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COMMISSION STAFF WORKING DOCUMENT

EVALUATION

of the impact of the EU-CARIFORUM Economic Partnership Agreement

{SWD(2024) 207 final}

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Glossary

<i>Term or acronym</i>	<i>Meaning or definition</i>
ACP	African, Caribbean and Pacific
BSO	Business Support Organisations
CARICOM	Caribbean Community
CARTAC	Caribbean Regional Technical Assistance Centre
CEDA	Caribbean Export Development Association
CF	CARIFORUM
CRIP	Caribbean Regional Indicative Programme
CSME	CARICOM Single Market and Economy
EC	European Commission
EDF	European Development Fund
EIB	European Investment Bank
EPA	Economic Partnership Agreement
EU	European Union
EU27	European Union at its 27 Member States
FCOR	French Caribbean Overseas Region
FDI	Foreign Direct Investment
FGD	Focus Group Discussions
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GIZ	German Development Agency
GSP	Generalised Scheme of Preferences
HS	Harmonised System
IP	Intellectual Property
IPR	Intellectual Property Rights
ITC	International Trade Centre
LDCs	Least Developed Countries
MFN	Most Favoured Nation
MSME	Micro, Small and Medium-sized Enterprises
NIP	National Indicative Programme
OCT	Overseas Countries and Territories

OECD	Organisation for Economic Co-operation and Development
OECS	Organisation of Eastern Caribbean States
OR	Outermost Regions
SIDS	Small Island Developing States
SMEs	Small and Medium-sized Enterprises
SPS	Sanitary and Phytosanitary
TBT	Technical Barriers to Trade
UNESCO	United Nations Educational, Scientific and Cultural Organization
VAT	Value Added Tax
WTO	World Trade Organization

1. INTRODUCTION

Purpose and scope of the evaluation/fitness check

The CARIFORUM–EU Economic Partnership Agreement (EPA) was signed in October 2008 and it entered into provisional application on 29 December 2008.

Before the EPA was concluded, CARIFORUM States benefited from non-reciprocal market access to the EU under the EU-ACP agreements. This market access to the EU was on more favourable terms than for other developing countries, which was not in line with World Trade Organization (WTO) rules and this situation could therefore not be sustained. Without a new trade agreement in place, some of the Caribbean countries could qualify to trade with the EU under the Generalised Scheme of Preferences (GSP) regime or Most Favoured Nation (MFN) regime, which would subject the region's most important exports (notably sugar, bananas and rum) to high EU duties. Therefore, the EU and CARIFORUM¹ started the negotiations for a new reciprocal trade agreement in April 2004, which has been in provisional application since the end of 2008.

All CARIFORUM States, except the Bahamas, are also members of the WTO. The Bahamas has an observer status at the WTO since 2000 and is well advanced in the process of accession to the WTO.

Therefore, the underlying objective of this EPA was to create a comprehensive reciprocal trading arrangement that replaces the one-way preferential access the Cotonou Agreement conferred to the ACP States. This was the first comprehensive EPA at the time and it covers trade in goods, services, investment, e-commerce and trade related issues (competition, innovation and Intellectual Property (IP), personal data protection and public procurement). It also contains a development component to assist the CARIFORUM States in promoting its developmental strategies and to mitigate adverse effects of the EPA. Haiti has signed, but has not ratified the Agreement yet. Based on its constitutional order, Haiti can only start applying the EPA once it has ratified the Agreement. Currently, 26 out of 27 EU Member States and 10 out of 15 CARIFORUM States ratified the Agreement.²

The comprehensive ex-post evaluation study ('the Evaluation Study') was contracted in 2019 for the whole 10 years implementation period 2008-2018 in order to take stock of

¹ Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago and Haiti.

² Ratification missing by: Hungary, Jamaica, Trinidad and Tobago, the Bahamas, Suriname and Haiti: [Agreement - Consilium \(europa.eu\)](https://www.consilium.europa.eu/en/agreement). Haiti is the only CARIFORUM country not applying the Agreement provisionally.

the state of play of implementation, outcomes and impact since the start and to draw up recommendations for the Parties on how to further strengthen the positive impact of the Agreement on sustainable economic growth, particularly in the CARIFORUM region.

In parallel, as mandated by EPA every 5 years, the Commission has engaged with CARIFORUM into a joint Review of the Agreement covering the period of 2015-2020 with technical meetings taking place between 2021 and 2023 as referred below.

This evaluation relies on the Evaluation Study,³ carried out by an external consultant Ecorys&Appleton Luff in cooperation with the Commission. The modelling was performed by Commission services. The Final Evaluation Report and Implementation Report of the Evaluation Study are a valuable source of information and economic analysis but does not represent the Commission's views as an independent consultant's study.

The purpose of the Evaluation Study was to determine the extent to which the EU-CARIFORUM EPA has been implemented, to identify possible bottlenecks and the extent to which the EPA has contributed effectively and efficiently to reach the objectives it set out. In addition, the evaluation examined the relevance of the EPA in relation to current trade and development issues, as well as its coherence with other EU policy instruments affecting the Caribbean. Based on this analysis, the evaluation aimed to capture important lessons learnt and propose ideas on how to address some of the challenges and barriers in the future implementation work.

Further, the EU-CARIFORUM EPA is the first EPA with ACP States that came into force and the most comprehensive one. The current evaluation looks into a full comprehensive scope of the agreement and its implementation in the EU and the 14 CARIFORUM States that apply the agreement, as well as into the cooperation component and its impact.

In addition, the Evaluation Study provided for four sectoral case studies in the selected sectors of relevance for EU-CARIFORUM bilateral trade. The Commission presents in the below sections its own evaluation, partly based on the findings and conclusions of the consultant, complementing them where needed. The results of the Evaluation Study were delayed due to Covid-19 and a longer consultations process and were published in February 2021. The publication coincided with the negative implications of the Covid-19 pandemic on the global trade flows and in particular the heavy impact of Covid-19 on CARIFORUM Region due to high dependence on tourism. Therefore, the current assessment takes into account also newer post-Covid-19 data for 2021 and 2022, that mark a significant recovery of bilateral trade.

³ "Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States", available at: <https://ec.europa.eu/trade/policy/policy-making/analysis/policy-evaluation/ex-post-evaluations/#eval-20>.

In addition, the results of this Evaluation and Implementation Report fed into the joint Review process of the Agreement with CARIFORUM. The EPA legally requires the Parties to undertake a periodic Review every five years, “*to determine the impact of the Agreement, including the costs and consequences of implementation*” of the Agreement. Due to the Covid-19 crisis, the 5 years Review with CARIFORUM suffered some delays starting in 2020 with the work intensifying in 2021 and 2022 based on virtual meetings. The Review meetings were held at technical level during 2021-2023 with the final technical Review report agreed with CARIFORUM in April 2024 and to be presented to the next EU-CARIFORUM Joint Council in 2024. The Evaluation Study therefore was conducted in a timely manner to feed into the Review process with CARIFORUM and the findings of the Evaluation Study served as an important technical input for the work and considerations of the Joint Review Task Force composed of EU and CARIFORUM experts working between 2021 and 2023 and looking jointly into all aspects of the Agreement and its impact.

Therefore, this Staff Working Document is based on both the results of the Evaluation Study and the Review discussions with CARIFORUM by taking on board the relevant findings from the technical discussions in this Commission document.

The scope of the evaluation geographically comprises all 14 CARIFORUM States currently applying the EPA, and the EU and its Member States. However, due to regional characteristics the evaluation assesses implementation and impact of the Agreement at a country-level for CARIFORUM States (where possible) while analysis on the EU side is mostly aggregated at EU level for the common market. As some of the EU Outermost Regions (ORs) ⁴ share the geographical space of CARIFORUM States and the EU Treaty and the EU-CARIFORUM EPA contain special provisions specifically addressing the situation of the ORs, the evaluation also covers the impact of the EPA on EU ORs. Furthermore, the evaluation of economic and development impact focuses on the CARIFORUM States due to the explicit development-oriented nature of the Agreement.

With regard to the **time frame**, the Evaluation Study realised by the contractor in 2021 covered the period since the start of the implementation in 2008 until 2018 (latest year for which data was available and covered by the Terms of Reference for the Study, but the process was delayed and finalised in 2021). However, this Staff Working Document aims to provide a more updated picture with more recent data available for 2020, 2021 and 2022 and to take into account new developments and recuperation of trade flows after the Covid-19 pandemic. For comparison, reference is made where possible to the first evaluation study from the year 2014.

Thematically, the evaluation covers all parts of the Agreement with regard to its implementation, functioning and use, as well as the overall knowledge and awareness of

⁴ Guadeloupe, Martinique and Saint-Martin (France).

the EPA. The evaluation of economic, social and environmental impacts, along with the evaluation of development cooperation efforts, focusses on the CARIFORUM States.

In particular, this evaluation focuses on the extent to which the objectives of the EU-CARIFORUM EPA have been reached in terms of the following four criteria listed in the EU's Better Regulation guidelines and toolbox:

- *Effectiveness*: the extent to which the objectives of the EU-CARIFORUM EPA with 14 partner countries have been achieved, as well as the factors influencing the achievements of those objectives, including identification of any unintended consequences;
- *Efficiency*: the extent to which the EU-CARIFORUM EPA with 14 partner countries have been efficient with respect to achieving their objectives (what costs have been associated with the achievement of these objectives and whether they have been proportionate to benefits, what factors influenced these costs and benefits and their distribution across different stakeholder groups as well as whether there are any remaining inefficiencies and regulatory costs related to the FTAs);
- *Coherence*: the extent to which the EU-CARIFORUM EPA with 14 partner countries have been coherent with the with current EU trade policy;
- *Relevance*: the extent to which the provisions of the EU-CARIFORUM EPA are relevant for addressing current challenges and trade issues faced by the EU and the 14 CARIFORUM States.

With regards to the **methodology**, the contractor employed a variety of methods to carry out this ex-post evaluation:

1. *Review of academic literature, legal texts, and other relevant documents.*
2. *Data analysis related to trade, investment and sustainability indicators.*
3. *Four sector specific case studies* on the following sectors: beverages with a focus on rum; dairy; cultural and creative sector; and investment in the tourism sector. The case studies were selected in consultation with Commission services following criteria such as weight (initial importance of the sector), impact of the EPA, global industry trend, focus group discussions with experts and selected stakeholders and discussions within the steering committee.
4. *Stakeholder consultations.* This included an Open Public Consultation (published on EU Survey), interviews (remote and face-to-face), focus group discussions, attendance of relevant EPA-related events, and written questionnaires. A Civil Society Dialogue meeting was organised in Brussels in January 2020. A total of 200 stakeholders were consulted through interviews and focus group discussions during the course of this study.

Furthermore, Commission services carried out an economic modelling exercise, using partial equilibrium modelling. The modelling was done for four CARIFORUM States (Dominican Republic, Jamaica, Grenada and St. Lucia) where data was sufficiently available and estimated the impact of the EPA by comparing the current situation to a situation where the EPA would not be in place.

With regard to **data limitations**, the Evaluation Study had some problems to obtain all data at country level in all CARIFORUM States and we have also noticed some limitations to report on the implementation side of all relevant provisions due to challenges in transparency of information and applicable rules regionally.

Data limitations affected both the descriptive analysis carried out by the external consultant, as well as the Partial Equilibrium modelling exercise carried out by DG TRADE (based on the available tariff schedules) with a view to establish causality between the Agreement and the observed changes in economic and sustainability indicators.

Stakeholder consultations carried out by the external consultant also faced challenges due to Covid-19 pandemic and with many stakeholders reporting low interest or awareness about the EPA rules and opportunities or being unable to provide extensive insight.

The **comprehensive Implementation Report** under the Evaluation Study allowed to formulate the conclusions on the state of implementation of the EPA in all 14 CARIFORUM and the EU, that proved very relevant for the Review discussions with CARIFORUM.

The **assessment of the implementation of the EPA** was carried out in two phases: an information-gathering phase and an analysis phase. The information gathering phase consisted of internet research covering all relevant available websites in the EU and the CARIFORUM regions, a collection of laws, regulations, treaties, reports and studies, the preparation and dissemination of questionnaires to the key stakeholders, face-to-face interviews with stakeholders, remote interviews with stakeholders, and the outcome of the Open Public Consultation. The results of the Implementation Report under the Evaluation Study are reflected under part 3 of this Document and published in full.⁵

2. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

2.1 Description of the intervention and its objectives

The CARIFORUM–EU EPA was signed in October 2008 and entered into provisional application on 29 December 2008 in the EU and 14 CARIFORUM States.

⁵ “Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States – Implementation Report”, available at: <https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/f095158d-b122-4256-a953-6caf6170b875/details>.

EPA trade preferential framework is a continuation of trade preference under the Lomé/Cotonou Agreement. Negotiations for EPA trade agreements were conditioned by the Cotonou Agreement Article 36.1 that called for the “establishment of WTO-compatible trading relations”. Before that, the CARIFORUM States were enjoying preferential access to the EU market based on the old Lomé/Cotonou Framework.

However, this preferential market needed to be revised in line with WTO rules, and therefore, could not be continued. That implies that for this evaluation the counterfactual (i.e., the situation without the EPA in place), would be MFN rates and not a preferential access from before the agreement.

The EPA is a trade and development agreement that was offered and signed with CARIFORUM with the specific development objective to be able to continue with a zero-tariff preferential market access to the EU for all CARIFORUM products in order to support trade and economic diversification of these countries. Without the EPA, CARIFORUM States would be in a less favourable position and could not continue with preferential trade with the EU and would need to trade mostly based on less favourable WTO MFN rules.

The specific objectives of the intervention are set in Article 1 of the EPA and state that:

Article 1

Objectives

The objectives of this Agreement are:

- (a) Contributing to the **reduction and eventual eradication of poverty** through the establishment of **a trade partnership** consistent with the objective of sustainable development, the Millennium Development Goals and the Cotonou Agreement;*
- (b) Promoting **regional integration**, economic cooperation and good governance thus establishing and implementing an effective, predictable and transparent regulatory framework for trade and investment between the Parties and in the CARIFORUM region;*
- (c) Promoting the gradual **integration of the CARIFORUM States into the world economy**, in accordance with their political choices and development priorities;*
- (d) Improving the CARIFORUM States' **capacity in trade policy** and trade related issues;*

- (e) *Supporting the conditions for **increasing investment and private sector initiative** and enhancing supply capacity, competitiveness and economic growth in the CARIFORUM region;*
- (f) ***Strengthening the existing relations between the Parties** on the basis of solidarity and mutual interest. To this end, taking into account their respective levels of development and consistent with WTO obligations, the Agreement shall enhance commercial and economic relations, support a new trading dynamic between the Parties by means of the progressive, asymmetrical liberalisation of trade between them and reinforce, broaden and deepen cooperation in all areas relevant to trade and investment.*

In the light of the above, trade in goods chapter provides for reciprocal, but asymmetric market opening by both Parties. The EU has opened all tariff lines (except arms and ammunition). This largely represents a continuation of the trade preferences granted under Cotonou, except for certain agricultural products.

- CARIFORUM States committed to open about 92% of its trade over a 25-year period (**83% over 15 years**) and would permanently exclude about 8% of imports of sensitive lines from liberalisation.
- **The EU has liberalised 100% of tariff lines** – all CARIFORUM products (except arms and ammunition) enter the EU market duty free and quota free.⁶

The agreement covers as well additional provisions in services and provisions on trade-related issues (including competition, innovation and IP, transparency in public procurement, review clause on GIs, provisions on environment and social dimension as well as regional integration clause and support offering a potential for additional economic development and reforms.

Furthermore, like all EPAs, the EU-CARIFORUM EPA has an **important development and cooperation component** and commitments on the EU side, geared towards fostering long-term sustainable economic growth in the Caribbean.

The specific objectives of the cooperation are covered by Article 8 of the EPA:

Article 8

Cooperation priorities

⁶ In accordance with Article 15 of the EPA, imports of goods originating in the CARIFORUM States are imported free of customs duty into the EU except for those products listed in Annex II of the EPA which include arms and ammunition (HS Chapter 93), rice (tariff heading 1006, liberalised in 2010) and sugar (tariff heading 1701, step-wise liberalisation until 1 October 2012).

1. *Development cooperation as provided for in Article 7 shall be primarily focused on the following areas as further articulated in the individual Chapters of this Agreement:*
 - i. *The provision of **technical assistance** to build human, legal and institutional capacity in the CARIFORUM States so as to facilitate their ability to comply with the commitments set out in this Agreement;*
 - ii. *The provision of assistance **for capacity and institution building for fiscal reform** in order to strengthen tax administration and improve the collection of tax revenues with a view to shifting dependence from tariffs and other duties and charges to other forms of indirect taxation;*
 - iii. *The provision of support measures aimed at **promoting private sector and enterprise development**, in particular small economic operators, and enhancing the international competitiveness of CARIFORUM firms and diversification of the CARIFORUM economies;*
 - iv. *The **diversification of CARIFORUM exports of goods and services** through new investment and the development of new sectors;*
 - v. *Enhancing the **technological and research capabilities** of the CARIFORUM States so as to facilitate development of, and compliance with, internationally recognised sanitary and phytosanitary measures and technical standards and internationally recognised labour and environmental standards;*
 - vi. *The development of CARIFORUM **innovation systems**, including the development of technological capacity;*
 - vii. *Support for the **development of infrastructure in CARIFORUM States** necessary for the conduct of trade.*

Given the strong development angle of this agreement and significant cooperation commitments throughout the EPA, **the successful implementation** of this comprehensive trade agreement in 14 CARIFORUM States relies greatly on **the tailored support from cooperation funding by the EU**.

2.2 Point(s) of comparison

With regard to economic impact, it was decided to compare the situation with the EPA in place compared to a situation with MFN rates applied to CARIFORUM's trade.

For the situation with the EPA in place, the contractor tried to collect currently applied tariffs levels on trade between the EU and CARIFORUM. However, given the lack of

transparency on tariff rates in some of the CARIFORUM States, we have not been able to collect that information for all countries, **but only for the Dominican Republic, Grenada, Jamaica and St. Lucia.**

These data have been subsequently used by Commission services for a partial equilibrium modelling exercise, to estimate the effects of the EPA, by comparing a situation with currently applied rates to a situation with MFN rates. As the model makes this comparison at one point in time, it provides a snapshot of the EPA effects on trade. In addition, it only captures the effects related to tariffs, and not of other elements of the EPA.

The full details of the modelling are available in Annex II. The assessment was conducted with a partial equilibrium model and does not consider indirect effects like value chain or price effects. Despite the limitations typical from a partial equilibrium assessment, the model results provide some insights into the relative size of the effects and into the differences per sector.

The EU-CARIFORUM EPA grants tariff and quota free access for CARIFORUM States. **Without the agreement, the CARIFORUM States would have faced Most Favoured Nation (MFN) rates**, and not the preferential access they had prior to the EPA. An economic modelling exercise has been performed by the European Commission for four CARIFORUM States (the Dominican Republic, Jamaica, Grenada and St. Lucia) to assess the impact of the tariff preferences under the EPA. The modelling results in Table 1 show that compared to a counterfactual of trading under MFN terms, **bilateral trade under the EPA is significantly higher**, although the level of impact on trade strongly differs per country, ranging from 9% increase in exports from Grenada to the EU to 119% increase from St. Lucia. Estimates for EU exports to CARIFORUM range from 8% increase for St. Lucia to 20% increase for the Dominican Republic. For CARIFORUM exports the model also suggests a more **significant impact in the food sector as well as a number of industrial products**. In contrast, the impact on EU exports to CARIFORUM is **mostly in the industrial sector**.

Table 1 below shows the results for total trade flows between the EU and the four countries for which data were available in time of modelling.⁷ **It shows that both EU exports to and imports from CARIFORUM States are estimated to increase.** The size of the effects by country partly reflects the size of the four economies. In absolute numbers, the estimated effects do not differ much between imports and exports, except for Jamaica, from which the EU is estimated to import much more than it would export. In relative terms, the estimated EU imports from CARIFORUM increase is slightly larger than EU exports to the region as a result of the EPA.

⁷ Only Dominican Republic, Jamaica, Grenada and St. Lucia were able to provide workable data on tariff schedules in time for modelling.

Table 1: Effect of the EU-CARIFORUM EPAs on EU bilateral trade flows in goods

Partner country	Change in EU Exports		Change in EU imports	
	million EUR	%	million EUR	%
Dominican Republic	323	20	326	45
Jamaica	35	9	76	42
Grenada	4	12	1	9
St. Lucia	5	8	7	119

Source: DG TRADE simulations. Numbers are rounded.

In terms of sectors, the four CARIFORUM States are estimated to experience significant positive effects on exports (vis-à-vis a situation with MFN rates) notably in the food sector (Vegetables and fruits - mainly bananas -, Sugar, Vegetable oils, Fisheries, Other food, Beverages and tobacco), while there are also a number of industrial products that record significant positive effects (Textiles, Wearing apparel, Leather, Chemicals, rubbers and plastics, Other minerals and Manufacture of motor vehicles). The relative importance of these sectors differs by country, and for a detailed overview, we refer to Annex II.

On the CARIFORUM import side, the effects are most significant for the industrial sector, with estimated increases above 10% for the majority of industrial products.

3. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

3.1 Current state of play in the implementation of EPA

The Evaluation found a **clear progress in implementation** of the Agreement in many CARIFORUM States and in a number of areas. However, there are important differences between CARIFORUM States with respect to the commitments and pace of implementation.⁸ The Evaluation Report registers significant progress in trade facilitation and many CARIFORUM States are seeing real benefits in terms of increased or stabilised goods exports to the EU and more trade diversification.

Implementation of the EU-CARIFORUM EPA continues to face some challenges due to the ambitious scope of this agreement, heterogeneity of the region and development challenges and significant capacity constraints of some CARIFORUM Member States.

⁸ CARIFORUM is mostly composed of Small Island Developing States (SIDS) - each with its own dynamic and exposed to different economic trends and factors over the past 14 years.

Slow progress on the implementation of the CARICOM Single Market and Economy (CSME) poses constraints and barriers to some of the provisions of the agreement that are regional in scope.

The Evaluation exercise identified some shortcomings in the implementation regarding the liberalisation commitments for goods and services. The 2014 EU-CARIFORUM EPA Implementation Review already identified several implementation deficits. The progress was observed in the CARIFORUM States and in the EU since the last evaluation.

Regarding ratification, the EPA was signed in October 2008 by the EU and all 15 signatory States of CARIFORUM and has since been in provisional application since December 2008 by all CARIFORUM States except Haiti. Some EU MS (Hungary) and 5 CARIFORUM Member States that have not yet ratified the Agreement (The Bahamas, Haiti, Jamaica, Suriname and Trinidad and Tobago).

As a part of the Evaluation Study, there was also a comprehensive Implementation Study that describes and covers in more details the implementation challenges by EPA Parties:

On the CARIFORUM's side:

- Uncompleted implementation of tariffs commitments by some CARIFORUM States;
- Lack of sufficient transparency on applicable EPA rates and uncompleted HS tariffs transposition process from HS 2002 to 2017 and 2022;
- Partial implementation of services liberalisation commitments and scattered national regulation in services;
- Non-application of national treatment in service sectors in few countries;
- Shortcomings concerning the transparency requirements of the EPA, with regard to the countries' SPS measures;
- Insufficient regulation in several CARIFORUM States to prevent abusive or anti-competitive practices in the services sectors, particularly courier services, telecommunications services and financial services;
- Insufficient protection of personal data in the financial services sector;
- Custom duties on electronic deliveries affecting electronic commerce;
- Gaps in the protection of Intellectual Property Rights (IPR), which affect the transfer of technology;
- Transparency shortcomings in public procurement, despite the limited commitments made in this area, decision on MA under the EPA is pending;
- Shortcomings regarding the adoption of a domestic competition legal framework, including for State-owned trading enterprises, which may cause distortive behaviour favouring the incumbent operator.

For the EU side, CARIFORUM's providers frequently reported on the below practical challenges:

- National rules implementing the EU Customs Code that are scattered in different documents and require interactions with national customs authorities;
- High standards and often changing technical regulations and SPS requirements in the EU are difficult to comply with by CARIFORUM's providers;
- Practical challenges for services providers: national regulation in services, such as qualification requirements, lack of recognition of professional qualifications, lengthy and complicated authorisation and registration procedures, residency requirements in certain services sectors, restrictions on real estate purchases, and related immigration procedures;
- Insufficient cooperation in cultural matters between EU and Member States' level and lack of dedicated funding limiting the presence of the CARIFORUM cultural practitioners in the EU market contrary to the expectations under the Cultural Cooperation Protocol covered by EPA;
- Lacking dialogue on electronic commerce with services being important sector for the region and electronic commerce offering alternative to classical distribution networks in the EU;
- A lack of sustained dialogue and cooperation with CARIFORUM States on technology transfer and technical innovations, cooperation among research teams and technical centres, exchanges of scholars, and joint research networks;
- Potential effects of the "Octroi de Mer" in French Caribbean Overseas Regions⁹ on the regional trade. (However, based on a study of May 2020 commissioned by Commission services, this potential impact remains very small).¹⁰

Implementation gaps and challenges that are common to both Parties include:

- The existing technical dialogue within the EPA institutions is not detailed and tailored enough to address complex TBT, SPS or professional qualification issues and existing technical capacity gaps on the CARIFORUM side;
- Lack of establishment of a joint mechanism for EPA monitoring;
- Not sufficient transparency of EPA related information, limited use of online tools, in particular on the CARIFORUM side.

3.2 Goods

Imports from the EU into the CARIFORUM States are exempt from all customs duties¹¹ other than those listed in Annex III of the Agreement.

⁹ Namely Guadeloupe, French Guiana, Martinique, Mayotte and La Réunion, which are also EU Outermost Regions.

¹⁰ [Economisti Associati, Study on specific tax regimes for outermost regions belonging to France and Spain, Final report", for the European Commission, May 2020.](#)

¹¹ "Duties" within the meaning of Article 11 of the Agreement.

CARIFORUM States have committed to open approximately 92% of their trade over a 25-year period (83% over 15 years) and will exclude about 8% from liberalisation altogether. In their market access offers, the CARIFORUM States excluded from the liberalisation commitments so-called sensitive products up to 13.1% of the value of their imports, thus collectively liberalising their trade with the EU for at least 86.9% of it. The main sensitive products excluded from tariff liberalisation on the CARIFORUM side are in the sectors of alcoholic beverages (including spirits), meat, sugar and other agricultural and processed agricultural products; chemicals, furniture and some other industrial products. At the end of the progressive liberalisation, the percentage of tariff lines of the CARIFORUM States for which customs duties will be authorised should vary between 8.6 % (Dominican Republic) and 13.5 % (Antigua and Barbuda, Grenada and St. Vincent and the Grenadines).¹² The average final dutiable tariffs on those tariff lines ranges between 20 % (Dominican Republic) and 31.6 % (the Bahamas).¹³

According to EPA schedules, on CARIFORUM side, by 2033 all CARIFORUM States should have liberalised above 80% of tariffs, depending on the national Market Access Offers by individual CARIFORUM States (Table 2).

Table 2: Liberalisation schedule for CARIFORUM States

CARIFORUM State	Goods to be liberalised (% share of total lines)			
	Under MFN 0%	in 2009 (start of the liberalisation period)	in 2023	In 2033 (end of the liberalisation period)
Antigua and Barbuda	5,3	9,8	80,5	86,5
Bahamas	11,2	14,9	84	89,3
Barbados	5,6	63,2	84	88,6
Belize	10	10	80,9	86,5
Dominica	6	22,4	81,8	87,4
Dominican Republic	53,5	66,1	86,7	91,3
Grenada	5,5	5,6	80,5	86,5
Guyana	9,3	52	81,3	86,7
Jamaica	60,2	61,3	83,3	88
Saint Kitts and Nevis	5,6	23,1	81,2	86,7
St. Lucia	39,3	45,6	84,3	88,9

¹² World Trade Organization, Committee on Regional Trade Agreements, Factual Presentation, Economic Partnership Agreement between the CARIFORUM States and the European Union, WT/REG255/1, 31 May 2018.

¹³ Idem 8.

St. Vincent and the Grenadines	8,5	8,5	80,7	86,4
Suriname	5,1	10,7	81,2	86,8
Trinidad and Tobago	61,5	61,7	83,2	87,9

Source: Table elaborated by Commission services on the basis of the study “Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States” (p. 221), and the Factual Presentation of the EPA between the CARIFORUM States and the EU, Report by WTO Secretariat).

Note: MFN 0% rates refer to 2010 for Antigua and Barbuda, Barbados, Dominica, St Kitts and Nevis; to 2007-2008 for Jamaica, St. Lucia, St. Vincent and the Grenadines and Trinidad and Tobago; and to 2011 for Suriname.

The tariff cut due on 1 January 2022 was the ninth in the schedule which commenced in 2011. While the process of market opening on the CARIFORUM side is gradual, and takes place over a long period of time, CARIFORUM Member States are in various stages of implementation of the tariff reductions.

The Joint Review examined the state of liberalisation¹⁴ scheduled for all CARIFORUM States up to 2022 foreseen in EPA. Six CARIFORUM States have enacted legislation, which provides for the tariff cuts to be made automatically when due and are applying all tariff reductions. These States are the Bahamas, Belize, the Dominican Republic, Guyana, Jamaica and St. Lucia. On the other side, there are States that are not yet enacting tariff reductions according to EPA schedule: Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

The implementation data collected during the Joint Review show that two CARIFORUM Member States – Antigua and Barbuda and Trinidad and Tobago — have not implemented any tariff cut since signing the Agreement. Antigua and Barbuda have cited vulnerability to natural disasters and fiscal dependency on custom tariffs and other import-related revenues. Trinidad and Tobago claimed that the implementation was dependent on certain administrative steps, clarifications on technical errors and also fiscal dependency.

For Barbados there is currently uncertainty as to whether intended automatic cuts are effectively implemented. The remaining CARIFORUM States are in various stages of compliance. St. Kitts and Nevis and Dominica have only implemented the first tariff cut in 2011, while Grenada, St. Vincent and the Grenadines and Suriname have each approved the implementation of the first two reductions due in 2011 and 2013 respectively.¹⁵ Moreover, since the start of the implementation of the EPA’s tariff liberalisation schedule, the Harmonised System of tariff nomenclature (HS) has been updated three times. The CARIFORUM (through a TradeCom project) initiated work on

¹⁴ [LexUriServ.do \(europa.eu\)](http://LexUriServ.do(europa.eu))

¹⁵ Confirmation pending by Suriname.

the transposition of the HS codes, which form the basis of the EPA's goods liberalisation schedule, to HS 2017 at a regional level. The Dominican Republic has implemented the latest version of the HS (2022) and the transposition of the EPA schedule to the HS 2022. The CARICOM Member States have updated the CARICOM Common External Tariff (CET) to the HS2022 version.

In that context, in 2019, Commission services offered to assist individual CARIFORUM Member States to carry out the transposition of Market Access Offers under EPAs and sent a draft proposal for a transposition. So far, Barbados, Belize, Dominica, Grenada, Jamaica and St. Vincent and the Grenadines responded positively, but the process is not completed yet.

In addition, only five CARIFORUM States make the applicable EPA tariffs available online¹⁶, even if progress can be seen, with more and more countries publishing customs documents online.

The Evaluation Study also identified gaps as to the implementation by CARIFORUM States of their commitments with regard to export duties and quantitative restrictions. According to the Evaluation Study, 10 out of 14 CARIFORUM States have reported the elimination of export duties¹⁷. The Evaluation Study also reported that several CARIFORUM States maintain quantitative restrictions towards agricultural products originating in other CARIFORUM States.

For the EU side, CARIFORUM States flag some trade irritants related to application of the special tax regimes such as "Octroi de Mer" protecting the local market and making imports of CARIFORUM products into French ORs in Caribbean more expensive. However, concerning the "Octroi de Mer", which is aimed at addressing the structural, social and economic situation of the EU Outermost Regions, the "Study on specific tax regimes for ORs belonging to France and Spain"¹⁸, contracted by Commission services analysed the impact on regional trade and found a very limited potential impact of the "Octroi de Mer" on CARIFORUM exports to the neighbouring EU Outermost Regions.

In addition, the high standards under technical regulations and sanitary and phytosanitary measures in the EU are seen by some CARIFORUM States as undermining the benefits accruing to CARIFORUM States from the EPA, due costs and to limited capacity to comply with these requirements.

¹⁶ The Bahamas, Belize, Dominican Republic, Guyana, St. Lucia and for Jamaica it is planned under the single window project.

¹⁷ Suriname, Antigua and Barbuda, and Saint Lucia are yet to eliminate these duties. Saint Kitts and Nevis did not provide any information on the matter to the Evaluation Study team.

¹⁸ "[Study on specific tax regimes for ORs belonging to France and Spain -Publications Office of the EU \(europa.eu\)](#)", Annex E, p. 587.

There is a genuine interest in closer integration between CARIFORUM States with the EU French Caribbean Outermost Regions (FCORs) and in increasing trade in goods and services in particular by the OECS countries. This interest has been heightened by the two of the FCORs – Guadeloupe and Martinique – pursuing associate membership in the OECS. The close proximity of the smaller (OECS) CARIFORUM States to the FCORs and the relatively small market in the FCORs appears to be a better match for SMEs in CARIFORUM Member States and there is a perception by some firms that it is easier to penetrate FCORs markets than those of mainland EU. Additionally, some firms that wish to access mainland EU markets to exploit opportunities under the EPA consider entry into the FCORs as an important first step in making the adjustment towards meeting EU regulatory requirements as well as developing a better understanding of the commercial operation of markets.

3.3 Services

The EU-CARIFORUM EPA includes reciprocal, but asymmetrical liberalisation commitments of the Parties.¹⁹ As it pertains to the CARIFORUM specific commitments, asymmetry is also reflected in the application of the principle of variable geometry, by which the CARICOM States that have been designated as Less Developed Countries (LDCs)²⁰ have assumed lower levels of liberalisation than those states designated as More Developed Countries (MDCs)²¹ in that integration arrangement, and the Dominican Republic in terms of the number of services sector activities in which commitments have been listed.

Overall, CARIFORUM States have significantly extended the sector coverage and the level of commitments under the EPA as compared to their GATS commitments. Some CARIFORUM States have not yet fully implemented their EPA commitments and have experienced challenges such as capacity constraints to implement the necessary legislative reforms.

The EU side and its MS have completed the implementation of their market access and national treatment commitments.

¹⁹ Title II Investment, Trade in Services and E-Commerce, sets out the main liberalisation commitments in Chapters 1 General Provisions, Chapter 2 Commercial Presence, Cross-border Supply of Services (CBSS) (Chapter 3), Temporary Presence of Natural Persons for Business Purpose (Chapter 4); while Regulatory Framework (Chapter 5) provides for mutual recognition, understandings, interpretations, and cooperation to support effective market access and sectoral development. Annex IV of the Agreement sets out the Parties' liberalisation commitments in different schedules for the cross-border trade in services (Modes 1 and 2) and commercial presence by establishment (Mode 3) and the temporary entry of natural persons for a business purpose (Mode 4).

²⁰ Antigua and Barbuda, Belize, Dominica, Grenada, Haiti, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines.

²¹ The Bahamas, Barbados, Guyana, Jamaica, Suriname and Trinidad and Tobago.

Based on the information available in the EU, several CARIFORUM States still have customs duties in place on electronic transactions. With regard to regulatory commitments for courier services, telecommunication services, financial services and tourism services sectors, full compliance is still outstanding on the CARIFORUM side. All CARIFORUM States have established telecommunications regulatory authorities and twelve CARIFORUM States have developed environmental and sustainable standards in tourism. Additionally, most CARIFORUM States have regulations to prevent abusive or anti-competitive practices in the sectors concerned. Some CARIFORUM States have regulatory frameworks in place for the protection of personal data in the financial services sector. Several CARIFORUM States reported under the Evaluation study that they had not completed the implementation of their market access commitments yet. Furthermore, compliance issues with regard to national treatment were observed in a few CARIFORUM States.

On the EU side, while liberalisation commitments are larger, the CARIFORUM States complain that domestic legislation in EU Member States is in practice limiting their expected benefits under the EPA and converting market access into effective market presence has been a challenge for the CARIFORUM side.

The CARIFORUM side reported on some key challenges perceived by service suppliers when accessing the EU market. They relate to the regulatory context of cross-border access, complex foreign investment regimes and a lack of regulatory heterogeneity amongst EU Member States, especially in sectors not regulated at the EU level such as professional services. Regarding Mode 4 CARIFORUM reported concerns regarding demanding qualification requirements, lack of recognition of professional qualifications, lengthy and complicated authorisation and registration procedures, residency requirements in certain services sectors, restrictions on real-estate purchases, and immigration procedures. It is also noted that with respect to Mode 4 opportunities, access to several markets in the EU is subject to economic needs tests or other state-level requirements, as reflected in the Parties' schedules.

However, the EU regulations are non-discriminatory and legitim under the EPA, and more specifically the matters pertaining to visa and immigration policy are generally outside of the scope of the Agreement.

Further to that, the Article 62 of the EPA prescribes entering into negotiations to further liberalise investment and trade in services not later than five years from the EPA's entry into force. The EPA Parties have not initiated such negotiations, but the Agreement is still only into provisional application.

On the EU side, while the regulatory requirements of the EPA are fulfilled in the services sectors, concerns arise with respect to the implementation of the EPA requirements regarding cultural cooperation, as enshrined in the Protocol III of the EPA. This is despite some progress observed in this area since six CARIFORUM States indicated they have engaged with the EU or its Member States to facilitate exchanges of cultural activities, goods and services. The 2019 UNESCO study concluded that market access

for cultural services, artists and performers of the CARIFORUM States in the EU had not improved in practice. CARIFORUM practitioners would need to comply with divergent economic needs tests, immigration rules (visas) and professional qualification requirements in the EU Member States limiting de facto their access to the EU market. While the EU is providing substantial funding to facilitate the implementation of the EPA, including on cultural initiatives, there is not yet specific initiative or dedicated funding by the EU for the implementation of the Protocol III with CARIFORUM.

In general, while they acknowledge that visa policy is outside the scope of the agreement, the CARIFORUM Member States view the immigration procedures and absence of a visa waiver as a practical impediment to services opportunities covered under EPA implementation. The three-month, non-work visa waiver only applies to nine CARIFORUM States (while Belize, the Dominican Republic, Guyana, Jamaica, Haiti and Suriname are not exempted).

Another area of recurrent concerns for CARIFORUM is a lack of the mutual recognition of professional qualifications (MRA) under EPA. The CARIFORUM side has expressed interests to facilitate the conclusion of MRAs between the professional associations representing architects and engineers in CARIFORUM and their EU counterparts. A joint regional CARIFORUM-MRA would be a first necessary step before discussions with the EU counterparts could be contemplated based on interest from these professional organisations.

3.4 Implementation of Regulatory Commitments

The situation varies in CARIFORUM State in the area of trade facilitation. Although not all CARIFORUM States could be surveyed, the performance of those that were, except the Dominican Republic, are below the best performance across the sample of the Latin American and the Caribbean region in many areas according to the OECD Trade Facilitation Indicators. This is also the case for the transparency obligations regarding the customs fees and procedures in CARIFORUM States. That said, the Evaluation Study noted that progress has been achieved in this area since the last evaluation. 12 CARIFORUM Member States have ratified the WTO Trade Facilitation Agreement (the Bahamas is not yet a member of the WTO and Haiti, Suriname are yet to ratify). Many of the latter have achieved notable progress in the area of trade facilitation, notably by establishing or initiating processes to establish ‘single windows’ for customs.

A Special Committee on Customs Cooperation and Trade Facilitation has been established under the Trade and Development Committee (TDC) and is responsible for supervising the implementation and administration of provisions as well as the implementation of rules of origin as set out in Chapter 4 of the Agreement and it meets on a regular basis. The last 7th Meeting of the Special Committee on Customs Cooperation and Trade Facilitation took place on 26 April 2022 in Guyana.

There are shortcomings regarding the adoption of technical regulations, standards and SPS measures of several CARIFORUM States, mostly due to capacity constraints. With

respect to standards, CARIFORUM has expressed concern with private standards in the EU.

On the CARIFORUM side, serious shortcomings are also observed with respect to the transparency requirements of the EPA, especially the countries' SPS measures, despite progress observed in the implementation of the TBT and SPS transparency commitments when compared to 2014. Some problems are reported by importers in the CARIFORUM about discretionary non-issuance of import licensing/authorisations for meat and dairy products originating in EU Member States on SPS grounds, under monitoring by the EU Delegation.

On the EU side, although overall the trade facilitation commitments are fully implemented, difficulties for CARIFORUM economic operators arise from the fact that the EU customs legislation is implemented by the EU Member States and that national rules are scattered in different documents, complicating the practical interaction with national customs authorities. For the same practical reasons, CARIFORUM exporters reported to have difficulties to access recourse procedures in EU Member States.

The EU regulatory framework is perceived by CARIFORUM States difficult to comply with due to small scale and capacity limitations. Generally, CARIFORUM States expressed interest in more cooperation between the EU and the individual CARIFORUM States on all issues affecting their trade in goods with the EU. They also require more cooperation to facilitate addressing measures which they perceive as technical barriers to trade and meeting SPS requirements. There is a concern that technical assistance is concentrated at the regional level in the CARIFORUM, generating a sense that the needs of individual CARIFORUM States are insufficiently addressed in this respect.

With regard to other **cross-cutting regulatory commitments**, based on the results collected under the Evaluation Study, we can note the below for the CARIFORUM side:

- Electronic commerce: some countries still apply customs duties on electronic deliveries. There is an interest to maintain a dialogue with all EPA Parties on regulatory issues raised by electronic commerce and to exchange information on legislation regarding electronic commerce and consumer protection;
- IP: in several CARIFORUM States, the Evaluation Study observed:
 - a lack of sufficient abidance by the existing IP Treaties and the TRIPS, despite several CARIFORUM States acceding to relevant international treaties during the review period;
 - a lack of enhanced protection of geographical indications and the preservation of genetic resources, traditional knowledge and folklore.²²

²² On geographical indications, positive developments occurred after the completion of the Evaluation Study. In June 2024, *sui generis* systems for the protection of geographical indications were in place in Antigua and Barbuda, the Bahamas, Barbados, Dominica, Guyana, Jamaica, Saint Christopher and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. Antigua and Barbuda, the Bahamas,

Moreover, the negotiations on an EU-CARIFORUM agreement on the protection of geographical indications under Article 145.E of the EPA are ongoing;

- shortages to ensure effective enforcement of the protection of IPR.

The EU has supported the initiatives to strengthen the protection of IP rights in the CARIFORUM States including new IP or revisions of IP legislation and drafting process. Some progress was also observed in the field of regional integration as regards patent administration, harmonisation of regional trademark legislation and regional Trademark Manual:

- Protection of personal data: several countries unable to establish appropriate legal and regulatory regimes to ensure an adequate level of protection of individuals regarding the processing of personal data;
- Public procurement: several laws were adopted in the area of public procurement. However, some shortcomings are observed in CARIFORUM States with respect to non-discrimination and transparency. More important deficiencies are reported in the area of tendering processes and awarding steps of tenders, including a lack of publication of award procedures. However, most CARIFORUM States did not provide sufficient information regarding their tendering procedures to enable a proper assessment of compliance in this regard. With regard to access to public procurement (PP) market in CARIFORUM, The CARIFORUM States have currently no binding commitments under EPA. The EPA text foresees PP commitments subject to the EPA Joint Council decision (that is still pending) and it is in the EU interests to open that market.
- Competition: shortcomings are observed in several CARIFORUM States regarding the lack of adoption of a domestic competition legal framework, including for state-owned trading enterprises. However, for the countries that are CARICOM Members, such deficiency may be partially resolved by the common rules of the CSME, as far as anti-competitive cross-border conduct is concerned;
- Regional preference under Article 238 granted to each other by CARIFORUM States: several CARIFORUM States indicated either they do not extend to all CARIFORUM States the more favourable treatment they granted to the EU or they did not provide information in this regard. However, the implementation of this commitment has now largely improved since several countries joined the group of compliant countries (the Bahamas, Barbados, the Dominican Republic, Guyana, Jamaica and Suriname);

Barbados, Dominica, St Vincent and the Grenadine and Saint Kitts and Nevis had taken steps to amend their legal framework. Belize and Suriname had carried out preparatory work to introduce sui generis systems.

- Sustainable development: environmental standards, the right to collective bargaining, freedom of association, the prohibition of child labour and the prohibition of forced labour are overall better respected and employment discrimination is better regulated in the CARIFORUM States when compared with the first 2008-2014 review period.
- Based on the consultations done under the Evaluation Study, the CARIFORUM States reported interests: to sustain a regulatory dialogue on electronic commerce, IP and cooperation on technology transfer and technical innovations, cooperation among research teams and technical centres, exchanges of scholars, and joint research networks.

3.5 Implementation of institutional commitments

The EPA establishes a clear institutional structure in charge of the implementation of the agreement, including the Joint Council (at Ministerial level), the Trade and Development Committee (at senior officials), the Joint Parliamentary Committee, the Joint Consultative Committee (civil society), and the Special Committees (Special Committee on Customs and Trade Facilitation, Special Committee on Agriculture and Fisheries). All these bodies have met on several occasions. The fourth meeting of the EPA Joint Council in 2017 agreed to establish a Special Committee on Trade in Services to address all matters related to services and push for increased utilisation of the EPA's services provisions.

A rather important implementation shortcoming is the lack of establishment of a joint mechanism for EPA monitoring, mainly due to delays and data collection challenges on the CARIFORUM side. In the absence of such a mechanism there are no joint benchmarks or indicators to assess the effectiveness and impact of the EPA on regular basis as foreseen under EPA. However, DG TRADE produces regular implementation reports on all FTAs with detailed fiches and data per region published each year.

3.6 An overview of the main macroeconomic indicators

Table 3 displays several macroeconomic variables that are available for the CARIFORUM to offer an overview of their economic situation. The data are for 2019 given that not all variables are available for later years for all the countries in the CARIFORUM region and to avoid the impact of Covid-19 in their evolution. The same data for the EU, Latin America and the Caribbean and the world economy are presented at the end of the table, when available.

Table 3: Main macroeconomic indicators in the CARIFORUM region in 2019

	GDP growth (%)	GDP in PPP international \$, current prices	GDP per capita in PPP international \$	Unemployment rate (%)
Antigua and Barbuda	4.9	2.2	22,000.22	
The Bahamas	1.9	14.8	37,361.23	10.1
Barbados	-1.3	4.6	15,444.60	10.1
Belize	4.5	3.6	8,454.75	9.0
Dominica	5.5	0.9	12,257.62	
Dominican Republic	5.1	206.1	19,090.48	6.2
Grenada	0.7	2.0	16,867.71	
Guyana	5.4	10.7	13,052.24	
Haiti	-1.7	36.1	2,989.79	
Jamaica	1.0	30.0	10,544.60	7.7
St. Kitts and Nevis	4.8	1.6	26,718.42	
St. Lucia	-0.7	2.9	15,354.32	
St. Vincent and the Grenadines	0.4	1.6	13,460.80	
Suriname	1.1	11.5	18,507.19	8.8
Trinidad and Tobago	-0.2	39.0	26,827.29	
European Union	2.0	20,784.9	44,844.94	
Latin America and the Caribbean	0.2	10,233.5	15,598.11	
Advanced economies	1.7	58,123.8	52,022.53	4.8
World	2.8	135,641.4		

Source: IMF (World Economy Outlook October 2022).

Note: PPP stands for Purchasing Power Parity.

GDP growth in 2019 is quite high in several CARIFORUM States, strongly surpassing the average in the world, in the EU and in Latin America and the Caribbean. The highest GDP growth takes place in Dominica (5.5% rate in constant prices of the national currency), closely followed by Guyana (5.4%), Dominican Republic (5.1%), Antigua and Barbuda (4.9%) and St. Kitts and Nevis (4.8%). However, a few CARIFORUM States record contractions in 2019. Haiti experiences the largest fall (-1.7%), with Barbados (-1.3%) and St Lucia (-0.7%), coming next.

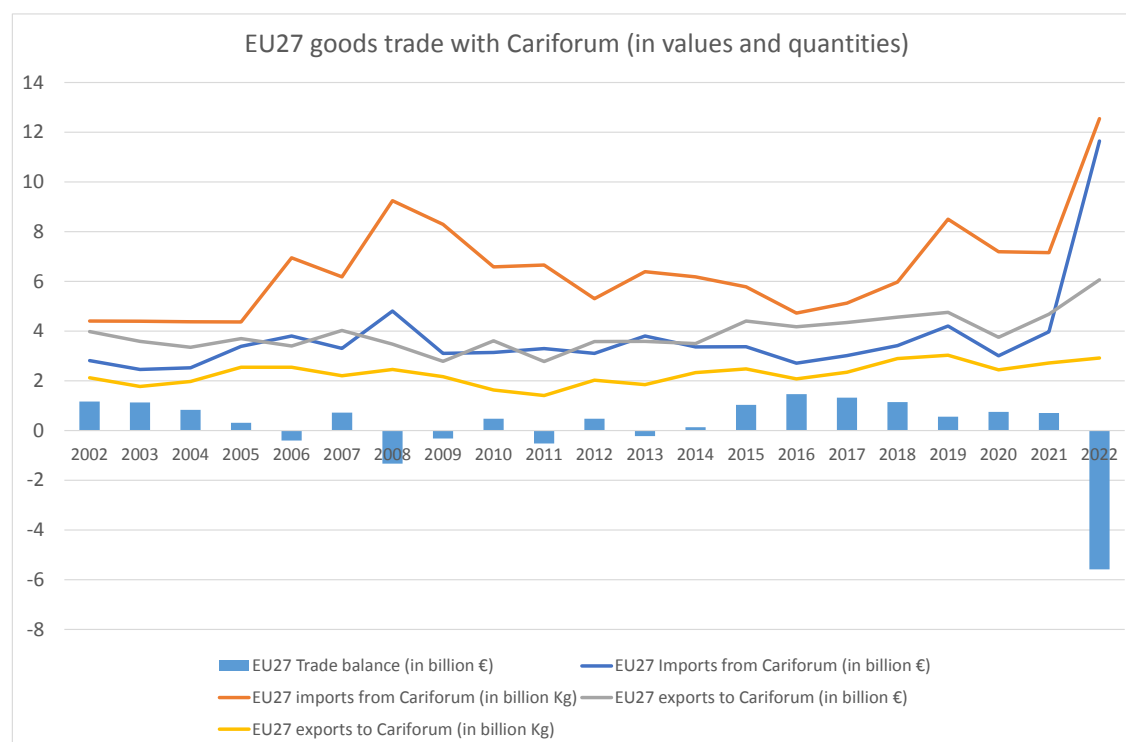
The relative size of the CARIFORUM States, measured by GDP based on Purchasing Power Parity (PPP), is small. The largest economy in the region is the Dominican Republic, followed at a remarkable distance by Trinidad and Tobago, Haiti and Jamaica. The GDP per capita is considerably smaller than in the EU. However, several CARIFORUM States surpass the average in Latin America and the Caribbean region.

This is the case of the Bahamas, which registers the largest GDP per capita in CARIFORUM, followed by Trinidad and Tobago and St. Kitts and Nevis, Antigua and Barbuda, Dominican Republic, Grenada and Suriname.

Finally, the unemployment rate is only available for a few countries. The Dominican Republic displays the smallest, followed by Jamaica, Suriname and the Bahamas. The two latest reach the two digits unemployment with an equal 10.1% rate each.

3.7 Bilateral trade and investment flows between the EU and CARIFORUM

Table 4: EU27 trade with CARIFORUM (in value and quantities)



Source: Eurostat COMEXT from February 2023.

Table 4 presents the evolution of **trade flows in goods** that have taken place between the European Union at 27 Member States (EU27) and CARIFORUM. We present the evolution in values and in quantities to provide a better idea, given the strong inflation trends experienced in the latest years. We should bear in mind that behind this evolution, that we are about to describe, several forces are at play. Trade flows will not only reflect the impact of the agreement itself, but also other economic forces that are taking place during the period of analysis. Both the EU and the CARIFORUM States undergo many economic shocks that take place simultaneously to the development of the agreement. These include the impact of other trade agreements, Chinese competition, and all kinds of economic policies (such as monetary, fiscal) and regulations that these and other countries are adopting. In this sense, this evolution is different from the one arising from

the partial equilibrium described above. The latter isolates the impact of the agreement itself.

While the exports of the EU27 decreased between 2002 and 2008 (i.e., before the implementation of the agreement), they have experienced an upward trend since 2008. EU goods exports to CARIFORUM grew by 74.6% in value and by 18.7% in quantity, in the period 2008-2022.

EU27 imports coming from CARIFORUM have experienced an initial downward trend since the agreement was implemented. However, since 2016 they have recovered strongly (particularly in 2021 and 2022). Overall, EU imports growth from CARIFORUM has experienced an increase of 142% in value and 35.7% in quantities in the period 2008-2022.

Overall, the CARIFORUM States represent a share of 0.2% of extra-EU27 goods exports and of a slightly lower 0.19% share of extra-EU27 goods imports in 2022 (according to Eurostat COMEXT, 2023). These shares have been relatively stable since 2013. We will see below that these shares in goods trade are considerably smaller than the CARIFORUM's share in trade in services and in FDI stocks, highlighting that trade in services and FDI play a larger role in the EU relationships with this region.

A positive trade balance for the EU prevails during the period considered. However, in 6 out of the 21 years considered in this period there were trade deficits, most of which were of relatively small magnitude. The only exception was the trade deficit of 2022, which was considerably larger than the previous ones. This is driven by two countries: Guyana and Trinidad and Tobago. For Guyana, the EU's trade in goods deficit increased from 0.41 billion to EUR 3.69 billion between 2021 and 2022 and for Trinidad and Tobago, it increased from EUR 1.09 billion to EUR 4.50 billion in the same period, mainly due to fuels and chemical products.

Table 5: EU Member States trade in goods with CARIFORUM (in value and quantities)

	Import value (1000€)				Import quantity (1000 Kg)				Export value (1000€)				Export quantity (1000 Kg)			
	2008	2022	% growth	% share	2008	2022	% growth	% share	2008	2022	% growth	% share	2008	2022	% growth	% share
Austria	6,747	237,826	3,425	2.04	227	312,323	137,791	2.49	65,036	87,446	34	1.44	23,843	16,134	-32	0.55
Belgium	375,767	1,147,403	205	9.85	130,181	1,127,031	766	8.98	180,451	415,158	130	6.85	108,486	295,569	172	10.13
Bulgaria	947	16,077	1,597	0.14	325	13,118	3,941	0.10	42,090	10,781	-74	0.18	52,051	6,606	-87	0.23
Croatia	2,124	29,745	1,300	0.26	231	9,589	4,044	0.08	2,400	4,384	83	0.07	1,909	303	-84	0.01
Cyprus	252	2,351	833	0.02	73	20	-73	0.00	507	13,782	2,620	0.23	18	2,915	16,186	0.10
Czech Republic	13,562	5,422	-60	0.05	74,999	1,407	-98	0.01	13,178	20,169	53	0.33	6,635	4,339	-35	0.15
Denmark	3,308	12,846	288	0.11	695	4,192	503	0.03	108,836	169,537	56	2.80	37,241	34,796	-7	1.19
Estonia	58	717	1,133	0.01	1	180	29,962	0.00	467	4,000	756	0.07	483	3,063	535	0.10
Finland	94,823	44,936	-53	0.39	26,208	35,334	35	0.28	131,486	51,774	-61	0.85	7,583	9,791	29	0.34
France	457,277	985,349	115	8.46	1,200,758	1,131,088	-6	9.01	300,805	386,967	29	6.39	247,272	104,420	-58	3.58
Germany	391,878	1,336,997	241	11.48	496,558	1,723,679	247	13.74	583,957	683,405	17	11.28	147,558	170,372	15	5.84
Greece	81,908	109,873	34	0.94	2,228	136,689	6,035	1.09	105,186	130,107	24	2.15	253,435	114,800	-55	3.93
Hungary	747	2,509	236	0.02	105	2,675	2,460	0.02	8,848	34,684	292	0.57	1,440	3,930	173	0.13
Ireland	13,994	35,942	157	0.31	22,147	50,978	130	0.41	41,500	80,181	93	1.32	8,776	17,000	94	0.58
Italy	103,448	1,176,026	1,037	10.10	112,023	961,247	758	7.66	434,651	1,428,453	229	23.57	166,627	670,261	302	22.97
Latvia	28	6,760	24,402	0.06	4	7,904	213,532	0.06	4,667	3,207	-31	0.05	6,008	3,192	-47	0.11
Lithuania	3,847	34,406	794	0.30	5,242	57,799	1,003	0.46	21,635	43,612	102	0.72	24,859	89,563	260	3.07
Luxembourg	40	8	-80	0.00	68	0	-100	0.00	4,474	17,704	296	0.29	6,459	13,634	111	0.47
Malta	27	136,205	501,022	1.17	28	184,174	669,622	1.47	1,801	3,427	90	0.06	363	175	-52	0.01
Netherlands	1,399,187	3,281,234	135	28.17	2,810,433	3,750,697	33	29.89	390,161	857,641	120	14.15	262,354	553,935	111	18.98
Poland	389,796	454,236	17	3.90	219,520	143,172	-35	1.14	284,021	293,058	3	4.84	191,436	44,485	-77	1.52
Portugal	51,965	820,188	1,478	7.04	153,532	602,803	293	4.80	51,142	83,487	63	1.38	15,680	42,435	171	1.45
Romania	37,458	13,169	-65	0.11	127,362	24,960	-80	0.20	19,136	9,337	-51	0.15	18,004	1,514	-92	0.05
Slovakia	217	1,218	460	0.01	6	66	980	0.00	6,782	12,108	79	0.20	1,700	1,319	-22	0.05
Slovenia	176	8,367	4,642	0.07	215	20,678	9,531	0.16	2,605	7,050	171	0.12	603	2,717	351	0.09
Spain	1,370,622	1,668,376	22	14.32	3,862,572	2,169,944	-44	17.29	491,613	1,100,909	124	18.17	803,082	693,675	-14	23.77
Sweden	4,733	79,900	1,588	0.69	2,353	76,317	3,143	0.61	173,748	107,295	-38	1.77	63,718	17,084	-73	0.59
EU27	4,804,935	11,648,084	142	100	9,248,092	12,548,064	36	100	3,471,184	6,059,666	75	100	2,457,621	2,918,028	19	100

Source: Eurostat COMEXT from February 2023.

Note: % growth refers to the one in the period 2008-2022, while the % share refers to the one in 2022.

Table 5 gathers EU Member States trade flows in goods with the CARIFORUM in value and quantity for the years 2008 and 2022, together with the percentage increase experienced between those years and the share of each member state in total EU27 trade with CARIFORUM in 2022. Again, we have included trade in quantities to provide a better idea for 2022, which avoids inflating trade values due to the high inflation rate.

Most EU Member States have experienced an increase in the imports and exports since the agreement was implemented, when measured in values. This is also true for imports measured in quantities, but the picture is more divided in exports in quantities. For the latter, 14 out of the 27 have decreased their exports in quantities and the remaining have increased them. Nevertheless, total EU exports have increased in quantity to the CARIFORUM. Do note that in some cases percentage increases look abnormally high because the initial values are very low.

In general, the shares of EU Member States are related to the relative size of their economies, with larger economies accounting for larger shares in trade and vice versa. However, trade of CARIFORUM with the Netherlands stands out in this picture, due to the very high weight of this country in overall EU trade with that region.

Behind this overall evolution of aggregated trade in goods, there are of course differences among **CARIFORUM States**. Tables 7 and 8 present the series for the years in which goods trade with these countries are available.

In general, Trinidad and Tobago stand out as the main exporter in goods to the EU, followed by the Dominican Republic. Interestingly, Guyana has contributed very significantly to the CARIFORUM exports to the EU in 2022 due to an increase of EUR 3.3 billion (746%) in petroleum exports to the EU compared to 2021. Similarly, fuel exports from Trinidad and Tobago increased by EUR 3 billion (448%) and chemical product exports doubled to EUR 1.6 billion between 2021 and 2022.

Although the Bahamas has experienced a decreasing trend in exports to the EU, it is still one of the main EU providers in the region, closely followed by Jamaica and Suriname.

Regarding EU exports to CARIFORUM (or CARIFORUM imports from the EU), the main destination is the Dominican Republic, with a sustained increasing trend. The Bahamas and Trinidad and Tobago are also important destinations of the EU exports. Jamaica and Guyana as well have experienced upward trends in imports coming from the EU and together with Suriname and Antigua and Barbuda constitute the next most important destinations.

Table 6: EU total exports to the CARIFORUM States (in million euros)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Antigua and Barbuda	270	229	186	268	236	190	237	167	309	210
Bahamas	590	753	1,244	793	1,017	989	786	481	527	647
Barbados	88	163	123	113	116	88	120	115	112	137
Belize	96	139	99	57	109	46	62	56	67	61
Dominica	10	13	14	22	19	24	43	19	21	32
Dominican Republic	1,007	1,047	1,445	1,703	1,632	1,895	1,965	1,621	2,156	2,734
Grenada	10	15	13	15	20	24	23	22	20	33
Guyana	91	62	73	76	74	87	106	137	177	228
Haiti	156	180	177	184	204	238	185	211	198	153
Jamaica	188	206	260	289	341	399	338	314	327	441
St Kitts and Nevis	100	73	43	78	53	25	24	18	23	42
St Lucia	18	22	24	50	36	29	30	28	30	39
St Vincent	80	42	44	29	27	36	49	26	115	24
Surinam	512	308	366	232	272	291	341	302	321	372
Trinidad and Tobago	522	423	471	446	390	439	632	445	476	1,061
EPA Cariforum	3,583	3,495	4,403	4,172	4,341	4,560	4,755	3,751	4,681	6,060

Source: Eurostat COMEXT from February 2023.

Table 7: EU total imports from the CARIFORUM States (in million euros)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Antigua and Barbuda	117	110	122	150	107	116	106	91	43	77
Bahamas	353	493	752	320	310	400	524	267	179	168
Barbados	46	72	32	24	41	41	84	22	41	42
Belize	52	48	40	64	84	72	60	65	91	88
Dominica	4	4	3	22	4	11	3	6	2	2
Dominican Republic	666	608	683	823	750	779	935	900	1,108	1,420
Grenada	7	5	5	5	5	5	5	3	6	5
Guyana	113	116	149	180	188	184	194	229	590	3,919
Haiti	22	24	28	33	39	44	35	28	26	33
Jamaica	205	196	149	137	174	227	262	122	153	73
St Kitts and Nevis	22	22	25	15	8	22	9	6	14	4
St Lucia	2	2	2	2	5	5	2	2	17	4
St Vincent	10	29	9	133	98	9	25	9	50	29
Surinam	244	266	315	225	222	172	199	105	117	228
Trinidad and Tobago	1,962	1,394	1,086	607	1,019	1,375	1,794	1,177	1,564	5,590
EPA Cariforum	3,804	3,366	3,371	2,707	3,016	3,418	4,201	3,005	3,975	11,648

Source: Eurostat COMEXT from February 2023.

Trade in services is also very important for bilateral trade between the EU and CARIFORUM and is even larger in value than trade in goods in many years. Tables 6 and 7 presents the figures on the evolution of trade in goods and services in the latest years. The services sector accounts for a large part of CARIFORUM economies, with the value added of services as share of GDP as high as 75% for some of the islands.²³ In 2021 services export and imports market shares of the EU in the region were 0.31% and 0.55% in total extra-EU flows, respectively. These figures surpass the ones we cited for goods trade. However, while the share of trade in goods has remained relatively constant, the ones in services trade has decreased since the peak they reached just before the

²³ St. Kitts, the Bahamas and Barbados. CARIFORUM as a whole average around 70%, compared with a world average of 65%. Source: evaluation report citing World Bank National Accounts Data.

pandemic in 2018 and 2019 generated mainly by the Bahamas and Barbados services flows. The services sector has been considerably affected by the Covid-19 pandemic, with the contraction experienced in 2020 and 2021 and a slow recovery (EUR 10.4 billion of total trade in services) in 2022.

Indeed, **CARIFORUM service exports to the EU** reached a peak in 2019 of **EUR 59.7 billion at the eve of the Covid-19 pandemic** and of EUR 39 billion in 2020, rising from EUR 2.9 billion in 2013. In 2021, their level was at EUR 5.2 billion and 5.9 billion in 2022. Table 9 shows that Barbados and the Bahamas are at the origin of the significant increase in CARIFORUM services exports to the EU in 2019 and 2020. Table 8 indicates that EU services exports to CARIFORUM are much smaller than imports, moving from EUR 2.3 billion in 2013 to EUR 3.3 billion in 2021, with a peak of EUR 6.2 billion in 2018. The Dominican Republic and Belize accounted for the largest shares of services exports. **Total services trade** has increased from EUR 5.2 billion in 2013 to EUR 8.4 billion in 2021 and to EUR 10.4 billion in 2022, with a peak of EUR 64.8 billion in 2019, representing a more than a twelve-fold increase with respect to the baseline year 2013. As it can be seen from these figures, differently from the case of goods, the EU has a significant trade deficit with CARIFORUM, which increased from EUR 654 million in 2013 to almost EUR 1.8 billion in 2021. Tourism continues to be a very important service sector across the region. The case study on cultural services presents another illustration of a much smaller but growing service sector, but also shows that barriers to services trade remain. Other important services sectors are transports in Antigua and Barbuda, information and communications technology in Belize, Jamaica and St. Kitts and Nevis, and insurance and financial services in Antigua and Barbuda and St. Kitts and Nevis.

Table 8: EU imports and exports with CARIFORUM in services and goods trade (million euro)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Services Export Value	2,261	2,171	2,477	2,967	3,446	6,200	5,079	3,458	3,274
Services Import Value	2,914	12,977	20,880	18,741	17,687	11,839	59,617	38,955	5,155
Services Total Value	5,175	15,148	23,357	21,708	21,134	18,039	64,696	42,413	8,429
Goods & Services Export Value	5,843	5,666	6,880	7,139	7,787	10,760	9,834	7,209	7,955
Goods & Services Import Value	6,718	16,343	24,251	21,448	20,703	15,257	63,819	41,960	9,130
Goods & Services Total Value	12,561	22,009	31,131	28,587	28,490	26,017	73,652	49,169	17,085

Source: Eurostat (COMEXT) from February 2023.

Table 9: Total Trade in Services between the EU and CARIFORUM (million euros)

	2016	2017	2018	2019	2020	2021	2022
Antigua and Barbuda	152,2	188,2	204,5	223	174,8	226,8	216,3
Bahamas	16783,8	8824,3	4342,9	20347,6	1389	1193,3	1638,7
Barbados	497,3	8200,2	9418	39651,9	37428,9	3008,4	2333,1
Belize	361,3	517,8	507,1	355,2	589,4	608,7	673,2
Dominica	53,6	37	35	36	32,4	17,6	43,3
Dominican	1840,8	1853,4	1910,4	2168	1286,9	2111,6	3324,4

Republic							
Grenada	26,9	30,2	25,3	63,5	51,5	849,1	35,5
Guyana	95,2	128,3	194,1	268,3	231	339,6	452,5
Jamaica	385,4	538,8	540,8	845,1	420,7	337	443
St Kitts and Nevis	108,6	89,1	92,3	55,5	48,9	80,1	86
St Lucia	48,3	33	37,5	61,5	34,2	47,1	43,1
St Vincent	700,8	106,8	120,4	72,9	122,5	62,3	55,6
Suriname	176,5	185,9	221,1	266,4	204,9	309,5	479,5
Trinidad and Tobago	471,2	399,9	387,9	482,3	463,7	375,8	653,8
CARIFORUM	21701,9	21132,9	18037,3	64897,2	42478,8	9566,9	10478

Source: Eurostat (COMEXT) from July 2024.

Table 10: EU Total Services imports from CARIFORUM and share per country and region (million euros)

	2016	2017	2018	2019	2020	2021	2022
Antigua and Barbuda	84	116,8	89,9	126,6	82,1	99,3	124,5
Bahamas	15931	8353,7	3961,5	19887	969,2	772,6	1101
Barbados	253,4	7086,8	5639,7	37258,2	36482,7	2618,8	1805
Belize	119,8	158,6	193,1	136,2	239,2	128,2	179,4
Dominica	12,2	9,9	14,6	15,4	14,8	8,8	15,6
Dominican Republic	1223,9	1262,3	1258,6	1433,4	685,8	1208,6	1901,8
Grenada	11,1	12,3	10,1	39,9	28,2	13,5	20,9
Guyana	43,1	76,8	123,2	113	122,6	171,9	208,2
Jamaica	160,2	349,4	288,1	466,9	161	127	175,3
St Kitts and Nevis	30,1	44,6	43,3	17,6	13	17	28,1
St Lucia	22	16,6	17	36,4	15,1	16,7	12,9
St Vincent	641,3	44,9	34,1	39,3	71,6	24,2	19,4
Surinam	68,5	83,8	75,3	109,7	50,9	44,5	104,5
Trinidad and Tobago	136,4	69,5	89,6	96	81,6	89,6	260,6
CARIFORUM	18737	17686	11838,1	59775,6	39017,8	5340,7	5957,2

Source: Eurostat (COMEXT) from July 2024.

Table 11: Total EU Services exports from CARIFORUM and share per country and region (million euros)

	2016	2017	2018	2019	2020	2021	2022
Antigua and Barbuda	68,2	71,4	114,6	96,4	92,7	127,5	91,8
Bahamas	852,8	470,6	381,4	460,6	419,8	420,7	537,7

Barbados	243,9	1113,4	3778,3	2393,7	946,2	389,6	528,1
Belize	241,5	359,2	314	219	350,2	480,5	493,8
Dominica	41,4	27,1	20,4	20,6	17,6	8,8	27,7
Dominican Republic	616,9	591,1	651,8	734,6	601,1	903	1422,6
Grenada	15,8	17,9	15,2	23,6	23,3	835,6	14,6
Guyana	52,1	51,5	70,9	155,3	108,4	167,7	244,3
Jamaica	225,2	189,4	252,7	378,2	259,7	210	267,7
St Kitts and Nevis	78,5	44,5	49	37,9	35,9	63,1	57,9
St Lucia	26,3	16,4	20,5	25,1	19,1	30,4	30,2
St Vincent	59,5	61,9	86,3	33,6	50,9	38,1	36,2
Suriname	108	102,1	145,8	156,7	154	265	375
Trinidad and Tobago	334,8	330,4	298,3	386,3	382,1	286,2	393,2
CARIFORUM	2964,9	3446,9	6199,2	5121,6	3461	4226,2	4520,8

Source: Eurostat (COMEXT) from July 2024.

Foreign Direct Investment (FDI) is particularly important for the Caribbean. Tables 12 and 13 provide the evolution of EU-CARIFORUM FDI stocks. Even though FDI tends to be less volatile than other types of investments, such as portfolio investment, it can still be quite volatile. The data shows that FDI stocks of CARIFORUM economies in the EU are in general larger than the ones that the EU has in that region. Both series reached a peak in the year 2017, of EUR 101 billion for EU FDI stocks in CARIFORUM (Table 12) and of EUR 114 billion for CARIFORUM FDI in the EU (Table 13). The Bahamas is the main CARIFORUM country involved in this sort of operations in both directions. Barbados also registers an important number of operations, although to a lesser extent than the Bahamas. The Dominican Republic comes next as a destination of EU FDI stocks in the region and Guyana was also a remarkable origin and destination, particularly in the year 2018. However, it is not clear to what extent these investments could be considered as productive ones, since they are concentrated in the Bahamas and Barbados, where national fiscal treatment attracts offshore corporations.²⁴

²⁴ Two CARIFORUM countries - Antigua and Barbuda and Trinidad and Tobago – currently feature on Annex I of EU list of non-cooperative jurisdictions for tax purposes, as updated in February 2024: OJ C, C/2024/1804, 26.2.2024.

Table 12: EU-CARIFORUM Outward FDI Stocks (million euro)

	2016	2017	2018	2019	2020	2021
Antigua and Barbuda	73.8	91.8	86.5	66	108.1	118.3
Bahamas	56892.4	45857.7	48380.6	34612.4	21416.9	23422.6
Barbados	11129.9	48225	24799.6	37747.6	16824.1	6199.1
Dominica	238.5	456.5	536.5	585.6	566.5	967.5
Dominican Republic	6395.4	5929.9	4330.7	4856.7	5416.8	4568.8
Grenada	56.7		153.8	155.2	147.5	125.5
Jamaica	388.4	448.8	716.9	922.5	980.5	1254.4
St. Kitts and Nevis	11.7		31.8	57.7	31.8	32.7
St. Lucia	62.6		51.4	50.2	420.7	593.9
St. Vincent and the Grenadines	119.6		44.2	81.9	49.5	27.8
Trinidad and Tobago	824.3		1758.7	1574.4	1738.1	1652.7
Belize	1436.8		717.1	673.5	652.8	783
Guyana		340.7	476.1	2064.9	5591.7	393.5
Suriname	61.4	91.1	104.5	118.8	492.7	781.7
CARIFORUM	77691.5	101441.5	82188.4	83567.4	54437.7	40921.5

Source: Eurostat (COMEXT) from July 2024.

Table 13: EU-CARIFORUM Inward FDI Stocks (million euro)

	2016	2017	2018	2019	2020	2021
Antigua and Barbuda	21.7	32	29.9	34	35.1	36.8
Bahamas	62221.5	63428.3	60301.8	56820.2	52842.8	47188.7
Barbados		47208.8	32663.3	17382.3	33173.4	39050.3
Dominica	19.4		20	11.8	13.3	19.2
Dominican Republic	2266.1	2346.7	344.9	288	505.3	864.1
Grenada	0	2	3	0.1	1.1	13.7
Jamaica	53.2	85.1	-87.7	-102.5	-64.3	-88.1
St. Kitts and Nevis			82.2	236.9	219.5	264.5
St. Lucia	59.8	76.8	6.7	5.4	5	70.2
St. Vincent and the Grenadines	399.6	347.5	170	105.3	122.9	133.6
Trinidad and Tobago	670.6		643.7	-67.9	-614.2	-694.2
Belize	793.6	771.7	1415.4	1039.4	639.3	1051.2
Guyana	10.6	9.6	10.6	2252.6	5342.8	9.9
Suriname	123.6	296.2	426.6	39.7	34.6	45.8
CARIFORUM	66639.7	114604.7	96030.4	78045.3	92256.6	87965.7

Source: Eurostat (COMEXT) from July 2024.

Trade in goods has expanded in the last years and trade in services was also quite strong before the pandemic. In the period 2016-2021, EU FDI stocks in CARIFORUM decreased from EUR 77 billion to EUR 41 billion in 2021 with a peak of EUR 101 billion in 2017. CARIFORUM's FDI in the EU increased from EUR 66 billion in 2016 to EUR 88 billion in 2021.

3.8 Sectoral trends in trade in goods

Table 14 presents the sectoral composition of EU-CARIFORUM trade in goods for the years 2002, 2008 and 2022, together with the actual figures of flows. **In terms of sectors,** in 2022 mineral fuels and oils account for 66.4% of EU imports coming from CARIFORUM²⁵ (or CARIFORUM exports to the EU), measured in value. This constitutes a peak in the series of the shares in value of this sector, which are highly influenced by the price of oil. In 2002, EU imports in this sector were 9.9%, but in 2008 they were 45.8% coinciding with a high peak in its price²⁶. The latter is the second largest share after the one registered in 2022 for this product, when measured in values. It is important to note that these countries have been reliable suppliers of EU imports of oil when there was a high need for them and that there is an intense exchange of flows in this sector between the two regions. However, not all imports coming from CARIFORUM are of this type.

²⁵ This share is very similar when measured in quantities (66.8%) in 2022. This latter value is not displayed in Table 9.

²⁶ The corresponding shares in quantities for this sector in total quantities of goods imported by the EU were 30% (in 2002) and 62.4% (in 2008), although these values are not displayed in Table 14.

Table 14: EU-CARIFORUM imports and exports of goods (values and share over total)

	EU Imports (in value and % share over total)						EU exports (in value and % share over total)					
	Values (1000 euros)			Share			Values (1000 euros)			Share		
	2002	2008	2022	2002	2008	2022	2002	2008	2022	2002	2008	2022
live animals; animal products	63,289	39,310	93,330	2.3	0.8	0.8	138,396	122,870	337,852	3.5	3.5	5.6
vegetable products	106,306	174,124	400,936	3.8	3.6	3.4	36,760	51,021	123,189	0.9	1.5	2.0
animal or vegetable fats and oils	201	367	2,387	0.0	0.0	0.0	12,303	22,930	74,057	0.3	0.7	1.2
foodstuffs, beverages, tobacco	365,169	361,878	422,685	13.0	7.5	3.6	141,511	188,377	640,892	3.6	5.4	10.6
mineral products	277,771	2,198,930	7,729,738	9.9	45.8	66.4	105,114	277,880	997,635	2.6	8.0	16.5
products of the chemical or allied industries	447,215	761,306	1,804,457	15.9	15.8	15.5	160,496	172,511	409,317	4.0	5.0	6.8
plastics, rubber and articles thereof	4,086	7,929	28,127	0.1	0.2	0.2	66,231	78,557	218,457	1.7	2.3	3.6
raw hides and skins, and saddlery	9,303	2,242	4,947	0.3	0.0	0.0	5,256	6,796	28,885	0.1	0.2	0.5
wood, charcoal and cork and articles thereof	4,216	7,353	13,715	0.1	0.2	0.1	16,053	11,272	34,996	0.4	0.3	0.6
pulp of wood, paper and paperboard	2,560	1,926	3,359	0.1	0.0	0.0	49,454	54,189	134,261	1.2	1.6	2.2
textiles and textile articles	89,838	11,303	15,070	3.2	0.2	0.1	67,778	47,234	108,023	1.7	1.4	1.8
footwear, hats and other headgear	21,568	21,872	12,900	0.8	0.5	0.1	9,328	7,403	19,239	0.2	0.2	0.3
articles of stone, glass and ceramics	635	434	961	0.0	0.0	0.0	83,249	75,941	223,591	2.1	2.2	3.7
pearls, precious metals and articles thereof	36,873	166,529	160,809	1.3	3.5	1.4	8,347	15,748	279,617	0.2	0.5	4.6
base metals and articles thereof	70,831	287,111	228,086	2.5	6.0	2.0	193,325	270,845	368,167	4.9	7.8	6.1
machinery and appliances	76,190	72,820	49,740	2.7	1.5	0.4	697,995	898,970	1,087,707	17.5	25.9	17.9
transport equipment	1,178,760	599,071	241,149	41.9	12.5	2.1	2,018,302	918,511	618,450	50.7	26.5	10.2
optical and photographic instruments, etc.	48,438	65,627	233,092	1.7	1.4	2.0	61,447	54,577	148,358	1.5	1.6	2.4
arms and ammunition	na	0	0	na	0.0	0.0	3,450	904	2,418	0.1	0.0	0.0
miscellaneous manufactured articles	1,439	1,018	30,413	0.1	0.0	0.3	58,075	72,637	126,349	1.5	2.1	2.1
works of art and antiques	79	1,075	998	0.0	0.0	0.0	290	953	923	0.0	0.0	0.0
other	6,081	22,713	171,184	0.2	0.5	1.5	45,316	121,058	77,283	1.1	3.5	1.3
TOTAL	2,810,851	4,804,935	11,648,084	100	100	100	3,978,474	3,471,184	6,059,666	100	100	100

Source: Eurostat COMEXT from February 2023.

It should also be noted that for the year 2022 the second most important sector for EU27 imports from CARIFORUM is products of chemicals and allied industries with a 15.5% share in the value of total goods imports and 23.7% in quantities. The share of this sector has been quite stable in the years considered. However, given the overall market increase (from EUR 4.8 billion in 2008 to EUR 11.6 billion in 2022, more than double) the stable share disguises a considerable increase of CARIFORUM exports in the chemical sector (from EUR 761 million in 2008 to EUR 1.8 billion in 2022, nearly four times larger). Its 15.5% share is, in any case, much larger than the total share of agricultural imports of 7.9%. In fact, the share of agriculture in EU imports from CARIFORUM has been experiencing a decreasing trend throughout the whole period considered. This does not imply that CARIFORUM exports to the EU of agricultural, fishery and food products have gone down. On the contrary, they increased by 60% since the entry into application of the EPA, up to EUR 919 million in 2022. However, their share in EU imports of goods from the region decreased because absolute growth was faster in other sectors.

In relation to the EU ORs, which produce similar agricultural products (bananas, sugar, etc.) to CARIFORUM states, the **Evaluation Study found no strong evidence pointing towards trade diversion**²⁷.

An advanced sector like optical and photographic instruments has also experienced a notable increase in CARIFORUM exports to the EU (from EUR 65 million to EUR 233 million between 2008 and 2022, nearly four times larger). This again disguises what at first sight may seem a moderate growth in its share in overall exports from 1.4% in 2008 to 2% in 2022.

Looking more closely at these categories, growth in chemical exports has mostly been driven by growth in organic chemicals from Trinidad and Tobago. Regarding food and live animals, there has been a strong increase in fish and crustaceans driven by Belize, Jamaica and Suriname, fruits and nuts driven mostly by the Dominican Republic and cocoa and cocoa preparations driven by the Dominican Republic. There are other agri-food products that seem to have potential for further development. This includes traditional products like specialty sugar and bananas, as well as other products like juices or nutraceuticals from Jamaica or organic produce from the Dominican Republic. Some investment promotion agencies in the region also see opportunities for niche, high value-added manufacturing such as medical devices or electronics. All in all, given the relatively small size of most CARIFORUM States, exports as well as future export opportunities tend to be often concentrated in specific sectors.

Regarding CARIFORUM imports from the EU (or EU exports to CARIFORUM) the most important sectors are machinery and appliances and mineral products with a 17.9%

²⁷ Idem 3, p. 96

and 16.5% share, respectively, in 2022. EU exports to CARIFORUM have risen heavily in these sectors between 2008 and 2022, even though the machinery and appliances share has contracted, due to even larger increases in exports in other sectors. In the case of mineral products, the share has risen considerably between 2008 (8%) and 2022 (16.5%).

Transport equipment is also an important EU sector of exports to CARIFORUM with a 10.2% share in 2022. However, both trade flows and their corresponding shares have been declining from 2008 to 2022. By contrast, the evolution of foodstuffs, beverages and tobacco has been much more positive. These sectors have in 2022 a similar share to the one of transport equipment (10.6%), but trade flows for these sectors have more than tripled under EPA going from EUR 188 million in 2008 to EUR 640 million in 2022.

Other important sectors in EU's exports to CARIFORUM are products of the chemical and allied industries (6.8% share in 2022), base metals and articles thereof (6.1%), live animals and animal products (5.6%), pearls, precious metals and articles thereof (4.6%). Most of these categories have experienced rising trade flows since the implementation of the agreement.

Without the agreement, the CARIFORUM States would have faced Most Favoured Nation (MFN) rates, as the preferential access they had prior to the EPA would otherwise have lapsed. An economic modelling exercise has been performed by Commission services for four CARIFORUM States (the Dominican Republic, Jamaica, Grenada and St. Lucia) to assess the impact of the tariff preferences under the EPA. The modelling results show that compared to a counterfactual of trading under MFN terms, bilateral trade under the EPA is significantly higher, although the level of impact on trade strongly differs per country, ranging from an 9% increase in exports from Grenada to the EU to a 119% increase from St. Lucia. Estimates for EU exports to CARIFORUM range from an 8% increase for St. Lucia to a 20% increase for the Dominican Republic. For CARIFORUM exports the model also suggests a more significant impact in the food sector as well as a number of industrial products. In contrast, the impact on EU exports to CARIFORUM is mostly in the industrial sector.

There are **important structural and regulatory challenges** related to the business environment (e.g. small markets that limit scale, logistical constraints, bureaucracy) as well as at the company level on the CARIFORUM side, which make it relatively difficult for CARIFORUM companies to compete. In addition, consultations showed that there is still a lack of awareness of the EPA and that practical information on the opportunities it offers is scarce. In addition, the number of companies that consider the EU a priority market is limited, as the focus of exporters is more on nearby markets. For those companies considering exporting to the EU, remaining technical capacity and regulatory barriers play a role.

The EPA has to some extent also **impacted the business environment**, through a range of regulatory commitments in areas like trade facilitation IPR or competition. In addition, development cooperation was offered to support to the business environment and private sector development (e.g. projects in the field of quality infrastructure, support to

regulatory environment or the creation of a regional export promotion agency.). Nevertheless, important constraints seem to remain.

Looking at country level, the Dominican Republic is **one of the most important trading partners** for the EU in the Caribbean Region, besides the Bahamas and Barbados that are more significant for the services flows. The Dominican Republic has implemented most of the commitments under the EPA, including the tariff liberalisation schedule (fully implemented already) and all the necessary transpositions to HS versions in a timely manner. The Dominican Republic has experienced sustained growth in both its exports to the EU and its imports. Moreover, although its agricultural exports have increased over time, manufacturing sectors have become more important, gaining shares in its total good exports²⁸. Notably a rather advanced sector like optical and photographic instruments (Chapter XVIII of the HS nomenclature) has a share of 16% of Dominican Republic's exports to the EU in 2022, rising from a 11.4% share in 2012, while other sectors such as base metals and articles thereof have a share of 12.5% in 2022 compared to a 3.0% share in 2010.

This shows that the implementation of the EPA in the Dominican Republic has resulted in another very positive result when it comes to the diversification of its trade to the EU. Being a traditional exporter of agricultural and mining commodities, new products of higher added value have found their way to the EU market, such as **medical and surgical instruments, electric components or footwear**. Some research mentioned in the Dominican press shows that this diversification of exportable offer has not happened to the same extent under other trade agreements signed by the Dominican Republic, for example the DR-CAFTA (with the main trade partner of the country, USA).

A sector of particular success for the Dominican Republic during EPA implementation is **organic products**. Despite its limited size when compared to competitors, the Dominican Republic has become the second largest supplier of organic products to the EU, after Ecuador, and the main one for some concrete ones such as organic cocoa beans.

The Dominican Republic Free Zones, a network of 79 free zones in the country designed to reduce global business barriers, improve business productivity and scale up some targeted sectors, have also benefitted from the free access to the EU market. These zones have played a big role in the export's diversification mentioned above as well as being a pole of attraction for new investments and employment.

The Dominican Republic, the largest CARIFORUM economy, is the country most advanced in EPA implementation. The country is very interested in the practical implementation of the regional preferences as described in Article 238 of the EPA. Likewise, the Dominican Republic is trying to come up with an administrative

²⁸ The share of agricultural products in Dominican Republic exports to the EU has fallen from 44.6% (2012) to 42% (2022) while agricultural exports in absolute value have increased. Manufactures exports have also risen in value, while its share in total goods trade has gone from 55.4% (2012) to 58% (2022).

cooperation agreement with Central American countries to apply cumulation under the EPA rules of origin. Should these two events materialise, the Dominican Republic would find room for additional trade and value chain diversification.

3.9 Development Cooperation

Development cooperation is treated upfront in the first part of the Agreement, with key development-related priorities set out in its first Chapter. Article 8 (Development cooperation) provides a list of seven “primary focus” cooperation priorities, which range from private sector development, institutional capacity and tax reform to innovation and infrastructure. These provisions are then further articulated throughout the agreement in the different chapters, with a total of 30 articles directly referencing development cooperation and regional integration.

The main channel of EPA-related development cooperation has been the European Development Fund (EDF). With EUR 346 million allocated to the Caribbean Regional Indicative Programme (CRIP), the 11th EDF (2014-2020) more than doubled the amount available in regionally programmed funds compared to the 10th EDF (2008-2014). Both the 10th and 11th EDF regional envelopes for the Caribbean included substantial allocations in support of private sector development, trade, and regional integration. The choice of priority sectors of intervention under the 10th and 11th EDFs CRIP, as well as the adoption of specific programmes, was the result of a joint decision-making process between the EU and CARIFORUM. The CRIPs are not exclusively limited to EPA-related sectors, but also include broader areas of EU intervention like climate change or security aspects.

The main support package of the 11th EDF CRIP in support of the EPA and regional integration (which includes funding for both the OECS Economic Union and the CARICOM Single Market and Economy) is still under implementation as of the publication of this Staff Working Document.

The EU finances and implements development cooperation programmes in the Caribbean through different channels, including the European Investment Bank.

Under the 11th EDF and other thematic budget lines around 35 projects are being implemented in the Caribbean which contribute to the development cooperation and regional integration provisions in the EPA. These include: technical and administrative support on EPA implementation and regional cooperation; support to Caribbean Export on export private sector development; support to Caribbean Regional Technical Assistance Centre (CARTAC) on financial governance and tax reform; strengthening the Caribbean Biological Corridor (Dominican Republic, the Bahamas, Dominica, Haiti and Jamaica); technical assistance programme on Caribbean Sustainable Energy; enhancing CARIFORUM States’ capacity on financial compliance, asset recovery and cybersecurity; Haiti-Dominican Republic Bi-national Cooperation; support for the Natural Disaster Facility; support to enhance Caribbean criminal justice systems; support to develop the Caribbean coconut industry; strengthening CARICOM integration;

support for CARIFORUM States on EPA implementation; promoting OECS regional integration; enhancement of citizen and border security; and strengthening solid waste management.

These regional efforts are complemented by the 11th EDF National Indicative Programmes (NIPs), which amount to EUR 736 million, of which EUR 374 million were allocated to Haiti. In programming these national envelopes, several CARIFORUM States opted to prioritise economic sectors. For example, Antigua and Barbuda chose fiscal modernisation; Barbados chose energy and skills development; The Dominican Republic chose competitiveness; Guyana chose infrastructure; Jamaica chose governance; St. Lucia chose private sector and skills development and Trinidad and Tobago chose economic transition and innovation. A third source of EDF funding comes from access to the intra-ACP programmes. These include, but are not limited to the following areas: business climate and investment, Technical Barriers to Trade, development of regional value chains, food systems and support to agriculture, private sector development. Among the initiatives funded was the convening of CARIFORUM-EU Business Forums e.g. Frankfurt in 2019.

A fourth source comes from the EUR 5 billion ACP-EU Investment Facility (IF) that supports direct investment in ACP productive sectors through loan financing directly to SMEs or financial intermediaries and equity funding; guarantees; and interest rate subsidies. Caribbean firms benefitted from EUR 430 million in loans administered by this European Investment Bank (EIB)-administered facility during the period 2014-2020.

EU grants to CARIFORUM during the period 2014-2020 amounted to a total in excess of EUR 1.5 billion once access to all EU-thematic lines such as Erasmus Plus; European Instrument for Democracy and Human Rights; Civil Society Organisations and Local Authorities (CSO-LA) Programme; and SOCIEUX+, are factored in. These EU-funded initiatives were complemented by programmes funded by a few EU Member States. Most notable was Compete Caribbean – a \$US 40 million programme supportive of private sector development. Also, EU Member States funded the Caribbean Aid for Trade and Regional Integration Trust Fund (CARTFund) – a £10 million funding facility that supported both CARICOM Single Market and Economy (CSME) and EPA implementation. For example, Germany has supported the development of EPA monitoring and evaluation modalities in addition to supporting the development of TBT and rules of origin.

The bulk of the projects being implemented address IP and innovation, technical barriers to trade, legal drafting, sanitary and phytosanitary issues. These include activities like; contributing to the harmonisation and upgrading of existing legislation systems for IP creation; developing the SPS regulatory environment and promoting SPS compliance; upgrading laboratories in the region and strengthening the quality infrastructure and accreditation and certification bodies across the region; developing and implementing policies and procedures to support trade in services; building the capacity of CARIFORUM States in legal drafting, through training and sponsorship; or providing support to business support organisations, among others. These projects are currently

only half-way through their implementation periods. Support to CARIFORUM on competition, public procurement, and customs and trade facilitation matters started in 2023. A mid-term evaluation of the overall programme and the respective programmes is currently being carried out. The expected results should be available in the second half of 2023 and will be used, together with the outcomes of the 5-year review of the EPA and the conclusions of the Joint Council, to define the areas of intervention of further EU financial support to the implementation of the EPA and EPA related cooperation.

Results from the mid-term review of the EPA support programme of late 2022 show the main achievements are; the combination of components with a regional thematic approach and the demand-driven stand-by facility for individual Member States responds well to EPA support necessities and to the CARIFORUM States' priorities and individual main concerns; the focus on regional activities (including networking) responds to key bottlenecks and beneficiaries priorities, and expectations; the legal and regulatory frameworks at regional and national level have been strengthened under the different components of the programme; staff of regulatory bodies have been effectively trained resulting in strengthened institutional capacities in the areas of IPR, Sanitary and Phytosanitary Systems (SPS) and Quality Infrastructure (QI); and regional interlinkages, exchanges of information, knowledge and experiences have been strengthened.

Main weakness highlighted were: the delayed tendering of the capacity building components of the EPA support programme, is mainly due to extremely lengthy processing period at CARIFORUM Directorate level; weak institutional capacity in various CARIFORUM States limits sustainability; outside of the Standby facilities, activities at the national have not been sufficiently comprehensive, and in many cases only punctual support has been provided; limited outreach to the wider private sector including main representative private sector bodies, BSOs and business associations have not been consequently included and strengthened in the role as potential multipliers; limited interlinkages between the different components of Private Sector Support Programme; limited outreach to the wider public sector and policy makers.

Recommendations include: the need for strengthening information and awareness raising about the programme's activities involving private sector bodies; strengthen awareness raising about the programme's activities to wider public sector and policy makers; better organised exchange of information and coordination between implementers and stakeholders under the different components of the programme; regular organisation of project steering committee meetings; the adoption of whole value chain approach to be reflected in future programming.

Support for the issues addressed by the various components should be continued under future programmes. The work in trademarks, patents, designs and GIs should continue to be addressed in future support, as well as on strengthening IPR registration. Also, there is a need to train intermediaries that can assist companies in registering their IPRs. Under SPS, the improvement of labs should continue to be supported, as well as strengthening of regional collaboration on food safety standards and the promotion of the GAP certification at the farm level. Under the TBT project, more support is needed to develop

the capacity of key laboratories, both at the national and regional levels, including private labs.

Based on the information available on the implemented projects and programmes, it can be concluded that the development cooperation efforts are relevant and in line with the EU development cooperatives priorities, CARIFORUM priorities, and EPA objectives. A more thorough analysis of the achievements of results and impact will be available through the mid-term evaluation of the main EPA support programme, although the 10-year Evaluation Study already highlighted some potential areas for improvement under the recommendations: more focus on national needs in some cases, instead of only regional one; more robust sustainability strategies; clearer links between objectives and a clear theory of change; better measurement against baselines.

So far, some potential challenges identified by the EU during the implementation of these programmes could include:

- Implementation of the different programmes has been varied at the country level. Feedback from individual CARIFORUM Member States during the programming process reflects that they have not always seen the tangible benefits of these programmes. While part of this may be attributed to much of the work being done at the technical department and possibly being less visible at a political level, it represents a challenge to address.
- CARIFORUM Member States, despite their common goals, often stand at different degrees of progress in the different technical fields relative to EPA implementation. While development programmes have tried to address these disparities in institutional capacities during implementation, it has not always translated into more support being provided to those countries who may need it the most.
- There is still a lack of in-house regional capacities in the CARIFORUM States to be able to make full use of the provisions for both participation and implementation.
- Due to delays in setting up and executing a joint monitoring system, monitoring specific results and impacts remains a key challenge.
- Sustainability of trade support programmes beyond EU support is still a key concern. Not all regional partners have developed strategies to sustain their current funding arrangements, both for implementing their programmes and for its administrative operations.
- Communications and visibility around regional programs still remain an area of improvement. Knowledge and utilisation of opportunities created by the EPA are not (yet) sufficiently used. The visibility of the EPA and its opportunities needs to be enhanced and requires further efforts.

3.10 Sectoral opportunities/ case studies:

In addition, the Evaluation Study has looked into sectoral opportunities and success stories illustrating the potential market access benefits for goods and services for both Parties under four dedicated case studies covered by the Evaluation Report . The case studies showcase the different degrees of impact of the EPA at the sectoral level.

In the case of **creative and cultural services**, there is a potential, in particular for the music, film and audio-visual industry from the larger CARIFORUM States. With the Protocol on Cultural Cooperation (PCC) the EPA laid out an ambitious framework and expectations, however due to a lack of operationalisation and concrete applications the impact remains limited. Furthermore, creative industries face a range of other, more fundamental domestic challenges. While an effort has been made to address these domestic challenges through technical assistance, challenges as well as barriers remain. These difficulties can also be traced to the complexity of creative industries and complexity of policy instruments targeted at very specific issues or sub-sectors. This includes, for example, a need for bilateral co-production agreements as an important consideration for the film and animation industry.

The case of **EU investment in the CARIFORUM tourism sector** the direct impact of the EPA was found to be low. Tourism is the strongest sector for the region's trade in services, with the region's share of tourism and business travel services over total trade in services growing from 58% to 75% in the 2008-2018 timeframe. FDI inflows into the region are driven by a large number of factors, with the EPA rarely being among the most decisive ones. While investors do face barriers, these are typically idiosyncratic in nature and are not easily resolved by the regulatory framework provided by the EPA. Furthermore, the level of awareness of the EPA in the sector is very low, with even large investors often being unaware of the EPA. There is a strong potential for tourism FDI given the inherent competitive advantages of the region. These advantages vary by country, also because different countries are at different stages of tourism development. The Dominican Republic is one of the most popular destinations for tourism in the region and the EU has been the main source of tourism for the country, both in terms of visitors but also in terms of investments. This includes the ways in which tourism contributes to sustainable development, for example, by creating linkages with the domestic economy, or through sustainable business practices. However, these opportunities and challenges are not specific to the EPA.

The liberalisation of trade barriers to **EU dairy exports to CARIFORUM**, had a positive impact on EU dairy exports. The EU is the leading global dairy exporter, facing competition from the United States (US) and New Zealand. This competition is particularly intense in the largest market, the Dominican Republic, due to the US-Dominican Republic FTA having more rapidly reduced tariffs and quotas than the EPA. The dairy sector, **covering about 26% of total EU agri-food exports to CARIFORUM in 2022, represents a significant share of EU exports to the region and has experienced one of the fastest growth rates in the past years.** EU exporters face non-tariff barriers in CARIFORUM States, related to sanitary requirements or, in the case of

the Dominican Republic, the differentiated application of VAT on imported vs. domestically produced dairy products. The impact of EU dairy exports on local industries is relatively small, with little evidence that EU exports had any significant impact in the largest market, the Dominican Republic. In other countries imports had an impact, however, imports were one of only many other contributing factors. The impact of the EPA is thus mainly for the EU's exporters, as in the absence of the EPA exporters from the US or New Zealand would likely have filled the gap in CARIFORUM.

In the case of CARIFORUM exports in beverages, trade flows have fluctuated since the implementation of the EPA. In 2018, the region exported EUR 146 million in beverages to the EU, representing 3.4% of the region's total exports to the EU. The beverage export of the region covers mainly spirits, followed by ethyl alcohol and fruit juices. While exports experienced a sharp decline after the financial crisis, they started picking up again after 2014. The share of beverages in CARIFORUM's total exports to the EU started to decrease since 2016, where it represented 4.4% of regions exports to the EU, to 1.3% in the last years (2022 and 2023). The sector can be divided into three tiers, such as: large scale companies comfortable with exporting but facing competition from other regions (i.e. established rum brands), medium size companies that are occasionally exporting but still struggle with some technical measures in the EU market (i.e. some fruit juice producers) and smaller artisanal or cottage-industry brewers that mostly position their products within gift shops and have trouble appealing to a mass market. Each of these exporters or potential exporters faces their own type of challenges in taking full advantage of the EPA. These key challenges are mainly related to issues such as market intelligence, finding a distributor in the EU or logistics, and are best addressed through technical assistance as well as export promotion efforts by national authorities.

In addition, there is an interesting recent case related to the sector of **medical and surgical instruments in the Dominican Republic**. It is a best-prospect industry in the country. Although most medical equipment procured by public and private hospitals and clinics are still imported, there is a growing production of surgical instruments and other supplies and devices. This is the result of investments made in the Dominican Republic Free Zones (mainly by American manufacturers) following the incentives provided, the advantageous location of **the Dominican Republic** as a logistic hub for several markets and the free trade agreements signed by **the Dominican Republic**. The majority of this national production is exported through the free trade zone program. Import statistics reflect large imports of parts for medical equipment, which are then reassembled in the free trade zones for re-export. The fact is that this sector has quickly taken a place among the main exports from **the Dominican Republic** to the EU (12.9% of total exports and 7.2% of inter-annual growth in 2020). Moreover, **the Dominican Republic has become a destination for preventive medicine, cosmetic surgical procedures, weight loss surgery, cardiology, organ transplant, oncology, eye surgery, and dental procedures**. Competitive packages for medical tourism are on the market.

A second sector of interest in **the Dominican Republic** is **organic production and products**. The Dominican Republic is attaining great success in organic production,

positioning itself as one of the world leaders for these products. According to Commission services statistics,²⁹ the growth of organic exports from the Dominican Republic to the EU Member States has been sustained, going from 175 000 metric tonnes in 2018 to 265 000 tonnes in 2021 positioning **the Dominican Republic** as the second largest supplier of organic products to the EU, after Ecuador. The most exported organic products are bananas, cocoa beans and fresh avocados. The Netherlands, Germany, Sweden and Belgium are the main importing countries of organic products from the Dominican Republic.

3.11 Trade and Sustainable Development

The EU-CARIFORUM EPA is noted for particularly strong provisions on labour and environmental standards compared to earlier FTAs of the EU and is the first EU's trade agreement that covers specific chapters on sustainable development and social aspects.

The CARIFORUM States are keen supporters of climate action, and the agreement provides a good basis to work more closely with CARIFORUM at both bilateral and multilateral level to give a full effect to the sustainability provisions under this EPA. These provisions are complemented by the Samoa agreement with ACP Partners, which contains comprehensive provisions on all aspects of sustainability both in the Framework Agreement and under the Caribbean Protocol.

The EU-CARIFORUM EPA contains specific chapters on Environment and Social aspects and few other articles related to sustainable development cooperation. It remains a good basis to work closely with the region on jointly defined priority areas.

- Chapter IV - **Environment** – Articles 183-190, including importance of monitoring, disputes mechanism based on “Consultations” and “Committee of Experts” (Article 189 below).
- Chapter V – **Social aspects** (Articles 191-196) which broadly “reaffirm their commitment to the internationally recognised core labour standards, as defined by the relevant ILO Conventions”.
- **Chapter on Tourism** – with Articles 115, 116, 117 and 138 containing references to sustainability.
- The EPA contains as well other TSD related provisions in other chapters, like Article 138 on **Cooperation on eco-innovation and renewable energy**.
- The “special needs “of CARIFORUM States are recognized under Article 184.

²⁹ Source: European Commission, [*Directorate-General for Agriculture and Rural Development*], based on Trade Control and Expert System (TRACES) records.

- Article 183 refers to Article 32 of the **Cotonou Agreement (substituted by the recent Samoa Agreement)** and principles included in these agreements reinforce a sustainability dimension.

In general, the provisions in these chapters recognise the right of all Parties to regulate their markets to pursue objectives related to sustainable development and social aspects, while requesting them to keep each other informed, avoid unnecessary obstacles to trade and work towards regional harmonisation of these policies in the CARIFORUM States. In addition, the Parties commit to up-holding labour standards and not to lower them in order to maintain or gain a competitive advantage (non-regression clause).

The EPA reaffirms the Parties' commitment to conserve, protect and improve their natural environment and to prioritise sustainable development. As to social rights, the Parties commit to respect core labour standards in the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights of Work and the United Nations declaration on Full Employment and Decent Work. The EU and the CARIFORUM States agree to support each other in the implementation of the provisions of the chapter by cooperating in the formulation of national legislation.

In addition to these chapters, there are two other elements of the agreement worth highlighting. First is the preamble of the agreement, where the Parties reaffirm their commitment to the respect for human rights, democratic principles, and the rule of law as well as to good governance. The second element is special treatment granted by the EPA to fisheries, living marine resources and agriculture, as the Parties “acknowledge the economic and social importance” of activities relating to these sectors and of the utilisation of the natural resources in the CARIFORUM States. A higher level of tolerance, therefore, can be granted in favour of domestic measures aiming at ensuring food security, employment, poverty alleviation, foreign exchange earnings, and effective conservation of resources and social stability of local communities. The analysis shows that although the EPA has several elements that link to sustainability-related policies, in general the EPA requires the Parties to reaffirm their commitment to already existing international declarations, conventions and agreements, but does not require the ratification of additional international agreements or other specific policy changes. The most immediate impact from the agreement with respect to sustainability impacts is thus expected to follow from the (development) cooperation that is part of the agreement.

The TSD dimension is also strongly supported by **cooperation tools** under current programmes and cooperation priorities.

A number of actions directly relevant to achieve the objectives of the EPA's trade and sustainable development chapter have been ongoing in 2021:

- The EU cooperation funds supported CARIFORUM States by implementing programmes to **improve energy efficiency**, developing the region's renewable energy potential (e.g. in Barbados, Dominica, Grenada, St. Vincent and St. Kitts and Nevis), increasing grid penetration for energy from renewable sources, as

well as by supporting the circular economy, notably with a focus on plastics and waste management.

- Additionally, EU funds support **resilient workforce in St. Lucia**; developing of a regulatory, institutional and digital framework for **sustainable delivery of social services in Barbados**; **strengthening the capacity of Jamaican business** to provide gender sensitive and inclusive services to SMEs; developing **the export readiness of companies in Trinidad and Tobago** while promoting compliance with environmental standards and sustainable approaches to trade; strengthening the structural involvement **of civil society in the regional development and integration agenda of the CARIFORUM**; or supporting **sustainable value chains of processed fruit and quality standards by SMEs** operating in avocado, pineapple and mango in Dominican Republic. Furthermore, together with the Organisation of African, Caribbean and Pacific States under **ACP Business Friendly** project, the EU supported a webinar on sustainable production and exports.

Under, the new Global Europe-NDICI instrument for Caribbean for 2021-2027 the regional cooperation will focus around **three Caribbean-EU Partnerships** that have been identified jointly with CARIFORUM:

- A first Partnership for a Caribbean **Green Deal** (aligned to Title II of the Caribbean Protocol/the Samoa Agreement) to make the Caribbean more resilient to the impact of climate change and natural hazards and to support an inclusive green transition in the region.
- A second Partnership for **Economic Resilience and Trade** (in line with title I of the Caribbean Protocol/the Samoa Agreement) to promote the sustainable growth of the private sector and the trade opportunities of the EPA and to facilitate regional responses to common challenges in the Caribbean.
- Finally, a third Partnership for **Governance, Security and Human Development** (aligned with Title III and IV of the Caribbean Protocol/the Samoa Agreement) to contribute to make Caribbean societies safer, more inclusive and resilient.

While all three Caribbean-EU Partnerships are relevant for sustainable development, we see that the first partnership on the Green Deal is particularly relevant to target the TSD provisions of the EPA.

With regard to social right and labour standards, the EPA contains explicit reference to labour standards and decent work. More specifically, EPA provisions contain the commitment to respect core labour standards of the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights of Work and the United Nations Declaration on Full Employment and Decent Work. The EU and the CARIFORUM States agree to support each other in the implementation of the provisions of this chapter by cooperating in the formulation of national legislation. The introduction of programmes aimed at raising the awareness of the public regarding their rights in the labour market and the strengthening of the mechanisms for social dialogue are some of

the areas in which the Parties agreed to cooperate and to facilitate support. **CARIFORUM States have ratified the eight core ILO labour conventions**, as applicable at the time of signature, except one case in St. Lucia, which has not ratified The Minimum Age Convention 1973 (No. 138). A number of countries have also ratified Conventions C155 and C187 in relation to Occupational Health Safety, which were made fundamental more recently and after the signature of the EPA, namely in 2021.

With regard to the environment, all CARIFORUM States consulted under the Evaluation Study confirmed they had taken specific initiatives and legislation to conserve, protect and improve their natural environment and prioritise sustainable development. At the regional level, Article 65 of the Treaty of Chaguaramas empowers the CARICOM to take measures related to the preservation of the environment and the sustainable exploitation of natural resources. A draft Caribbean Community Environment and Natural Resources Policy Framework was prepared in this context. Most countries in the Caribbean are also Party to multilateral environmental agreements.

Although the EPA has several elements that link to sustainability-related policies, in general the EPA requires the Parties to reaffirm their commitment to already existing international declarations, conventions and agreements, but does not require the ratification of additional international agreements or other specific policy changes. Nevertheless, it is clear that both in the area of labour as well as in the field of environment and climate change, several policy changes have been made throughout the evaluation period and that there is a need and a scope to deepen the dialogue on TSD and social, climate and environment matters in the framework of EPA.

These topics are key priorities for most of the CARIFORUM States, as they are immediately affected by the impact of climate change (e.g. floods, droughts). Cooperation on sustainable development and social aspects is also included in the agreement and implemented in practice. The functioning Consultative Committee made reference to social aspects and sustainable development in several statements and reports of its meetings.

4. EVALUATION FINDINGS (ANALYTICAL PART)

4.1. To what extent was the intervention successful and why?

The analysis shows that several of the objectives were fulfilled at least in part. However, for some of the more ambitious objectives, progress was limited or difficult to establish, in particular, with regard to the development impact with some EPA relevant programmes still in an implementation phase.

With regard to **trade in goods**, the EPA has reached its primary objective to continue with the tariffs free and quota free market access for CARIFORUM goods to the EU

from the start. The EPA introduced asymmetrical and gradual trade preferences also for the EU and based on that EU exports to CARIFORUM increased as a result.³⁰

However, without the agreement, **the CARIFORUM States would have faced Most Favoured Nation (MFN) rates, and not the preferential access they had prior to the EPA.**

The economic modelling exercise has been performed by the European Commission under the Evaluation Study for four CARIFORUM States (the Dominican Republic, Jamaica, Grenada and St. Lucia) to assess the impact of the tariff preferences under the EPA. The modelling results show that compared to a counterfactual of trading under MFN terms, bilateral trade under the EPA is significantly higher, although the level of impact on trade strongly differs per country, ranging from an 9% increase in exports from Grenada to the EU to a 119% increase from St. Lucia. Estimates for EU exports to CARIFORUM range from an 8% increase for St. Lucia to a 20% increase for the Dominican Republic. For CARIFORUM exports the model also suggests a more significant impact in the food sector as well as a number of industrial products. In contrast, the impact on EU exports to CARIFORUM is mostly in the industrial sector.

What is more, the latest trade in goods data for 2021 and 2022 suggest a strong increase in EU's imports from CARIFORUM and to a lesser extent EU exports to CARIFORUM. CARIFORUM States have been reliable suppliers of EU imports of oil when there was a high need for it. However, not all imports coming from CARIFORUM are of this type. An important sizable share of CARIFORUM exports to the EU are products of the chemical and allied industries.

The case studies realised under the Evaluation Study served to demonstrate the strong potential of certain sectors for export to the EU (creative sector and beverages, in particular) but found limited impact that can be traced back to the EPA.

With regard to EU **trade in goods** exports to CARIFORUM, the exports have been raising slowly, but steadily. With a focus on individual sectors, for example, EU dairy exports to CARIFORUM and in particular to the Dominican Republic benefited from liberalisation, albeit still facing strong competition from the US. However, it is clear that despite some implementation challenges on the CARIFORUM side, the EU operators are better off with the free trade agreement in place than without it. Total services trade has increased from EUR 5.2 billion in 2013 to 8.4 billion in 2021, with a peak of EUR 64.7 billion in 2019, representing a more than a twelve-fold increase with respect to the baseline year (2013). EU services exports to CARIFORUM are much smaller than imports, moving from EUR 2.3 billion in 2013 to EUR 3.2 billion in 2021, with a peak of EUR 6.2 billion in 2018. In many years, EU-CARIFORUM trade in services involves larger trade flows than trade in goods. However, the pandemic hit harder trade in services

³⁰ The EU-CARIFORUM EPA extended an asymmetric and preferential access to the EU market for CARIFORUM countries that they had already enjoyed prior to the Cotonou Partnership Agreement.

than in goods. It remains to be seen the data for 2022 for services, which are still not available.

CARIFORUM service exports to the EU reached a peak of **EUR 59.7 billion at the eve of the Covid-19 pandemic in 2019**, rising from EUR 2.9 billion in 2013. In 2021 their level is of EUR 8.4 billion.

FDI stocks of CARIFORUM economies in the EU are larger, in general, than the ones that the EU has in that region. Both series reached a peak in the year 2017, of EUR 101 billion for EU FDI stocks in CARIFORUM and of EUR 114 billion for CARIFORUM FDI in the EU. The Bahamas is the main CARIFORUM country involved in this sort of operations in both directions. Barbados also registers an important number of operations, although to a lesser extent than the Bahamas. It is not clear to what extent these are productive investments, as the flows are volatile and they are concentrated in the Bahamas and to a lesser extent Barbados, since these two countries' fiscal treatment attracts offshore corporations. The Dominican Republic comes next as a destination of EU FDI stocks in the regions with a strong EU investors base in productive investments, particularly in tourism.

With respect to the other objectives (e.g., related to increased trade policy capacity, increased competitiveness and supply capacity, increased integration into the world economy, improved governance, and poverty reduction) despite a significant support from the EU cooperation funds, some improvements seem to have been realised that can be linked to the EPA.

The Dominican Republic is a good example of positive impacts. This country has been implementing most of the commitments under the EPA in a timely manner, including the tariff liberalisation schedule (fully implemented already) and all the necessary transpositions to HS versions. It has experienced sustained growth in both its exports to the EU and its imports. Moreover, although its agriculture exports have increased over time, manufacturing sectors have become more important, gaining shares in its total good exports. Notably, a rather advanced sector like Optical and photographic instruments (Chapter XVIII of the HS nomenclature) has a share of 16% of Dominican Republic's exports to the EU in 2022, rising from a 11.4% share in 2012, while other sectors such as Base metals and articles thereof have a share of 12.5% in 2022 compared to a 3.0% share in 2010. Some research, mentioned in the Dominican press, shows that this diversification of exportable offer has not happened to the same extent under other trade agreements signed by the Dominican Republic, for example the DR-CAFTA (with the main trade partner of the country, USA).

With regard to cooperation, the main channel of EPA-related development cooperation has been the European Development Fund (EDF). With EUR 346 million allocated to the Caribbean Regional Indicative Programme (CRIP), the 11th EDF (2014-2020) more than doubled the amount available in regionally programmed funds compared to the 11th EDF (2008-2014). Both the 10th and 11th EDF regional envelopes for the Caribbean included

substantial allocations in support of private sector development, trade, and regional integration.

The main support package of the 11th EDF CRIP in support of the EPA and regional integration (which includes funding for both the OECS Economic Union and the CARICOM Single Market and Economy) is still under implementation as of the publication of this Staff Working Document. The expected results of a mid-term evaluation of the overall programme and the respective programmes by Commission's services should be available by April 2023.

Based on the information available on the implemented projects and programmes, it can be concluded that the development cooperation **efforts are relevant and in line with the EU development cooperatives priorities**, CARIFORUM priorities, and EPA objectives.

4.1.1. Effectiveness

Question 1: To what extent have the objectives of the EPA been achieved?

The EPA has the following objectives under Article 1 of the Agreement:

- (1) Reducing and eventually eradicating poverty;
- (2) Promoting regional economic integration and cooperation and good governance; establishing and implementing an effective, predictable and transparent regulatory framework for trade and investment between the Parties and in the CARIFORUM region;
- (3) Strengthening of the CARIFORUM region's integration in the world economy;
- (4) Improving the CARIFORUM States' capacity in trade policy and trade related issues;
- (5) Supporting the conditions for increasing investment and private sector initiative and enhancing supply capacity, competitiveness and economic growth in the CARIFORUM region;
- (6) Strengthening the relations between the Parties; enhancing commercial and economic relations and supporting a new trading dynamic between the Parties by means of the progressive, asymmetrical liberalisation of trade between them; reinforce, broaden and deepen cooperation in all areas relevant to trade and investment.

The following findings resulted from the evaluation:

(1) Reducing and eventually eradicating poverty

Achievement: unclear / unlikely

The study did not allow to draw conclusions with regard to the impact of the EPA on poverty due to data limitations. Given the limited trade and investment impact observed (see analysis below under objective 6), it can be inferred that the impact on poverty might have been limited, except for individual sectors where CARIFORUM exporters have been able to make use of new opportunities. On the other hand, the evaluation found that EU exports to CARIFORUM increased, including for consumer goods and basic necessities. While evidence is scarce, it can be assumed that reducing tariffs have led to lower prices for certain basic consumer goods which benefits in particular lower income segments of the CARIFORUM States, in particular for the imported EU food products.

The analysis undertaken for this study also found significant fluctuations in employment since the implementation of the EPA. The direct impact of the Agreement on the implementation of labour standards is not fully clear. Social expenditures in CARIFORUM have been quite stable over the evaluation period, so no negative or positive impacts are expected in this regard.

Regarding trade and environment, we observe that nine CARIFORUM States made improvements in environmental performance. In addition, most countries had taken specific initiatives and legislation to conserve, protect and improve their natural environment and prioritise sustainable development.

This is also the feedback received in stakeholder consultations: in the absence of clear economic impacts, either positive or negative, stakeholders were often not able to make a link between the EPA and sustainability impacts. The links between EPA and poverty reduction is therefore also likely to be weak, but statistics on poverty are hardly available for the region and do not allow for a systematic analysis by country over time. Only for the Dominican Republic data are consistently available over time, which show a clear decrease in poverty over the evaluation period. It should be noted that this decrease already started before the EPA entered into force.

(2) Promoting regional economic integration and cooperation and good governance; establishing and implementing an effective, predictable and transparent regulatory framework for trade and investment between the Parties and in the CARIFORUM region;

Achievement: partial / good progress made

The EPA includes a number of provisions that foster regional integration, but the evaluation did not allow to come to conclusions as to their actual effect. In addition, some of the provisions have only been partially implemented to date. The analysis of regional integration conducted in this document, based on the evolution of trade in goods before and after implementation, points to the absence of progress in CARIFORUM regional integration.

Implementation of the CARICOM's Caribbean Single Market and Economy (CSME) and implementation of the regional preference clause contained in Article 238 of the EPA are key elements in that respect. Regional integration remains an important objective for

the region politically and under the Agreement and it was supported by dedicated cooperation funds under the 11th EDF (which included funding for both the OECS Economic Union and the CARICOM Single Market and Economy- CSME). Likewise, the importance of building regional value chains was highlighted by different stakeholders during the evaluation process, as a way to overcome the supply capacity issues of the smaller countries and to make the region more attractive for EU business and investors.

In relation to specific EPA provisions concerning commercial integration among CARIFORUM States, Article 238 of the EPA provides for the extension to all CARIFORUM States of any favourable treatment granted by one CARIFORUM country to the EU. According to the Evaluation Study and information available, CARIFORUM there has been a partial progress in applying this provision with seven CARIFORUM States reported to extend this preferential treatment to all CARIFORUM, three have not done this (yet) or only partially, and for the others no information was obtained.

In addition to extension of the preferences, a common regulatory provision under EPA helped to promote regional integration. CARIFORUM States have made progress in the field of IP, as regards harmonisation of patent administration, harmonisation of regional trademark legislation and a regional Trademark Manual.

With regard to the regulatory framework, the EPA did have some notable contributions to creating a more predictable and transparent regulatory framework for trade and investment. For example, due to provisions in the EPA, telecommunications authorities were established in all CARIFORUM States. Legislation on public procurement has been adopted. But there some shortcomings still remain, for example in the field of IPR, protection of personal data and public procurement legislation implementation.

Transparency is an issue that both EU and CARIFORUM stakeholders underline. Stakeholders from both Parties complain about the availability and quality of EPA related information as regards the legislative and regulatory framework of the other Party.

At the regional level, the CSME aims to integrate all CARICOM Member States into a single economic entity allowing for the free movement of people, capital, goods, and services, and, eventually to provide for a single economic and trade policy for all CARICOM States, many of its aims are yet to be reached. The consolidation of the CSME required the adoption of national programmes for the removal of intra-CARICOM restrictions, many of which still remain. The single economy aimed at harmonisation of economic, investment, fiscal, and monetary policies, and targeted for full implementation by 2015, is in delay and still requires work and support. For example, in the important area of trade in goods, CARICOM members started, in principle, applying the Common External Tariff, whereby goods entering any member country are to be assessed with the same tariff rate; however, a system of exceptions results to a wide range of applied tariff rates existing among the member countries. The

application of a significant number of tariff lines diverting per individual countries appears to remain un-harmonised.

However, there has been overall progress in the recent years in the implementation of the CSME, for example:

- Free movement of skilled CARICOM nationals has moved from five initial categories to 10;
- CARICOM nationals holding *CSME Skills Certificates* can move without the need to acquire work permits;
- Businesses can utilise the regimes under the *Right of Establishment* as well as the *Movement of Service Providers and Technical, Supervisory and Managerial Staff* to enhance their operations;
- Preference to *trade in goods* produced within the Single Market.
- The application of the *Common External Tariff (CET)* for goods entering from third States (the EU being an exception due to the country-specific schedules of liberalisation under the EPA).

A 2018 review of the CSME³¹ recognised that despite some progress some challenges remained:

- There was progress in advancing the basic framework, but conclusion of key instruments such as the Contingent Rights, OECS Protocol, and the CARICOM Financial Services Agreement have stalled. In addition, examination of the basic framework revealed that momentum for implementation has slowed since the entry into force of the Revised Treaty of Chaguaramas. It was not clear whether this resulted from capacity constraints, domestic interests, insufficient prioritisation, insufficient/no consultation, political will or a combination of these factors.
- The lack of effective consultative mechanisms at the national and regional levels was also severely impeding decision-making at the level of the Organs and Bodies and causing unnecessary delays in concluding on matters, as is the level of attendance at Meetings.
- There had been progress on the technical work to complete the macro-economic agenda but key to its success were quorate and frequent meetings of the Legal Affairs Committee (LAC) and Council for Finance and Planning (COFAP) to address matters that had been on the regional agenda for some time.
- The single economic space needs to consider carefully independent countries at different stages of economic development and accustomed to determining their own fiscal and monetary policies and institutions. There was need for a mechanism that allowed for the exercise of national sovereignty, partnership between the public and private sectors, and equitable ownership in the

³¹ CARICOM Secretariat (2018) Comprehensive Review of the CARICOM Single Market Economy.

implementation framework by all States with opportunities for deeper collaboration amongst groups of countries.

To advance the Single Market, it was judged much work remained outstanding in areas pertaining to legislative reforms and administrative arrangements in its five core regimes namely, the *free movement of goods*, *free movement of capital*, *free movement of skills*, *free movement of services*, and the *right to establish a business*. Work has also started in the regulatory and supporting areas such as competition, consumer protection, IP, government procurement, free circulation, and electronic commerce.

CARICOM Members have recognized the critical role of the CSME in the Region's strategy for sustained economic growth, to build economic resilience by developing the capacity to withstand both external and internal shocks to the Community.

They recently agreed to review the entire consultation and decision-making processes at all levels in the effort to establish the most effective strategy for implementation of the Single Market and Economy. Recent plans of the CARICOM also include the resolution of several key outstanding issues such as reaching agreement with respect to the CARICOM Financial Services Agreement (CFSA), the Regional Securities Market, the Community Investment Policy and Credit Reporting.

The EU has been since many years supporting the regional integration process. Under the 11th EDF, the Strengthening Framework for CARICOM Integration and Cooperation Process Programme sought to strengthen the framework for the CARICOM integration and cooperation processes. The programme focuses notably on the following actions: Modernised Financial Market Infrastructure, Capital Market Integration, and Enhanced Domestic Resource Mobilisation; Enhanced Capacity in National Tax Administration ; Strengthened Regulatory Environment for Business and Labour ; Improved CARICOM Member States Capacity to Develop Services and Investments Liberalisation Offers; Improved Arrangements for Better Decision-Making and Implementation; Advanced implementation of the Roadmap for the CARICOM Single Information and Communications Technology Space or improved statistics in support of the 2030 Sustainable Development Goals.

That said, the efforts to strengthen regional integration in the Caribbean is an objective that has been present for several decades in the Region, and therefore it is a gradual and political process and EPA and dedicated cooperation financing can only serve as accelerator of these changes, in particular on specific regulatory provisions that require regional implementation action.

Table 15: CARIFORUM's Intraregional trade

	Intraregional CARIFORUM import shares			Intraregional CARIFORUM export shares		
	2001	2008	2022	2001	2008	2022
Antigua and Barbuda	10.1%	7.6%	6.8%	3.8%	33.1%	0.2%
Bahamas	0.9%	1.3%	0.6%	0.4%	0.4%	0.1%

Barbados	20.7%	25.8%	26.5%	43.3%	44.1%	56.3%
Belize	4.0%	1.6%	2.2%	6.2%	5.3%	15.2%
Dominica	28.4%	32.1%	23.8%	56.1%	41.4%	55.2%
Dominican Republic	0.7%	2.5%	6.7%	0.4%	2.2%	1.7%
Grenada	25.2%	30.2%	25.7%	21.0%	48.8%	34.1%
Guyana	18.5%	31.1%	13.5%	15.1%	14.8%	18.3%
Jamaica	13.0%	20.4%	5.9%	4.7%	3.0%	8.4%
St. Kitts and Nevis	18.2%	18.7%	24.8%	2.4%	4.9%	26.1%
St. Lucia	24.6%	31.3%	7.8%	29.3%	44.3%	58.4%
St. Vincent	30.2%	27.9%	17.3%	38.5%	70.8%	32.4%
Suriname	19.8%	21.3%	19.3%	7.6%	18.6%	10.8%
Trinidad and Tobago	3.5%	1.5%	2.8%	28.3%	20.6%	12.7%
CARIFORUM	6.0%	8.6%	7.5%	12.5%	15.1%	9.0%

Source: IMF Direction of Trade Statistics from May 2023.

Table 16: CARIFORUM's trade with the EU

	CARIFORUM import shares from EU			CARIFORUM export shares to EU		
	2001	2008	2022	2001	2008	2022
Antigua and Barbuda	26.2%	7.3%	11.7%	72.0%	26.6%	2.2%
Bahamas	1.5%	1.6%	2.8%	14.6%	10.9%	1.5%
Barbados	8.8%	8.0%	9.3%	4.2%	3.4%	5.2%
Belize	5.1%	3.9%	3.9%	7.3%	6.3%	15.1%
Dominica	5.6%	4.9%	9.1%	7.6%	13.2%	4.8%
Dominican Republic	8.2%	8.6%	8.0%	6.9%	10.7%	9.0%
Grenada	4.8%	6.2%	5.8%	33.5%	15.7%	3.8%
Guyana	6.0%	4.4%	5.0%	11.1%	12.9%	1.8%
Jamaica	6.4%	4.3%	6.1%	16.9%	20.3%	5.3%
St. Kitts and Nevis	5.1%	3.9%	3.9%	7.3%	6.3%	15.1%
St. Lucia	5.6%	4.9%	9.1%	7.6%	13.2%	4.8%
St. Vincent	8.2%	8.6%	8.0%	6.9%	10.7%	9.0%
Suriname	5.6%	4.9%	9.1%	7.6%	13.2%	4.8%
Trinidad and Tobago	8.2%	8.6%	8.0%	6.9%	10.7%	9.0%
CARIFORUM	4.8%	6.2%	5.8%	33.5%	15.7%	3.8%

Source: IMF Direction of Trade Statistics from May 2023.

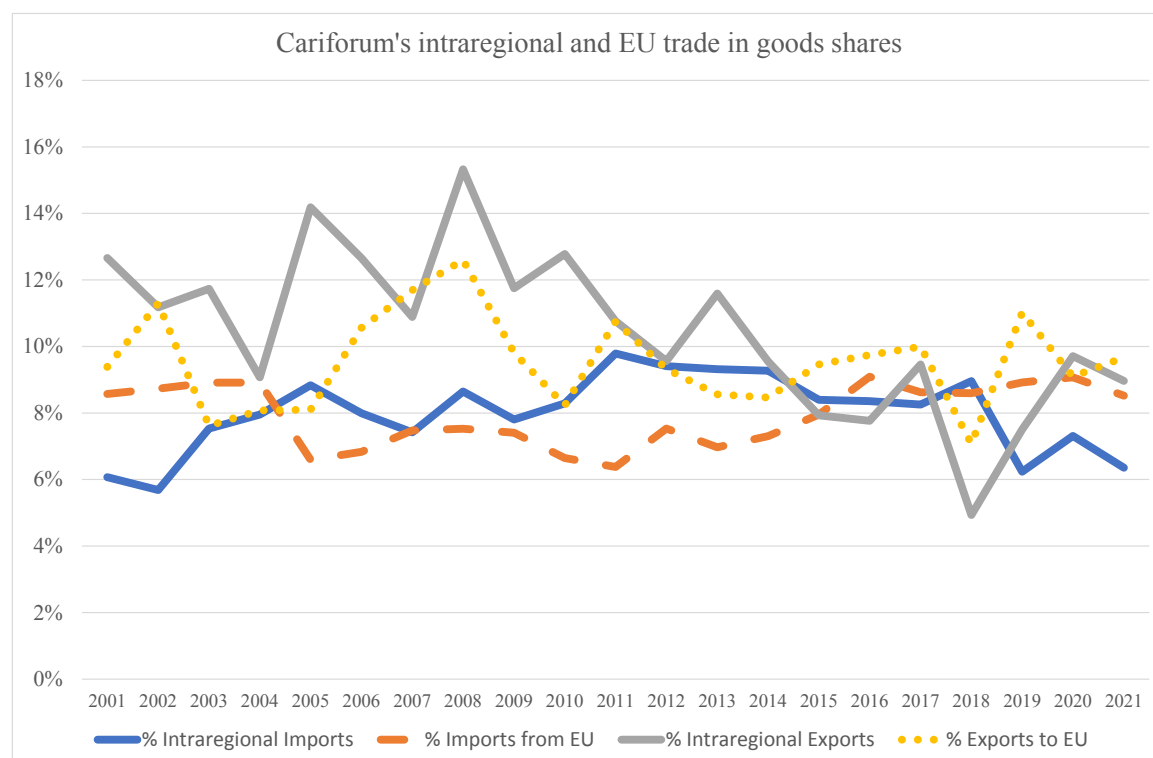
Table 15 presents the intraregional import and export shares of CARIFORUM States for the years 2001, 2008 and 2022. Table 16 also displays the import and export shares of these countries with the EU27. The share of intraregional imports in the CARIFORUM region has decreased in the period 2008-2022. In 2008 this share was 8.6% and in 2022 it is 7.5%. There are, however, a few countries that have increased the intraregional import share from their CARIFORUM partners. These are: Barbados, Belize, Dominican Republic, St. Kitts and Nevis and Trinidad and Tobago.

Turning to the export side, on the whole, the share of intraregional CARIFORUM exports has decreased in the period, since it was of 15.1% in 2008 and goes down to 9.0% in 2022. A good bunch of countries do, however, increase their intraregional export shares. This is the case of Barbados, Belize, Dominica, Guyana, Jamaica, St Kitts and Nevis, St Lucia. Among these countries some increase their export share to the EU and others do not. For the entire CARIFORUM region, the share of exports going to the EU went down from 15.7% on 2008 to 3.8% in 2022.

Some countries, such as Barbados, Dominica, Grenada, St Lucia and St Vincent and the Grenadines exhibit both high intraregional CARIFORUM export and import shares that are well above the average in the region. On the other hand, Antigua and Barbuda and Suriname exhibit a strong trade relationship with the EU, with shares of exports and imports that go beyond the CARIFORUM average.

Finally, Table 15 confirms a downward trend from CARIFORUM intraregional exports in the CARIFORUM region, with a much milder reduction in CARIFORUM intraregional imports since 2008. At the same time, the share of exports of CARIFORUM going to the EU has decreased since its 2008 peak with import shares from the EU becoming also slightly higher in the period 2008-2022.

Table 17: CARIFORUM's intraregional and EU trade in goods shares



Source: IMF Direction of Trade Statistics from February 2023.

(3) Strengthening of the CARIFORUM region's integration in the world economy;

Achievement: yes (albeit causality questionable)

CARIFORUM States are **today more integrated into the world economy** than 10 years ago. This is witnessed by the fact that the EU's relevance as a trade partner decreased over the past decades as we have just described, since trade relations with third countries intensified. To simplify the comparison across different trade partners of the CARIFORUM region we now turn to the analysis of total trade flows in goods (i.e., the sum of both imports and exports of goods).

Some EPA CARIFORUM States' main trade partners have changed since the agreement's provisional application starting in 2008. The US remains CARIFORUM's main trade partner, with about EUR 22 billion in 2008 (representing about 48% of the region's trade with the world) and EUR 29 billion in 2021 (43%). Trade between the EU and EPA CARIFORUM went from EUR 5 billion to EUR 6.6 billion, with its share dropping from 11% to 9.8%, as the total trade considerably expanded. The most significant change is represented by China, which increased its trade with EPA CARIFORUM States six-fold and its participation in EPA CARIFORUM's trade almost three-fold, from 2.4% to 11%. Moreover, the UK, from being EPA CARIFORUM States' 7th most important trade partner in 2008, has decreased in importance and became its 11th in 2021 and is no longer among the top 10 partners for CARIFORUM in 2022 and 2023.

Table 18: CARIFORUM's trade partners

N.	2008			2021		
	Partner	Trade value (1000 EUR)	Share	Partner	Trade value (1000 EUR)	Share
1	USA	21.748.897	47.83%	USA	28.831.692	43.20%
2	EU27	5.049.265	11.10%	China	8.219.570	12.32%
3	Venezuela	2.018.650	4.44%	EU27	6.558.751	9.83%
4	Brazil	1.405.058	3.09%	Singapore	2.288.865	3.43%
5	Mexico	1.384.764	3.05%	Brazil	1.858.086	2.78%
6	Colombia	1.353.441	2.98%	Mexico	1.725.235	2.59%
7	United Kingdom	1.127.959	2.48%	Venezuela	1.702.973	2.55%
8	Canada	1.112.111	2.45%	India	1.320.126	1.98%
9	China	1.111.544	2.44%	Switzerland	1.262.618	1.89%
10	Japan	925.204	2.03%	Canada	1.253.602	1.88%

Source: IMF Dots

One way in which the EPA may have directly contributed to the gradual integration in the world economy is through the extensive support to export promotion provided under the development cooperation programmes and support via the Caribbean Export

Development Agency funded significantly by EU cooperation funds³². While these programmes intended to increase exports to the EU, they certainly are non-discriminatory in the sense that they generally help CARIFORUM SMEs to get ready for exporting. Technical assistance programmes supported under EPA implementation support, can also serve as a toll box for an integration into global trade.

The regional integration process, supported by both the trade and the development provisions of the EPA, is also helping the gradual integration of the Caribbean countries into the global economy. Regional integration helps to alleviate some of the constraints in the business environment linked to the small-scale limitations that were mentioned earlier.

(4) Improving the CARIFORUM States' capacity in trade policy and trade related issues;

Achievement: yes

The evaluation finds that the CARIFORUM States' capacity in trade policy and trade related issues has improved over the course of implementation of the EPA, however significant capacity constraints still exist for the EPA implementation on the CARIFORUM side. The process of negotiating and implementing the Agreement helped to strengthen technical capacity of trade policy actors in the region, further supported by the cooperation foreseen under the Agreement and the European Development Fund (EDF).

Development cooperation programmes under the 9th, 10th and 11th European Development Fund (EDF) were aligned to the EPA objectives. Human, legal and institutional capacity building has been one of the cornerstones of the programmes, seen in the institutional support and capacity building initiatives towards agencies such as the CARIFORUM Directorate and public sector agencies.

In line with the specific objectives of Article 8 of the EPA, capacity building was provided in the framework of regional integration, to help CARIFORUM Member States to establish the Caribbean single market, and at national level in CARIFORUM States in the areas of competition, procurement, customs and trade facilitation. Some programmes also promoted regional cooperation between the French ORs and the CARIFORUM States in the area of trade and investment.³³

Fiscal reform was approached through the CARTAC programme, which played a crucial role in supporting tax reform and improving tax administration, particularly the successful launch of VAT in eight countries.

³² [Caribbean Investment Forum | Caribbean Export \(carib-export.com\)](http://Caribbean Investment Forum | Caribbean Export (carib-export.com))

³³ INVEST KARAIB was cofinanced by ERDF and EDF resources and took a joint approach for the two regions to share statistics and participate in trade and investment promotion activities.

The evaluation, based on meta-analysis of existing studies and monitoring reports, found overall good results and satisfaction of stakeholders with the capacity building programmes. However, some stakeholders also reported that the programmes focused overly on the regional level, at the expense of the national level in individual CARIFORUM Member States.

While progress has been made under the EPA, **human, institutional and budgetary shortcomings** continue to hinder the full implementation of the Agreement, in particular in smaller CARIFORUM States. **Sustainability** of some of the key institutions set up and funded by the EU as part of the EPA (the CARIFORUM Directorate, the Caribbean Export Development Agency) is uncertain as they still depend on donor funding.

(5) Supporting the conditions for increasing investment and private sector initiative and enhancing supply capacity, competitiveness and economic growth in the CARIFORUM region;

Achievement: yes

The EPA brings with it **regulatory certainty**, as well as commitments to a state-of-the-art regulatory environment that can help **to stimulate investment and private sector initiative**. Good progress has been achieved with regard to implementing market access and regulatory commitments (see Chapter 3).

Nevertheless, the business environment in the CARIFORUM region remains challenging, despite the contributions of the EPA towards the positive. In the World Bank's Ease of Doing Business ranking 2020, the CARIFORUM States rank between 71st (Jamaica) and 162nd (Suriname)³⁴. The small size of the market limits the interest of EU business for investing in and exporting to these markets. This is further aggravated by the level of regional integration, which is considered as not advanced enough to overcome the limited market size.

Although the effects differ for specific countries, there is clear evidence that at least some CARIFORUM States have been able to use the opportunities under EPA to create markets for niche products, to increase supply capacities and competitiveness in the specific sectors. For example, as reported under part 3, the Dominican Republic has become the second largest supplier of organic products to the EU, and the main one for some concrete ones as organic cocoa beans.

A number of **development cooperation programmes addressed the objective of promoting private sector development, enhancing supply capacity and competitiveness**, and have been evaluated successfully.

To provide an example, the 10th EDF Regional Private Sector Development Programme as well as sector-specific programmes such as the Coconut Industry Development

³⁴ Source: [Doing Business 2020 \(worldbank.org\)](https://www.worldbank.org/en/publications/eo/doing-business-2020). Accessed December 14, 2022.

programme, have supported the private sector to take advantage of the opportunities provided by the EPA.

However, while some progress has been made and at least some companies have been able to increase their trade and production capacity, the funds are dispersed over many countries and stakeholders, and are not likely to have made significant changes in terms of supply capacity and competitiveness at the macro level in these countries. In addition, given the structure of the Caribbean private sector, characterized by micro and small enterprises with very low volumes of staff and low turnover, impact on employment and growth can often be assumed to be small. It also raises the challenge of sustainability of the interventions, given that capacity development measures e.g. for accessing export markets may be lost in staff turnover.

Development cooperation programmes assessed as part of this evaluation often lacked monitoring systems going beyond project outputs, making it difficult to assess long term outcomes and impact.

(6) Strengthening the relations between the Parties; enhancing commercial and economic relations and supporting a new trading dynamic between the Parties by means of the progressive, asymmetrical liberalisation of trade between them; reinforce, broaden and deepen cooperation in all areas relevant to trade and investment.

Achievement: partly

The commercial relations between the EU and CARIFORUM have been strengthened under the EPA, which is supported by a number of developments (below).

Evidence for the main criteria (an increase in bilateral trade and investment flows) shows a prevailing upward trend for both trade in goods and trade in services. In the case of services, there is an exception in the upward trend in the years following the pandemic, since services trade was more heavily affected by the pandemic than goods trade. However, there is still no services data for 2022. In the case of FDI, the series are volatile which is not uncommon for this indicator. In addition, it is not clear to what extent the series reflect productive investments, as they are concentrated in the Bahamas and to a lesser extent Barbados and these two countries' fiscal treatment attracts offshore corporations.

Looking at **trade and investment flows analysis** under the Evaluation Study 2008-2018,³⁵ total trade in goods between the two Parties has not expanded in that period.

However, more recent data analysis for the period 2019-2022 help us draw more positive conclusions. The Covid-19 pandemic diminished EU-CARIFORUM's external trade. But

³⁵ A full analysis of trade and investment figures, including graphical representation, can be found in the final report of the external study, referenced above.

growth since then has considerably increased, with trade in goods going up by 32.3% in the period 2020-2021 and by 193% between 2021 and 2022. These percentages surpass total extra-EU trade in goods recovery after the pandemic, which experienced increases of 18% and 28.0% in the years 2020-2021 and 2021-2022, respectively. On the other hand, 2022 trade in goods flows between the EU and CARIFORUM well exceed those previous to the implementation of the agreement (i.e., of 2008).

The share of the EU in total CARIFORUM exports in the years covered by the evaluation has decreased from 22% in 2007 to 18% in 2018. In terms of exports, the share of the EU in total CARIFORUM imports decreased from 18 to 12%. However, these figures may still hide the overall relevance of the EU as a trade partner, as several companies consulted for this evaluation indicated that they trade with the EU via the US, as it is often cheaper than importing from the EU directly. However, this means that these trade flows do not benefit from the preferences granted under the EPA.

In addition, some CARIFORUM States have seen encouraging growth in the past five years, in particular Belize, Dominica, the Dominican Republic and Guyana. Furthermore, CARIFORUM exports today are more diversified than prior to the EPA, relying less on mineral fuels and more on food and manufactured items. Products such as food preparations, essential oils, beverages and spirits have had strong growth in several CARIFORUM Member States. Analysis of more disaggregated data also shows that the decrease in exports from CARIFORUM States to the EU can partially be explained by decreases in oil prices. Furthermore, the global financial crisis impacted trade flows globally in the period after ratification of the Agreement.

Second, without the agreement, most CARIFORUM States would face MFN rates when exporting products to the EU. Therefore, in practice, the EPA helped to maintain (for all countries) and even increase (for some countries) their exports to the EU after the expiry of trade preferences under the Cotonou Agreement. The modelling exercise carried out for four CARIFORUM States for which data were available (the Dominican Republic, Grenada, Jamaica and St. Lucia) sought to estimate the impact of the EPA on trade in goods as compared to a situation without the agreement in place. **Based on this model, the estimated increase in EU exports to CARIFORUM due to the tariff preferences under the EPA is between 8 and 20%. EU imports from CARIFORUM States are between 9 and 119% higher than in the absence of the EPA, depending on the country.**

The commercial relations between the EU and CARIFORUM have been strengthened under the EPA. There has been a prevailing upward trend for both trade in goods and trade in services. In the case of services, there is an exception in the upward trend in the years following the pandemic, since services trade was more heavily affected by the pandemic than goods trade. However, there is still no services data for 2022.

Trade in goods has considerably increased in the years 2021 and 2022 compared to previous years. The Covid-19 pandemic diminished strongly EU-CARIFORUM's external trade. But growth since then has considerably increased, with trade in goods

going up by 32.3% in the period 2020-2021 and by 193% between 2021 and 2022. These percentages surpass total extra-EU trade in goods recovery after the pandemic, which experienced increases of 18% and 28.0% in the years 2020-2021 and 2021-2022, respectively. On the other hand, 2022 trade in goods flows between the EU and CARIFORUM well exceed those previous to the implementation of the agreement (i.e., of 2008).

In the case of FDI, the series are volatile which is not uncommon for this indicator. In addition, it is not clear to what extent the series reflect productive investments, as they are concentrated in the Bahamas and to a lesser extent Barbados and these two countries' fiscal treatment attracts offshore corporations.

In the stakeholder consultations no specific cases or sectoral champions were identified, other than in tourism, but these investors were already present before the EPA.

As regards the other criteria of this objective, the EPA clearly led to a **broadened and deepened cooperation** regarding trade and investment policy and barriers. The annual meetings of the Trade and Development Committee as well as a range of specialised committees, and the biennial meeting of the Joint Council illustrate this. Exchange, dialogue and cooperation on trade matters were strengthened under EPA, and more targeted than under the all-ACP framework of the Cotonou Agreement.

Trade-related development cooperation has taken up under various areas covered by the EPA. A large number of cooperation commitments under the EPA have been tackled through development cooperation under the EDF, for example with regards to customs, SPS, TBT and other trade related provisions. Under the 10th EDF, EUR 140 million were allocated to supporting regional economic integration and EPA implementation; under the 11th EDF, this allocation amounted to EUR 102 million. However, there remains scope to also focus increasingly on enhancing cooperation on trade-related social and environmental policy. There is also criticism about cooperation on implementing and operationalizing the Protocol on Cultural Cooperation, which lack a dedicated funding and specific tools. More progress is also needed to better link the cooperation provisions with the trade provisions and expected trade results.

(2) What are the factors influencing (either positively or negatively) the achievements of the objectives?

The global financial and economic crisis in the years following the implementation of the EPA had an impact on global trade and investment flows, including between CARIFORUM States and the world. This made it difficult for the EPA to fulfil its full potential; however, the evaluation showed that the EPA prevented more severe drops in trade flows between the Parties.

Another shock came from the Covid-19 pandemic that affected the region very strongly due to high dependence on tourism revenues, it also had big impact on bilateral trade flows. Between 2019 and 2020, EU27-CARIFORUM total trade decreased by 27%, but rebound in 2021.

Lack of implementation by some CARIFORUM States also limits a full potential of the Agreement, narrowing the achievement of the objective to areas where implementation has advanced well. For a number of trade related areas, only soft commitments were included in the Agreement, resulting in slow progress.

(3) Has the EPA with CARIFORUM given rise to unintended consequences?

No unintended consequences were found.

4.1.2. Efficiency

(1) To what extent has the EPA been efficient with respect to achieving its objectives? To what extent are the costs associated with the EPA proportionate to the benefits it has generated? How proportionate were those costs borne by different stakeholder groups, taking into account the distribution of benefits?

For the EU-CARIFORUM EPA, both costs and benefits were difficult to quantify. Administrative costs for business do exist but there were no major complaints from stakeholders in terms of burden of complying with rules of the Agreement. Overall welfare effects (welfare benefits) of a trade agreement are usually estimated with generalize equilibrium model – however, employing such a tool was not possible for CARIFORUM due to data limitations. Descriptive data analysis and stakeholder consultations did not point to any major impacts at macro level.

This EPA was put in place to continue with tariff free and quota free access to the EU market for CARIFORUM in continuation of the previous preferential relation with ACP under Lome Conventions, so it provides for the best possible treatment that the EU can offer for trade in goods. As described above, the agreement is also comprehensive enough compared to modern FTAs, covers the services and investments and other trade related regulatory provisions. Without this agreement in place, both CARIFORUM and EU would be worse off and facing MFN tariffs as explained above. The Agreement also offers a stable bilateral trade and regulatory framework that is an addition to WTO rules and supportive to bilateral trade flows, trade related cooperation and sustainable development and regional integration as described above.

Based on economic theory, trade liberalisation leads to efficiency gains for the economy. However, in the short run, there can be adjustment costs.

In terms of the distribution of costs and benefits, it seems that some CARIFORUM States have been better able to seize the opportunities created by the EPA than others. Benefits are therefore not distributed equally. For example, the Dominican Republic clearly managed to use the EPA to diversify and increase its exports to the EU. While within countries there are likely to be some distributional effects, we have not identified any countries or groups within countries that have clearly suffered from the EPA.

In conclusion, the EPA has been efficient in the sense that it **remains the only viable option to maintain full duty-free quota free access to the EU market for**

CARIFORUM States, providing huge economic benefits for the region's key export products. Alternative scenarios (such as a fall back to MNF tariff or the Generalized Scheme of Preferences for some countries) would have been less efficient in that regard.

(2) What are the main inefficiencies and unnecessary regulatory costs (including administrative burden) created by the EPA? What is the potential for simplification?

An important cross-cutting regulatory issue that creates unnecessary regulatory costs for economic operators is related to transparency. There is perceived lack of transparency on both sides related to applicable EPA rules and regulations for certain trade and investment processes, as well as procedures by the responsible authorities. One example is that several CARIFORUM States do not regularly publish their updated tariff schedules (and use outdated versions of the harmonized system to classify tariffs). For the EU, CARIFORUM operators report a lack of clarity with regard to services and access to the EU market for CARIFORUM service providers.

There are also inefficiencies and regulatory costs that stem from non-implementation of the agreement, such as the fact that in various CARIFORUM States, tariff cuts have not been implemented according to the schedules. Next to non-implementation, remaining trade barriers outside the scope of the agreement also cause additional costs for traders.

4.1.3. Coherence

To what extent has the EPA been coherent with other policy instruments of the EU affecting the Caribbean?

The EPA is coherent with other policy instruments of the EU towards the Caribbean. The overall political framework agreement was the Cotonou Agreement (replaced now by the Samoa Agreement) that governs EU-ACP relations and provides the framework and foundation of the EPA. The Joint Caribbean-EU Partnership Strategy is the foundation of regular political dialogue between the EU and the Caribbean region. Finally, the EPA is fully coherent and consistent with the development cooperation instruments deployed in favour of the Caribbean region and individual Caribbean countries, as outlined earlier in this evaluation. National and Regional Indicative Programmes under the past three EDFs make full reference of the EPA and provide the necessary support to achieve the objectives of the EPA. Several elements and objectives of the EPA stem from existing policies and agreements, and EPA elements and objectives are in turn reflected in strategies and policies developed after the EPA was concluded. No inconsistencies were identified.

4.2. Is the intervention still relevant?

The provisions of the EPA remain relevant for bilateral trade and investment between the EU and CARIFORUM. They have the potential to significantly boost bilateral trade and investment between the Parties, regional integration, competitiveness, productivity and industrialisation in the Caribbean. The comprehensive nature of the Agreement makes it relatively modern trade agreement and the most ambitious EPA: covering services,

investment, regulatory aspects, sustainability aspects and development cooperation. This is the only EPA with ACP countries that is so comprehensive in thematic and geographical scope. Taking into account economic size and geopolitical importance of the Region, the Agreement offers a good and ambitious basis for a deep engagement with CARIFORUM region by implementation of the comprehensive scope of the EPA with a focus on joint priorities with transformative effect, taking also account of the identified challenges and capacity constraints on the CARIFORUM side. Building on that, the Review exercise with CARIFORUM has been helpful in identifying the joint priorities for the implementation and for a better functioning of the Agreement for both sides. The key takes and implementation priorities from the Review are reflected under the conclusions part and will also be presented as a Review report with the Review conclusions to the next EPA Joint Council. They would also serve as a guidance for a more tailored cooperation to support specific areas identified for better EPA functioning and support to bilateral trade and investment.

However, based on the stakeholders' consultations under the Evaluation Study, especially Caribbean stakeholders, there was a general sense that the EPA has not yet deliver expected results. This can be also caused by a slow pace of implementation on the CARIFORUM side, in particular on regulatory provisions with a more transformative potential, such as competition or regional integration. However, the trade in goods data for 2021 and 2022 show very positive results for CARIFORUM. Trade in services data do not grasp the full recovery from the pandemic, but we have seen that their reduction was smaller than the reduction experienced in terms of world trade flows in services, which is also a positive result. For the initial years of the implementation, tangible impact seemed shallow, due to slow pace of implementation and also due to factors outside of the Agreement. In addition, while not specifically relating to the provisions of the agreement, the EPA has become less relevant in the sense that the share of the EU in CARIFORUM trade has reduced over the evaluation period despite the growth in value and despite that it has registered significant improvement in 2021 and 2022. In any case, the initial reductions in the share could be explained by the factors outside the agreement such as distance, small size and other Partners becoming active in the region, in particular China, challenging traditional links with US. However, the CARIFORUM Agreement remains a good, relatively modern and relevant basis to look for further economic engagement both on trade and cooperation dimension with the region composed of 14 CARIFORUM States of diverging economic development. Therefore, this remains a relevant instrument of engagement with the region on trade responding broadly to modern challenges.

5. WHAT ARE THE CONCLUSIONS AND LESSONS LEARNED?

5.1. Conclusions

The analysis concludes that the EU-CARIFORUM EPA is an ambitious and a comprehensive agreement that covers trade in goods and also other areas of trade in services, provisions on competition, innovation, IP, transparency in public procurement,

provisions on labour and environmental standards, e-commerce, regional integration and the specific protocol on cultural cooperation. **It is largely coherent with the modern trade policy objectives and tools and cooperation priorities with the region.** There is no imminent **need to work on the modernisation or deepening of this agreement**, especially that the region is still facing many implementation challenges with the ambitious scope of this agreement in implementation with 14 CARIFORUM States at diverging development level, limitations to technical capacities and that show a clear need for a trade related support and deeper cooperation on specific areas.

In addition, the Evaluation Study has served as a direct input under the 5-years Review process of the EPA with CARIFORUM Partners with intensive technical meetings and discussions taking place between 2021 and 2023 on all parts of the EPA, that as well fed into this Evaluation.

Conclusions on economic impact:

- Trade flows between the EU and CARIFORUM have almost doubled under the EPA: passing from EUR 8.3 billion in 2008 to EUR 17.7 billion in 2022, The bilateral trade and investment show a prevailing upward trend for both trade in goods and trade in services (except for the pandemic when trade in services was more heavily affected by than trade in goods);
- While the exports of the EU27 had decreased between 2002 and 2008 (i.e., before the implementation of the agreement), they have experienced an upward trend since 2008. The value of EU exports of goods to CARIFORUM have grown by 74.6%, in the period 2008-2022, reaching EUR 6.1 billion in 2022;
- EU27 imports coming from CARIFORUM have experienced an initial downward trend since the agreement was implemented. However, since 2016 imports have recovered strongly (particularly in 2021, EUR 4 billion and 2022, EUR 11.6 billion). Overall, EU imports growth from CARIFORUM has experienced an increase of 142% (in value) in the period 2008-2022;
- Without the agreement, the CARIFORUM States would have faced Most Favoured Nation (MFN) rates, and not the preferential access for trade in goods they had prior to the EPA;
- Based on the economic modelling exercise conducted by the European Commission under the Evaluation Study, it is also concluded that compared to a counterfactual scenario of trading under Most Favoured Nation (MFN) terms, trade under the EPA is significantly higher: both EU exports to and imports from CARIFORUM States are estimated to increase, ranging from an 9% increase in exports from Grenada to the EU to a 119% increase from St. Lucia. Estimates for EU exports to CARIFORUM range from an 8% increase for St. Lucia to a 20% increase for the Dominican Republic;
- Although EU exports still face strong competition from the US in the region, which also has an agreement with CARIFORUM States and is a natural partner of choice due to proximity, the EU operators are better off with the trade agreement in place than without;

- **Total services** trade has increased from EUR 5.2 billion in 2013 to 8.4 billion in 2021 and to 10.4 billion in 2022, with a peak of EUR 64.7 billion in 2019, representing a more than a twelve-fold increase with respect to the baseline year (2013)³⁶. In many years, trade in services involves larger trade flows than trade in goods. However, the pandemic hit harder trade in services than in goods. It remains to be seen the data for 2022 for services, which are still not available;
- In the **case of FDI**, the series are more volatile, which is not uncommon for this indicator. FDI stocks of CARIFORUM economies in the EU are larger, in general, than the ones that the EU has in that region. Both series reached a peak in the year 2017, of EUR 101 billion for EU FDI stocks in CARIFORUM and of 114 billion for CARIFORUM FDI in the EU, concentrating mostly in the Bahamas and to a lesser extent Barbados. It is not clear to what extent these are productive investments, as the flows are volatile, and these two countries' fiscal treatment attracts offshore corporations. The Dominican Republic comes as a 3rd destination of EU FDI stocks in the region with a strong EU investors base in productive investments, particularly in tourism;
- **The EU mainly imports** from CARIFORUM mineral fuels and oils (67% of total exports in 2022), chemicals and plastics (16%), agricultural and fishery products (4.3%). **EU's exports to CARIFORUM** are machinery and appliances (20,7%), mineral fuels and oils (16.5%), base metals and articles (11%), prepared foodstuffs and tobacco products (10,6%) and chemicals and plastics (10.3%).
- Most EU sectors have expanded their exports to CARIFORUM since the implementation of the agreement: machinery and appliances, mineral products, foodstuffs, beverages and tobacco, products of the chemical and allied industries, base metals and articles thereof, live animals and animal products, pearls, precious metals and articles thereof;
- On the CARIFORUM side, there are also positive examples of trade diversification. For example, a sector of "optical and photographic instruments" has registered a notable increase in CARIFORUM exports to the EU (i.e., a nearly four-fold increase from 2008 till 2021 driven mainly by the Dominican Republic) increasing its share in overall trade in goods. Another example are exports by the Dominican Republic of base metals and articles that have a share of 12.5% in 2022 compared to a 3.0% share in 2010;
- **At the country level**, the Dominican Republic is one of the most important trading partners for the EU in the Caribbean Region and the most advanced in terms of EPA implementation. Although its agricultural exports have increased over time, manufacturing sectors have become more important, gaining shares in its total good exports³⁷. Being a traditional exporter of agricultural and mining

³⁶ Eurostat does not provide data on services trade prior to 2010.

³⁷ The share of agricultural products in the Dominican Republic exports to the EU has fallen from 44.6% (2012) to 42% (2022) while agricultural exports in absolute value have increased. Manufactures exports have also risen in value, while its share in total goods trade has gone from 55.4% (2012) to 58% (2022).

commodities, new products of higher added value have found their way to the EU market such as **medical and surgical instruments, electric components or footwear**. A sector of particular success for the Dominican Republic during EPA implementation is **organic products**. As reported under part 3, the Dominican Republic has become the second largest supplier of organic products to the EU, and the main one for some concrete ones such as organic cocoa beans.

With regard to the state of implementation, there is a **clear progress in implementation** of the Agreement in many CARIFORUM States, however, there are important differences between the 14 CARIFORUM States with respect to pace of implementation.

The Evaluation Study concludes that the most important implementation challenges are:

- Ratification by all signatories of the Agreement to facilitate entry into force (ratification missing by one EU Member State and 5 CARIFORUM States, including Haiti);
- Implementation of liberalisation commitments and all applicable tariff cuts by all CARIFORUM States;
- Implementation of a full comprehensive scope of the Agreement in relation to all regulatory commitments by all CARIFORUM States;³⁸
- Ensuring transparency of applicable EPA rates in CARIFORUM and awareness raising and information dissemination on EPA directed at the private sector, and in particular at SMEs;
- The establishment and implementation of a monitoring mechanism foreseen under the EPA that should help regularly measure progress on functioning and implementation of the EPA;
- Insufficient technical capacities of CARIFORUM States to comply with applicable SPSs and TBTs measures and adequate notifications of own measures.
- Ensuring transparency of PP and Joint Council decision on application of the market access for PP;
- Operationalisation of the Cultural Protocol under EPA.

With **regard to cooperation under the EPA**, based on the Evaluation Study and on the completion of external mid-term evaluation of the main EPA support programmes in the second half of 2022, some conclusions could be drawn:

- The development cooperation in the EPA covers a wide range of areas, but the results achieved so far are difficult to quantify, and therefore progress in their achievement can be a matter of subjective interpretation;
- While almost all provisions have been addressed through different development cooperation programmes, they may have not been comprehensively covered *inter*

³⁸ CARIFORUM is mostly composed of SIDS, with different levels of development and size of economies and exposed to different economic trends and factors over the last years.

alia due to limited resources and necessary trade-offs between the different priorities;

- Overall, the legal and regulatory frameworks related to implementation of the Agreement at regional and national level, and institutional capacities in CARIFORUM States, have been strengthened under the different components of the programme. Work with the main implementers of the trade-related assistance (Caribbean Development Bank, European Union Intellectual Property Office, CARICOM Regional Organisation for Standards and Quality, Physikalisch Technische Bundesanstalt Braunschweig und Berlin, Instituto Dominicano para la Calidad, Inter-American Institute for Cooperation on Agriculture and International Trade Centre) is delivering positive results. Collaboration of efforts between implementers have also forged synergies to the benefit of CARIFORUM states. More outreach to the private sector is however needed to spread the impact of these support programmes to a wider cross-section of stakeholders;
- Regional and country priorities were defined in consultations with the relevant regional stakeholders, which was important for preparation and validation of individual project work plans for these programmes. Regional activities have responded to the priorities and expectations of the key beneficiaries;
- Project design might have been sometimes overly ambitious and not always connected to the absorptive capacities of the relevant agencies to either respond to the intended results. Also, weak institutional capacity in various CARIFORUM States limits sustainability of the interventions.

The Evaluation Study identified some general recommendations and areas of focus as well that will be reflected in the future trade and cooperation dimension:

- **Transparency** — there is a need to improve the transparency of EPA related information for better functioning of the Agreement. This refers in particular to applicable EPA rates in the CARIFORUM, TBT and SPS measures;
- **Awareness** — there is a need to improve the awareness of the EPA, particular with business. Business operators, investors and other stakeholders interviewed reported that they were not familiar with the opportunities stemming from the EPA. The information deficit by SMEs remains certainly one of the major challenges in using EPA;
- **Business climate** – there is a need to improve the general business climate in the CARIFORUM States to create a framework conducive for trade and investment under EPA;
- **Political commitment to the Agreement** – there is a need for a greater business and political engagement in CARIFORUM to finalise the ratification of the EPA and its implementation. Business advocacy should play an important role in that. There is a need for a greater B2B support;
- **Capacity constraints** — there is a need to address the capacity constraints in CARIFORUM, which holds back the effective implementation of the EPA,

partially related to the very small size of their economies. The consultations with CARIFORUM institutions, business associations and investment stakeholders confirm the strong capacity-building needs in the CARIFORUM States that need to be tackled by both cooperation and more institutional tools;

- **Budgetary constraints of SMEs** — Despite the specific private sector development programme in place³⁹, the SMEs face high costs to adjust to the needs of both inter-regional trade and the high standards and complex requirements of the EU markets. This may lead to lower levels of interest and use of the agreement in the countries concerned, and therefore lower pressure on the governments to foster implementation. The issue also arises for public agencies, which lack sufficient resources to provide all services which would enable economic operators to fully take advantage of the EPA.

Based on the Evaluation Study and the Joint EPA Review process with CARIFORUM it **can be concluded** in general that:

- The EPA is a comprehensive and relatively modern agreement, responding mostly to current economic challenges and in line with current standards, featuring relevant provisions on key elements covered by more modern FTAs;
- There is a rich institutional structure established by the Agreement that serves as an adequate platform for discussions on trade and investment;
- The agreement contains comprehensive TSD provisions, notably through Chapter 4 (Environment) and Chapter 5 (Social aspects) of Title IV of Part II, related to environment and social standards, respectively. Together with the provisions of the Samoa Agreement, the EPA gives a solid basis for a deeper engagement with CARIFORUM on trade and sustainable development under the existing structures, and for continuing to further that engagement in accordance with the 2022 Commission Communication “The power of trade partnerships: together for green and just economic growth”;
- Asymmetry and a lighter character of some provisions is justified by development character of this agreement and development objectives included under EPA, and asymmetries in economic weights between the EU and CARIFORUM Partners, being mostly Small Island Developing States (SIDS);
- It offers sufficient basis for a further engagement with CARIFORUM and sufficient tools to overcome the identified regulatory and capacity challenges as well as tailored structural support. Despite challenges, the EPA has contributed to the significant increase of trade in goods and services between the EU and CF States since its entry into force. However, there is a need to unlock a full economic potential behind the agreement, including in the area of services being of particular importance to CARIFORUM States;

³⁹ Private Sector Development Programme implemented by the Caribbean Export Development Agency: <https://www.carib-export.com/about-us/>.

- The implementation of the comprehensive scope of this agreement proved so far challenging for certain CARIFORUM States. It is to be noted that the competitiveness and positioning of CARIFORUM economic operators in the global value chains remain relatively low in general;
- Trade facilitation and technical capacity to trade should be given particular focus under the future cooperation tools. This is particularly relevant for SPS and TBT as both industrial and agriculture products need to comply with standards on the EU market, thereby raising the cost of compliance with regulatory requirements for smaller producers in CF States;
- Transparency of EPA relevant information, EPA awareness and availability of information tools were frequently mentioned by SMEs as areas to improve and to facilitate the full potential;
- Deficiencies in the implementation of the regulatory provisions limit the EPA's leverage to stimulate economic reforms, and to increase competitiveness of CARIFORUM States on the global markets.
- Some CARIFORUM Members rely still strongly on income from import duties. This poses a challenge to timely implementation of the EPA schedules and emphasises a need to step up efforts to enact tax reforms building on the work done on financial governance by CARTAC;
- CARIFORUM States score generally low under the World Bank "Doing Business" and "Trading across borders" Indices, which are a factor for traders and investors. According to the World Bank 2020 "Ease of Doing Business" Report, none of the CARIFORUM States is placed in the top 50 countries as far as ease of doing business is concerned, and only Jamaica and St. Lucia placed in the top 100⁴⁰;
- Slow progress of the regional integration also limits the attractiveness of the region to traders and foreign investors. It is yet another cause for the limited EPA's impact and weak regional competitiveness regional dimension should be further supported by the new cooperation perspective and regional efforts;
- There are also other structural challenges affecting the impact of this EPA such as distance, transport infrastructure and cost, small size limiting economy of scale, high risk related to natural disasters and limited productive base in CARIFORUM;
- The Parties should endeavour to swiftly conclude the negotiations on the protection of geographical indications under Article 145.E of the EPA;
- More work remains to be done to simulate sufficient business interest in the EU, despite a small scale of CARIFORUM markets and to have well-functioning business advocacy platforms for the region in place. There is therefore a need to more support the B2B dimension behind the agreement via all available tools.

⁴⁰ Source: [Doing Business 2020 \(worldbank.org\)](https://www.worldbank.org/en/publications/doing-business).

5.2. Lessons learned

As this EPA has a development objective, the Evaluation focused on the primary impact and challenges on the CARIFORUM side. However, most of the challenges and priorities identified are supportive towards the business climate and EU operators. On goods, this EPA provides the best possible access to the EU market for CARIFORUM for trade in goods with zero tariffs and quotas for the CARIFORUM and a comprehensive set of commitments in other areas related to service and investments, including provisions on TSD. However, there is still a challenge to turning the Market Access provided by the EPA into a meaningful Market Presence, particularly for Caribbean Services operators. The implementation of a full ambitious and comprehensive scope of the EPA by 14 CARIFORUM States proves challenging, including on tariff schedules. Therefore, the future implementation and cooperation priorities should focus on provisions with the greatest transformative effect and the areas with the greatest trade potential to maximise the benefits under the Agreement for businesses on both sides.

Given significant capacity constraints on the CARIFORUM's side, there is a need for identification of **joint priorities within CARIFORUM States** to support the implementation of the EPA as well as identifying key bottlenecks in implementation and priority areas for future support. This process is being conducted with the CARIFORUM region under the ongoing EPA Review.

There is also a need for more effective technical dialogue with CARIFORUM, including at national level and closer coordination between the 14 CARIFORUM States. There is also a need for support to EPA relevant information tools, transparency of the regulatory environment in CARIFORUM, and mutual promotion of awareness raising and support to B2B dimension.

Both the Evaluation Study and the Review process have identified important capacity constraints and structural challenges in CARIFORUM that hold back the implementation and a full economic potential behind the Agreement. Most of the identified challenges go outside the EPA and **the EPA itself cannot address these structural challenges**. These are among others:

- Small scale of CARIFORUM States being mostly SIDS;
- Lack of Capacity to implement a full comprehensive scope of the EPA with regard to liberalisation and regulatory commitments;
- Lack of capacity of businesses and state administrations to meet the regulatory standards under specific sectors;
- Difficulty in accessing capital needed for internationalisation;
- Gaps in logistics, transport and connectivity, leading notably to regional market fragmentation and low presence in global value chains;

- Distribution and business-matching challenges in the EU market;
- Underdeveloped domestic business environment (“ease of doing business”).

And yet, **the EPA also provides the framework and tools for addressing some these challenges either by trade or cooperation tools:**

- Stable framework for trade in goods, services and investment leading to more business friendly environment;
- Lowering costs for businesses through an improved regulatory environment and cheaper imports and inputs;
- The EU-CARIFORUM institutional dialogue on specific key challenges and solutions under the existing EPA institutions.
- Monitoring mechanism for the implementation of the EPA, to regularly monitor progress and impact;
- Support for regional integration between CARIFORUM States, including further implementation of the Caribbean Single Market and Economy (CSME) and implementation of the regional preference clause contained in Article 238 of the EPA.
- Tailored trade and EPA related cooperation based on interests identified jointly with CARIFORUM;
- Technical assistance and support to private sector, BSOs and public/regional entities granted under EPA.

With regard to the **implementation priorities**, it is necessary to step up efforts with the 14 CARIFORUM trade partners in the areas jointly defined under the conclusions of the joint Review process. For the EU side, these are in particular:

- Ensuring **effective implementation of tariff commitments** in all CARIFORUM States and **improving preference utilisation rates** for the EU operators;
- Improving **transparency** of available EPA relevant information in this fragmented regional market, including on the implementation of tariff commitments and applicable EPA rates, services regulations and public procurement;
- Improving **business climate** by support to implementation of the regulatory provisions under the EPA;
- Operationalising of **the joint monitoring mechanism** under the discussions with CARIFORUM;
- **Raising awareness** about the Agreement both with the EU and CARIFORUM economic operators. To this end, stepping up efforts for more active

communication about the EPA benefits in CARIFORUM, via the EU Delegations and assistance to regional events, and specific support projects;

- **Fostering business-to-business** links and support to business advocacy for better implementation of the Agreement at national level;
- **Deepening a dialogue on sustainability dimension** with CARIFORUM in the Framework of EPA and the Samoa Agreement and based on jointly agreed priorities with the region;
- **Deepening a dialogue on services** through setting up of the Committee on Services under EPA;
- **Modernisation of the Protocol on Rules of Origin** to adapt it to current economic realities and contribute to a better utilisation of the Agreement;
- Concluding the ongoing negotiations on the protection of **the Geographical Indications** under article 145.E of the Agreement.

With **regard to cooperation**, it has been possible to identify the below specific lessons learned:

- The preparation of future trade support from the EU should have a deeper focus on results;
- Support for technical areas under the EPA could be more targeted towards priority areas and sectors;
- Interventions such as the Stand-By Facilities, based on a demand-driven approach and combined with co-financing, are a positive model to continue to explore, possibly through higher co-financing requirements and more targeted and strategic interventions;
- A need to have a joint understanding on development cooperation obligations under the EPA and corresponding metrics that can measure the degree to which these obligations have been honoured. This would support expectation and management of development cooperation from both sides as well as its appropriate monitoring;
- The absorptive capacity of the implementing partners and agencies, and of the different national administrations, should be better taken into account during the formulation of future projects;
- The design of future projects should also place sufficient attention to communication and visibility which are critical for effective stakeholder engagement, awareness, outreach to the private sector, including by taking into account the priorities of the Global Gateway Investment Agenda for Latin America and the Caribbean, and which therefore, would enable effectiveness of EPA related interventions;
- More attention could be paid to exit strategies and/or sustainability of the efforts of the projects.

ANNEX I: PROCEDURAL INFORMATION

1. Lead DG, Decide Planning/CWP references

Lead DG: European Commission Directorate-General for Trade, DG Trade

Decide reference number: PLAN/2017/2308 – TRADE – Ex post evaluation of the EU- CARIFORUM Economic Partnership Agreement.

2. Organisation and timing

An Inter-service Steering Group (ISG) was established⁴¹ on 21/06/2018 for the purpose of reviewing and finalising the terms of reference; supporting the evaluation work and the evaluation project manager in steering the evaluation by monitoring the progress of the evaluation, by providing comments and by assuring the quality and objectivity of the evaluation reports; analysing the results of the evaluation in view of the subsequent follow-up; and contributing to the Staff Working Document. A dedicated SharePoint was created to share the deliverables of the study in support to the ex-post evaluation and the Staff Working Document with ISG members and EU Delegations and to collect their comments.

The ISG included all other relevant services of the Commission: the Directorates-General for: Agriculture and Rural Development; DG International Partnerships; Employment, Social Affairs and Inclusion; Environment; Internal Market, Industry, Entrepreneurship and SMEs; Maritime Affairs and Fisheries; Health and Food Safety; Trade; Taxation and Customs Union; and the European External Action Service (EEAS).

An External study was commissioned in support to this ex-post evaluation and was carried out between March 2019 and February 2021.

The ISG met in 2018 for ToR, in January 2019 for a kick-off meeting, in April 2019 for the Draft Inception Report, in November 2019 for the Draft Interim Report, and in May 2020 for the Draft Final Report. The ISG was consulted in written on a draft version of the Staff Working Document.

The Staff Working Document was elaborated between 2022 and 2023, based on additional inputs from the Review process with CARIFORUM and relevant data for 2021 and 2022.

⁴¹ Ares(2018)3281903 - 21/06/2018

3. Evidence, sources and quality

The evidence for the ex-post evaluation was gathered through various activities and from different sources:

- A quantitative econometric modelling simulation (Annex II. Methodology and Analytical models used)
- Information obtained from the Joint Review Process with CARIFORUM and new data for 2021 and 2022
- Input by stakeholders to the public consultation (Annex IV. Stakeholders consultation – Synopsis report)
- A mini-survey of six questions sent to EPA service Enquiry Points in the EU Member States
- Stakeholders' engagement in the context of the CARIFORUM-EU Business Forum held on 26-28 September 2019 (Annex IV. Stakeholders consultation – Synopsis report)
- External Consultant's Final Report – Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States, from February 2021.
- External Consultant's Final Implementation Report of the EPA between the EU and its Member States and the CARIFORUM Member States, from February 2021.

ANNEX II. METHODOLOGY AND ANALYTICAL MODELS USED

The evaluation is based on the Evaluation Study carried out by an external contractor (Ecorys in consortia with Appleton Luff). Additionally, it complements the Study by information obtained from the joint Review process with CARIFORUM and new data for 2021 and 2022. The contractor undertook two main tasks, namely first, a thorough review of the state of play of implementation of the Agreement (see information above in Chapter 3); and second, an assessment of the economic, social, human rights, and environmental impact of the Agreement to date.

The contractor employed a variety of methods to carry out this ex-post evaluation:

1. *Review of academic literature, legal texts, and other relevant documents.*
2. *Data analysis related to trade, investment and sustainability indicators.* In line with what requested, the external consultants provided separate figures for the EU27 and the UK, to allow for an assessment of the importance of EU27 relations with CARIFORUM in comparison with the UK.
3. *Four sector specific case studies*, to allow for a more in-depth assessment at sectoral level, namely on the following sectors: beverages with a focus on rum; dairy; cultural and creative sector; and investment in the tourism sector. The case studies were selected in consultation with the EC. The selection of the case studies followed a set of selection criteria based on: weight (initial importance of the sector), impact of the EPA, global industry trend, focus group discussions with experts and selected stakeholders and discussions within the steering committee.
4. *Stakeholder consultations.* As data and literature is scarce, stakeholder consultations were at the heart of this ex-post evaluation. This included an Open Public Consultation (published on EU Survey), interviews (remote and face-to-face), focus group discussions, attendance of relevant EPA-related events, and written questionnaires. A Civil Society Dialogue meeting was organised in Brussels in January 2020. A total of 200 stakeholders were consulted through interviews and focus group discussions during the course of this study.

Furthermore, Commission services carried out an economic modelling exercise, using partial equilibrium modelling. The modelling was done for four CARIFORUM States (Dominican Republic, Jamaica, Grenada and St. Lucia) where data was sufficiently available and estimated the impact of the EPA by comparing the current situation to a situation where the EPA would not be in place.

In addition, this evaluation is also informed by further analysis undertaken by DG TRADE within its annual reporting on trade agreements, and by the experience gained from implementation work on the agreement.

Description of the Partial Equilibrium Model

While the study is being conducted by an external contractor, Commission services have performed the economic modelling in-house. The external contractor was charged with obtaining the current tariff schedules for all CARIFORUM States (with the exception of Haiti), to use it as a basis of the modelling. For four out of 14 countries – Dominican Republic, Jamaica, Granada and St. Lucia – the study succeeded in acquiring data on implementation of the tariff schedules for their imports from the EU. These four countries together account for 67% of GDP and 40% of the CARIFORUM trade with the EU. This selection is also appropriate in political terms because it covers both two of the larger economies (the Dominican Republic and Jamaica), as well as two of the small economies of the Organisation of Eastern Caribbean States (OECS). The counterfactual on both sides are MFN tariffs.

Parameters of the model

The partial equilibrium (PE) model is an adaption and extension of the basic four equations perfect competition framework of Balistreri and Rutherford (2013)⁴². The model being partial means that no macroeconomic effects, i.e. on GDP, factor markets, aggregate price level, etc., are produced and their possible interaction with what happens in single product markets are ignored. Furthermore, no cross-price effects are considered. The model is specified with trade and tariff data only, meaning that domestic effects can only be analysed implicitly. Despite being partial, the model closes the world market for each product under analysis by including a rest-of-the-world aggregate. The model is run in General Algebraic Modelling System (GAMS). Its equations are specified below.

The PE model provides a snapshot in 2018 by comparing the observed trade flows with a situation in which MFN tariffs would be levied by both sides. It is therefore not strictly a backward-looking exercise. The possibility of a gravity model, which is a truly backward-looking exercise, has been examined. However, due to the unilateral preferences preceding the EPAs, there would be no way to observe a situation in which the part of the Agreement covering EU imports has not been in place, which would render the analysis impossible.

The PE model is run at the HS nomenclature - HS 6 level rather than at the aggregated sector level used for the CGE. Results are summarised by broad sector, though, to allow for some conclusions on sectoral concentration of the EPA effects.

⁴² Balistreri, E. and Rutherford, T. (2013): Computing general equilibrium theories of monopolistic competition and heterogeneous firms. In Dixon, P.B. and Jorgenson, D.W. (ed.): Handbook of Computable General Equilibrium Modeling. Chapter 23, pp. 1513–1570. Oxford (UK), Elsevier.

The model is run on United Nations COMTRADE data for 2018. For most countries, importer notifications are used. However, this was not possible for Grenada having not supplied data to the UN after 2009. Exporter notifications were therefore taken to fill the cells on Grenada's imports from the EU, the other CARIFORUM States and the rest of the world.

The model is run for goods only, as equivalent data for services trade flows is hard to come by, which is even more difficult for barriers.

The various parameters of the model (e.g. own-price, Armington supply elasticities⁴³) are based on a World Bank database and on values found in the specialised economic literature⁴⁴.

In order to identify the necessary tariff shocks, ad valorem equivalents of the applied MFN and EPA tariffs have been retrieved from TAXUD-Customs Duty Calculator (CDC) for the EU. For the CARIFORUM States, there is little clarity regarding the degree of implementing the tariff schedules agreed upon under the EPA. For this very reason, implementation analysis has been one of the major focuses of the early work of the external contractors. The four countries that are now being modelled are those for which the data collection efforts have been successful. As implementation of the tariff schedules is still ongoing, 2019 has been chosen as the year in which tariff preferences are to be analysed.

Background information: Partial Equilibrium Model Equations in General Algebraic Modelling System (GAMS) notation

$Q(j,r) - \exp(\log(q0(j,r)) + \eta(j,r) * (\log(p0(j,r)/P(j,r)))) = g = 0;$

$\alpha(j,s) * \sum(r\$ (zeta(j,r,s)), zeta(j,r,s) ** (sig) * \exp((1-sig) * \log(P_CIF(j,r,s)))) ** (1/(1-sig)) - P(j,s) = g = 0;$

$Y(j,r) - \sum(s\$ (zeta(j,r,s) \text{ and } q0(j,s)), \tau(j,r,s) * Q(j,s) * (zeta(j,r,s) ** (sig) * \exp((sig) * \log(P(j,s)))/[\exp(sig * \log(P_CIF(j,r,s)))])) = g = 0;$

$\exp(\log(y0(j,r)) + \mu * (\log(C(j,r)) - \log(c0(j,r)))) - Y(j,r) = g = 0;$

$P_CIF(j,r,s) = E = \tau(j,r,s) * C(j,r) * (1 + \tau(j,r,s));$

REMARK: Variables are put in UPPERCASE and parameters are put in lowercase characters.

with:

r,s Countries or regions

j Goods

Parameters

sig Elasticity of substitution

⁴³ Armington elasticities specify the degrees of substitution in demand between similar products produced in different countries. They are critical parameters, which, along with model structure, data and other parameters, determine the results of policy experiments.

⁴⁴ Kee et al (2008), Laborde and Lakatos (2012).

$\eta(j,r)$ Demand elasticity
 μ Supply elasticity
 $q0(j,r)$ Benchmark demand,
 $p0(j,r)$ Benchmark import price index,
 $c0(j,r)$ Benchmark export cost,
 $y0(j,r)$ Benchmark export supply,
 $\alpha(j,s)$ Scale parameter for dual utility function
 $\tau(j,r,s)$ Iceberg transport cost factor (always 1 here)
 $\zeta(j,r,s)$ Bilateral preference weights
 $\tau(j,r,s)$ ad valorem tariff

Variables

$Q(j,r)$ Import demand
 $P(j,r)$ Import price index
 $C(j,r)$ Export cost (fob price)
 $Y(j,r)$ Export supply
 $P_CIF(j,r,s)$ Cif price”

Limitations and robustness of findings

Data limitations strongly affect the impact assessment. For some of the smaller CARIFORUM States, disaggregated data on trade in services and investment was difficult to obtain and suffered from inconsistencies across sources. Even data on trade in goods and general macroeconomic information was difficult to come by for some of the smaller countries. The data limitations affected both the descriptive analysis carried out by the external consultant, as well as the Partial Equilibrium modelling exercise carried out by DG TRADE and intended to establish causality between the Agreement and the observed changes in economic and sustainability indicators.

First, due to lack of available data in the usual international databases (in particular GTAP), DG TRADE had to opt for a partial equilibrium model. The partial equilibrium model does not provide results for macroeconomic indicators like GDP, and does not consider indirect effects like value chain or price effects. Despite these limitations, the model results provide some insights into the relative size of the effects and into the differences per sector.

Second, even the partial equilibrium model requires up to date information on applied customs tariffs, which was not available for most CARIFORUM States. For others, implementation of the liberalisation commitments under the EPA had not progressed sufficiently to expect an impact.⁴⁵ Therefore, the modelling exercise was conducted only for four countries, two of the larger economies (Dominican Republic and Jamaica) and two of the smaller ones (Grenada and St. Lucia).

Stakeholder consultations carried out by the external consultant also faced challenges: Despite multiple consultation and outreach tools, the consultation team was frequently confronted with low levels of awareness of the EPA, and low levels of interest. Many stakeholders were either not interested in participating (hence the low response rates) or were unable to provide extensive insight.

Data limitations in particular affected the consultant's estimation of sustainability impacts (i.e. impacts on social, environmental, human rights, gender and climate change dimensions). Data is often not granular enough to provide reliable information on the impact of the EPA, or is even lacking from some of the CARIFORUM States. Stakeholders are generally not able to provide clear inputs in this area. Several stakeholders indicated that as they already have difficulty in identifying clear trade and investment effects, they have even less insight into the, partly more indirect, impacts related to sustainability. Lack of awareness on the EPA and limited resources explain this. As a result, collected inputs are often at a general level.

Results of the PE modelling

Results in terms of changes in bilateral trade flows as a consequence of the EU-CARIFORUM Agreement are displayed in Table 1.

Table 1. Effect of the EU-CARIFORUM EPAs on EU bilateral trade flows

Partner country	EU Exports		EU imports	
	million EUR	%	million EUR	%
Dominican Republic	323	20	326	45
Jamaica	35	9	76	42
Grenada	4	12	1	9
St. Lucia	5	8	7	119

Source: Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States. (2021: 281).

⁴⁵ Please see details regarding state of play of implementation of the liberalisation schedule in CARIFORUM in Chapter 3.

Table 2 and 3 break down the results by broad sector.

Table 2. Effect of the EU-CARIFORUM EPA on EU bilateral trade flows in agricultural goods.

Partner country	EU Exports		EU imports	
	million EUR	%	million EUR	%
Dominican Republic	100	37	308	96
Jamaica	3	4	39	66
Grenada	0	0	0	5
St. Lucia	1	4	7	578

Source: Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States. (2021: 281).

Table 3. Effect of the EU-CARIFORUM EPA on EU bilateral trade flows in manufactured goods.

Partner country	EU Exports		EU imports	
	million EUR	%	million EUR	%
Dominican Republic	224	17	18	5
Jamaica	32	10	37	31
Grenada	4	16	1	27
St. Lucia	5	10	0	4

Source: Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States. (2021: 281).

ANNEX III. EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)

Evaluation grid for the evaluation of the EU-CARIFORUM EPA

Evaluation questions	Judgement criteria	Example of indicators/information needs	Sources
Effectiveness			
EQ1: To what extent have the objectives of the EPA been achieved? What are the factors influencing (either positively or negatively) the achievement of those objectives? Has the EU-CARIFORUM EPA given rise to unintended consequences?	<ul style="list-style-type: none"> • The extent to which poverty has been reduced as a result of EPA; • The extent to which regional integration, economic cooperation and good governance have been promoted by EPA, contributing to an effective, predictable and transparent regulatory framework for trade and investment; • The extent to which the EPA has supported conditions for increasing investment and private sector initiative and enhancing supply capacity, competitiveness and economic growth; • The extent to which CARIFORUM States have integrated into the world economy; • The extent to which 	<ul style="list-style-type: none"> • Development of poverty indicators (people living below the poverty line, GDP per capita); • Change in bilateral trade flows (goods and services), in total and by sector between the EU and CARIFORUM, and total export/imports of CARIFORUM; • Change in bilateral investment, in total and by sector between the EU and CARIFORUM; and total outward/inward investment in CARIFORUM); • Trends in introduction/removal of barriers, and status investment climate/enabling environment; • Extent to which institutional structures and other cooperation types (e.g. joint council, sub 	<ul style="list-style-type: none"> • Trade and investment flow analysis; • Poverty indicator analysis; • Economic modelling; • Desk study (e.g. MADB, WTO notifications, WB doing business reports); • Interviews; • Survey; • CSD/ roundtables; • Case studies. <p>See task 10 to 15 under Terms of Reference for the Study⁴⁶.</p>

⁴⁶ [Circabc \(europa.eu\)](http://circabc.europa.eu)

	<p>CARIFORUM States have increased capacity in trade policy and trade related issues;</p> <ul style="list-style-type: none"> • The extent to which relations between CARIFORUM and the EU have improved in all areas relevant to trade and investment (e.g. increased trade and investment between the two Parties, increased policy cooperation, extent to which relations are based on solidarity and mutual interest). 	<p>committees) have been able to address trade and development issues;</p> <ul style="list-style-type: none"> • Change in the degree of diversification of trade and investment flows of CARIFORUM States; • Identification of unintended economic impacts in EU and/or CARIFORUM States; • Identification of unintended social impacts in EU and/or CARIFORUM States; • Identification of unintended environmental impacts in EU and/or CARIFORUM States; • Identification of unintended human rights impacts in EU and/or CARIFORUM States; • Identification of unintended economic, social, environmental and human rights impacts in third countries, including OCTs. 	
Efficiency			
EQ2: To what extent has the EPA been efficient with respect to achieving its objectives? To what extent are the costs associated with the EPA proportionate to the benefits it has generated? How	<ul style="list-style-type: none"> • Extent to which benefits outweigh the cost, overall and for specific groups. 	<ul style="list-style-type: none"> • Costs related to the implementation of the agreement (authorities); • Costs related to the use of the EPA (tariff preferences, quota) of companies; 	<ul style="list-style-type: none"> • Desk study (e.g. TRTA, ministerial budgets); • Survey; • Sectoral studies; • Interviews (e.g. national EPA coordinators, business, civil

proportionate were those costs borne by different stakeholder groups, considering the distribution of benefits?		<ul style="list-style-type: none"> • Positive impacts and negative impacts compared (cost-benefit analysis); • Distribution of benefits and costs; • The time needed to realise the objectives compared to original plan. 	<p>society).</p> <p>See tasks 10, 11 to 15 under the Terms of Reference for the Study.</p>
EQ3: What are the main inefficiencies and unnecessary regulatory costs (Including administrative burden)? What is the potential for simplification?	<ul style="list-style-type: none"> • Extent to which remaining barriers could be reduced. 	<ul style="list-style-type: none"> • Remaining inefficiencies and regulatory costs; • The costs of the promotion of trade and cooperation in relation to the progress made in intra-regional integration both within the region and between the region and the EU. 	<ul style="list-style-type: none"> • Desk study on NTBs; • Interviews (customs, companies, freight forwarders); • Sectoral case studies; • Survey.
Relevance			
EQ4: To what extent are the provisions of the EPA relevant for addressing current trade and development issues faced by the EU and CARIFORUM?	<ul style="list-style-type: none"> • Extent to which current trade and development issues can be addressed on the basis of the current agreement; • Extent to which new or more ambitious provisions are needed to address current trade and development issues; • Extent to which development cooperation can be used to address current trade and development issues. 	<ul style="list-style-type: none"> • Identification of current trade barriers (not arising from non-implementation), by sector and type of barrier; • Extent to which tariff preferences or quota are used and problems encountered in their use. 	<ul style="list-style-type: none"> • Desk study (e.g. MADB, MAP); • Sectoral analysis; • Stakeholder consultations. <p>See task 10 under the Terms of Reference for the Study.</p>

Coherence			
EQ5: To what extent has the EPA been coherent with other policy instruments of the EU affecting the Caribbean?	<ul style="list-style-type: none"> • Extent to which objectives of EPA align with those other EU policy instruments affecting the Caribbean; • Extent to which there are contradictions between EPA and other EU policy instruments affecting the Caribbean; • Extent to which synergies between EPA and other EU policy instruments affecting the Caribbean have been created and taken advantage of. 	<ul style="list-style-type: none"> • Number and type (and possibly extent) of contradictions; • Number and type (and possibly extent) of synergies. 	<ul style="list-style-type: none"> • Desk study or relevant documents; • Survey; • Interviews with the EU (e.g. delegation, DG DEVCO, DG TRADE and national administration); • Other stakeholder consultations. <p>See Tasks 10 and 13 under the Terms of Reference for the Study</p>

ANNEX IV. STAKEHOLDERS CONSULTATION - SYNOPSIS REPORT

This annex summarises the consultation strategy of the external consultant, its process and the end results.

The consultation approach for this evaluation was designed in three phases. The first was to gather information related to the implementation of the agreement, through an analysis of legal documents and implementation-related questions to the stakeholders. The second was to gather information and insights to illustrate the particular opportunities and challenges brought about by the EPA and gauge its impact, while the third was focused on consultations in the Dominican Republic and Jamaica in the sectors of the case studies.

Phases and stakeholder groups

For the purpose of this evaluation, the external consultant focused on five different types of stakeholders for the capture the key information and data required. These include:

1. Public administration;
2. Business associations;
3. Private business including SMEs;
4. Civil society organisations and other interested stakeholders (e.g. academia, think tanks); and
5. Freight forwarders and importers.

A particular focus was placed on those stakeholders that have a high interest in the EPA or are to a large extent involved in/affected by the EPA.

Approach to stakeholder consultation

Geographical coverage for consultations. The consultations were directed primarily at the stakeholder groups outlined in the above section. Given the geographical distribution of CARIFORUM, it was not possible to carry out physical (in-country) consultations across all countries for the purpose of the evaluation. However, the consultant team recognised the need to engage all States and ensure similar coverage in the analysis. For this purpose, they designed approaches to engage stakeholders across other States via alternative tools. In the CARIFORUM States for remote consultations⁴⁷, the focus

⁴⁷ Remote consultations were carried out for Antigua and Barbuda, the Bahamas, Belize, Dominica, Grenada, St. Vincent and the Grenadines, St. Kitts and Nevis, as well as the EU Member States.

was on establishing contacts with the EPA coordinators, customs and the key business associations, to the extent possible. Online tools such as Skype, phone calls and conferencing methods were used to conduct these remote consultations. Similarly, for the EU side, the consultant team carried out physical consultations in Brussels and remote consultations with stakeholder from France, Germany the Netherlands and Spain. These Member States were selected based on their importance in bilateral trade and investment flows with the region, along with their political ties and cooperation efforts. Similar online tools such as Skype, phone calls and conferencing methods were used. In the analysis for these countries, they focused on elements relevant for the specific country (e.g. France relevant for ORs and Germany for development cooperation).

Tools. The tools applied for consultation each focused on different topics and therefore, different stakeholder groups. The table below gives an overview of the focus of each of the tools.

Table 4. Tools applied for consultation.

	Implementation Questionnaire (including mission)	Impact consultations (including mission)	CARIFORUM-EU Business Forum	Open Public Consultation	Service Enquiry Points mini-survey	Civil Society Dialogue	Consultative Committee	Trade and Development Committee
Public administration;	✓✓	✓		✓	✓✓	✓		✓✓
Business associations / Business Support Organisation	✓	✓✓		✓		✓✓	✓✓	
Private business including SMEs;		✓✓	✓✓	✓		✓		
Civil society organisations and other interested stakeholders	✓	✓		✓		✓✓	✓✓	

Source: Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States. (2021: 242).

The primary tools were the Implementation and Impact consultations, along with the scheduled interviews held during the Business Forum in September 2019 in Frankfurt and the team missions. In addition to this, the consulting team received feedback through an Open Public Consultation, a Service Enquiry Point mini-survey and several meetings.

The topics explored under each tool were:

- Implementation consultations (conducted through interviews, focus group discussions and written questionnaires): the progress of the implementation of the EPA in CARIFORUM and EU Member States;
- Impact consultations (conducted through interviews and focus group discussions): the economic, social, environmental and labour impacts of the EPA's implementation;
- Open Public Consultation: covering various aspects of the Agreement;
- Service enquiry points conducted through mini survey): the type of enquiries received by the EPA service enquiry points in the EU Member States;
- CARIFORUM-EU Business Forum: the challenges encountered by SMEs and larger companies when starting to export to the EU;
- Civil Society Dialogue: feedback to the interim findings and discussion on issues raised by attendees.

Number of stakeholders by country and region

Country	Consultations
Antigua and Barbuda	3
Bahamas	18
Barbados	23
Belize	5
Dominica	4
the Dominican Republic	23
Grenada	4
Guyana	16
Jamaica	22
St. Lucia	2
St. Vincent and the Grenadines	16
St. Kitts and Nevis	3
Suriname	24
Trinidad and Tobago	17
Total CARIFORUM countries	180
France	7
Netherlands	2
Germany	3
EU-wide stakeholders, including EU institutions	9
Total EU and Member States	20
Haiti	1
Curacao	1

Source: Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States. (2021: 21-22).

Findings and results

A total of 185 stakeholder were consulted under the primary tools, including government agencies, business associations, SMEs, NGOs, EU and Member State-level organisations. The list of organisations consulted is included at the end of this annex. The results of these tools are presented in this section.

Interviews, FGDs and written questionnaires

Most interviews were structured, following guidelines and questionnaires developed depending on the type of stakeholder and the specific theme and reason for consulting them. The findings have fed into the overall analysis and are summarised, by theme, below.

Awareness of the EPA

While public administration and exporters were all generally aware of the EPA, other stakeholders such as Chambers of Commerce and Business Associations reported low to moderate awareness across their members, particularly in terms of awareness of its provisions and opportunities. Larger scale associations, such as ADOPRON (Dominica Association of Rum Producers) were involved with EPA consultations from the design phase, and felt adequately informed on the subject.

In the Bahamas, one Ministry official explained that the EPA is a “relatively new undertaking”, and that low awareness can be explained by the subject not being on the forefront of the national governments’ agenda.

In some countries, such as Belize and Jamaica, organisations explained that while some members are more aware, it is particularly the SMEs that are not as familiar with the agreement. An organisation in Belize explained that members are generally aware of the broad strokes, but are not aware of the finer details and opportunities that exist, especially as it pertains to the services sector. Likewise, in Jamaica a BSO explained that smaller members have less research capacity and therefore more likely to deal with what they are most familiar with, such as the North American market.

Other stakeholders explained that many of their members are not interested in the EPA because of the small size of their companies, rendering them unable to compete in the European market. It was often described as not a priority.

Awareness and interest on the EU side were also reported as low. The Caribbean Export Development Agency (CEDA) noted that more awareness raising could also be done on the EU side, as with the activities carried out in CARIFORUM. BusinessEurope reported never having received a query on the EPA, pointing out that it is not a priority market for the large majority of their constituents. The European Services Forum pointed to the CARIFORUM as not being a priority, due its size and lack of regional integration.

A medium-sized manufacturing company in the Dominican Republic expressed that meeting the right partner on the EU side continue to be the largest challenge. The stakeholder explained that more information on the EPA also needs to be spread on the EU side.

Information on the EPA or how to use it

There is a proliferation of well-equipped and professional Business Support Organisations across the CARIFORUM region that provide occasional trade-related information and assistance. However, businesses seemed to be unable to find and use the information, either because it is too scattered or they lack to capacity to process it. While several organisations provided examples of the work carried out to inform and train members on the EPA, this appears to have lost momentum over time as other topics have come on the agenda of national governments. While trade assistance and SME support structures exist in most CARIFORUM States, these are rarely targeted specifically towards the EPA.

Lack of information on procedures was also mentioned multiple times. Stakeholders mentioned that there is no Help Desk on the EU side for services. An export agency in Jamaica shared how they have circulated the EPA service inquiry contact points across interested businesses, only for the businesses to receive no response. The same was pointed out by an independent consultant who had attempted to reach them for research purposes.

One Chamber of Commerce explained that “while technical information of what the EPA is, as well as the agreement itself is indeed publicly available (...) given the intricate language and structure of the agreement and its associated documents, it is necessary for there to be increased public awareness efforts that can augment the level of awareness. It is for these reasons, that it is believed that there is not sufficient information”. An Employment Federation from a smaller OECS state explained that the EPA is difficult for members to understand and requires great time and effort.

CEDA was mentioned multiple times as a useful avenue for interested person to become aware of opportunities under the EPA, but stakeholders felt that the information provided tends to stay on a general level.

The information portals hosted by the European Commission such as the Trade Help Desk were mentioned as providing excellent information. One Rum Association mentioned that its members often make use of EU websites when looking for further information for the exports to the EU. On the other hand, business stakeholders expressed that it was more difficult to find the relevant contacts and information of regulations at EU Member State level.

Information on regional integration or trade opportunities was considered largely unavailable or incomplete.

Implementation

Degrees of implementation vary across the countries. Concerns were raised particularly in a limited implementation of the regional preference clause, where several countries noted a lack of a “level playing field”. The limited implementation of the CARICOM-DR FTA was also mentioned as impeding

Parties' ability to implement the EPA regional preference clause. One Department of Commerce in an OECS Member State noted that the roll out of the EPA should be more coordinated both at the CARIFORUM and local levels.

Several EPA coordinators said their units are understaffed. Their departments do not have a specific budget line to carry out the unit's work and although some funding has been provided to assist with non-tariff and SPS issues, the process has been slow. Obligations under the EPA are costly for SIDS and financial assistance is therefore required. One coordinator from an OECS explained their country does not have the human capacity to undertake the work required for the implementation of the EPA.

The low level of implementation in Trinidad and Tobago was specifically pointed to by one Business Association as impeding European business. The reduction of tariff rates in the country have not begun and customs was not yet considered to be fully efficient and transparent. Also, the EU Delegation in Jamaica indicated to have received complaints of EU businesses operating in Jamaica about high import duties on food items from Europe.

Economic impact of the EPA

General consensus was that the direct economic impact of the EPA has been low. Most stakeholders pointed to low awareness, lacking implementation—making it difficult to attribute perceived changes to the EPA or low export capacity on the CARIFORUM side and low levels of interest on the EU side. As one Business Association in Jamaica put it, “the membership does not perceive the EU as an opportunity”.

General consensus was that the direct economic impact of the EPA has been low. Most stakeholders pointed to low awareness, lacking implementation—making it difficult to attribute perceived changes to the EPA or low export capacity on the CARIFORUM side and low levels of interest on the EU side. As one Business Association in Jamaica put it, “the membership does not perceive the EU as an opportunity”.

Some stakeholders were more positive. When asked for specific sectors that have benefitted from the EPA, stakeholders pointed generally to the seafood sector, high-end specialty retail sectors, and food and beverage wholesalers/distributors/retailers. Other sectors mentioned, due to their increased exports, were honey from Grenada to the EU, bananas from various countries to the EU, regional trade through Baron Food or Trinidad Cement going into Martinique through the EPA. The Caribbean fashion and music industries were also mentioned multiple times, and further explored in the case studies.

Others mentioned that while the EPA did not lead to major changes for CARIFORUM exporters in terms of access, it has created the framework for cooperation and discussions between the two Parties.

Investment, while covered in the EPA, was said to depend on other factors rather than the EPA's provisions. As expressed by one Investment Agency from St. Lucia, “the EPA was not a deciding factor during discussions with potential European investors. (...) the EPA does not add any value to their decision-making process for investing in St. Lucia.”

A stakeholder from Belize explained that EU investors have not been as forthcoming as was expected from the EPA. Interest in the region comes mainly from the USA and Canada. Another stakeholder described EU investments as “negligible” compared to North American and Caribbean investments. Similar sentiments were expressed on CARIFORUM’s interest in the EU as an export market. One Chamber of Commerce from Guyana explained that the main export market is CARICOM, followed by the US. The EU is not generally considered a viable market option.

Feedback from European Business Associations and Chambers of Commerce also pointed towards limited economic impact. While the EPA is seen as important and is welcomed, it is and can be only one of several factors impacting trade and investment. The associations in CARIFORUM Member States pointed to delayed implementation as a reason for why changes in trade flows cannot necessarily be attributed to the EPA. Regulatory issues on the ground (explained in the Doing Business challenges section below) were described as the key factor in limiting the EU’s business potential in the region.

Remaining trade challenges and barriers

Most stakeholders acknowledged that there were remaining trade challenges and barriers. Most of those mentioned barriers fall out of the scope of the EPA. This includes the shipping and logistics challenges. Shipping is not only costly when sending across the ocean to the EU, but also in the context of regional trade and distribution. Limited air travel and costly transport could be improved by distribution channels that small players can feed into, as explained by a Small Business Bureau in Guyana. Stakeholders also noted that due to recent consolidation trends in shipping lines products need to go to larger transshipments hubs to get on the lines to Europe, resulting in longer journeys.

The regulatory environment on the EU side was highlighted multiple times as being too complex. Sanitary and Phyto-Sanitary conditions, packaging requirement, labelling and product standards create “moving goalposts” (as they regularly change) that are difficult for companies to meet, particularly SMEs. Several Business Associations and Chambers of Commerce expressed that their members hold the view that the expected quality, standards and requirements needed to access the EU market are not readily achievable.

An SME company providing training in quality standards across several CARIFORUM States was of the opinion that many CARIFORUM companies are able to comply with EU standards but view the market as a “fortress that cannot be penetrated” and therefore do not try. Other stakeholders described exporting to the EU as daunting, both in agricultural sectors as in manufactured goods.

For service suppliers the main barrier is the difficulty of movement of persons for business purposes. Even companies that recognise the EPA as creating a framework that facilitated trade, such as a company in the Dominican Republic, explained that there needs to be more ease in visas for business, or general mobility. An export promotion agency suggested the creation of a visa category for the EPA.

Various business associations also noted that the differences in regulations, languages and authorities across EU Member States make the market less attractive as compared for example to the US.

Another challenge is firm readiness to access the market, with limited capacity and small-scale firms, which leads to a limited ability to take advantage of links created to the other ACP regions.

Doing business challenges

Stakeholders also highlighted local regulatory challenges for doing business. Most mentioned was the limited access to finance for SMEs. Other mentioned issues were lacking infrastructure for local entrepreneurs, high cost of electricity, high taxes.

One Small Business Bureau mentioned the issue of a business culture that is reluctant to form partnerships, which prevents small businesses from evolving. Several other stakeholders (e.g. an EU Delegation, an Export Promotion Agency) mentioned these partnerships and consortia between smaller exporters as the only way to overcome some natural barriers like limited supply capacity.

Reluctance and wariness towards external investment was also mentioned as part of the business culture in the region, by several stakeholders. A Small Business Bureau called for further entrepreneurship education and training to overcome this.

Business climate for EU investors or exporters varies per country but is not always conducive to business either. As a matter of fact, the European Business Chamber in Trinidad and Tobago expressed that the regulatory environment has been worsening over the last years for European business and trade, in terms of work permits, customs operations and VAT. Progress was identified in eGovernment procedures, with all regulations, procedures and forms being online. The same was expressed by the Chamber of Commerce of one of the EU Members States in the Dominican Republic, where issues with discrimination towards non-national companies were highlighted in judicial and contractual procedures. Furthermore, the Ley 173 of the Dominican Republic, which aims to protect importing agents, is seen as highly stifling by EU exporters. The law prevents operators from terminations of their distribution and importation contracts with their local counterpart, unless fees are paid or a just cause is put forward.

Development cooperation and assistance

Most stakeholders consulted recognised the assistance provided under development cooperation. However, the support was at times described as “limited, scattered or slow”. As explained by a Business Association from Guyana, development cooperation has not always addressed specific weaknesses. There was also a feeling that support has been scattered, in the sense that companies to receive support are chosen at random and not in a targeted manner and due to their export-readiness. One NGO noted that some companies that received support are too small to be able to export. Support should be more “tangible and practical”, was the opinion of an export agency in Jamaica. Scoping missions to Europe should concretely identify entities that can support CARIFORUM businesses.

On the public administration side, the Ministry of Agriculture of Barbados found that the most useful future technical assistance would be to help officials stay abreast of development in the EU related to SPS measures and standards.

The Rum Programme was often mentioned as a thorough programme offering varied support and allowing for collaboration between the private and public sector.

SME beneficiaries that had accessed CEDA-provided and EU-sponsored support held varying opinions. Trade missions, such as the Business Forum were well appreciated, as were marketing and consultancy services provided by CEDA. Direct Assistance Grants, while recognised as a way to scale up businesses, were also considered burdensome and time-consuming, particularly given SME capacity constraints.

At institutional level, some stakeholders from public administration in Jamaica considered that the focus of development cooperation (e.g. in the case of TBT) is primarily on the regional level, and there is insufficient attention to remaining constraints at the national levels.

CARIFORUM regional integration

Competition within the region was not looked on favourably by stakeholders from several countries, who pointed out that certain countries subsidise exports, others have a 100% tax rebate and there is generally “no level playing field”. One company indicated to have problems with IPR in the region, which were difficult to address in the current framework.

However, there seems to be some new momentum in regional integration, evidenced in the 2019 creation of two new important institutions. The setting up of a regional chamber of commerce (CARICHAM) to share lessons learned and good practices, as well as a regional private sector organisation (CARICOM Private Sector Organisation) set up by large important firms to promote intra-Caribbean trade and to coordinate production across the region were mentioned by stakeholders as positive developments.

The importance of cementing the Caribbean Single Market Economy (CSME), while long ongoing, seems to be back on the agenda. It was mentioned multiple times by both Chambers of Commerce and Ministries of Foreign Affairs in several countries. As a Ministry of Industry put it, the CSME is also considered an easier start, with lower thresholds, before fully engaging in trade with the EU.

The importance of building regional value chains was highlighted by different stakeholders as the only way to overcome the supply capacity issues of the smaller countries.

Case study consultations

The four case studies included in the Evaluation Report were developed on the basis of data analysis, literature review and consultations. The case studies took information both from targeted consultations, where the main topic of discussion was the sector under study, and from general consultations, where the sector was one of the topics of the consultations if it was particularly relevant. Below we provide the list of targeted consultations. However, the case studies also benefited from findings from other stakeholders, e.g. those at the Business Forum.

Case study consultations

Case study	Country	Organisation
Beverage exports	Trinidad and Tobago	Samba Brewing Company and Winery Ltd
	Suriname	SAB Distribution n.v (Alcoholic beverages distribution)
	Barbados	West Indies Rum Producers Association (WIRSPA)
	Jamaica	Wisynco Group
Cultural and creative services	Jamaica	Free People Entertainment Company
	Suriname	Track Drip
	Jamaica	Jamaica Trade and Invest (JAMPRO) - Film Commissioner
	France	MEDIACOM Reggae music agency
	Jamaica	Ministry of Culture
	International	UNESCO
	Jamaica	Free People Entertainment Company
Dairy exports	Dominican Republic	Supermercado Bravo
	Dominican Republic	Petroantillana
	Dominican Republic	Centro Cuesta Nacional
	Suriname	Melkcentrale NV
FDI in Tourism	Dominican Republic	National Hotel Association
	Dominican Republic	Grupo GRUMASA
	Dominican Republic	Pellerano & Herrera
	Dominican Republic	Horwath HTL
	Trinidad and Tobago	Tourism Trinidad Ltd
	Trinidad and Tobago	Tobago Tourism Agency Ltd
	Dominican Republic	Banco Popular

Source: Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States. (2021: 247-48).

Open Public Consultation

Commission services prepared the survey questionnaire for the 12-weeks Online Public Consultations, which provided the opportunity for all CARIFORUM and EU stakeholders to provide their inputs on various aspects of the agreement. The questionnaire was available in English, French,

German and Spanish. Although the development and implementation of this survey was managed by the EC, the results aimed to feed into this study as well.

There were only 11 respondents to the OPC, despite the fact that the consultation period was eventually extended from 12 weeks to 20 weeks. The distribution of responded types was as follows:

Open Public consultation

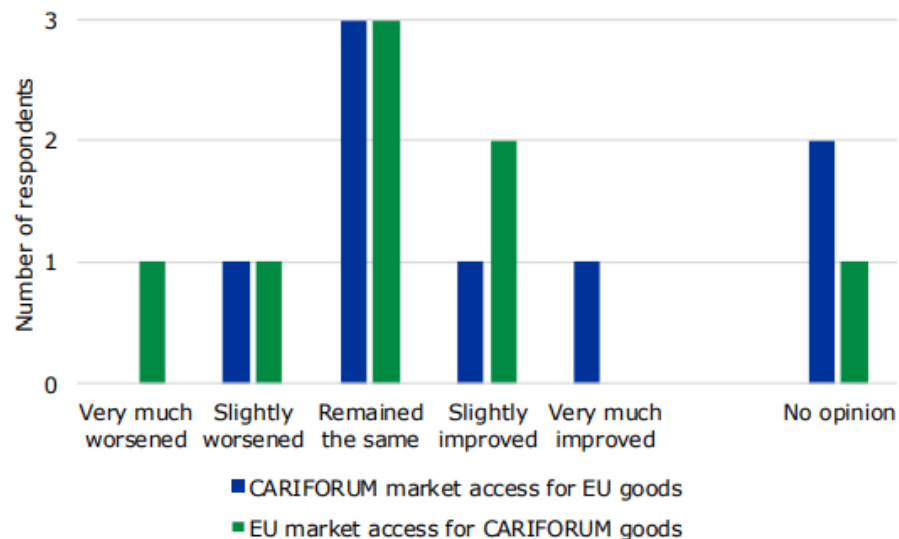
Type of stakeholder	Number of respondents
Company / Business organisation	6
Non-governmental organisation (NGO)	2
EU citizen	2
Public authority	1

Source: Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States. (2021: 248).

All of the respondents were aware of the EPA. The sources of information varied, with news, government and business associations all cited as channels through which they became aware of the EPA. Half of the respondents (6) are currently engaged in CARIFORUM-EU trade relations, whereas the others expressed interest to do so in the future, or having done so in the past. Three respondents mentioned information sources that helped them become aware of opportunities, namely, the Directorate-General for Agriculture and rural development, the Directorate-General for Trade, and the Europe trade help desk.

Respondents generally did not see large improvements in market access to the EU for CARIFORUM exports, not vice versa.

Figure: How has access to the market developed in the past five years?



Source: OPC; Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM Member States. (2021: 249).

Half of the respondents (5) currently make use of the tariff preferences. Those that do not attributed this to tariff preferences not being relevant or not applying to their business, while one explained that there is too much administrative burden involved in using tariff preferences.

On social issues, one respondent answered that the EPA has led to the occurrence of forced / compulsory / child labour whilst another answered that it has led to the decrease of these issues. No further information was provided.

The survey also allowed for open answers, as summarised below:

On the opportunities offered by the EPA:

- “Information was made available on the opportunities the EPA offers and the awareness is there but I have not seen any real initiatives from the business sector or government to expand exports;”
- “SMEs, in particular, require better access to information and training towards identifying the opportunities of trading with CARIFORUM States;”

- “Significant non-tariff barriers to EU-CARIFORUM trade continue due to the limited market size and production power of the CARIFORUM States relative to the costs and transport time involved.”

On trade with Outermost Regions:

- “Islands further away have more difficulty in exporting directly to the Caribbean EU than say to mainland USA. Complaints of Non-Tariff-Barriers also pop up so often;”
- We recommend to integrate the ORs from the outset in the negotiations and provide for their participation in the Advisory Committee and improve communication on EPAs within the ORs to better involve stakeholders"

Service enquiry points mini-survey

A mini-survey of six questions was sent to the list of emails provided by DG TRADE for every EPA service Enquiry Point in the EU Member States. We received six responses, of which:

- Four acknowledged being the EU-CARIFORUM services enquiry point;
- Five responded never having receiving any questions or requests on market access issues for CARIFORUM service exporters to the EU;
- Two responded being in a position to facilitate CARIFORUM service exports to the EU.

Civil society dialogue, meeting of the Consultative Committee and meeting of the Trade and Development Committee

A Civil Society Dialogue was held in Brussels on January 29, 2020. A meeting of the Consultative Committee and the Trade and Development Committees were held on November 26th and November 29th, respectively. The objective in each of these meetings was to present the interim findings of the evaluation and have a space to receive feedback from the participants. The presentation covered:

- The findings on the implementation progress of the EPA;
- The statistical trends;
- The findings on economic / social/ labour and environmental impacts.

During the Q&A, the focus of the attendees of the CSD was on sustainable trade (particularly sustainable tourism), labour rights and the difficulty for CARIFORUM citizens to obtain visas to EU MS. The latter point was also brought up in the other two meetings. In these two meetings, further feedback and inputs were provided on implementation as well as on remaining market access challenges.

CARIFORUM-EU Business Forum

The CARIFORUM-EU Business Forum was organised in Germany during 26-28 September 2019 and allowed over 150 CARIFORUM businesses to showcase their products and services. We received the list of attendees prior to the event and were able to schedule in interviews, as well as conduct ad-hoc interviews with stakeholders during those days. 30 stakeholders were interviewed from a variety of sectors and countries, including CARIFORUM and EU private sector.

While the information collected from the attending companies has fed into the main report, the overall findings are summarised as follows:

- Most products at the fair were niche products. The focus is often on high quality, uniqueness, environmental and social sustainability;
- Given the typically small size of the countries, the absence of a large manufacturing sector and suppliers of intermediate inputs, as well as poor trade logistics, production costs in all CARIFORUM States are high. There is also no capacity to produce for a mass market. With very few exceptions (Bacardi, Baron Foods) all producers are small and focused on their niche;
- Intermediate inputs are often sourced from outside the Caribbean, given the lack of suppliers/industry in most countries;
- Trade logistics is a major issue for all producers. With most producers working in a niche, quantities shipped typically amount to a pallet and not a container. Hence the absence of groupage services is a concern;
- A key issue for all producers is the difficulty of finding strong partners and distributors in the EU. For key industries an EU presence or a strong EU partner is critical;
- Brexit is a major concern. Many producers use the UK as an entry point into the EU market;
- For most producers the US market is more important than the EU. There is also a perception that the US market is more open (e.g. DR-US FTA). For some producers the Canadian market is also important.

Consultation process and challenges

During the inception phase, we commenced the initial engagement with some of the key stakeholder groups. With the support of the CARIFORUM Directorate and the EC/EUDs we started approaching the national EPA coordinators and customs authorities in the CARIFORUM States, the main regional organisations (e.g. CEDA, Caribbean Development Bank), and the first national stakeholders (Investment Agencies, Ministries of Foreign Affairs, some key business associations). The Consultations Team consolidated the list of stakeholders further through the support of the national EPA coordinators. Equally relevant to this assessment were the general business associations as well as a number of sector-specific ones, as they play a key role in identifying other relevant organisations and especially private businesses. For identifying those businesses that trade with the EU, CEDA was contacted. Given that it was clear that awareness of the EPA among stakeholders was relatively low, social media channels were used to spread information about the EPA and the evaluation, to increase the outreach of the consultations.

The evaluation set out to complete the first phase of the consultations (focused on implementation) in the course of one month. This took much longer. Several challenges were faced in the course of the implementation phase:

- Slow response and delays;
- Lack of awareness which required numerous follow-ups;
- Lack of information which meant that the consultants had to carry out additional research from numerous sources;
- Some Members States of CARIFORUM were impacted by Hurricane Irma and experienced loss of data which meant that information was just not available;
- Information for implementation were scattered across various agencies which meant that the local consultants had to use their time to continuously follow up across many entities to get the information;
- Collection of tariff schedules was time consuming and cumbersome, requiring several follow-ups;
- Freight forwarders were contacted to validate these schedules but were not responsive. Despite the efforts to contact them and follow up, there was simply no response either by email or phone.

For the consultations focused on assessing impact, consultations were rolled out with associations, private companies and NGOs however, several challenges were faced. These are outlined below:

- Slow response and delays; lack of response;

- Business associations were often not able to refer us to relevant companies, or organise FGDs with some of their members;
- NGOs active in social, human rights and environmental fields were difficult to identify and reach, as many are focusing on national issues and no or only limited knowledge of the EPA;
- Lack of awareness which meant consultants needed to engage with the stakeholders extensively;
- Many of the responses did not offer detailed examples and depth.

Based on the above, the approach had to be adapted significantly. This included a set of key actions:

- Conducting more interviews than foreseen. As the originally foreseen number of interviews was not sufficient to gain the required information, it was decided to cancel the originally foreseen workshop, and instead conduct additional interviews. Although the workshop was foreseen to validate some of the findings, this was now done in the other meetings (with civil society, the Consultative Committee and the Trade and Development Committee);
- Investing more time to identify specific private sector entities and stakeholders in the field of sustainability: The support of CEDA and the EUDs has been sought and while useful, some challenges remained. It caused delays as e.g. CEDA was only able to provide a consolidated list of private sector entities at a much later stage of the study. While this list has been useful, the majority of contacts were not relevant to the sectors selected. Several lists of private sector entities have been received from the delegations but they were the same successful businesses rather than a mix of businesses who faced both challenges and opportunities. This meant that further research had to be carried out to identify relevant companies. This has been a time-consuming exercise;
- A third round of consultations was rolled out to capture additional insights for the case studies.

Despite the challenges, important information on the impact of the EPA were captured through some of the initial interviews and other consultation tools and further expanded based on the above adjustments in the consultation process.

STAKEHOLDER LIST

Antigua and Barbuda

Antigua Distillery Limited

Customs

Ministry of Foreign Affairs, Trade and Immigration (+EPA coordinator)

The Bahamas

777 Studio (Recording studio)

Anex Distribution (Cigars and cigarettes)

Bahamas Chamber of Commerce and Employers Confederation

Bahamas Customs

Bahamas Financial Services Board

BahamasSpa (Tourism)

Barbados Light Industry Development Council

Caribbean Congress of Labour

Cari-BNB (Tourism)

Coca-Cola

Consulate of the Kingdom of Belgium in Nassau

International Culture Ltd. “The Bahamas Translators”

Manings Bahamas

Ministry of Financial Services, Trade & Industry and Immigration

Precision Bookkeeping

Royan Dean Consulting

Small Business Development Centre

TIFF Gallery (Art)

Barbados

1688 Orchestra and Collective (Music)

Barbados Chamber of Commerce

Barbados Coalition of Service Industries

Barbados Customs and Excise Department

Barbados Investment and Development Cooperation – BIDC

Barbados National Standards Institute -BNSI

Caribbean Export Development Agency

Caribbean Youth Environment Network

CARICOM Secretariat, Office of Trade Negotiations

Corporate Affairs and Intellectual Property Office – CAIPO

Delegation of the European Union to Barbados, the Eastern Caribbean States, the OECS and CARICOM/CARIFORUM

EU Delegation – DEVCO

Fair Trading Commission – FTC

Jay's Enterprises (Condiments, seasonings, spices, sauces)

Ministry of Agriculture and Food Security
Ministry of Foreign Affairs and Foreign Trade (+national EPA coordinator)
Ministry of Small Business, Entrepreneurship and Commerce
Parachute Film (Film and Animation)
Regional Organisation for Standards and Quality (CROSQ)
Small Business Office
T.A.L.E.N.T. (Film and Animation)
West Indies Rum Producers Association (WIRSPA)

Belize

Belize Chamber of Commerce and Industry (BCCI)
Customs Authority
Export Belize
Ministry of Investment, Trade and Commerce (+EPA coordinator)
Travellers Liquors

Dominica

Benjo's Seamoss & Agri processing
Customs Authority
Dominica Association of Industry & Commerce
Ministry of Trade, Energy and Employment (+EPA coordinator)

Dominican Republic

Agribusiness Board – JAD

Asociación Dominicana de Productores de Ron

Asociación Dominicana de Zonas Francas

Banco Popular

Business Commission for International Negotiations – CENI

Centro Cuesta Nacional (CCN) (supermarket chain)

Directorate General Customs -DGA

Export and Investment Promotion Center – CEIRD

Grupo GRUMASA Dominicana (Hotel Chain)

Horwath HTL - Santo Domingo office (Hotel, Tourism & Leisure Consulting)

Intellectual Property Authority – ONAPI

J&J Spirits

Ministry of Agriculture- OCTA

Ministry of Foreign Affairs

Ministry of Industry, Trade and SMEs – DICOEX (+EPA coordinator)

National Hotel Association

Pellerano & Herrera

Petroantillana (dairy importer)

Private Enterprise Council – CONEP

Supermercado Bravo

Ron Barceló

Ron Veleiro

Vinicola del Norte (Liquor distributor)

Grenada

Customs Authority

Grenada Distillers Limited

Grenada Industrial Development Corporation – GIDC

Ministry of Trade, Industry, Cooperatives and CARICOM Affairs (+EPA coordinator)

Guyana

Berbice Chamber of Commerce and Development Association

CARICOM Directorate of Trade and Economic Integration – TEI

CARIFORUM Directorate – EU-CARIFORUM EPA Implementation Unit

Central Corentyne Chamber of Commerce

Customs Authority

Georgetown Chamber of Commerce

Guyana Manufacturers and Service Association

Guyana Office of Investment - Go Invest

Guyana Trade & Investment

Guyana Revenue Authority

Guyana Small Business Bureau

Private Sector Commission of Guyana

Tourism and Hospitality Association of Guyana
Guyana Bureau of Statistics
Linden Chamber of Commerce
Ministry of Foreign Affairs (+EPA coordinator)

Jamaica

Attorney General's Chambers
Caribbean Development & Management Company / Free People Entertainment Company
Coffee Roasters
Coffee Solutions Limited
Customs Agency
European Delegation to Jamaica
Grace Kennedy Group of Companies (Food services)
Headline Entertainment
Jamaica Business Development Corporation
Jamaica Chamber of Commerce
Jamaica Manufacturers and Exporters Association
Jamaica Trade and Invest – JAMPRO
Liquid Light Digital (Video production company)
Ministry of Culture
Ministry of Finance
Ministry of Foreign Affairs and Foreign Trade

Ministry of Industry, Commerce, Agriculture and Fisheries
Trade Agreements Implementation Coordination Unit - CSME and EPA Focal Point
Quality Systems Solutions & Initiatives
Wisynco Group (Beverages)
Wray & Nephew - Campari Group (Jamaica brandy)
Touch by VLS – (Beneficiary, creative sector)

St. Kitts and Nevis

Customs Authority
Ministry of International Trade, Industry, Commerce and Consumer Affairs

St. Lucia

Baron Foods (Food supplier)
Bureau of Standards
Business Associations
Civil Service Association
Customs Authority
Department of Commerce, International Trade, Investment, Enterprise Development and
Consumer Affairs
Employers Federation
Export St. Lucia
Invest St. Lucia

Malfinis Film & Animation

Ministry of Agriculture, Fisheries, Natural Resources and Co-operatives

Ministry of Economic Development

Ministry of Tourism, Information & Broadcasting, Culture & Creative Industry

Natmed Limited (Health and beauty products)

Ministry of Commerce Customs Department

St. Vincent and the Grenadines

Customs Authority

Ministry of Foreign Affairs, Trade and Commerce

Vincyfresh – Winfresh (Juice and sauces)

Suriname

Association of Economists in Suriname

Anco Multi Services (Arts and entertainment)

Bureau Forum (NGO)

Bureau Intellectuele Eigendom (Intellectual Property Office)

Caribbean Agricultural Health and Food Safety Agency

Caribbean Investment Group NV

CARICOM Competition Commissions

Customs Authority

Investsur (Investment agency)

Manufacturers Association Suriname – ASFA
Melkcentrale NV (Dairy)
Ministry of Agriculture and Fisheries
Ministry of Culture
Ministry of Finance, Customs
Ministry of Trade and Industry
Orde van Raadgevende Ingenieurs in Suriname
Readytex Art Gallery
Suriname Standaarden Bureau
Trade Union Progressieve Werknemers Organisatie (PWO)
SAB Distribution n.v (Alcoholic beverages distribution)
Track Drip (Music)
Trade and Industry Association – STIA
Vereniging Surinaams Bedrijfsleven (Organisation for young entrepreneurs)
Willemsberg NV (Food importer and exporter)

Trinidad and Tobago

American Chamber of Commerce
Animate in Sunshine (Animation studio)
Central Bank of Trinidad and Tobago
Confederation of Chambers
Couva Business Association

Customs Authority
Exporth
European Business Chamber in Trinidad and Tobago (EUROCHAMTT)
Intellectual Property Office
Invest TT
Ministry of Finance
Ministry of Trade and Industry
Samba Brewing Company and Winery Ltd.
Tobago Tourism Agency Ltd (TTAL)
Tourism Trinidad Ltd (TTL)
Trinidad and Tobago Bureau of Standards
Trinidad and Tobago Manufacturing Association

EU, Member States and other

BusinessEurope (EU)
BVMW SME association (DE)
Cámara de Comercio Industrial Franco Dominicana (FR)
Curacao (Curaçao)
European Centre for Development Policy Management (ECDPM)
Eurocámara de Comercio de la República Dominicana (EU)
Directorate-General for International Cooperation and Development (EU)
Directorate-General for Agriculture and Rural Development (EU)

Handzup Group (Haïti)
Jugz Records (DE)
GIZ (German Development Agency, DE)
Ministry of Foreign Affairs (FR)
Ministry of Foreign Affairs (NL)
MEDIACOM Reggae music agency (FR)
Ministry of Overseas (FR)
RVO – Netherlands Enterprise Agency (NL)
Secretariat General for European Affairs (FR)
Ministry of Economy and Finance (FR)
Spanish Embassy in Santo Domingo (ES)
The Voice (UK)
UNESCO