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REPORT

on the EU-Caribbean partnership for growth, stability and development
(2006/2123(INI))

Committee on Development

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CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	2
EXPLANATORY STATEMENT	2
PROCEDURE.....	2

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the EU-Caribbean partnership for growth, stability and development (2006/2123(INI))

The European Parliament,

- having regard to the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee entitled 'An EU-Caribbean Partnership for Growth, Stability and Development', (COM(2006)0086) (hereinafter the "Commission Communication"),
 - having regard to the evaluation report on the Commission's regional strategy for the Caribbean, Volumes 1 and 2, of April 2005,
 - having regard to the conclusions of the General Affairs and External Relations Council of 10 April 2006, which include a confirmation of the Common Position on Cuba of 2 December 1996,
 - having regard to the Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus'¹,
 - having regard to the Vienna Declaration of the Third European-Latin American-Caribbean Civil Society Forum of 1 April 2006,
 - having regard to its resolution of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs)²,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Development (A6-0211/2006),
- A. whereas by 2020 some Caribbean States will have achieved developed country status, whilst others face a drop from the category of middle-income countries to that of low-income countries,
- B. whereas these small island States have an inherent vulnerability to natural disasters and other external shocks,
- C. whereas a dialogue has taken place between the Commission and representatives of CARIFORUM³ on the Commission Communication when it was in draft form,
- D. whereas the establishment, on the basis of self-determination, of the Caribbean Single

¹ OJ C 46, 24.2.2006, p. 1.

² Texts adopted, P6_TA(2006)0113.

³ The Forum of the Caribbean States of the African, Caribbean and Pacific Group of States.

Market and Economy (CSME) represents an important instrument for regional integration,

- E. whereas the CARIFORUM States wanted the EPA negotiations to incorporate a clear development policy dimension with a view to combating increasing poverty and inequality, fostering social cohesion and achieving the Millennium Development Goals (MDGs),
- F. whereas over 60% of the region's population is under 30 years of age, and whereas universal access to education is an unresolved problem for all Caribbean States, with the exception of Cuba,
- G. whereas the Belgian Government has made a positive assessment of the critical dialogue and development cooperation with the Cuban Government,
- H. whereas the programming phase for appropriations under the 10th European Development Fund has started, and whereas this aid should in future be disbursed more quickly and more efficiently and should be better tailored to the needs of the countries in the region,
 - 1. Applauds the involvement of the CARIFORUM Group in the discussions on the draft Commission Communication and welcomes the fact that the communication has taken account of most of the concerns raised by the States in the region;
 - 2. Welcomes the fact that the Commission has based its strategy on the ethos of equality, partnership and ownership;
 - 3. Regards Parliament's de facto marginalisation by means of a timetable which ruled out its involvement in the drafting of the cooperation strategy for the Caribbean as an exceptionally regrettable departure from the consensual approach employed by the three European institutions, an approach which had proved its worth in connection with the drafting of the Africa Strategy and the European Consensus on the European Union's development policy;
 - 4. Deplores the Commission's failure to take proper account of the recommendations made in its evaluation report;
 - 5. Endorses the Commission's analysis that cooperation between the two regions has not thus far been accompanied by proper political dialogue; regards as inadequate the practice of holding, once every two years, a one-hour meeting between the EU Troika and the CARIFORUM heads of government and welcomes the proposal that in future the requisite amount of time should be allocated to such a dialogue at all levels;
 - 6. Welcomes the planned involvement of the French overseas departments in the region (Guadeloupe, French Guinea and Martinique) and the Caribbean overseas countries and territories (OCTs) in the future political dialogue; in that connection, however, endorses the view expressed by the Caribbean States that the arrangements for this involvement must first be negotiated with those States which, in the context of the Cotonou Agreement¹, signed the agreement on the methodology for the political dialogue;

¹ Partnership Agreement between the members of the African, Caribbean and Pacific Group of

7. Endorses the standpoint adopted by the African, Caribbean and Pacific Group of States (ACP) that the definition of separate EU policies for the three ACP regions must on no account serve to undermine overall relations between the European Union and the ACP States; welcomes the establishment of an additional forum for political dialogue in the form of summits between the European Union and the States of Latin America and the Caribbean (LAC States), but insists on the primacy of the arrangements made in the context of the Cotonou Agreement;
8. Welcomes the intention stated in the Commission Communication of strengthening credible institutions and of encouraging good governance and transparency in the spheres of finance, taxation and justice in the Caribbean States; calls on all Caribbean States to ratify the UN Convention against Transnational Organized Crime and the UN Convention against Corruption;
9. Endorses the Commission's intention of giving priority to supporting the newly-created CSME; reiterates its view that development objectives must form the focus of the EPA negotiations, that the fledgling Caribbean internal market needs adequate trade-related support and capacity-building and that trade liberalisation must be properly sequenced;
10. Calls on the Commission to ensure that EPAs are structured in a way which takes into account regional realities and constraints, allowing for recourse to variable geometry if necessary; calls for any commitments undertaken within the framework of the EPA negotiations to be carefully sequenced with the delivery of EPA-related development support which targets the main areas of concern to the governments concerned, including economic restructuring to enhance competitiveness, fiscal adjustment and trade facilitation support;
11. Draws attention once again to the very significant contribution made by income from customs duties to the budgets and investment capacities of some Caribbean States and concludes, on that basis, that measures leading to the loss of this income, which at present cannot be offset by means of taxation, should not be taken without adequate compensation being provided; stresses, however, that the growth of trade between Caribbean States and between developing countries in general could help to offset losses of tariff revenues and contribute to more stable sources of revenue;
12. Endorses the Commission's assessment that the region's small, open economies are particularly vulnerable to global market forces; points out, however, that progressive trade liberalisation, with adequate safeguard mechanisms and allowing sufficient time for adjustment, promotes development and can therefore be a tool for combating poverty;
13. Believes that trade-related capacity-building measures must address supply-side constraints, inter alia by supporting the processing of basic products and the diversification of production, stimulating consultations with and support for small and medium-sized enterprises, eliminating bureaucratic obstacles to investment and thus promoting business development in the region;
14. Urges the Commission to implement Recommendation 7 of its own evaluation report, to

States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (OJ L 317, 15.12.2000, p. 3).

take account of the principles underpinning the United Nations Small Island Developing States Network; and requests the Commission to publicly disseminate the study carried out on the impact of trade liberalisation and globalisation on the sustainable development of such States;

15. Regards the compensation and adjustment programmes to cushion the impact of changes in the market for sugar and bananas as underfunded and, in the light of the recent demonstrations in the region, fears that social cohesion, a cooperation objective, may be seriously undermined;
16. Calls on the Commission to develop programmes to encourage agricultural conversion with a view to safeguarding and creating, in a manner consistent with the objectives of social, food security, energy and environmental policies, acceptable jobs in farms currently run along conventional and uncompetitive lines;
17. Calls for greater attention to be paid to the social, cultural and environmental implications of the cooperation strategy and for the development of systematic impact forecasting and assessment on the basis of the indicators provided by the (MDGs);
18. Welcomes the incorporation of important environmental-protection tasks in development cooperation with the Caribbean region and calls for massive funding to develop the use of renewable energy sources and energy efficiency with a view to forestalling the ruinous impact of the increase in oil prices and to slowing down climate change;
19. Shares the Commission's concerns that, as a result of global climate change, the frequency and intensity of weather-related disasters in the region will increase even further and supports the objective of improved natural disaster management, but deplores the lack of any reference to the EU-ACP natural disaster facility established in 2005; calls on the Commission to support the permanent long-term establishment of such facility; requests the Commission to provide regular follow-up on this process to the European Parliament's Committee on Development and to the ACP-EU Joint Parliamentary Assembly's Committee on Social Affairs and the Environment; draws attention to the vulnerability of the Caribbean States' economies to natural disasters and welcomes the Commission's announcement that it will employ new, quicker disbursement procedures for reconstruction aid which involve compulsory pre-financing;
20. Criticises the fact that the strategy for the Caribbean pays far too little attention to the task of dealing with the problem of youth unemployment and the growing frustration among young people; is concerned that the impending crisis in the Caribbean farming industry will serve to exacerbate this situation;
21. Emphasises the key role which the development of sustainable tourism can play as a force for economic development and advocates long-term financial support for the building of the requisite infrastructure (roads, ports, airports, etc.); draws attention, however, to the Commission's failure to acknowledge that regional and local ownership of tourist amenities is fundamental to that sustainability and must be encouraged in order to reduce the outflow of profits to ensure that local people are not forced into roles as menial workers and to prevent the ultimate destruction of landscapes;
22. Welcomes the Commission's offer to keep the door open for political dialogue with Cuba;

criticises, however, the tight restrictions imposed on any such dialogue on the basis of the 1996 Common Position;

23. Points out that successful representations by the European Union to the USA resulting in a lifting of the embargo policy could have substantial economic benefits for the entire region; in keeping with a policy based on respect for political, social, individual and economic human rights, urges the opening of a critical dialogue with the Cuban Government;
24. Emphasises the importance of coordinating development programmes with non-European players in the region, in particular Canada, China, Brazil and Venezuela, and, in that connection, regrets the fact that the Commission's portrayal of the involvement of other players is characterised by a degree of mistrust;
25. Emphasises the heterogeneous nature of the region and calls for a more nuanced cooperation strategy; against that background, calls on the Commission to assess, for each individual Caribbean State, on the basis of, inter alia, its degree of transparency, strong and independent institutions and good governance, whether the focus on budgetary aid is a suitable method of achieving development objectives;
26. Draws particular attention to Haiti's desperate plight and calls on the Commission and the Member States to develop a special programme for Haiti which goes beyond the scope of general cooperation with the Caribbean region and for which additional resources will be required; welcomes the generally satisfactory conduct of the presidential and parliamentary elections held in Haiti in February and April 2006;
27. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and the governments and parliaments of the Caribbean States.

EXPLANATORY STATEMENT

The European Parliament's Committee on Development deplores the fact that it is being given the opportunity to deliver an opinion on the future of cooperation between the European Union and the Caribbean region only after the Commission has already published its plans and the Council has - on 10 April 2006 - drawn its conclusions. This *de facto* exclusion of Parliament from the planning process is a departure from the tradition of productive cooperation between the institutions which seemed to have been established recently, for example with reference to the preparation of the Strategy for Africa or the European Consensus on Development, and exception must therefore be taken to it. Parliament can now only take Paragraph 22 of the Council conclusions literally and regard its opinion as a first contribution in response to the Council's invitation to all parties to ensure an effective follow-up to the conclusions. It is not without reason that the Parliamentary Assembly of Members of the European Parliament and the Parliaments of the ACP States will shortly be meeting in the Caribbean, when they will have an opportunity to debate the subject of effective joint parliamentary monitoring of the implementation and efficiency of the cooperation measures decided.

Being published in advance of the EU-LAC Summit in May 2006 in Vienna, the Commission proposal presents key data for the overriding objectives of cooperation between the European Union and the Caribbean region. The suggestion that an ethos of equality, partnership and ownership of future cooperation between these two regions should prevail is one which the European Parliament can only support.

However, at times the formulation of the strategy gives the impression that the EU sees it rather as a way of exporting to other parts of the world the European single market model and the transition to the service economy. Yet the Caribbean countries have a particular interest in putting the EU's many years of experience of integration to positive use in their own development and integration strategy, rather than simply playing 'catch-up'. 'Working towards human resource and knowledge based growth will also support the objective of improving social mobility for those adversely affected by the ills of structural reform and economic transition.' Is this a realistic objective for the whole of the Caribbean region? Is it the intention that farm-workers who lose their jobs on sugar plantations as a result of the reform of the European sugar market should be retrained as programmers?

It also seems very questionable whether the official assessment of the regional strategy for the Caribbean which was published in April 2005 has been sufficiently taken into account. In particular, the aspects evaluation, definition of indicators and data gathering, which are necessary measures for genuine monitoring of the success of investment, are again hardly mentioned in the Commission's strategy document.

On the whole, however, the approach proposed by the Commission comprises theses which are correct and which this report sets out to supplement constructively.

The heterogeneity of the region

The decision by the Commission and Council to treat CARICOM as the axis of integration

and CARIFORUM as the axis of cooperation is to be welcomed. This is particularly true of the intention to base cooperation on national and regional development strategies.

It is certainly also right to stress and promote shared objectives of the region.

However, the planning of cooperation is bound to remain inadequate if it does not also accept and take account of differences in needs, separate development goals and disparities in existing situations. This applies not only to the framework for development cooperation but also to the negotiations on an economic partnership agreement. Averages calculated for the region as a whole should not be allowed to gloss over the real differences between Haiti and the Bahamas.

Particularly for the disadvantaged countries in the region, special and additional efforts need to be defined in order to avoid jeopardising the effectiveness of the overall framework. Haiti requires a completely separate approach.

Specific reference should be made here to Recommendation 7 in the Assessment Report that the principles of the UN Small Island Developing States Network should be taken into account and a study commissioned to establish what impact the liberalisation of trade and globalisation are having on the sustainable development of such States.

The historical dimension of the partnership

The Commission report states in so many words:

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

In 2006 one would prefer not to have to read such a euphemistic description of the history of colonialism in a Commission document.

It would have been right to mention that no reparations have yet been made for a history of enslavement, abduction and eradication of indigenous populations and the plundering of the region's resources which facilitated the rise of Europe. It would also have been right and proper to have said that, precisely during the decolonisation phase, measures to guarantee supplies of sugar, bananas and rum to Europe, supported by tax-funded tariff preference systems, first established those monocultures and dependences which now make it so important to seek to diversify the region's economy.

Against this background, as much as anything, the European Union should feel a sense of obligation to provide considerably more conversion aid for farms, particularly with reference to strategies to ensure food security and make greater use of renewable energy sources.

CSME

The decision by a majority of the CARICOM countries themselves to set up the Caribbean Single Market and Economy (CSME), as an element in regional integration, is very welcome,

as is the European Union's plan to support its establishment and development. The CSME now makes an instrument available to the Caribbean region which will promote trade within the region.

Against this background, in particular, in the negotiations concerning the Economic Partnership Agreements (EPAs) the EU should be extremely careful not to endanger the newly created economic area by means of excessive external liberalisation demands, let alone calling into question the ownership of this new entity by imposing clauses which infringe sovereign powers of decision-making with the aim of securing investments.

The assertion by the Commission that the EPA process will for the first time provide a rules-based framework for Caribbean integration ignores the rules already adopted in the CSME and seems arrogant in this context.

Other actors in the region

The very brief assessment of the activities and interests of other actors in the Caribbean region presented in Annex II seems, throughout, to be marked more by mistrust than by a search for possible synergies and the attainment of coherence. However, the appreciation of how important both are in coordinating the aid provided by the European Union and its own Member States is no less valid with reference to non-European actors such as Brazil, China, Canada or Venezuela. A forum should be established, under the auspices of CARICOM/CARIFORUM and with the involvement of the ACP countries, to coordinate the commitments of these various actors with those of the EU and its Member States.

Cuba

The mere reference to the position adopted by the EU ten years ago on the subject of its relations with Cuba represents a missed opportunity on the part of the Commission and Council. The earlier bilateral cooperation experiences of the Member States France and Spain are not assessed, and neither the current experiences of the Belgian Government nor the significance of Cuba's development cooperation with other countries in the region and beyond are acknowledged. The desire of all the Caribbean partner States to see an end to the US embargo on Cuba, which harms the development of the whole region, is not mentioned.

The Commission fails to analyse and learn from those particularly successful Cuban development cooperation strategies which, in the field of medical care for example, have made Cuba increasingly respected among its neighbours and further afield as well.

Here the EU, which bears a responsibility of its own for the development of relations with Cuba, is in danger of failing to respond to the change in the political climate in the region and missing an opportunity to engage in a dialogue which could include a constructive debate on such controversial topics as individual political rights, freedom of information and the death penalty.

The 'open door' for political dialogue to which the Commission refers is to be welcomed, but this is not enough, as it refers strictly to the Common Position of 1996 and thus only allows scope for humanitarian aid measures. A return to cooperation and dialogue is the better option in this context. Canada, which has long since adopted a constructive engagement policy

towards Cuba, could be taken as an example.

The environment

The launching of cooperation in important fields of environmental protection as part of development cooperation should be unreservedly welcomed. However, it should be added that we now know that, because of global climate change, an aggravation of the frequency and severity of meteorological disasters in the region can even be expected. The EU should therefore respond to the challenge not only by repeatedly helping a region where disaster has struck to reconstruct but by reducing its own emissions more. Moreover, technology transfer is needed, to ensure that successful regional development in the Caribbean does not at the same time lead to correspondingly increased emissions, to the detriment of the global climate.

The Commission document also fails to mention the aspect of the special dangers - which are also of a special kind - facing the island States in the Caribbean partner region due to a rise in sea level.

Youth

The plan by the European Union and its Member States, as a follow-up to the EU-LAC Summit, to 'prioritise the creation of a Common Higher Education Area between Europe, Latin America and the Caribbean' is an important and promising initiative.

However, it will reach only a limited proportion of Caribbean young people. As 60% of the region's population is aged under 30, the whole of development cooperation should be aimed far more at this generation and provide opportunities for the many young people in the region. Otherwise, frustration due to persistent poverty and non-existent prospects may endanger social cohesion. It would not be possible to turn the bulk of these young people into university graduates in the foreseeable future, and it is therefore urgently necessary, as part of economic development strategies, to create job opportunities for low-skilled workers, including those who have not previously been employed.

Regrettably, however, the Commission strategy does not mention youth unemployment.

Sustainable tourism

The Commission rightly observes that the beauty of the region's landscapes is among its greatest assets and that expanding sustainable tourism is a genuine option. Its sustainability must not be confined to the environment, however. A tourism industry in which only large external investors and hotel chains build and operate and the profits are correspondingly exported cannot be regarded as sustainable. It degrades the indigenous population to a society of servants.

Subsidies from the European Investment Bank and other organisations should therefore be aimed much more clearly at developing a domestic restaurant and tourism industry.

PROCEDURE

Title	The EU-Caribbean partnership for growth, stability and development
Procedure number	2006/2123(INI)
Committee responsible Date authorisation announced in plenary	DEVE 15.6.2006
Committee(s) asked for opinion(s) Date announced in plenary	INTA 15.6.2006
Not delivering opinion(s) Date of decision	INTA 18.4.2006
Enhanced cooperation Date announced in plenary	
Rapporteur(s) Date appointed	Gabriele Zimmer 21.3.2006
Previous rapporteur(s)	
Discussed in committee	29.5.2006
Date adopted	30.5.2006
Result of final vote	+ 25 - 1 0 0
Members present for the final vote	Margrete Auken, Margrietus van den Berg, Danutė Budreikaitė, Marie-Arlette Carlotti, Thierry Cornillet, Michael Gahler, Hélène Goudin, Glenys Kinnock, Gay Mitchell, Luisa Morgantini, José Javier Pomés Ruiz, Horst Posdorf, Pierre Schapira, Frithjof Schmidt, Jürgen Schröder, Feleknas Uca, Mauro Zani
Substitute(s) present for the final vote	Milan Gaľa, Ana Maria Gomes, Alain Hutchinson, Linda McAvan, Manolis Mavrommatis, Godelieve Quisthoudt-Rowohl, Zbigniew Zaleski, Gabriele Zimmer
Substitute(s) under Rule 178(2) present for the final vote	María Isabel Salinas García
Date tabled	15.6.2006
Comments (available in one language only)	