

Title of the initiative: **Communication 'A Joint EU-Caribbean Strategy'**  
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Lead DG/contact person/details: **DG DEV/ D1**  
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## Initial IA screening & planning of further work

### A. Context and problem definition

(i) What is the political context of the initiative?

Since the adoption of the strategy "An EU-Caribbean Partnership for Growth, Stability and Development" (COM(2006)86) three years ago a series of important events/dynamics have occurred that would argue for revisiting the 2006 document:

- The Economic Partnership Agreement (EPA) with the Caribbean States (CARIFORUM<sup>1</sup>) has been signed in 2008 and is now under implementation, setting the trade and development assistance related aspects of the partnership in a new context and bringing about new challenges and opportunities for the region and for bi-regional relations. A slow down in progress towards the completion of the Caribbean Single Market Economy (CSME), has created a new dynamic in sub-regional alignments.
- The financial crisis has been hitting the small and vulnerable economies of the Caribbean particularly hard and has led to a process of revision of policies within the region but has also brought some Caribbean states once again in the forefront of criticism of their offshore financial services sectors.
- The unabated global demand for cocaine comes at a huge cost: drug trafficking and related crimes have caused significant damage in many countries of the Caribbean and are having significant detrimental effects on the economies in heavily affected countries such as Trinidad and Tobago and Jamaica.
- In intra-American relations, the new US administration is showing renewed interest in the Caribbean region (notably in the area of security) and negotiations for a Free Trade Agreement with Canada are ongoing.
- Other new international players have been dynamically positioning themselves in the region, such as China and Venezuela.
- EU relations with the Caribbean have suffered significant tensions in recent times, inter alia through the impact of the end of preferential trade regimes for sugar and bananas, the controversies surrounding the EPA negotiations, delays in the implementation of some development aid programmes etc.
- The prominence of the debate on climate change (of vital interest also for the Caribbean) and the opportunities for enhanced collaboration in this area of crucial interest for the EU.

(ii) How does this initiative relate to past and possible future initiatives, and to other EU policies?

Once completed, the Communication will take the existing unilateral strategic relationship with the Caribbean region, based on the 2006 strategy, will form the basis for a jointly agreed strategy allowing for enhanced ownership and a common approach to issues of common interest whether at regional, bi-regional or multilateral level.

The EU and CARIFORUM validated during the May 2010 EU-CARIFORUM Summit, an outline for a Joint EU-Caribbean Strategy which is coherent with the two regions' wish for the bi-regional political dialogue to become the main vehicle for addressing a range of issues of common interest.

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<sup>1</sup> Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Suriname, Trinidad and Tobago

What are the main problems identified?

Relations with the Caribbean have suffered in recent times, inter alia through the impact of the end of preferential trade regimes for sugar and bananas, the controversies surrounding the EPA negotiations, and difficulties (delays) linked to implementation of some development aid programmes.

The Communication will contribute to adapting the EU-Caribbean relationship to the above-mentioned challenges and opportunities that have arisen since the 2006 Communication on the EU-Caribbean Partnership<sup>2</sup>, and will underpin the two regions' joint efforts to address identified issues of common interest, including the vulnerabilities of the generally small Caribbean countries, namely with regard to sustainable development and economic growth, integration into the global economy as well as with regards to climate change and natural disasters, crime and security.

With the conclusion of the EPA between the EU and CARIFORUM, still the first and only complete of the six EPAs signed, the region has taken on the challenges inherent in a change from a system based on unilateral preferential trade regimes and a donor-recipient relation to a partnership with mutual obligations. It is therefore natural that the framework of relations with the region should be based on a common analysis and cover all aspects of a mature partnership, including political relations, as the region has repeatedly called for.

Through the presence of EU outermost regions and overseas countries and territories (OCTs) in this region, the EU has an important self-interest in the Caribbean in order to foster and promote issues such as regional integration and cooperation, interconnectivity, fight against drugs and crime, migration, natural disasters, etc. In addition, the development of a joint policy framework is an important complement to fill the puzzle of sub-regional relations with the Latin American and Caribbean region (LAC): Association Agreements with comprehensive political chapters have been or are currently negotiated with Mexico and all countries and sub-regions of the South American continent (Colombia/Peru, Central America, Mercosur<sup>3</sup>, Chile).

It is therefore timely to review the EU's strategy towards this region. The 2006 Strategy and the analysis of the 10<sup>th</sup> EDF Regional Strategy Paper<sup>4</sup> could serve as a basis and starting point.

Who is affected?

Stakeholders include the European Commission, EU Member States, Member States of CARIFORUM and Civil Society in both regions

(i) Is EU action justified on grounds of subsidiarity?

Development policy is a joint responsibility of the EU and its Member States. In the context of the European Consensus for Development, support to regional integration, which is one of the main objectives of the joint strategy, was identified as a key priority for the EU, which should also promote co-ordination and harmonisation, in particular amongst its Member States. This coincides well with the ambition to reinforce the inter-regional dialogue, coordination and action expressed in the outline of the joint strategy.

(ii) Why can the objectives of the proposed action not be achieved sufficiently by Member States (necessity test)?

Member States should have a concerted and consolidated action at EU level, as most of the challenges addressed in the Joint Strategy are of regional, continental or global dimension.

(iii) As a result of this, can objectives be better achieved by action by the EU (test of EU Value Added)?

The coordination, cooperation, pooling of efforts and burden sharing between the EU level and Member States underpin the strategic approach.

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<sup>2</sup> COM(2006)86 of March 2006

<sup>3</sup> Argentina, Brazil, Paraguay and Uruguay

<sup>4</sup> [http://ec.europa.eu/development/icenter/repository/scanned\\_r9CARAI\\_rsp-2007-2013\\_en.pdf](http://ec.europa.eu/development/icenter/repository/scanned_r9CARAI_rsp-2007-2013_en.pdf)

Furthermore, a common framework for Member States' bilateral assistance increases the efficiency of the Commission's and Member States' efforts. Key principles, such as more demand-driven approaches, better coordination and division of labour, improved articulation between the different aid modalities, is expected to foster a more efficient and coherent role for the EU.

## **B. Objectives of EU initiative**

What are the main policy objectives?

To reinforce the relationship between EU and the Caribbean, in particular through political Dialogue and deepened political and technical cooperation in the priority areas of the Joint Strategy:

**a) Regional integration and cooperation in the wider Caribbean**, with particular attention to:

- Promotion of sustainable development through the building of capacity in the implementation of the EPA; development of enterprise; promoting innovation and competition; increasing investments and exports including in the areas of agro-industry and tourism; development of infrastructure networks and a skilled mobile labour force; generating wealth, social cohesion and poverty alleviation;
- Promotion of human and social development, through education and training; food and energy security; health and wellness; youth, gender and culture.

**b) Reconstruction and institutional support for Haiti**, through a long term and sustainable programme of cooperation between CARIFORUM and the EU, taking account of the development goals and strategy defined by Haiti.

**c) Climate change and natural disasters**, with special reference to capacity building, adaptation, mitigation and post disaster reconstruction.

**d) Crime and security**, including fight against drugs and arms trafficking

**e) Joint actions in bi-regional, multilateral and global fora**, including:

- Promotion of human rights, democratic values and governance reform of the United Nations and the international financial system and institutions coordinated response to the global financial and economic crisis, attainment of the Millennium Development Goals and pursuit of the Doha Development Agenda

Do the objectives imply developing EU policy in new areas or in areas of strategic importance?  
No

## **C. Options**

(i) What are the policy options?

a) No Commission action/initiative. The political process would lose momentum and cooperation complicated with a risk of political fallout and that new opportunities would not be seized.

b) A unilateral revision of the 2006 Communication. This would be a faster and less resource demanding exercise, and in addition allow for adaptation of the strategy to many of the new challenges, but would not ensure ownership by both regions, nor build convincingly in the newly re-launched political dialogue.

c) A Joint EU/Caribbean strategy adapting the partnership to the new challenges and opportunities, ensuring consensus and joint ownership of objectives and strategy building on the newly re-launched political dialogue.

(ii) What legislative or 'soft law' instruments could be considered?

None of the options would imply legislative initiatives. However, the successful implementation of the Strategy requires the gradual mainstreaming of its objectives into existing legislative, financial and cooperation frameworks between the EU and the Caribbean, and needs to be underpinned by adequate financial, human and technical resources (mainly through the European Development Fund).

(iii) Would any legislative initiatives go beyond routine update of existing legislation?  
No

Does the action proposed in the options cut across several policy areas or impact on action taken/planned by other Commission departments?

Yes, several DGs will be involved in the formulation of the Joint Strategy, depending on the priority areas yet to be defined, but certainly SG, AIDCO, ECHO, CLIM, TAXUD, TRADE, JLS, REGIO in addition to DG DEV and RELEX/the future EEAS,.

Explain how the options respect the proportionality principle?

The Joint Strategy refers explicitly to the added value at regional level, and the strategic activities will be proportionate to achieve the desired policy objectives. The Communication is a non-binding instrument and serves as guidance for implementation in external cooperation and related international dimensions of internal policies, where competence is shared between the European Commission and the Member States.

#### **D. Initial assessment of impacts**

What are the significant impacts likely to result from each policy option (cf. list of impacts in the Impact Assessment Guidelines pages 32-37), even if these impacts would materialise only after subsequent Commission initiatives?

The impact of the above referred policy options would **primarily be of a political and non-tangible character**. Nevertheless, it is anticipated the proposed Joint Strategy is the option that best paves the way for long term joint efforts resulting in positive economic and social indirect impacts namely economic growth, social cohesion, reducing transnational crime and facilitate common approaches and responses to global challenges such as climate change and the economic and financial crisis.

Could the options have impacts on the EU-Budget (above €5 million) and/or should the IA also serve as the ex-ante evaluation, required by the Financial Regulation?

No

Could the options have significant impacts on

(i) Simplification

No

(ii) Administrative burden

No

or on

(iii) Relations with third countries?

Yes – The Joint Strategy aims and further strengthen the relations with the countries in the Caribbean region. Through the presence of EU outermost regions and the OCTs in the region, the EU has an important self-interest in the Caribbean to foster and promote issues such as regional integration and cooperation, interconnectivity, fight against drugs and crime, migration, natural disasters, etc. In addition, the development of a joint policy framework is an important complement to fill the puzzle of sub-regional relations with the Caribbean region.

#### **E. Planning of further impact assessment work**

When will the impact assessment work start?

Given the essentially political nature of the Communication, no formal Impact Assessment is anticipated. Nevertheless, progress of the Joint Strategy will be monitored regularly at the

appropriate level in political dialogue meetings between EU and the Caribbean, internally within the EU and by the Africa Caribbean and Pacific Council Working Party and well as in the context of the EU-Latin America and Caribbean (LAC) process.

(i) What information and data are already available?

A stakeholder seminar was already organised in Barbados in March 2010

An outline of the Strategy was validated at the May 2010 EU-CARIFORUM Summit.

(ii) Will this impact assessment build on already existing impact assessment work or evaluations carried out?

N/A. This initiative is however founded on the analysis made on existing strategic analysis, i.e. in the context of the Regional Strategy Paper.

(iii) What further information needs to be gathered? (iv) How will this be done (e.g. internally or by an external contractor) and by when?

N/A

(v) What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

N/A

Which stakeholders & experts have been/will be consulted, how and at what stage?

Stakeholders are actively involved in the formulation of the Strategy. A stakeholder seminar was organised in March 2010, and joint drafting modalities are being defined.

Independent actors may also be called upon to produce analysis and assessment as required both in formulation and implementation phases.