPA	Caribbean Basin Trade Partnership Act of 2000
CDB	Caribbean Development Bank
CDERA	Caribbean Disaster Emergency Response Agency
CET	Common External Tariff
CFD	Caribbean Forum for Development
CIDA	Canadian International Development Agency
CIT	Caribbean Information Technologies
CKLN	Caribbean Knowledge and Learning Network
CRNM	Caribbean Regional Negotiating Machinery
CSME	Caribbean Single Market and Economy
CSP	Country Strategy Paper
CTO	Caribbean Tourism Organization
CXC	Caribbean Examination Council
DIPECHO	Disaster Preparedness ECHO
DFID	UK's Department for International Development
DOM	French overseas departments
ECCU	Eastern Caribbean Currency Union
ECLAC	Economic Commission for Latin America
EDF	European Development Fund
EIB	European Investment Bank
EPA	Economic Partnership Agreement
EU-LAC	European Union – Latin American and Caribbean
FAO	Food and Agricultural Organization
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
FTAA	Free Trade Area of the Americas
FTZ	Free Trade Zones
GDP	Gross Domestic Product
GNP	Gross National Product
HDI	Human Development Indicators
HIPIC	Heavily Indebted Poor Countries
ICT	Information and Communication Technology
IDB	Inter-American Development Bank
ILO	International Labour Organization
IMF	International Monetary Fund
LAC	Latin America and the Caribbean
LDC	Least-Developed Countries
LIC	Low-Income Countries
MDC	More Developed Countries

MDG	Millennium Development Goals
MIC	Middle-Income countries
NAFTA	North American Free Trade Agreement
OAS	Organization of American States
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
OCT	Overseas Countries and Territories
R&D	Research and Development
RDF	Regional Development Fund
RNM	Regional Negotiating Machinery
RSP	Regional Strategy Paper
SALW	Small Arms and Light Weapons
SDF	Special Development Fund
SMEs	Small and Medium Size Enterprises
TRIPs	Agreement on Trade-Related Aspects of Intellectual Property Rights
USAID	United States Agency for International Development
WDI	World Development Indicators
WMD	Weapons of Mass Destruction
WHO	World Health Organization
WTO	World Trade Organization