Economic Relations





Step by step...Strengthening EU-ACS partnership

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The European Union has very quickly appeared as one of the major partners for the development of cooperation in the Greater Caribbean t was precisely in the year 2000, during the VIII Meeting of the Council of National Representatives of the Special Cooperation Fund of the ACS (CRNFS) in San Pedro Sula, Honduras, that the Member States and the Associate Members of the organisation formally recognised the institution's limits with regard to mobilisation of the extrabudgetary resources necessary for the implementation of Greater Caribbean cooperation projects.

It was then possible to overcome the structural difficulties within the Secretariat, thanks to the strengthening of human resources through the creation of new posts for specialists in project management and mobilisation of resources. The financing of these posts, assured principally and successively by the regional authorities of Martinique and Guadeloupe, has unquestionably contributed to improving the formulation of ACS cooperation projects and at the same time, to the identification of new sources of financing. Among the potential financiers, the European Union has very quickly appeared as one of the major partners for the development of cooperation in the Greater Caribbean.

Six years after officially introducing into the CRNFS the idea of bringing together the European Union and the ACS, a third exploratory mission is needed, in a more favourable geopolitical context, to enable concrete visualisation of the expansion and formalisation of the relationship between the European Union and the ACS. What follows is a reflection on the genesis of this relationship.

Integration of European territories into the Greater Caribbean cooperation area

With the technical and financial support of the Outermost Regions of the European Union (ORs) located in its cooperation area (French Guiana, Guadeloupe and Martinique) from February 2001, the ACS entered the negotiation process which would lead, after two series of meetings in Brussels in March and September 2001, to the recognition of the Association by the European Commission as a partner institution for the implementation of the European *Interreg IIIB Caribbean Space programme*, alongside the three ORs of the cooperation zone and other international organisations such as the OECS and CARICOM.

Since that period the ACS has participated, as a regional Point of Contact and therefore a member of the programme's steering and monitoring committees, in the design, management, stimulation, coordination and evaluation of *Interreg IIIB Caribbean Space*. With €24 million at the outset, for the 2000-2006 period, this European financial instrument, whose use is left to the discretion of the zone's three ORs, is aimed essentially at their integration into the Greater Caribbean, through the development of cooperation links with their neighbours.

To contribute to that objective, both the ORs and the European Commission recognised the benefit of the relationship with the ACS which, through its permanent bodies and activities in effect offers French Guiana, Guadeloupe and Martinique the unique opportunity to work together with the representatives of the different regional subgroups which make up the Greater Caribbean, and which only get together over intraregional cooperation matters within the Association's political dialogue and agreement forums.

From 2002, the same objective was also pursued with the British and Dutch Overseas Countries and Territories (OCTs) associated with the ACS¹, they too benefiting from a specific European fund for the development of regional cooperation. On the occasion of the 1st Forum between the European Union and the OCTs organised in Bonaire between 16 and 18 September 2002, the European Commission and the representatives of the participating territories consequently recognised the role of the ACS as an organism executing regional cooperation projects between the ORs, the OCTs and the ACP² countries of the Greater Caribbean.



In the case of ORs as in that of OCTs, the ACS offers those territories associated with the European Union a unique framework for the implementation of the objectives set out for them regarding regional cooperation and integration, in particular with countries belonging to groups falling under other financial instruments of the European Commission. In the zone, the reference here naturally concerns member countries of CARIFORUM³ and Central America, whose countries share, with the ORs and OCTs of the region, the shores of the Caribbean Sea.

Through this European programme linking the ACS and the ORs of the Greater Caribbean, twelve projects, involving all the countries of the cooperation zone, were presented within the framework of the Interreg IIIB Caribbean Space programme and developed between French Guiana, Guadeloupe and Martinique on one hand, and the other ACS Member States and Associate Members, representing a total of more than US\$2,370,860. These projects, coming under the different priority working themes identified by the Foreign Ministers of the ACS Member States and Associate Members, concerned several axes of the Interreg programme; in particular: sustainable tourism development, building intellectual capacity, circulation of information and structuring of the cooperation area, improvement of air and maritime transport in the area,

prevention of natural disasters and development of commercial trade within the Greater Caribbean.

The evaluation of this first relationship between the European Union and the Association of Caribbean States was carried out implicitly in 2006, on the occasion of the renewal of the partnership between the ORs, the ACS, the OECS and CARICOM within the new Interreg IV programme for the 2007-2013 period in the Caribbean.

This cooperation fund which has, for the next six years, a total budget of a little over $\in 63.8$ million, remains dedicated to the development of cooperation between the ORs of the Greater Caribbean zone and the OCTs, as well as the countries of the ACP and Latin America which surround them⁴. A significant innovation for the ACS territories, partnering with ORs, was nevertheless introduced into the framework of the 2007-2013 programme, which now makes it possible to use up to 10 per cent of the total amount of the programme's financial budget for third party countries⁵.

This latest development, coupled with the obvious increase in the budget of the Interreg programme, bears witness to a strong political desire by the European Commission and the ORs, within a global context which seems particularly favourable to the development of intraregional cooperation within the Greater Caribbean.

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Eneko Landaburu, Director General of DG-RELEX (on the front right), looks at the documents submitted by the Secretary General, Dr Rubén Silié (front left), in the presence of the Vice-Minister Luis Fernando Andrade Falla and Stelios Christopoulous





The Caribbean **EPA** includes a section aimed at developing trade and cooperation between the CARIFORUM states and the territories of the region linked to the European Union

In 2007: Expansion of the EU-ACS relationship to satisfy broader objectives than the integration of the ORs and OCTs of the Greater Caribbean in their regional environment: A context favourable to the development of strengthened cooperation within the Greater Caribbean.

The 11th Meeting of the ACS Ministerial Council, organised in Guatemala on 26 January 2007, decreed this new year the "Year for the Entry into Force of the ACS Legal Instruments." This decision comes within the continuity of the Declaration of the Heads of State and Government of the Greater Caribbean signed in Panama on 29 July 2005, which clearly expresses the desire to see the development within the ACS of cooperation programmes on a larger scale.

The absence of ratification of regional agreements relating to air transport, natural disasters and sustainable tourism by the required number of Members of the ACS limits both the commitment of the Member States and the scope of the cooperation actions implemented in the region. Ratification of the Association's legal instruments by the sufficient number of Member States and Associate Members defined by each agreement will, without any doubt, enable the design and implementation, within the ACS, of strengthened cooperation in the sectors of sustainable tourism, prevention and reduction of the effects of natural disasters and development of air transport in the zone.

To date, 15 Member States have ratified the Convention establishing the Sustainable Tourism Zone of the Caribbean (STZC), and seven of which must still ratify the Convention in order for it to come into effect. Similarly, 17 Member States are concerned with the agreement relating to regional cooperation with regard to natural disasters: seven of which must still ratify the Accord to allow it to come into effect. Finally, nine Member States of the ACS are concerned with the regional agreement on air transport, which will come into effect once three additional Member States have ratified it.

Moreover, following the Ministerial decision of January 2007 aimed at speeding up the implementation of the Association's legal instruments, the signing in February in Belize of the Cooperation Agreement between CARICOM and SICA, both Founding Observers of the ACS, formalised different areas of strengthened cooperation within the Greater Caribbean. The stress was placed in particular on the environment and on the reduction of the effects of natural disasters, the development of regional trade and investment, air transport and sustainable tourism; all areas for which CARICOM and SICA want to introduce strengthened cooperation within the ACS.

Another noteworthy development to stress in the region: the end of non-reciprocal preferential treatment granted by the European Union to the ACP States on 31 December 2007 and the necessary coming into effect consequently of the Economic Partnership Agreement (EPA) for the Caribbean from 1 January 2008, in its 'commercial', 'development' and 'integration' dimensions.

The Caribbean EPA very clearly displays a purpose and objectives broadly shared by the Association of Caribbean States, in particular regarding the facilitation of the regional integration process and sustainable development of the region. Moreover, beyond the essentially bilateral aspect marking the negotiations of the Economic Partnership Agreement between the European Union and the ACP States of the Caribbean⁶, this regional EPA, in reality, has repercussions which exceed the mere CARIFORUM framework.

Indeed, the Caribbean EPA includes a section aimed at developing trade and cooperation between the CARIFORUM states and the regional territories linked to the European Union. This concerns essentially on one hand the ORs, which as an integral part of the European Union, will necessarily adhere to the EPA, and on the other, the British and Dutch overseas countries and territories, (OCTs – including Aruba, the Netherlands Antilles and Turks and Caicos), all Associate Members and/ or stakeholders in the activities of the ACS.

Bearing in mind the nature and objectives of the ACS, this section of cooperation and development of intraregional trade, finds, within the ACS Special Committees for regional economic relations and sustainable tourism, a unique framework for the implementation of common activities between the States belonging to different groups of the ACS: the non-grouped ones (the Dominican Republic), CARICOM and the Associate Members (France, Aruba, the Netherlands Antilles and soon Turks & Caicos). In this unsettled regional context, the relevance of the ACS as an organisation for coordinating cooperation is reaffirmed.

Along with the clear willingness of the European institutions to develop better coordination within the 'bi-regional' relations desired between the European Union on one hand and Central America and the Caribbean on the other, these developments promote



the interest of the Greater Caribbean as a relevant cooperation space and reinforce the role of the ACS within those different relationships.

It is in this context that an ACS delegation, led by the Deputy Foreign Minister of Guatemala, Mr Luis Fernando Andrade Falla and the Secretary General of the ACS, Dr Rubén Silié Valdez, visited Brussels as an exploratory mission, in order to introduce the ACS as a key institution capable of receiving European cooperation for the coordination and facilitation of those different relations within the Greater Caribbean.

The interest displayed by the contacts met within the framework of that exploratory mission, confirms without a shadow of a doubt, the major influence of this exploratory mission in Europe.

Despite the composition of the organisation, its permanent nature and the bilateral relations maintained with the European Member or Observer States, the Association of Caribbean States remains a relatively young international organisation, little-known and not clearly perceived on the international scene. The nature of the questions put to the ACS delegation bears witness to the lack of understanding of the structure and therefore justifies the introduction made by the Deputy Foreign Minister of Guatemala, Luis Fernando Andrade, and the Secretary General, Rubén Silié.

The mission's success, measured by the positive responses obtained from the high-ranking European officials and representatives of the national authorities of the European countries met (including Spain, Austria, France and Germany) testifies to the potential of the Association of Caribbean States as a regional space for political dialogue and as an institution for coordinating interregional cooperation within a geopolitical area under construction: the Greater Caribbean.

This mission indisputably opens up new prospects for working with the European Union and the Member States of the Union. An opportunity which must be seized today, by authorising the participation of the European Commission in the political dialogue within the ACS, as an observer body, alongside CARICOM, SELA⁷, SICA⁸, SIECA⁹, CTO¹⁰ and ECLAC¹¹.

The ACS is in fact today the only regional entity bringing together at the same time, and permanently, European territories (the French ORs), OCTs and all the ACP countries of the region, around common objectives of strengthening the processes of economic integration and sustainable development, through cooperation and political dialogue. Through its permanent forums, the Association offers a unique framework for the coordination of strengthened cooperation, facilitating both the development of collaboration between SICA and CARICOM, the implementation of the Caribbean EPA and more broadly the strengthening of cooperation between ORs, OCTs and Caribbean ACP countries, as well as the monitoring of political dialogue and the EU-Latin American & Caribbean (LAC) relationship.

1 This involves to date, the islands of Aruba, the Dutch West Indies and soon the Turks and Caicos Islands (for which the procedure for membership of the ACS is currently in progress).

2 Sixteen Caribbean countries have signed the Cotonou Agreement with the European Union: Antigua & Barbuda, the Bahamas, Barbados, Belize, Cuba, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St Kitts & Nevis, St Lucia, St Vincent & the Grenadines, Suriname and Trinidad & Tobago.

3 CARIFORUM, cooperation framework between the European Union and the Caribbean countries, includes the ACP countries of the zone, with the exception of Cuba

4 The cooperation zone covered by the Caribbean Interreg programme goes beyond the cooperation space of the ACS to cover all Caribbean OTCs, the two new French overseas collectivities of St Martin and St Barthélemy, Puerto Rico, the American Virgin Islands, Brazil and the countries of North America

- 5 Cf. Article 21.3 of (EC) Regulation 1080/2006.
- 6 With the exception of Cuba.
- 7 Latin-American Economic System
- 8 Central-American Integration System
- 9 The Central American Economic Integration Secretariat
- 10 Caribbean Tourism Organisation

11 Economic Commission of the United Nations for Latin-America and the Caribbean.

The success of the ACS mission to Europe testifies to the potential of the Association of Caribbean States as a regional space for political dialogue

View of the Press Room at the European Commission headquarters in Brussels

