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# The Caribbean in the European Union-Community of Latin American and Caribbean States Partnership





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The EU and Latin America and the Caribbean region launched a Strategic Partnership at the first Bi-regional Summit in 1999. The Community of Latin American and Caribbean States (CELAC) – launched in 2011 – became the EU’s counterpart for the bi-regional summit process and the strategic partnership. CELAC and the Strategic Partnership presents an opportunity for the Caribbean – being small states – to collaborate with Latin America and the EU to achieve their development objectives and to strengthen their position in international fora, yet the Caribbean’s participation in these processes has been marginal. Relying primarily on interviews, the study therefore seeks to explore ways of enhancing the sub-region’s participation in CELAC and the Bi-regional Strategic Partnership. We are deeply indebted to the interviewees for their time and the valuable insights they provided on the subject. We are also very grateful to Mr. Percival Marie, Secretary General of the Forum of the Caribbean Group of African, Caribbean and Pacific Group of States for convening a ministerial meeting at which valuable feedback on the study was provided. Special appreciation to Ambassador Colin Granderson for his generosity, kindness assistance and support. We are also very grateful to Ms. Valarie Odle for her assistance. Our deepest gratitude to the governments of Jamaica and Belize in particular, Ms. Marcia Thomas and Ambassador Dylan Vernon, respectively, as well as the Embassy of Cuba in Brussels for providing valuable comments and substantive feedback on the study. We are very thankful for the vision of the EU-LAC Foundation in commissioning and funding this study. Special thanks to the EU-LAC Foundation team, particularly, Dr. Anna Barrera, for their commitment towards bringing this project to completion.

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## LIST OF ABBREVIATIONS

<b>ACP</b>	African, Caribbean and Pacific Group of States
<b>ACS</b>	Association of Caribbean States
<b>AIRCOP</b>	Airport Communication Programme
<b>ALBA</b>	The Bolivarian Alliance for the Peoples of Our America
<b>ALBA-TCP</b>	The Bolivarian Alliance for the Peoples of Our America- People's Trade Treaty
<b>AMERIPOL</b>	Police Community of the Americas
<b>AOSIS</b>	Alliance of Small Island States
<b>ASBA</b>	Association of Supervisors of Banks of the Americas
<b>AU</b>	African Union
<b>Brexit</b>	British exit from the EU
<b>CALC</b>	Latin American and Caribbean Summit on Integration and Development
<b>CAN</b>	Andean Community of Nations
<b>CARDI</b>	Caribbean Agricultural Research and Development Institute
<b>CARICOM</b>	Caribbean Community
<b>CARIFORUM</b>	Forum of the Caribbean Group of African, Caribbean and Pacific Group of States
<b>CARIRI</b>	Caribbean Industrial Research Institute
<b>CARPHA</b>	Caribbean Public Health Agency
<b>CBSI</b>	Caribbean Basin Security Initiative
<b>CCCCC</b>	Caribbean Community Climate Change Centre
<b>CCMF CDB</b>	Caribbean Centre for Money and Finance Caribbean Development Bank
<b>CELAC</b>	Community of Latin American and Caribbean States
<b>CEMLA</b>	Centre for Latin American Monetary Studies
<b>CGBS</b>	Caribbean Group of Bank Supervisors
<b>CLICO</b>	Colonial Life Insurance Company Limited
<b>COFOCOR</b>	CARICOM's Council for Foreign and Community Relations
<b>COHSOD</b>	Council for Social and Human Development
<b>COPOLAD</b>	Cooperation Programme on Drugs Policies
<b>CORMS</b>	Cocaine Route Monitoring and Support
<b>COTED</b>	Council for Trade and Economic Development (CARICOM)
<b>CPI</b>	Corruption Perception Index
<b>CSME</b>	CARICOM Single Market and Economy
<b>CTA</b>	Technical Centre for Agriculture and Rural Communities
<b>ECCU</b>	Eastern Caribbean Currency Union
<b>ECLAC</b>	Economic Commission for Latin America and the Caribbean
<b>EDF</b>	European Development Fund
<b>EPA</b>	Economic Partnership Agreement
<b>ESCA</b>	Central American Security Strategy
<b>EU</b>	European Union

<b>EUROCLIMA</b>	European Union and Latin American Cooperation Programme on Climate Change
<b>EUROsociAL</b>	European Commission and Latin American Cooperation Programme on Social Cohesion
<b>FAO</b>	Food and Agriculture Organisation of the United Nations
<b>FCOR</b>	French Caribbean Outermost Region
<b>FDI</b>	Foreign Direct Investment
<b>FLAR</b>	Latin American Reserve Fund
<b>FTAA</b>	Free Trade Area of the Americas
<b>G20</b>	The Group of Twenty
<b>GAFILAT</b>	Financial Action Task Force of Latin America
<b>GATT</b>	General Agreement on Tariffs and Trade
<b>GDP</b>	Gross Domestic Product
<b>GNI</b>	Gross National Income
<b>GVC</b>	Global Value Chain
<b>GRULAC</b>	Latin American and Caribbean Group (United Nations)
<b>HDI</b>	Human Development Index
<b>HIV</b>	Human Immunodeficiency Virus
<b>IICA</b>	Inter-American Institute for Cooperation in Agriculture
<b>ICT</b>	Information and Communications Technology
<b>IDB</b>	Inter-American Development Bank
<b>IMF</b>	International Monetary Fund
<b>IMPACS</b>	Implementation Agency for Crime and Security
<b>INRA</b>	National Institute for Agricultural Research
<b>JECS</b>	Joint EU-Caribbean Partnership Strategy
<b>JRCC</b>	Joint Regional Communications Centre
<b>LAC</b>	Latin America and the Caribbean
<b>LAES</b>	Latin American Economic System
<b>LAIA</b>	Latin American Integration Association
<b>LAP</b>	Latin American Parliament
<b>LDC</b>	Least Developed Country
<b>MDG</b>	Millennium Development Goal
<b>MERCOSUR</b>	Southern Common Market
<b>MPI</b>	Multidimensional Poverty Index
<b>NBFI</b>	Non-bank financial institution
<b>NCD</b>	Non-communicable disease
<b>NGO</b>	Non-governmental organisation
<b>NIS</b>	National Insurance System
<b>NVA</b>	New Vision for Agriculture
<b>OAS</b>	Organisation of American States
<b>OECD</b>	Organisation for Economic Co-operation and Development

<b>OECS</b>	Organisation of Eastern Caribbean States
<b>PA</b>	Pacific Alliance
<b>PAHO</b>	Pan American Health Organisation
<b>PARIS21</b>	Partnership in Statistics for Development in the 21st Century
<b>PPP</b>	Public-private partnerships
<b>PPT</b>	pro tempore presidency
<b>PRELAC</b>	Prevention of the diversion of drug precursors in the Latin American and the Caribbean region
<b>RFSR</b>	Regional Financial Stability Report
<b>RG</b>	Rio Group
<b>RIFIC</b>	Regional Intelligence Fusion Centre
<b>RSDS</b>	Regional Strategy for the Development of Statistics
<b>RSS</b>	Regional Security System
<b>SADC</b>	South American Defense Council
<b>SDG</b>	Sustainable Development Goal
<b>SEACOP</b>	Seaport Cooperation Project
<b>SICA</b>	Central American Integration System
<b>SIDS</b>	Small Island Developing State
<b>SIFI</b>	Systemically Important Financial Institution
<b>SME</b>	Small and Medium-sized Enterprise
<b>TI</b>	Transparency International
<b>TSA</b>	Treaty on Security Assistance
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations
<b>UNASUR</b>	Union of South American Nations
<b>UNDP</b>	United Nations Development Programme
<b>UNODC</b>	United Nations Office on Drugs and Crime
<b>US</b>	United States
<b>USSR</b>	Union of Soviet Socialist Republics
<b>UWI</b>	The University of the West Indies
<b>WEF</b>	World Economic Forum
<b>WFS</b>	World Food Summit
<b>WHO</b>	World Health Organisation
<b>WTO</b>	World Trade Organisation

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# EXECUTIVE SUMMARY

Historically, the relationship between Latin America and the Anglophone Caribbean had been termed “distant”. Although the warming of relations started several decades before, the 1990s – the post-Cold War era – saw an intensification of engagement, fuelled by the imperatives of globalisation and the need for collaboration in an increasingly interdependent world. The strongest indication of the two sub-regions’ commitment to collaboration thus far was the establishment of CELAC in 2011. In 2013, CELAC became the organism through which the Latin America and the Caribbean (LAC) region relates to the European Union (EU) in a strategic partnership, established between the two parties since 1999. A strengthened CELAC is therefore necessary for enhancing the Bi-regional Partnership. Some of CELAC’s objectives are to promote regional integration, strengthen regional unity, and develop ties of solidarity and cooperation among LAC countries. The aim of this study revolves around achieving the above objectives, which inform the main research question: how can the participation of the Caribbean in CELAC be strengthened in order to boost CELAC and the Bi-regional Strategic Partnership? The Caribbean, in the case of the study is defined as CARIFORUM. However, we note that challenges of relations between the Caribbean and Latin America are being experienced predominantly by CARICOM states, the non – Latin members of the Caribbean sub-grouping. As the Caribbean relates to the EU in the African, Caribbean and Pacific (ACP) group, the study also examines the ACP-EU relationship vis-à-vis the Caribbean’s engagement in CELAC and the Bi-regional Strategic Partnership. Based on the work of Sandler (2010), the study adopts the view that the Caribbean’s participation in CELAC is likely to be enhanced and sustained on the basis of the challenges that it shares with Latin America, and proposes the following areas for collaboration: poverty and inequality, crime and security, food security, non-communicable diseases, financial vulnerability and governance and transparency. First, the study notes that, in light of the impending expiration of the Cotonou Partnership Agreement in 2020, and the importance the EU places on regional configurations – including those outside the ACP framework – which are in the same region, CELAC promises to have significance in the post-Cotonou framework. Second, the study identifies, as a basis for exploring how they could be overcome, the hindrances to the Caribbean’s participation in CELAC, key among them being resource constraints to attend and engage meaningfully in CELAC meetings which add to an already overburdened meeting schedule, arising out of

the existing “spaghetti bowl” of regional integration efforts in which the Caribbean participates. Third, the study identifies several assets the Caribbean possesses which can contribute to enhancing its participation in CELAC and the Bi-regional Strategic Partnership, including its successful experiences with regional integration and cooperation, the legitimacy of its voice on issues such as small state development and climate change, the make-up of its membership which provides openings to Latin America, and its access to other important groupings such as the ACP group, AOSIS and, in the case of the Anglophone Caribbean, the Commonwealth. Fourth, CELAC and the bi-regional Strategic Partnership provides several opportunities for LAC countries in general, and for the Caribbean, in particular, including: additional space for South-South cooperation; a forum to coordinate LAC positions; a window for increased leverage on the global stage; an institutionalised entry point for the Caribbean to Latin America; the opportunity to overcome existing divisions between the LAC sub-regions; opportunities for the Caribbean to take advantage of Latin America’s high levels of *per capita* income and technological advancements; an additional space to advance special consideration for the Caribbean and to advance its development objectives; increased weight for relating with the EU; an avenue to broaden triangular cooperation; and a space for the Caribbean to engage with the EU alongside the ACP framework. Fifth, arguing on the basis of subsidiarity, the study recommends that, by deepening complementarity and coordination among existing institutions, they could support the Caribbean’s participation in each of the substantive areas identified. Finally, the paper provides general recommendations. Those relating to CELAC as an organisation include: CELAC should provide a greater institutionalised and coordinating role for regional organisations; reduce the scope of the organisation’s agenda; strengthen the institutional structure; and regional powers should assume greater leadership role in the organisation. Recommendations relating to LAC relations include: tackle cohesion, first, between the LAC sub regions; boost trade relations between the LAC sub regions; foster LAC participation in global value chains; exploit Latin American and the Caribbean differences for enhancing cooperation; promote inter-regional transportation and the sharing of ICT among the LAC sub regions; and engage in more media reporting of LAC issues. Recommendations pertaining specifically to the Caribbean include: use the Spanish-speaking members of the group as bridges for more meaningful insertion in CELAC; further explore the benefit of CELAC; enhance coordination and overcome the implementation deficit; address language and cultural barriers; pool resources to increase participation; and continue to build and further strengthen its presence to increase its leadership in CELAC.

# 1 INTRODUCTION

## 1.1. Overview

The introductory chapter establishes the background and broad context for exploring the strengthening of the Caribbean's participation in the strategic partnership between the Community of Latin American and Caribbean States (CELAC) and the European Union (EU) (hereafter, the Bi-regional Strategic Partnership or Bi-regional Partnership). The chapter begins by providing the diverse conceptualisation of the Caribbean and the concept of the Caribbean selected for this study. Second, the evolution of Latin American-Caribbean (LAC) relations is outlined, from an initial distant relationship to one of engagement that began in the 1990s and was strengthened in the ensuing years. Third, the study provides an outline of EU-LAC relations and an overview of CELAC, its rationale, objectives and governance structure. Fourth, a brief background and an overview of the Bi-regional Strategic Partnership are provided. Fifth, changing ACP-EU relations and the implications are examined. Finally, an illustration of the diversity and commonalities between LAC sub-regions is provided.

## 1.2. Conceptualising the Caribbean

The notion of the Caribbean has evolved over time based on social, political and economic forces. As Girvan (2000) argues, the idea of what constitutes the Caribbean is being continuously interpreted and re-interpreted based on external and internal influences. In terms of geography, the region includes the islands in the Caribbean Sea while the Caribbean basin categorisation would include countries on the Central American and South American Caribbean coast. This latter interpretation – the Greater Caribbean – makes up the membership of the Association of Caribbean States (ACS). Caribbean countries are also linked by the history of colonialism with divisions based on the particular colonial power and related language. This is why Guyana, a country on the South American mainland, has closer ties with island nations in the Caribbean Sea. The Caribbean Community (CARICOM) consists of mainly the Anglophone Caribbean, plus Suriname and Haiti. The Organisation of the Eastern Caribbean States (OECS) is a sub grouping within CARICOM and, like

the latter, has members with a similar colonial heritage and geography; it comprises mainly English-speaking states of the Eastern Caribbean. External relations have also informed how the Caribbean is defined. The Forum of the African, Caribbean and Pacific (ACP) Group of States (CARIFORUM), consisting of CARICOM, the Dominican Republic and Cuba, is based solely on Europe's trade and economic relations with the Caribbean within the wider ACP framework (Girvan 2001). Because EU relations with the Caribbean take place within the Forum of the African, Caribbean and Pacific (ACP) Group of States framework, we define the Caribbean as CARIFORUM countries for the purpose of this study. However, we note that challenges of relations between the Caribbean sub-region and Latin America have traditionally been, and currently are, experienced disproportionately by the non-Latin Caribbean states, i.e., the CARICOM grouping.

### **1.3. History of Latin American-Caribbean relations: From distance to warming of relations**

Historically, Latin American-Caribbean<sup>1</sup> relations were predominantly characterised by a certain distance, but the circumstances of the post-Cold War period made strategic collaboration necessary. Before the 1990s, the LAC sub-regions were generally viewed as “distant cousins” because they were close geographically but distant relationally. The reasons for this were many; arguably the most significant was the difference in their colonial and historical legacies which resulted in divergent “linguistic, historical, socio-cultural, economic and institutional heritages and traditions” (Bryan 1979: 59).

Despite the differences, there were signs after the 1960s that the relationship was shifting towards some kind of engagement (Bryan 1979; Maira 1983). The increased number of newly independent states worldwide during the 1970s resulted in a redefined role for the United Nations (UN) and multilateral institutions for addressing ‘these states’ peculiar development needs and also paved the way for increased South-South cooperation. This development positively impacted the pattern of relations between the Caribbean and Latin America. Evidence of Caribbean engagement with Latin America became clear when the former joined regional organisations alongside Latin American states (Bryan 1979). The establishment of the Latin American Economic System (SELA) and the Caribbean Development and Cooperation Committee in 1975, the Inter-American Development Bank (IDB) in 1959, and the Organization of American States (OAS) in 1948, which included the

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<sup>1</sup> The literature on the distant relationship and subsequent warming of relations between Latin America and the “Caribbean” refers to the Anglophone Caribbean.

Caribbean, created new opportunities for the development of structured linkages between the two sub-regions (Byron 2014b). This led to diplomatic exchanges, as well as inter- and intra-bilateral and multilateral arrangements in trade and functional cooperation (Bryan 1979). These efforts were designed to develop closer economic links between the two sub-regions and to coordinate positions in international fora. With the exception of the OAS, the above institutions facilitated joint Caribbean and Latin American action without the participation of the United States (US) (Maira 1983). The development of the Caribbean's own integration arrangements also opened up opportunities for greater reflection on its relationship with its non-Anglophone neighbours, including those in Latin America. The Caribbean Community was established in 1973, was envisioned as the "framework for promoting economic and other forms of co-operation among its member territories and as a platform for their engagement with the rest of the international community" (Byron 2014b: 23). However, much of this international engagement involved a similar pattern of interaction with traditional diplomatic and trading partners. Engagement with Latin America remained limited. Notwithstanding this limited interaction, in the struggle for its independence gained in 1981, Belize found support from Latin American countries, including Panama, Venezuela and Mexico in the 1970s (Romero 2011).

Over time, CARICOM demonstrated increasing openness to the non-English speaking Caribbean. This was evident at the Fifth Conference of CARICOM Heads of Government in Nassau Bahamas in 1984 when it was agreed to extend observer status to non-members and to expand the privileges of those states which already had such status in its deliberations (CARICOM Secretariat 1984). Notably, at the Seventh Meeting of the Conference of Heads of Government of the CARICOM in Georgetown, Guyana in 1986, leaders adopted the Georgetown Declaration to deepen and widen CARICOM. This included "a number of decisions with respect [...] to the negotiation of trade arrangements with neighbouring countries in the Caribbean and Latin America". Heads of government also agreed to prioritise trade and economic cooperation deals with the Dominican Republic, Haiti and Suriname as well as with countries of the Andean Pact, Brazil and Mexico, and to initiate similar processes with the French and Netherlands Antilles (CARICOM Secretariat 1986: paragraph 15).

Latin American-Caribbean relations shifted dramatically towards a greater measure of "convergence, rapprochement and initiatives of horizontal co-operation" (Serbin 1991: 53) in the 1990s, mainly because of the imperatives of globalisation and growing acknowledgement of the need for collaboration in an interdependent world (Serbin 1991). The new phase of globalisation highlighted the fact that both regions were grappling with similar problems (Kirton 2008). This facilitated closer

collaboration between the two sub-regions (Kirton 2008; Serbin 1991). The free trade agenda since the 1980s attempted to bring the two regions closer economically. One notable example of this was the failed Free Trade Area of the Americas (FTAA) process,<sup>2</sup> which aimed to integrate the countries of the Western Hemisphere.

Another factor which encouraged more engagement was the easing of tensions in border disputes. This warming of relations between the Caribbean and Latin America, notably with Venezuela, Mexico, Colombia and Brazil, resulted in increasing bilateral and multilateral undertakings. The Caribbean began to realise that it had more in common with Latin America than with Africa and other developing countries with which the former had developed close ties in the Cold War era. Latin America also saw potential for trade with the Caribbean region and opportunities for access to the North American and European markets via preferential arrangements which the Caribbean had with the US and Europe. Latin America also had a growing awareness of the potential this collaboration had for enhancing leverage when negotiating with northern countries (Serbin 1991).

In more recent times, the Caribbean has looked to Latin America for responses to the former's economic crises, e.g. Venezuela, through the Bolivarian Alliance for the Peoples of Our America (ALBA) and Petrocaribe. Changes in the policy towards development assistance from traditional sources, and uncertainty about the future of the European Development Fund (EDF) after the expiration of Cotonou after 2020,<sup>3</sup> have also contributed to the Caribbean pursuing relations with non-traditional partners – Latin America being one of these. Caribbean states have engaged with Latin America through several channels: From the beginning, Guyana and Suriname participated in the Union of South American Nations (UNASUR), the South American Community of Nations, at the time. In 2006, Guyana representing CARICOM, assumed the Chair of the Rio Group. In 2007, Belize became the Pro-Tempore Presidency of the Central American Integration System (SICA). Several Caribbean countries have been members of, and benefited from PETROCARIBE; many have also been members of ALBA; and

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2 The last summit of the FTAA was held in 2005. The next summit planned for 2006 did not take place. The negotiations were aborted because of large-scale opposition from anti-globalisation groups and progressive governments in Latin America, notably those of Brazil and Venezuela; see: <https://www.thebalance.com/ftaa-agreement-member-countries-pros-and-cons-3305577> (accessed 23 January 2017).

3 "[...]In a reversal of previous positions, a significant number of European Member States have begun advocating for the European Development Fund to be incorporated within the main EU budget [...]. The size of the EDF is decided unilaterally by the EU, rather than negotiated with the ACP, but is governed by rules and procedures laid down in the Cotonou Agreement. As a result, and unlike the main EU budget, it is not subject to the approval or scrutiny of the European Parliament (EP). Thus, for example, the EP reviews and approves the Regulation governing the Development Cooperation Instrument (DCI), which is funded through the EU budget, but has no such remit with regard to the EDF Regulation. [...] The European Parliament would acquire new rights over the EDF which could complicate traditional relationships and ways of working [...]. Budgetisation is being proposed [maybe] to reduce the amount of money being spent through Brussels. The context would be the desire of some Member States to hold overall EU budget expenditure down at a time of fiscal stringency (ODI 2012: 1, 2)

there has been loose dialogue and cooperation between Guatemala and Belize (Romero 2016). Engagement has continued to exist, for example, between the CARICOM and ACS and SICA Secretariats, CARICOM and SICA member states, CARICOM and the Southern Common Market (MERCOSUR), and CARICOM and Latin American countries.

The establishment of the Association of Caribbean States (ACS) in 1994 was a significant indication that the Caribbean was indeed moving towards a greater measure of convergence with Latin America. The strongest indication of the two sub-regions' commitment to collaboration, at the time of writing, was the establishment of the CELAC in 2011. To a great extent, CELAC was facilitated by the leadership which emerged in many Latin American countries, whose objective was to form a hemispheric organisation without US participation.

#### **1.4. The Community of Latin American and Caribbean States**

The CELAC is a 33-member regional bloc comprised of sovereign LAC countries. The strength of this arrangement lies in its ability to bring together a group of nations having a “plurality of visions and public, economic and social strategies [...]” (Sanahuja 2015: 31) – the so-called “Unity within diversity” principle.

The CELAC was founded on 23 February 2010 at the Rio Group and Summit of Latin America and the Caribbean on Integration and Development (CALC)<sup>4</sup> in Mexico. CELAC is regarded as the successor to the Rio Group/CALC and as a mechanism to foster deeper, more inclusive LAC integration (de la Barra and Dello Buono 2012). The Declaration of Cancún laid the groundwork for the creation of CELAC and introduced a unique approach to regionalism which focused on the gradual integration, unity and balancing of the various aspects of diversity<sup>5</sup> of the 650 million people of the LAC region.<sup>6</sup> CELAC is therefore devoted to the enhancement of cooperation and the development of its own regional space that “consolidates and projects the LAC identity based on shared principles and values; and on the ideals of unity and democracy of [its] peoples” (Latin American and Caribbean Unity Summit Declaration 2010: 2).

4 CALC is the Spanish acronym.

5 CELAC acknowledges cultural diversity, including differences of language among member states. CELAC's Special declaration on culture as a promotor of human development, “Recognize the importance of culture for the sustainable development of all Member States and highlight its contribution to the integration of our peoples, preserving and promoting its multi-ethnic, multicultural and multilingual character.” (CELAC 2014c)

6 For more details, see: The Latin American and Caribbean Economic System (SELA), <http://www.sela.org/celac/> (accessed 9 January 2017).

The December 2011 Caracas Declaration, which created CELAC, further laid out the thrust of the organisation: strengthening and consolidating LAC cooperation for developing economic complementarities and South-South cooperation as a vehicle for integration and reducing asymmetries between the two sub-regions.<sup>7</sup>

The drive to promote the common interests of its members through participation, not only at the political level but also at the societal level, gives CELAC a unique character. Indeed, the formation of CELAC provided an opportunity for all LAC regional arrangements to fall under one umbrella where member countries could meet and consolidate a common position (de la Barra and Dello Buono 2012) on various issues of regional and international significance.

#### 1.4.1 Objectives and rationale

With the intensification of globalisation and increasing interdependence across the globe and among countries of the LAC region, the time was right for the creation of a mechanism such as CELAC. Former Mexican president, Calderon, echoed the sentiments of fellow leaders when he stressed that it was no longer feasible to face the future holding on to differences and called for unity based on the many similarities (without discounting the diversity) of the LAC region which outweighed the differences (Zabalgoitia 2010).

The principal objectives of CELAC are to promote regional integration and sustainable development, to foster political cooperation and promote a more comprehensive regional agenda in international fora, to position the region in events of international scope, to promote dialogue with other states and regional organisations, and promote regional and sub-regional institutions for cooperation and communication between organisations.<sup>8</sup>

#### 1.4.2 Governance structure

The CELAC is an intergovernmental body; it is not a treaty-based organisation and does not have a permanent secretariat. Instead, secretarial functions are performed on a rotating annual basis by the country which assumes the Pro Tempore Presidency (PPT) and hosts the summit in a particular year. This type of “soft organisation model” utilises “one or more declarations of a political-diplomatic nature” instead of

<sup>7</sup> For the full text of the Caracas Declaration, see: <http://www.cfr.org/americas/caracas-declaration-creating-celac-december-2011/p30452> (accessed 16 February 2017).

<sup>8</sup> For a detailed version of the objectives of CELAC, see: <http://www.sela.org/celac/> (accessed 10 January 2017).

treaties as the basis for cooperation (Virzo and Ingravallo 2015: 95). CELAC as a soft organisation or platform for political convergence seeks to integrate various existing treaty-based organisations and has assumed the role of a catalyst for regional and sub-regional forms of cooperation (Virzo and Ingravallo 2015).

The governance structure CELAC is as follows: The Summit of Heads of State and Government; Meeting of Ministers of Foreign Affairs; Pro Tempore Presidency; Meeting of National Coordinators; Specialized Meetings; and an Extended Troika.

The Summit of Heads of State and Government is the highest body of the CELAC. The Summit is usually held in the country holding the Pro Tempore Presidency. Its responsibilities are to:

designate the State to host the next meeting and that will serve as Pro Tempore Presidency of CELAC; define guidelines, policies, priorities, and establish strategies and action plans to achieve the objectives of CELAC; adopt policy guidelines and strategies for relations with third countries or other organizations or international, regional or sub regional intergovernmental forums; approve the modification of procedures and amendments required to facilitate the operation of CELAC; and promote citizen participation in CELAC (CELAC 2013: 2).

Meetings of Ministers of Foreign Affairs are held twice a year and extraordinary meetings can be convened at the request of a member State, if the need arises. Some of its functions include,

adopt[ing] resolutions to implement the decisions and statements of the Summit of Heads of State and Government; adopt[ing] draft statements and decisions to be approved at the Summit of Heads of State and Government; prepar[ing] the Summits of Heads of State and Government” (CELAC 2013: 2-3).

The Pro Tempore Presidency provides institutional, technical and administrative support for CELAC. Among its many functions are to:

prepare, convene and preside over the Summit of Heads of State and Government, the Meetings of Ministers of Foreign Affairs and National Coordinators, as well as the Meetings of Regional and Sub regional Integration Mechanisms; implement the decisions of the Summit of Heads of State and Government and the Meetings of Ministers of Foreign Affairs; and organize and coordinate CELAC meetings (CELAC 2013:4).

National Coordinators serve as the liaison between member states and the Pro Tempore Presidency and coordinate and monitor CELAC discussion topics. A head National Coordinator is appointed by each member state and as many alternates as may be necessary. Meetings of National Coordinators take place least twice a year ahead of meetings of Foreign Ministers and are usually held in the country holding the Pro Tempore Presidency (CELAC 2013). Some of the Meeting's responsibilities are to:

coordinate, at the national level, issues of unity, dialogue and regional political consensus of interest to the CELAC agenda; act as liaison and coordination for issues of unity, political consensus and dialogue; and follow up on and coordinate specific cooperation and development projects that are within CELAC's scope. (CELAC 2013: 5, 6).

Specialised meetings are held to discuss areas of interest and priority for meeting CELAC's objectives. The meetings are to be attended by senior officials with the authority to be able to make the requisite decisions. The Specialised Meetings are to be convened by the Pro Tempore Presidency in keeping with the provisions of CELAC's biennial work programme. The results of their work are reported to the Meeting of National Coordinators, which transmits these to the Meeting of Ministers of Foreign Affairs. If it is necessary, these Specialised Meetings may be preceded by preparatory technical meetings (CELAC 2013).

Initially, a *troika* comprising of the countries representing the current Pro Tempore Presidency or PPT, the previous presidency and the one which is to assume the presidency the following year was envisaged as the structure to guide CELAC's work. However, acknowledgment of CARICOM's active role as an "equal partner" in CELAC led to a decision in 2012, to transform the leadership mechanism into a *troika* plus one – a quartet – the current, past and incoming Pro Tempore Chairperson plus the CARICOM Chairperson (CARICOM 2012; CARICOM Secretariat 2014). This gives the assurance that the interests of CARICOM countries will be highlighted in the work of CELAC and "offers the opportunity for [CARICOM] to play a major role in shaping the identity and agenda of" the regional body (Byron 2014b: 42). The CELAC Pro Tempore Presidency has been held by: Chile (2012), Cuba (2013), Costa Rica (2014), Ecuador (2015), The Dominican Republic (2016), and El Salvador (2017). Since 2013, CARICOM representation on CELAC's quartet has been: Haiti (January to June 2013), Trinidad and Tobago (July to December 2013), St. Vincent and the Grenadines (January to June 2014), Antigua and Barbuda (July to December 2014), The Bahamas (January to June 2015), Barbados (July to December 2015), Belize (January to June 2016), Dominica (July to December 2016), Guyana (January to June 2017) and Grenada (July to December 2017).

## 1.5. European-Latin American and Caribbean relations

The European Union and the LAC region are no strangers to each other. This claim is supported by a statement made by the High Representative of the European Union for Foreign Affairs and Security Policy and Vice President of the EU Commission, Federica Mogherini, at the EU-CELAC Summit in Brussels in 2015, in which she said that Latin America, the Caribbean and Europe shared a long history of common aspirations and that in contemporary times they share a common agenda for peace and prosperity which is rooted in a cultural and historical foundation.<sup>9</sup> The EU-LAC relationship became closer after the foreign debt crisis in the 1980s when many LAC countries began to open their economies looking for international cooperation and allies (Dimon 2006). According to Schwarzkopf (2016), the summits of Rio de Janeiro (1999), Madrid (2002) and Guadalajara (2004) highlighted the first chapter of institutionalised cooperation between the two regions where participating nations agreed to foster peace and stability, increase bi-regional cooperation efforts and economic cooperation, as well to promote multilateralism and social cohesion.

The summits of Vienna (2006) and Lima (2008) are considered to be the second chapter of the EU-LAC relationship in which topics relating to energy, security, poverty and inequality were the main agenda items. In addition, undertakings were made in negotiations with Central America and the Andean Community (CAN) and, even though little progress was made in this area, one achievement to be noted is the launching of EUROCLIMA which introduced a bi-regional cooperation concerning knowledge exchange and the coordination of joint efforts (Schwarzkopf 2016).

The third chapter was comprised of the summits in Madrid (2010), Santiago (2013) and Brussels (2015) and was defined as a mixture of bi-regionalism and bilateralism. It was the Madrid summit that fostered an engagement in research and innovation with the establishment of the *EU-LAC Joint Initiative for Research and Innovation* and the Latin America Investment Facility which was created to promote investment projects and loans. As a consequence, Europe altered the nature of its engagement from that of a commercially-focused relationship with the LAC region to one which promoted multi-level dialogues in trade, investment and cooperation, and included a distinctly social component (Schwarzkopf 2016).

The LAC region is important to the EU for several reasons:

*LAC economic dynamism:* Between 2003 and 2014, the economies of LAC countries grew at rates well above those of the EU countries. Even in 2009, when the Gross

<sup>9</sup> The European Union, see: [https://eeas.europa.eu/headquarters/headquarters-homepage/331/latin-america-and-the-caribbean\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/331/latin-america-and-the-caribbean_en) (accessed 2 February 2017).

Domestic Product (GDP) decreased in both regions, the decline was much smaller in LAC nations (CEPAL 2015: 11). The impact of the global financial crisis of 2008-2009 was more pronounced in Europe (-4.4%) than in the LAC region (-1.3%) (CEPAL 2015: 18).

*Foreign direct investment (FDI):* The EU is the main investor in CELAC countries. In 2013, FDI reached €505,700 million, more than EU FDI in Russia, China and India together. CELAC countries' FDI in the EU is also important, reaching €135,500 million in 2013 (European Commission. Directorate-General Communication 2015: 8).

*Trade:* The EU's participation in trade with LAC has remained largely unchanged so far in the 21st century. Since 2000, the EU market accounted for approximately 12% of LAC's exports while approximately 14% of LAC imports originated from the EU (CEPAL 2015: 50). LAC's trade with the EU approached \$265,000 million in 2014, after reaching its peak in 2013 at 278,000 million (CEPAL 2015: 49). Additionally, the EU has concluded trade agreements with 27<sup>10</sup> of the 33 CELAC member states (European Commission. Directorate-General Communication 2015: 8). Meanwhile, China increased its trade exchanges with LAC countries. Between 2000 and 2014, China's exports to the LAC region increased from 1% to 9% (after having reached 10% in 2013), while its imports from the region increased from 2% to 16% over the same period (CEPAL 2015: 50).

*Common values:* The EU and LAC nations share a common set of values, including those related to democratic principles, the rule of law, open economies and commitment to multilateralism (Desarrollando Ideas 2015).

*The presence of emerging economies in the LAC region:* The LAC region includes large emerging economies like Brazil (Arnold et al. 2015; Hawksworth and Chan 2015) and Mexico (Dougherty et al. 2015; Hawksworth and Chan 2015), which interact with the EU in the G20 and hold some political clout in global governance.

### 1.5.1 The Bi-regional Strategic Partnership

The Strategic Partnership between the EU and the LAC region was launched in 1999 at the first EU-LAC Summit in Rio de Janeiro, Brazil. The Rio Declaration starts by emphasizing the need to “promote and develop relations towards a strategic bi-regional partnership based on a profound cultural heritage...and the diversity of

<sup>10</sup> In November 2016, Ecuador joined the EU-Colombia/Peru trade agreement. For more information see the European Commission press release: [http://europa.eu/rapid/press-release\\_IP-16-3615\\_en.htm](http://europa.eu/rapid/press-release_IP-16-3615_en.htm) (accessed 25 January 2017).

these cultural expressions” (European Union - Latin America and Caribbean Summit 1999: para. 1).

The Strategic Partnership is a bi-regional framework within which there is political dialogue and cooperation aimed at deepening relations between both the LAC and EU regions and developing a joint global vision.<sup>11</sup> The EU-CELAC platform is used to devise action plans which list priority areas; over time the list is extended to suit the needs of the states involved within the context of a dynamic global system. In this regard, the objective of the Bi-regional Strategic Partnership is to develop a socio-economic model through which knowledge transfer, education and sustainable development could foster cohesion between the two regions, while reducing poverty and promoting social inclusion and creating opportunities for everyone.<sup>12</sup>

While the Bi-regional Strategic Partnership is making positive strides to strengthen the “bottom-up” dimension of its integration-for-development strategy, there are some scholars who assert that the Partnership should widen the scope of its cooperation (Gratius and Nolte 2013). Sanahuja (2015) contends that the adoption of the Paris Agreement at the Conference of the Parties in 2015 and the 2030 Development Agenda have prompted new ways for the EU and CELAC to extend their cooperation and partnership.

## **1.6. The African, Caribbean and Pacific group-European-Union framework**

The Caribbean region is part of the ACP group, comprising 79 states that formed an intergovernmental multilateral organisation in 1975 through the signing of the Georgetown Agreement. The signatories of the first Lomé Agreement – the first cooperation agreement between the ACP group and the EU – were nine members of the European Economic Community (EEC) and 46 of their former colonies in the African, Caribbean<sup>13</sup> and Pacific regions.

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11 See EU-LAC Strategic Partnership. Available from: <https://eulacfoundation.org/en/eu-lac-strategic-partnership> (accessed 10 November 2016).

12 See EU-LAC Strategic Partnership. Available from: <https://eulacfoundation.org/en/eu-lac-strategic-partnership> (accessed 10 November 2016).

13 The six Caribbean signatories to the first Lomé Convention in 1975 were: The Bahamas, Barbados, Grenada, Guyana, Jamaica and Trinidad and Tobago.

### 1.6.1 Shifts in the African, Caribbean and Pacific Group-European Union Relationship

The Georgetown Agreement listed closer ACP relations, along with the facilitation of closer relations with the EEC, as primary objectives. However, it is the latter which has defined the group's identity over its 41 years of existence. In fact, it has been said that the ACP would not have been created had it not been for the need to coordinate those states' relationship with Europe. From 1975 to the present, the ACP-EU relationship has been carried forward through several cooperation frameworks: four Lomé conventions – Lomé I (1975), Lomé II (1979), Lomé III (1984); and Lomé IV and the revised Lomé IV (1990 and 1995); and the Cotonou Agreement (2000). The Lomé conventions were based on three pillars: trade, development cooperation and political cooperation. Among the distinguishing marks of the Lomé conventions were the unilateral trade preferences provided by Europe to the ACP group as well as Europe's provision of development assistance through the EDF (Whiteman 2017), both of which were attractive to ACP countries and provided incentives to pursue the relationship.

Although the Cotonou Agreement is also defined by the same three pillars of the Lomé agreements, the former marked a significant change in the nature of the relationship between the ACP and the EU, reflective of broader changes in the global political economy and of the internal dynamics in the EU. Following the end of the Cold War (1989-1990), the relationship between the ACP and the EU had undergone changes as both partners were experiencing new challenges and interests. Europe was in the process of re-defining its identity and re-engineering its external relations as it sought to have influence in diverse regions in a multipolar environment. Circumstances in the ACP also informed the change in the nature of the relationship. While the economic situation had improved significantly in the ACP, overall, the situation remained poor. At the time, the ACP group consisted of 41 out of the 51 LDCs, with these countries largely remaining outside of global trade. These adverse economic circumstances fuelled deterioration of the social and political fabric of these societies, with many plunging into violence and conflict, humanitarian disasters and the diversion of development assistance away from development to emergency relief and crisis management. At the same time, other developing countries were experiencing development in the economic and political spheres. The EU needed to be ready to apply different approaches to meet the diversity of needs among their external partners in the developing world (Commission of the European Communities 1996). The agreement which succeeded Lomé IV - the Cotonou Agreement - was negotiated and signed within this broad context.

## 1.6.2 The Cotonou Agreement

The Cotonou Agreement is the latest iteration of the partnership between the EU and the ACP group. This agreement was signed in June 2000 by 78 ACP countries (Cuba is not a signatory) and the then 15 EU member states, and will expire in 2020.<sup>14</sup> One significant change in the Cotonou Agreement was the introduction of the political principles to which EU and ACP countries committed as essential elements of their partnership. For the ACP countries to benefit from the EU's economic development initiatives, they would have to adhere to respect for human rights, democracy and the rule of law. Violation of these principles, for instance in cases of a coup d'état or massive human rights violations, would lead to intensified political dialogue. If all possibilities for dialogue had been exhausted, the parties could launch a consultation process, and in case consultations would not lead to acceptable solution for involved parties, a partial or total suspension of development aid, could be decided upon as a last resort.<sup>15</sup>

Another important innovation in the Cotonou Agreement was the acknowledgment of non-state actors as essential to various aspects of the ACP-EU partnership. The Cotonou Agreement also placed greater emphasis on regional integration within the ACP group.

The most significant change ushered in by the Cotonou Agreement was in the trade component. One of the defining features of the Lomé era was non-reciprocal trade preferences which the ACP negotiated as one entity. On the other hand, in an attempt to make ACP-EU trade relations WTO compatible, the Cotonou Agreement introduced reciprocal but asymmetrical trade agreements – economic partnership agreements (EPAs) (see for example, Commission of the European Communities 1996). These were negotiated between the EU and separate ACP regions rather than with the transcontinental ACP group, as had been done in the past.

<sup>14</sup> Reflections on the future of EU-ACP relations have been taking place by both the ACP and the EU. In November 2010, the ACP group established an Ambassadorial Working Group to reflect on the future perspectives of the group. A number of consultations were conducted with a myriad of actors and stakeholders, most of which took place in Brussels, largely at the level of ACP or EU institutions. In 2012, the ACP Secretariat published a study on the Future Perspectives of the ACP Group. The results of the study are based primarily on the views of ACP actors based in Brussels. The 7th ACP Heads of State and Government Meeting in Equatorial Guinea in December 2012 adopted the Sipopo declaration on the future of the ACP Group. The ACP-EU Joint Parliamentary Assembly also held regular discussions on the future of ACP-EU cooperation. In March 2013, an ACP Eminent Persons Group (EPG) was launched to reflect on the future of the ACP Group and meetings were held in Africa, the Caribbean and the Pacific to gather views on the future of the ACP Group and its relations with the European Union. The Report of the EPG was received at the 8th Summit of ACP Heads of State and Government held in Port Moresby, Papua New Guinea, 31 May - 1 June 2016. An informal Commission - European External Action Service (EEAS) Working Group was established in 2011 to conduct internal EU reflections on the future of ACP-EU relations after 2020. A formal EU inter-service Group has also been conducting reflections on the future of ACP- EU cooperation (Laporte and Puig 2013: 1, 2). In March 2016, the EU published the results of a public consultation on the future of the ACP- EU relationship: "Towards a New Partnership between the European Union and the African, Caribbean and Pacific Countries after 2020" .

<sup>15</sup> See the Cotonou Agreement, Article 96. Available from: <http://www.consilium.europa.eu/en/policies/eu-africa/article-96-cotonou-agreement/> (accessed 1 February 2017).

Notwithstanding the benefits of development assistance provisions which remain via the EDF, the adoption of a regional approach and the protracted EPA negotiations not only were perceived as fragmenting ACP relations but, because EPA regions are not aligned with existing regional integration schemes, also as adversely affecting regional integration processes in the ACP (see for example, Bilal and Braun-Munzinger 2008; International Food and Agricultural Trade Policy Council 2011; and Munyuki 2011). In 2008, the CARIFORUM signed an EPA with the EU, being the first of the ACP regions to do so. The difficulties of the Caribbean to fully implement the CARIFORUM-EU EPA means that the region has not been able to take advantage of the benefits that the EPA may have to offer (see for example, Silva 2014).

### **1.6.3 Implications of changing African, Caribbean and Pacific Group-European Union relations**

For almost two decades, under the Lomé conventions (1975-1999), the EU engaged with the ACP group as a unit on all aspects of the ACP-EU relationship. However, in more recent times, there has been an increasing orientation towards a regional approach<sup>16</sup> in engaging with the ACP (Keijzer et al. 2013): the regionalisation of the trade component of the Cotonou Agreement (the EPA negotiations) and the Joint EU-Caribbean Partnership Strategy (JECs) are two examples. In recent times, the EU has been showing greater interest in the individual regions of the ACP, in particular Africa, because of its significant economic potential. Additionally, discussions on issues of peace and security, human rights, migration and democracy are increasingly being conducted outside the ACP framework and are taking place predominantly within regional organisations (Laporte 2015). This rationale may stem partly from the relative homogeneity of countries within regional configurations which make them more conducive for such discussions as opposed to the more heterogeneous and diverse ACP group of countries. While peace and security may be the focus of EU relations with Africa, climate change is the focus for the former's relations with the Caribbean and the Pacific. Moreover, the Cotonou Agreement "was not designed to address global challenges or to be an effective platform to promote EU-ACP common interests at the global level" (European Commission 2016a: 7-8).

Given the transnational nature of many of the Caribbean's challenges, its proximity to Latin America and the EU's apparent preference for a regional approach, CELAC promises to have increased traction for the EU to engage with the Caribbean in the post-Cotonou framework, parallel to sub-regional configurations such as CARIFORUM.

<sup>16</sup> This refers to relating with individual regions in the ACP rather than the ACP bloc.

This view finds support in the European Commission's communication on the EU's future with the ACP, which notes the importance of regional configurations, including those outside the ACP framework in (re) designing ACP-EU relations, post Cotonou:

The Commission and the High Representative consider that an important shift of decision-making and implementation towards the regional levels will be required. Furthermore, future relations should link up ACP countries and neighbouring regions, which are not part of the current CPA, but play a key role in relation to achieving EU objectives (European Commission 2016b: 4).

The above is based on the view that the EU “reaches out to partners, like-minded countries, and regional groupings in order to pursue common goals” (European Commission 2016b: 4).

The Caribbean has reasons to look more to Latin America, stemming from the former's relations with the EU as well as its own regional dynamics. In addition to factors mentioned previously, the changing nature of the ACP-EU relationship in the trade and development cooperation components may be contributing to the Caribbean diversifying its external relations to include the Latin American bloc as well as other non-traditional partners such as emerging economies. As a former Guyanese Ambassador to the EU, the current ACP Secretary General, Patrick Gomes, has recently drawn attention to the importance of having Caribbean states unite with other countries of the global South (Gomes 2015).

The erosion of preferences from the EU for Caribbean commodities since the 1990s in the GATT and the WTO, and more recently the CARIFORUM-EU EPA negotiations, has resulted in declining spaces for the Caribbean on the EU market. The EU policy of differentiation could mean graduation from bilateral grant funding for the Caribbean in the post Cotonou framework (Keijzer et al. 2012).<sup>17</sup> This could be exacerbated by the British exit from the EU (Brexit) which could reduce the weight of the Anglophone Caribbean in EU development policy, in the absence of the United Kingdom (UK) with which the sub-region historically has held strong economic and political ties. Also, the Brexit could open up a space for Spain to assume a leading role in CARIFORUM by virtue of its historical ties to Cuba and the Dominican Republic. This would present a reason for CARICOM to expand its engagement with the Spanish Caribbean and the wider Latin American group.

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17 See Keijzer et al. (2012) for a discussion on the potential impact of the EU's recent policy of differentiation embodied in the European Commission document, *Increasing the Impact of EU Development Policy: Agenda for Change* (2011). The authors examine the (potential) impact of the EU differentiation policy on the 11th EDF and beyond. See also, European External Action Service (2016) which highlights the reduction of allocations under the 11th EDF for Mauritius because it has graduated to Upper Middle Income Country status.

In light of the above, Latin America could provide opportunities for alternative and additional sources of trade and investment for the Caribbean. Many factors, apart from those mentioned previously, contribute to facilitating or encouraging better Caribbean engagement with Latin America. Historically, a major obstacle between the Caribbean and Latin America that resulted from Caribbean-European relations was preferential treatment conceded by the EU to the Caribbean and ACP as a whole for bananas. The erosion of EU trade preferences for the Caribbean – bringing them on par with those accorded to Latin America – has reduced trade tensions between the two sub-regions.

On a related point, differentiation and graduation in ACP-EU aid relations could potentially further reduce asymmetries of EU treatment of the Caribbean and Latin America. All Caribbean countries except one are classified as high income and upper middle-income economies<sup>18</sup> and may no longer be eligible to receive EU grant funding after 2020. Graduation of Caribbean-ACP countries from bilateral grant funding will reduce the imbalance with Latin America, which also consists of a high number of high-and upper-middle income countries.

At the same time, graduation of Caribbean countries from grant-based funding could be detrimental to their development and exacerbate their challenges, in light of the status of many as Heavily Indebted Middle Income Countries,<sup>19</sup> as well as their vulnerability and fragility. Caribbean countries have lobbied for the above factors to be taken into account as alternatives to the sole GDP criteria.

Uncertainty of future ACP-EU relations may serve to further propel Caribbean relations with Latin America. While one is not sure how the EU will relate to the ACP in the post-Cotonou era, it is clear that the ACP will find it difficult to survive institutionally without funding support from the EU, considering the failure of the ACP group to develop its own vision and advance its internal cooperation, independent of EU financial support. Additionally, shifts in global trade rules towards liberalisation, the erosion of unilateral trade preferences and corresponding changes in Caribbean-EU trade relations, have constrained market space for the Caribbean. The Caribbean therefore needs to find additional avenues for cooperation – Latin America is the rational choice.

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18 According to World Bank classification, ten CARIFORUM countries are classified as upper middle income economies (with GNI per capita ranging from \$4,036 to \$12,475 for the fiscal year 2017; Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St. Lucia, St. Vincent and the Grenadines, Suriname) and five are high income economies (with GNI per capita of \$12,476 or more for the fiscal year 2017; Antigua and Barbuda, The Bahamas, Barbados, Saint Kitts and Nevis, Trinidad and Tobago. Haiti is a low-income economy. <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups> (accessed 15 February 2017).

19 Caribbean countries identified as Heavily Indebted Middle Income Countries in 2014, are Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Guyana and Haiti (Central Bank of Trinidad and Tobago 2014).

The attractiveness of CELAC does not by any means diminish the relevance of the ACP group to the Caribbean. Although the Caribbean seems to be showing declining interest in the ACP group, evidenced by the lack of high-level attendance at recent summits<sup>20</sup>, an interviewee stated that the ACP framework remains important to the Caribbean. The interviewee noted that, within the ACP context, the Caribbean has importance and influence that is disproportionate to its size, numbers and relative global influence. The ACP looks to the Caribbean for leadership on trade negotiations and trade-related issues. While African countries generally hold a different position on some of the above issues – especially those relating to special and differential treatment for the Caribbean *vis-à-vis* those accorded to LDCs, of which 39 of the 48<sup>21</sup> are members of the ACP group – they are generally sympathetic to Caribbean concerns.

On the part of the EU, CELAC presents an additional avenue for engagement with the Caribbean. The EU sees CELAC as an important organisation for collaborating on global issues, which is not a major focus of the EU-ACP relationship as was explained above in relation to Cotonou. CELAC's role is enhanced in this regard by high-level attendance at summits. During this new stage of the EU's international projection, geostrategic issues such as security are being emphasised rather than welfare cooperation which is seen to characterise the development assistance component of the ACP-EU relationship. However, the ACP's institutional arrangements are well developed, compared to those of CELAC which are still very weak.

With the post-Cotonou negotiations set to begin soon, now is an opportune time for the Caribbean to clearly re-define the nature of its relations with the ACP and CELAC, as well as its relations with the EU in the ACP-EU framework and the wider Latin American region. The degree of relevance with which both the Caribbean and the EU view CELAC as a framework for addressing Caribbean concerns *vis-à-vis* the ACP framework will play a role in informing the Caribbean and EU positions in the negotiations for a post-Cotonou framework between the ACP and the EU, which are due to begin no later than 2018. Some of the questions the Caribbean should be asking about its future in relation to the ACP are: What is the future direction of the ACP? What is its role in the future of the ACP? Which regions, groupings or countries should the ACP group join with and what should the relationship look like? What is the function of the ACP group beyond its cooperation with the EU? As the expiration of Cotonou draws nearer, the following are some options available

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20 This statement is based on this statement by an interviewee: that CARICOM has not "been attending the ACP summits... The last summit in Papua New Guinea ... I don't think any of...heads attended. Several ministers did. The meeting – the summit before that took place in Equatorial Guinea, I think there was only one or at most two heads that were present." The statement on low attendance was corroborated by a senior official at the ACP Secretariat.

21 For UN list of LDCs, see: [http://www.un.org/en/development/desa/policy/cdp/ldc/ldc\\_list.pdf](http://www.un.org/en/development/desa/policy/cdp/ldc/ldc_list.pdf) (accessed 17 February 2017).

to the Caribbean for engaging with the EU: via the ACP framework, comprising of the Caribbean, Africa and Pacific regions; using a more geographical approach, for example, with Latin America through CELAC; via groupings which share specific common interests, for example, with small island developing states (SIDS), in the Alliance of Small Island States (AOSIS) or a combination of existing options. This decision must come from the Caribbean.

### 1.7. Comparing Latin American and Caribbean countries

The LAC region comprises 41 jurisdictions which vary widely by size, level of development, language and political system. These jurisdictions include fully sovereign states, as well as dependent territories that are part of a larger sovereign. Some jurisdictions<sup>22</sup> are not included in cases where they do not report separate social and economic statistics. For the data provided, some LAC countries will not form part of the comparisons in cases where separate data do not exist. The region can be categorised by the following schema based on some of the main dimensions outlined in Table 1.

**Table 1: Country Classification Matrix for the LAC Region**

Language	English Spanish Portuguese Dutch French
Development Level	Very high High Medium Low
Size	Large Small Microstate
Political System	Liberal democracy Socialist Communist
Sovereign Status	Independent Dependent
Geographic Area	Continental Island Caribbean Central America South America Landlocked

Source: Compiled from Girvan 2000; Nielsen 2011; Wilmsmeier and Sanchez 2009

<sup>22</sup> The jurisdictions include Bonaire, British Virgin Islands, French Guiana, Guadeloupe, Martinique, Montserrat, Turks and Caicos and the US Virgin Islands.

These characteristics are not mutually exclusive since countries are usually characterised by multiple dimensions. Some of the more important characteristics, which impact on the relationships among countries and the strategic alliances that have developed, include language, political system and geographic area. These dimensions have historically been the basis on which strategic alliances such as integration movements (see Table 2) develop among countries in the region. CELAC, the ACS and the OAS are the only associations that include all or most independent states in the region, although the OAS, because of its broader composition, has a more diluted representativeness of the LAC region. The more active associations, however, are based on more narrow sub-regional geographical economic integration groupings and this is likely to continue unless the region learns to leverage the other dimensions to craft strategic alliances in various dimensions that are representative of the entire LAC region. There have also been groupings based on political considerations, such as the OAS which was initiated by the US. Some groupings emerged subsequently, including the Rio Group in 1986 and CELAC in 2010.

The tremendous heterogeneity of LAC countries (see Tables 3, 4 and 5) is highlighted by the fact that the group includes countries with large economies' and populations, as well as countries with small economies and populations; e.g., Brazil, the world's seventh largest economy with a population of approximately 208 million, and microstates such as St. Kitts and Nevis with a population of approximately 52,000; The Bahamas with the highest per capita GDP and Haiti with one of the lowest in the Western Hemisphere; countries with credit ratings which range from selective default to investment grade; countries which are commodity-based economies to those with economies dominated by services; countries with very low incidences of poverty (Uruguay) and countries with very high rates of poverty (Haiti); countries that are very open economically (Panama) and those that are relatively closed (Argentina) and countries with very high scores in the Human Development Index (HDI) (Argentina), as well as countries which rank among the lowest (Haiti) in this index.

The region also has significant differences in terms of the business environment<sup>23</sup> (see Tables 4 and 5). This inherent diversity, which is reflected in large differences in social and political stability and economic performance over time, is driven by factors such as initial factor endowment, productivity and business competitiveness, policy choices over time, strategic economic diversification, vulnerability,<sup>24</sup> and political and social arrangements.

.....  
23 The World Bank's *Ease of Doing Business* index ranks countries on various factors which impact on the business environment with the country ranked one having the most supportive environment and 183 being the country with the most difficult business environment.

24 This means vulnerability to natural disasters and weakness on the external accounts.

**Table 2: Integration movements of which LAC countries are members\***

Country	OAS	CELAC	ACS	CARICOM	OECS	UNASUR	CAN	MERCOSUR	LAP	LAIA	LAES	RG	SICA	ALBA	PA
Anguilla				a	a										
Antigua & Barbuda	x	x	x	x	x									x	
Argentina	x	x				x	a	x	x	x	x	x			
Aruba			a	o											
Bahamas	x	x	x	x							x				
Barbados	x	x	x	x							x				
Belize	x	x	x	x							x	x	x		
Bermuda				a											
Bolivia	x	x				x	x	a	x	x	x	x		x	
Brazil	x	x	o			x	a	x	x	x	x	x			
British Virgin Islands				a	a										
Cayman Islands				a											
Chile	x	x				x	a	a	x	x	x	x			x
Colombia	x	x	x	o		x	x	a	x	x	x	x			x
Costa Rica	x	x	x						x	o	x	x	x		a
Cuba	a	x	x						x	x	x	x		x	
Dominica	x	x	x	x	x									x	o
Dominican Republic	x	x	x	o					x	o	x	x	a		o
Ecuador	x	x				x	x	a	x	x	x	x		x	
El Salvador	x	x	x						x	o	x	x	x		o
Grenada	x	x	x	x	x						x			o	
Guatemala	x	x	x						x	o	x	x	x		o
Guyana	x	x	x	x		x					x	x			
Haiti	x	x	x	x							x	x		o	
Honduras	a	x	x						x	o	x	x	x		o
Jamaica	x	x	x	x							x	x			
Mexico	x	x	x	o		o			x	x	x	x			x
Montserrat				x	x										

\* 'o' denotes observer status and 'a' denotes associate status.

Source: Rivera 2014

**Table 2: Integration movements of which LAC countries are members\***

Country	OAS	CELAC	ACS	CARICOM	OECS	UNASUR	CAN	MERCOSUR	LAP	LAIA	LAES	RG	SICA	ALBA	PA
Netherlands Antilles			a	o											
Nicaragua	x	x	x						x	o	x	x	x	x	
Panama	x	x	x			o			x	o	x	x	x		o
Paraguay	x	x				x	a	x	x	x	x	x		o	o
Peru	x	x				x	x	a	x	x	x	x			x
Puerto Rico				o											
Saint Lucia	x	x	x	x	x										
St Kitts & Nevis	x	x	x	x	x										
St Vincent & the Grenadines	x	x	x	x	x									x	
Suriname	x	x	x	x		x			x		x				
Trinidad & Tobago	x	x	x	x							x				o
Turks & Caicos			a	a											
Uruguay	x	x				x	a	x	x	x	x	x		o	o
Venezuela	x	x	x	o		x		x	x	x	x	x		x	

\* 'o' denotes observer status and 'a' denotes associate status.

Source: Rivera 2014

**Table 3: Size and development of a range of LAC countries**

Income Group	Country	Land (000s hectares)	Population (000s)	Poverty % Pop	HDI Score	HDI Rank
High	Bahamas	1,388	388	..	0.79	55
	Chile	75,610	18,089	10.42	0.83	42
	Saint Kitts & Nevis	26	56	..	0.75	77
	Trinidad & Tobago	513	1,360	9.97	0.77	64
	Uruguay	17,622	3,430	3.23	0.79	52
Upper Middle	Argentina	278,040	43,298	8.44	0.84	40
	Brazil	851,577	207,750	27.13	0.76	75
	Cuba	10,988	11,422	..	0.77	67
	Guyana	21,497	767	43.45	0.64	124
	Jamaica	1,099	2,793	15.91	0.72	99
	Saint Lucia	62	185	61.77	0.73	89
Lower Middle	Bolivia	109,858	10,737	27.98	0.66	119
	Guatemala	10,889	16,382	34.42	0.63	128
	Honduras	11,249	8,075	41.37	0.61	131
	Nicaragua	13,037	6,086	37.00	0.63	125
Low	Haiti	2,775	10,750	72.19	0.48	163

Source: ECLAC; World Bank.\*

\* See for physical size and population, ECLAC *Statistical Yearbook for Latin America and the Caribbean* 2015. Available from [http://interwp.cepal.org/anuario\\_estadistico/anuario\\_2015/en/index.asp](http://interwp.cepal.org/anuario_estadistico/anuario_2015/en/index.asp) (accessed 12 November 2016). See for population, HDI score and HDI rank, *World Bank: World Development Indicators*. <http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators> (accessed 15 November 2016).

**Table 4: Economic structure of a range of LAC countries**

Country	GDP 2014 (US\$M)	Per Capita GDP 2014 (US\$M)	Openness (%)	EDB 2015	ER 2015	Inflation (%)
Antigua & Barbuda	1,221.0	13,330.3	125.81	104	2.70	2.21
Argentina	548,054.9	12,240.3	25.24	121	8.92	11.55
Bahamas	8,510.5	21,457.9	91.67	106	1.00	2.07
Barbados	4,350.6	15,870.9	88.95	119	2.00	4.27
Belize	1,697.1	4,420.7	116.33	120	2.00	2.21
Bolivia	32,996.2	2,315.3	60.64	157	6.91	5.60
Brazil	2,345,893.9	11,669.1	22.06	116	3.25	6.51
Chile	258,061.5	14,406.5	62.34	48	645.68	3.15
Colombia	377,739.6	7,306.9	33.02	54	2,681.29	4.56
Costa Rica	49,552.6	8,954.1	85.96	58	535.07	8.58
Cuba	78,966.1	6,214.2	36.52	..	1.00	1.22
Dominica	524.60	7,045.1	91.50	91	2.70	1.92
Dominican Republic	63,969.0	6,119.3	68.32	93	44.87	10.80
Ecuador	100,917.4	5,402.3	52.45	117	1.00	4.92
El Salvador	25,163.7	3,692.2	64.45	86	1.00	3.02
Grenada	911.80	7,810.9	84.32	135	2.70	2.53
Guatemala	58,826.8	2,984.7	63.82	81	7.67	6.05
Guyana	3,085.8	3,571.4	132.7	137	206.50	5.14
Haiti	8,598.9	735.3	52.42	182	50.60	11.62
Honduras	19,564.7	2,278.3	116.85	110	21.92	6.90
Jamaica	13,927.1	4,861.4	91.07	64	115.92	10.76
Mexico	1,294,694.6	9,568.0	52.26	38	15.63	4.29
Nicaragua	11,805.6	1,775.2	67.02	125	27.06	8.10
Panama	49,165.8	10,326.8	143.29	69	1.00	3.42
Paraguay	30,881.2	3,764.0	98.63	100	5,073.61	6.97
Peru	202,490.7	5,828.1	40.30	50	3.10	2.68
St Kitts and Nevis	852.20	14,320.0	92.57	124	2.70	3.12
St Lucia	1,404.4	6,819.6	111.37	77	2.70	2.65
St Vincent & the Grenadines	729.70	6,435.4	95.54	111	2.70	2.62
Suriname	5,210.3	9,223.0	97.52	156	3.30	9.04
Trinidad and Tobago	27,267.0	16,723.8	94.02	88	6.36	6.89

**Table 4: Economic structure of a range of LAC countries**

Country	GDP 2014 (US\$M)	Per Capita GDP 2014 (US\$M)	Openness (%)	EDB 2015	ER 2015	Inflation (%)
Uruguay	57,471.2	13,929.1	47.12	92	26.69	9.00
Venezuela	567,997.2	8,503.8	50.12	186	6.28	26.34

<sup>a</sup> Openness is defined as total trade as a proportion of GDP, EDB is the Ease of Doing Business ranking produced by the World Bank and ER stands for exchange rate.

Source: ECLAC; World Bank.\*\*

\*\*See for GDP figures, ECLAC *Statistical Yearbook*. [http://interwp.cepal.org/anoario\\_estadistico/anoario\\_2015/en/index.asp](http://interwp.cepal.org/anoario_estadistico/anoario_2015/en/index.asp) (accessed 12 November 2016). See for openness, ease of doing business, exchange rates and inflation figures, World Bank *World Development Indicators*. <http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators> (accessed 15 November 2016).

**Table 5: Economic vulnerabilities of a range of LAC countries**

Income Group	Country	Banking Crisis (1960-2012)	Financial System Deposits (% GDP)	BOP CA (% GDP)	General Govt. Debt (% GDP)	Economic Growth (%)
			Annual Average			
			(1960-2013)	(1980-2015)	(1980-2015)	(1990-2014)
High	Bahamas	0	62.74	-6.85	37.89	1.39
	Chile	6	45.06	-2.69	10.56	4.97
	Saint Kitts & Nevis	0	107.23	-14.40	126.64	3.99
	Trinidad & Tobago	0	46.56	4.80	40.73	4.39
	Uruguay	9	39.75	-1.81	72.44	3.37
Upper Middle	Argentina	10	22.03	-0.60	58.88	3.74
	Brazil	9	47.99	-2.07	66.70	2.68
	Cuba	0	NA	NA	NA	1.94
	Guyana	1	70.96	-15.34	85.59	3.60
	Jamaica	3	37.97	-7.45	125.54	1.51
	Saint Lucia	0	77.32	-12.93	61.63	2.10
Lower Middle	Bolivia	2	42.26	-1.56	51.54	4.14
	Guatemala	0	30.86	-4.10	21.99	3.71
	Honduras	0	41.03	-5.52	46.36	3.55
	Nicaragua	6	30.27	-17.63	57.15	3.33
Low	Haiti	5	32.17	-3.26	36.33	0.78

Source: ECLAC; World Bank. <sup>27</sup>

**Table 6: Governance, political stability and freedom (average 1996-2014) of some LAC Countries<sup>a</sup>**

Income Group	Country	Governance <sup>b</sup>	Political Stability/ Absence of Violence <sup>c</sup>	Rule of Law <sup>d</sup>	Voice and Accountability <sup>e</sup>
High	Bahamas	82.74	80.93	81.26	81.04
	Chile	85.85	64.51	87.60	80.08
	St Kitts & Nevis	64.34	85.03	71.11	82.44
	Trinidad & Tobago	63.77	45.69	53.35	64.35
	Uruguay	69.16	72.94	66.57	79.74
Upper Middle	Argentina	52.75	42.09	32.35	57.10
	Brazil	52.78	41.56	46.07	59.90
	Guyana	48.46	30.42	35.05	54.39
	Jamaica	60.27	40.67	39.86	64.15
	Saint Lucia	66.97	75.46	72.39	85.38
Lower Middle	Bolivia	39.02	28.31	25.37	47.64
	Guatemala	31.30	21.53	14.73	38.18
	Honduras	29.63	31.16	19.30	37.51
	Nicaragua	21.73	35.51	27.07	40.07
Low	Haiti	4.24	15.33	4.29	22.55

<sup>a</sup> Indicators are percentile rank in total (213) countries surveyed. Percentile rank indicates the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank, and 100 to highest rank.

<sup>b</sup> **Governance:** Government effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies

<sup>c</sup> **Political Stability/Absence of Violence:** Political stability and absence of violence/terrorism measures perceptions of the likelihood of political instability and/or politically-motivated violence, including terrorism.

<sup>d</sup> **Rule of Law:** Rule of law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.

<sup>e</sup> **Voice and Accountability:** Voice and accountability captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.

Source: ECLAC; World Bank.\*

\* For voice and accountability, see ECLAC *Statistical Yearbook*. Available from [http://interwp.cepal.org/anuario\\_estadistico/anuario\\_2015/en/index.asp](http://interwp.cepal.org/anuario_estadistico/anuario_2015/en/index.asp) (accessed 12 November 2016).

Although the LAC region is diverse in some key areas, there are some common vulnerabilities which can form the basis for coordinated action. With the exception of Trinidad and Tobago, the weakness in the external account is a common feature in the region, posting average external current account deficits over the last 35 years. There is also a significant problem with respect to exchange rate stability, which is in large part related to the weakness in the external accounts. Moreover, although major strides have been made in poverty reduction, high levels still exist in most countries in the region. Most of the countries also have significant problems with their business environment which is a major factor hampering more robust economic growth.

Very importantly, the region is also very diverse in terms of political stability, governance, rule of law and freedom of expression and association. It is clear that across the region there are significant problems with political stability and the rule of law, since in these areas more than half of the countries ranked in the lower 50 percentile (see Table 6).

The region is rich in natural resources with 23% of the world's forests, 31% of its freshwater resources and approximately 20% of global oil reserves. Also, the region is heavily urbanised with 79% of its population living in towns and cities (United Nations Environment Programme 2012: 319). It therefore faces challenges in providing urban areas with clean water and sanitation, security, employment, housing and social services. Environmental and climate change concerns are high on the agenda of policy makers in the region.

It is clear that the inherent differences between countries in the LAC region have militated against more coordinated action in key areas for development. The differences in language, geography and political culture, in particular, have been a problem in this area. There are areas, however, in which common challenges have the potential to cause LAC countries to develop a much broader coalition than those that have emerged in the past to deal with the problems confronting the region. This can form the basis on which a wider collaboration can be built in the LAC region.

# 2 CONCEPTUAL, THEORETICAL AND METHODOLOGICAL FRAMEWORK

## 2.1. Research questions

Before proceeding to articulate the conceptual and theoretical framework which informs this research, the research questions will first be outlined. The main research question is how can the Caribbean's participation in CELAC be strengthened to boost CELAC and the EU-CELAC relationship? The secondary research questions are: what are the implications of changing ACP-EU relations for EU-LAC and Caribbean-Latin American relations? What are the areas of common interest between the Caribbean and Latin America in CELAC which can be a springboard for greater collaboration? How best could existing institutional arrangements in the above areas, in the Caribbean, between the Caribbean and Latin America and the LAC and the EU be utilised for addressing the prioritised shared problems in the Caribbean and Latin America? What are the challenges and limitations to the Caribbean's participation in CELAC and, by extension, its ability to benefit from the Bi-regional Strategic Partnership? And what opportunities exist for an enhanced Caribbean's participation in CELAC and the Bi-regional Strategic Partnership? The research deliberately places equal emphasis on the level of the Caribbean's engagement in CELAC based on the position that this determines the Caribbean's participation in the Bi-regional Strategic Partnership.

## 2.2. Conceptual and theoretical framework

The concept of interregionalism provides the overarching framework for contextualising and understanding the nature of the relationship that currently exist between the EU and CELAC. The theoretical framework contains the drivers of collective action and the conditions under which collective action thrives. This provides the explanatory framework for the factors that promote or encourage Caribbean participation in the CELAC and the Bi-regional Strategic Partnership.

First, we conceptualise interregionalism and locate the Bi-regional Strategic Partnership in it. Second, we justify the selection of elements of liberal institutionalist, social constructivist and power-based approaches as being relevant for understanding interregionalism in the context of this research. Third, we outline the factors and conditions that facilitate collective action (interregionalism) and the conditions necessary to sustain it.

### **2.2.1 The European Union and the Community of Latin American and Caribbean states: A bi-regional relationship**

The phenomenon of interregionalism emerged in the 1970s; however, it was in the 1990s that the world saw a phenomenal rise in these arrangements (Baert et al. 2014). Broadly, this development appeared to have been the outcome of “forces at work” in the reorganisation of the international system to accommodate the post-Cold War context (Hänggi 2006). In this new environment, “regional actors such as regional organisations, groups of states, or individual states increasingly began to engage, or to increase their involvement, in interregional relations in order to manage and to balance relations among themselves in the emerging multi-layered system of global governance” (Hänggi 2006: 31). This “new inter-regionalism” which emerged after the end of the Cold War is distinct from the “old inter-regionalism” during the Cold War in terms of the actors and impact on the international system. The old version was a “specific mode of international co-operation developed and dominated by the most advanced regional organisation, [the EU] [and] of rather limited relevance for the international system [...]. [N]ew inter-regionalism tends to have a much greater impact on the international system [...]. [T]he distinction between old and new inter-regionalism refers to the difference in terms of causal factors – specific type of actor (agency) versus systemic change (structure) – rather than the difference in types of institutionalised interregional relations” (Hänggi 2006: 31-33).

Interregionalism has been defined as: “a situation or a process whereby two or more specified regions interact, in other words, region-to-region interaction” (Baert et al. 2014: 4) and “institutionalised relations between world regions” (Hänggi et al. 2006: 3). According to Hänggi (2006: 40), interregionalism in the wider sense refers to “regional organisations’ external relations with Third States in other regions and relationships among states, groups of states and regional organisations from two or more regions”. In the broad sense of the word, interregionalism can take three forms: “quasi-interregional relations, interregional relations in the narrow sense and mega-regional relations” (Hänggi 2006: 40). The first – quasi-interregionalism – takes the form of relations between a regional organisation, or regional group, and a third

country. The second – “narrow” or “pure” interregionalism – can take three forms of relations: regional organisation to regional organisation, regional organisation to regional group, and regional group to regional group. The third – mega-regionalism – is characterised by a group of states from more than the two core regions. As the Bi-regional Strategic Partnership falls in the narrower category of interregionalism, or “pure regionalism”, we use a typology from this type.

According to Hänggi (2000: 3), based on the types of regional actors, interregionalism takes several forms, including, “(a) relations between regional groupings; (b) bi-regional and trans-regional arrangements, (c) hybrids such as relations between regional groupings and single powers”. Hänggi (2006: 42) details this typology as follows:

- (i) “Relationships between two regional organisations. Such relationships link two regions represented exclusively by the member states of two regional organisations. They are the paradigm of old interregionalism and still represent the most widespread form of new interregionalism.
- (ii) Relationships between a regional organisation and a regional group of states. Such relationships link two regions through two very different types of actors: a regional organisation on the one hand and the more or less coordinated group of states on the other.
- (iii) Relationships between two regional groups of states. Such relationships link two regions through two loosely tied groups of states, which each represent a region. The regions represented may be “constructed” or even “imagined,” and the groups of states are formed, initially at least, for the sole purpose of specific interregional interaction.”

Whereas the EU is a highly institutionalised regional organisation and CELAC is a “more or less coordinated group of states”, the Strategic Partnership falls into the second category – a bi-regional form of interregionalism (bi-regionalism) or bilateral interregionalism (see Baert et al. 2014: 5).

The reasons for EU-CELAC relations are very complex and cannot be explained by a single theoretical approach of interregionalism. We therefore draw from liberal-institutionalist, social constructivist and power-based approaches to explain the Strategic Partnership. Liberal-institutionalist approaches explain interregionalism through the lens of cooperation for the purpose of “managing complex interdependence on an interregional level” (Hänggi 2000: 9). “Power-based approaches identify the international and regional distribution of power as an important driver of the emergence of regionalism” (Börzel 2016: 49). “Social constructivist approaches emphasise the role of collectively shared beliefs, social conventions and behavioural practices” (Börzel 2016: 44).

Previous institutional relations between Europe and the LAC region were based largely on Cold War exigencies where relations revolved largely around military considerations and rivalry between the two superpowers – the US and the Union of Soviet Socialist Republics (USSR). The end of the Cold War was marked by global restructuring and the bipolar configuration was replaced by the opening up of the global political economy. This triggered heightened levels of interdependence and interconnectedness which the world had never seen. This process, known as globalisation, intensified transnational challenges such as the trade in illegal drugs, climate change, and irregular migration, among others, which necessitated collaborative responses across regions and at the global level. The Strategic Partnership can therefore also be explained by the need for both the EU and LAC countries to cooperate to address challenges in an increasingly interdependent world. The scope and coverage of the Partnership to include political dialogue, economic and trade relations, and cooperation is indicative of the shift away from the traditional security paradigm of the Cold War era.

The Partnership can also be explained by the emergence of new norms in the global political economy, the EU's leadership role in the promotion of these norms globally and relative convergence with the LAC region around these norms. Issues of liberty and democracy, respect for the rule of law, human rights and fundamental freedoms which are also important to the LAC region are essential elements of the Bi-regional Strategic Partnership (EU-CELAC 2015a).

At the same time, the origin of the partnership can be explained by political and economic power balancing in the post-Cold War context. The end of the Cold War and the East-West divide allowed the EU to project its power and influence to various regions which had been under the patronage of either the US or the USSR during the Cold War (see for example García 2015; Hettne and Soderbaum 2005). The Strategic Partnership can be seen to represent EU efforts at leveraging its position *vis-à-vis* traditional and non-traditional players in Latin America and the Caribbean – the US and China, respectively. For instance, the Strategic Partnership was inaugurated in 1999, – one year after the launch of US-led FTAA.<sup>25</sup> Arguably, this is evidence of an EU response to US regionalism in the LAC region at the time. Also, since the 2000s, China has emerged as a major trade and economic player in the LAC region (see Brandt et al. 2012; Rosales and Kuwayama 2012). On the LAC side, the bi-regional partnership can be seen as utilising cooperation with the EU via the Strategic Partnership to balance against the US' presence in the OAS and in the hemisphere in general.

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25 See the official website of the Free Trade Area of the Americas: [http://www.ftaa-alca.org/alca\\_e.asp](http://www.ftaa-alca.org/alca_e.asp) (accessed 15 February 2017).

The above factors, the need for cooperation in an increasingly interdependent and complex environment (liberal-institutionalist approach), convergence around norms of good governance and human rights (social constructivist approach), and power balancing (power-based approach), explain the rationale for selecting a combination of the above approaches for this paper to understand the EU's motivation towards relations with the LAC region and vice versa and the Bi-regional Strategic Partnership. The theoretical framework, outlined below, provides the analytical tool for identifying the factors which will enhance the Caribbean's participation in CELAC and, by extension, its participation in the Bi-regional Strategic Partnership.

### 2.2.2 Factors driving regional cooperation

This paper follows the work of Sandler (2010) which provides the context in which states are motivated to undertake collective action and the conditions under which such collective action thrive. Sandler maintains that the world has become increasingly interdependent as an outcome of the process of globalisation. This development has in turn resulted in a number of problems which cannot be solved by unilateral efforts (or makes shared pooling resources more effective), propelling states to undertake collective action at the regional (and global) level. Sandler provides conditions under which such action will be successful or effective – states' interests underlie all the conditions.

Sandler's approach is followed for two reasons: first, his work provides the context in which states are motivated to take collective action. In the case of this study, Sandler's research helps us understand why the Caribbean (and Latin America) would want to collaborate substantively in CELAC. Second, Sandler's work provides support for the philosophy of this research that material interests play a significant role, driving states' behaviour towards regional collective action – and more so, sustain it. Further, common interests facilitate collective action, and, by extension, states' participation in regional and other initiatives. According to Sandler (2010), the following conditions drive states to take action at the regional level: when a challenge mutually affects the countries in question; when *all participating countries* can benefit and these gains are equitably distributed; when countries are not required to give up much of their autonomy; when states are able to settle doubts about the benefits of joint action; when the benefits to be gained are in the short term while potential costs are long term; and when collaboration begins modestly and only intensifies over time. Generally, this framework provides key considerations for exploring how the participation of the Caribbean could be enhanced in CELAC.

The above conditions all point to states undertaking collective action – versus unilateral efforts – for the benefits to be derived. Consequently, this framework justifies the identification of priority areas of mutual interest to the Caribbean and Latin America – for example, non-communicable diseases, crime and insecurity, poverty and inequality, financial vulnerability and good governance and transparency – and provides the basis upon which the Caribbean’s participation in CELAC and the Bi-regional Strategic Partnership could be strengthened and/or (re)configured to ensure the Caribbean’s equal and equitable participation.

### **2.3. Methodology**

The research uses a qualitative approach and relies on a number of sources as follows: first, a desk review of secondary sources, including scholarly journal articles, books and book chapters; second, primary sources, for example, CELAC summit declarations and action plans, EU-LAC and EU-CELAC summit declarations, EU-CELAC action plans, the CELAC 2020 Development Agenda Proposal, and other policy documents and speeches; third, elite semi-structured interviews. A total of 22 interviews were conducted with scholars and experts, policy makers and senior government officials and regional institutions in the Caribbean and the EU. Interviews were conducted face to face, via telephone, Skype and Zoom. The researchers undertook a field visit to the Dominican Republic and St. Vincent and the Grenadines and engaged with high-level government officials and experts on the future direction of CELAC and the Strategic Partnership, especially as it relates to the participation of the Caribbean.

# 3 PRIORITY AREAS FOR JOINT ACTION

## 3.1. Introduction

In light of the theoretical framework which holds that common interests drive collective action and that states collaborate when a challenge mutually affects them, chapter three justifies the six areas selected and provides the framework within which these challenges should be addressed. The chapter proceeds as follows: first, it reviews the CELAC 2020 Planning Agenda Proposal in light of the priority areas proposed; second, it uses the SDGs to provide justification for the selected areas and highlights the relevance of using the SDGs framework for addressing the areas selected; and finally, in accordance with the theoretical framework, the chapter describes the severity of the said challenges for the Caribbean and equally for Latin America to concretise the justification for joint action between the two sub-regions.

## 3.2. CELAC's 2020 Planning Agenda Proposal and the selection of priority areas for action

The CELAC 2020 Planning Agenda Proposal identifies four broad thematic areas: reducing extreme poverty and inequalities; promoting education, science, technology and innovation; facilitating sustainable development and confronting climate change; and improving and expanding infrastructure and connectivity. The above themes were expected to guide CELAC's planning and policy agenda over the period 2015-2020. This 2020 Plan is intended to "promote specific policies to specifically contribute to the reduction of inequalities in the region" (CELAC 2015a: 2). These four broad, interlinked areas in the 2020 Plan are significant components for realising the development objectives of CELAC's constituents and were envisaged to form the cornerstones for the planning agendas of its member states until 2020. Notwithstanding the recognition that the four thematic areas proposed are important to the development needs of both Latin America and the Caribbean, the authors propose six key areas of importance for the Caribbean, for joint action with Latin

America in CELAC: poverty and inequality – which is central to the 2020 Plan – as well as crime and security, food security, non-communicable diseases (NCDs), financial vulnerability, and governance and transparency. We note that food security and the eradication of hunger and poverty, and the prevention of and fight against corruption and drugs have been included in the CELAC 2016 Action Plan; only NCDs and financial vulnerability are novel. The areas proposed by this study for joint action are justified, first by their relevance to the Caribbean, as well as by the fact that these challenges are equally shared by Latin America as detailed below and justified by the theoretical framework.

Geographical proximity, shared borders, and similar climatic conditions (for the most part), the openness of both sub-regions' economies, and similar dietary habits and lifestyle have played a role in this respect and contribute to the rationale for joint action between the LAC sub-regions, in collaboration with the EU. The EU's sustained interest in these areas is also a key consideration. In the case of crime and security, it is a matter of interest for EU member states as Europe is a destination point for drugs coming from South America (European Monitoring Centre for Drugs and Drug Addiction 2016). Additionally, by virtue of the EU's role as a global leader on development and the SDGs, it is not surprising that the EU is already engaged in promoting development and security in the LAC region.

More importantly, in line with the 2020 Plan, the six priority areas identified will help advance (directly or indirectly) all seventeen Sustainable Development Goals (SDGs)<sup>26</sup> in the LAC region: priority area one – poverty and inequality – contributes to meeting SDGs one to five, eight, ten and 16; priority area two – crime and insecurity – contributes to addressing SDGs 11 and 16; priority area three – food security – contributes to achieving SDGs one, two, three, 12 and 14; priority area four – addressing the challenge of NCDs – assists in advancing SDGs two and three; priority area five – financial vulnerability – must be addressed to ensure the realisation of all SDGs because, without financial stability and economic resources,

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26 The seventeen SDGs are as follows: SDG1: End poverty in all its forms everywhere; SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture; SDG 3: Ensure healthy lives and promote well-being for all at all ages; SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; SDG 5: Achieve gender equality and empower all women and girls; SDG 6: Ensure availability and sustainable management of water and sanitation for all; SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all; SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; SDG 10: Reduce inequality within and among countries; Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable; Goal 12: Ensure sustainable consumption and production patterns; Goal 13: Take urgent action to combat climate change and its impacts; Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development; Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss; Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels; Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development. For details of Sustainable Development Goals, see: <http://www.un.org/sustainabledevelopment/sustainable-development-goals/> (accessed 30 January 2016).

sustainable development programmes in any area will not be possible or sustained; and priority area number six – governance and transparency – is key to achieving SDGs 16 and 17.

We therefore take account of the SDGs for the reasons stated above, but also in recognition of the need to take a holistic and interrelated approach to the various problems. For example, goal 16 of the SDGs – promoting peace and justice and strong institutions – provides a broad and holistic framework for addressing crime and insecurity and good governance, because it “recognise[s] a broader dimension of development, which encompasses the environment, participatory and representative decision-making, security and the rule of law” (UNODC 2015b: 116). Efforts aimed at reducing poverty and inequality, related to SDGs one and ten, are inextricably linked to those which seek to tackle crime and insecurity, food insecurity, NCDs and financial vulnerabilities, and for the most part, *vice versa*.

Although the CELAC 2020 Planning Agenda Proposal seems to have lost traction in CELAC discussions,<sup>27</sup> the proposal is considered to be useful by virtue of its five-year strategic vision *with a LAC region-specific focus, anchored in the global development agenda*. Therefore, while we refer to the CELAC’s annual action plans, we use the five-year Proposal as our preferred point of reference. A five-year plan tailored to the needs of the region can serve as an overarching framework and an anchor for the short-term action plans. We propose therefore for the areas identified to be added to the 2020 Plan and that the time span be extended to 2030, to coincide with the time frame of the SDGs.

### 3.3. Overview of priority areas

In this section, we highlight the nature and scale of the shared problems identified: poverty and inequality, crime and insecurity, food security, NCDs, financial vulnerabilities and governance and transparency. The rationale for this section is to substantiate the severity of the problems for both Latin America and the Caribbean. The discussion on each of the issue areas reveals that the scale of the problem is significant for both the Caribbean and Latin American sub-regions. Therefore, in keeping with the philosophy of the theoretical/conceptual framework that joint problems facilitate collective action, we argue that this section supports the justification for joint action on the selected areas by the LAC region in collaboration with the EU.

<sup>27</sup> The 2020 Development Proposal Plan has lost traction since it was proposed when the Agenda 2030 was also under discussion and most LAC countries decided to focus on the global agenda instead of duplicating efforts on developing a different plan for the region.

### 3.3.1 Poverty and inequality

In the first decade of the 21<sup>st</sup> century, high economic growth made it possible to reduce poverty and inequality<sup>28</sup> in LAC.<sup>29</sup> Between 2000 and 2012 - 2009 being the only exception - the LAC region experienced a steady average rate of per capita GDP growth of 2.5%. Poverty was reduced substantially, declining by more than 16 percentage points from 41.6% in 2003 to 25.3% in 2012. Furthermore, extreme poverty was halved, from 24.5% to 12.3%, with significant reductions in inequalities. The regional Gini coefficient for per capita income decreased by five percentage points, from approximately 0.57 in 2000 to 0.52 in 2012 (Vakis et al. 2016: 27-28).

Total poverty in LAC, defined in the region as living on less than \$4 a day, declined from 25.3% in 2012 to 24.3% in 2013, while extreme poverty (living on \$2.50 a day) decreased from 12.2 % to 11%. However, poverty reduction rates were lower than the preceding few years. Additionally, in 2013, the proportion of people in the region experiencing extreme poverty (living on less than \$1.25 a day) remained relatively constant at 4% (World Bank 2015: 9). In 2014, the regional average rates of poverty (28.2%) and indigence (11.8%), of the total population, remained the same as in 2013. The number of the poor grew to 168 million in 2014, 70 million of these were living in extreme poverty (ECLAC 2015: 11).

The reduction in poverty and inequality is showing signs of losing momentum. The LAC has faced challenges in maintaining the advances that had been made or passing certain limits. These difficulties result from a combination of external constraints and endogenous factors (ECLAC 2014).

The Gini index, based on expenditure by households in the Caribbean, ranges from 0.37 to 0.48, compared to Latin America which ranges from 0.39 to 0.55, with an average of 0.47. This shows that while inequality is high in Caribbean countries, it is still fairly lower than in Latin America (ECLAC 2014: 72). In the Caribbean, average inequality levels have remained fairly constant over the last 20 years, with variations across countries. It appears that while the Caribbean has not reduced inequality as has Latin America, inequality levels have not increased despite being affected more by the financial crisis (ECLAC 2014).

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28 The assertion refers to poverty as the insufficient consumption of goods and basic services for the production and reproduction of life of individuals or households, while inequality refers to the distribution of something of value across units of a population.

29 This was due largely to highly favourable external conditions, with burgeoning international trade, robust commodity prices, strong remittance flows and tourism earnings and abundant liquidity on international financial markets. The impetus provided by the international conditions was accompanied by macroeconomic policy management which, with a few exceptions, prioritised maintaining fundamental equilibria (ECLAC 2014).

Even if there was a minor decrease in average income inequality between 2013 and 2014 in LAC countries where recent data are available (ECLAC 2015), the region has the worst income distribution globally, having several, “mutually reinforcing inequalities”, including inequalities in the following areas: income; capacity development, integration into the job market and access to social protection services and relationship networks; gender, ethnicity and generation; access to power, public visibility and participation in policy deliberation; and quality of life, healthy environments, availability of time and acknowledgement and respect (ECLAC 2014: 65).

During the 2000s, health care and education access were more equitably distributed due to the progress among the most disadvantaged groups, however significant gaps remain in the quality of that access as well performance. Overall, there were no quality gains in the area of education segregation, with country variations for spatial segregation. Reduction in labour inequality has been the key factor causing the decline in total income inequality (ECLAC 2014).

Despite trends towards gender equality in participation, occupation, and employment in LAC, significant gaps remain, especially in light of progress made by women in education; women’s skills are still not fully utilised in the labour market (ECLAC 2014). In the first decade of the century, the middle class swelled, increasing from about 23% to 34% of the population from 2003 to 2012 (Vakis et al. 2016: 27) and grew by 3.6 % in 2013 (World Bank 2015: 10). “In 2010, for the first time the number of middle class people in the region exceeded the number of people living in poverty” (Vakis et al. 2016:1). However, LAC is not yet a middle-class region since most people exiting poverty actually joined the ranks of a “vulnerable” class with income between \$4 and \$10 a day; they are at risk of falling back into poverty (World Bank 2015: 10).

There are still large segments of LAC populations born into poverty who have not managed to exit this condition - these are the ‘chronically poor’. Those did not gain much from the growth rates of the 2000s; many not being saved by the social assistance system (Vakis et al. 2016). By 2012, one in five persons in LAC had been chronically poor since 2004, representing more than 130 million people (Vakis et al. 2016: 5).

The persistence of chronic poverty, the predominance of the vulnerable class in LAC, and the fact that the region is still the most unequal in the world, provide incentives for the regional dialogue for the development of a common agenda. Current concerns focus on how to eliminate the class of the chronic poor, “establish more integrated safety nets for people who have managed to exit poverty but remain vulnerable” (Fierra et al. in Vakis et al. 2016: 27) and how to achieve equitable economic growth.

Despite the progress on reducing poverty and inequality in LAC, these issues are still at the core of the region's development challenges.

### 3.3.2 Crime and insecurity

The Caribbean and Latin America are different in many ways, yet they share the infamous label of being among the most violent regions in the world. Unlike the areas of poverty, inequality and food security, where the LAC region has made notable progress, insecurity is on the increase, while it has declined or stabilised in other regions (Fernández de Castro 2013).

Latin America shares with the Caribbean the security challenges identified as “threats” in the CARICOM Crime and Security Strategy, 2013: tier one – transnational organised crime: trafficking of illicit drugs and illegal guns; and tier two – human trafficking and smuggling, natural disaster, public order crimes (IMPACS 2013). We focus on the top (tier one) threat for the Caribbean.

Out of the 22 countries declared by Washington to be major drug transit or major illicit drug producing countries for the fiscal year 2016, 17 are from the LAC region,<sup>30</sup> of which 12 are from Latin America and five from the Caribbean.<sup>31</sup> South America produces almost all of the world's coca plants and is the main departure point for cocaine to the rest of the world. South America remains the sub-region with the majority of cocaine seizures globally. While there may be other countries through which cocaine leaves Latin America, en route to North America and Western and Central Europe – the major consumer markets – the transit countries mentioned most often in major individual drug seizures are Brazil (particularly since 2010) and Argentina. The route for the cocaine trade is northwards from the Andean region in South America to North America and across the Atlantic to Europe through the Caribbean or Africa, by sea and air. Central America and the Caribbean, as of 2013, continued to feature as transit zones for cocaine bound for Europe. They also remained areas of high prevalence of cocaine use (UNODC 2015b). It has been reported that 86% of cocaine bound for the US in 2014 went through “the Central American corridor” and the remaining 14% went through the Caribbean.<sup>32</sup>

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30 The Bahamas, Belize, Bolivia, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Peru and Venezuela.

31 For the *Presidential Determination* see <https://www.whitehouse.gov/the-press-office/2015/09/14/presidential-determination-major-drug-transit-or-major-illicit-drug> (accessed 8 September 2016).

32 See: <https://obamawhitehouse.archives.gov/the-press-office/2015/09/14/presidential-determination-major-drug-transit-or-major-illicit-drug> (accessed 8 September 2016).

The reasons for cultivating illicit crops are complex and diverse and are driven by many factors, including durability, high price, ease of sale, fast returns, and non-perishability. Therefore, alternative development has the potential to break the vicious cycle trapping poor farmers and to act as a catalyst for viable livelihoods that do not depend on illicit cultivation (UNODC 2015b).

Arms trafficking is inextricably linked, in particular, to the production of, and trade and trafficking in, illegal drugs. Weapons and ammunition are utilised for both substantive and symbolic reasons, mainly to protect shipments of drugs, for conducting robberies and “acts of narcoterrorism”, and intimidating clients and other operators (Griffith 1997). For the most part, illicit firearms travel along the same routes as illicit drugs and the trade is conducted by the same traffickers of other illegal goods and migrants (UNODC 2015a).

The illicit arms trade in the Caribbean is both intra-regional and inter-regional (Griffith 1997). For example, for the period 2010-2013, firearms and ammunition seized in Trinidad and Tobago were bound for Jamaica, Guyana, St. Vincent and the Grenadines and St. Lucia. Intra-regionally, the arms come from South America to protect drugs coming from this sub-region (UNODC 2015a). The interregional trade takes place on a larger scale and larger sums of money are involved than in the intraregional trade, which partly makes the former more dangerous (Griffith 1997).

### 3.3.3 Food security

Food security is already on the CELAC agenda and is heavily funded and supported by the EU in the LAC region.<sup>33</sup> According to the Food and Agriculture Organisation (FAO 2015), there are four pillars of food security 1) food availability, 2) food accessibility, 3) food utilisation, and 4) stability as it affects food and nutrition security. Civil society and NGOs have added to the concept of food security and coined the term “food sovereignty”.<sup>34</sup> Food security and food sovereignty can be complementary in meeting the food needs of a country (Gordillo and Jeronimo 2013).

The LAC region has made fairly significant progress in meeting international hunger reduction goals – cutting the percentage and total number of undernourished people by half, thereby meeting the 1.C target of the MDGs and the World Food Summit

33 In 2017, the EU-LAC Foundation has published a study on food security; see [https://eulacfoundation.org/en/system/files/food\\_security\\_en.pdf](https://eulacfoundation.org/en/system/files/food_security_en.pdf) (accessed 10 October 2017).

34 Food sovereignty can be defined as “the right of peoples to healthy and culturally appropriate food produced through socially just and ecologically sensitive methods. It entails peoples’ right to participate in decision making and define their own food, agriculture, livestock and fisheries systems” (Nyéléni 2007; International Steering Committee 2007).

(WFS) goal. However, over 34 million people still suffer from hunger in the LAC region (FAO 2015: v), which makes greater efforts and collaboration necessary to promote food security in the region. The Caribbean situation and Latin America will now be discussed in turn.

With the exception of Haiti, CARICOM states are generally classified as high and upper-middle income countries. Despite that classification, the FAO's food and nutrition security report card for these countries is mixed at best. It is known from the report that, excluding Haiti, people in CARICOM countries consume more calories per day than required. CARICOM countries have made some progress in reducing the level of undernourishment in the region and in meeting global hunger reduction targets. The number of undernourished people in the Caribbean declined from 8.1 million in 1990-92, to 7.5 million in 2014-16. During that same period, the proportion of undernourished people in the region declined from 27% to 19.8% (FAO 2015: x). Already, three CARICOM countries – Barbados, Guyana, and St Vincent and the Grenadines – have met the WFS targets set in 1996 and the MDG One, set in 2000 (FAO Subregional Office for the Caribbean 2015: x). The Bahamas, Belize, Dominica, Jamaica and Trinidad and Tobago all have undernourishment levels of less than 10% of their population. The remaining countries have undernourishment levels of between 10% and 20%, with the exception of Haiti whose undernourishment levels are approximately at 50% of the population<sup>35</sup> (FAO Subregional Office for the Caribbean 2015: x). Therefore, undernourishment is not a major problem for the region as a whole, with Haiti being the exception.

Indeed, there is an excessive consumption of calories by people in most of the CARICOM countries and this is linked to the high consumption of imported processed foods. CARICOM countries currently import more than \$4 billion in food annually that is approximately 60% of the food consumed in the region; this is an increase of 50% since 2000. By 2020, it is projected that this figure will increase to more than \$8-10 billion (FAO Subregional Office for the Caribbean 2015: x).

This food import dependency is problematic when it comes to food sovereignty. As food importation increased, local food production has decreased. This is certainly a problem for health because much of the foods that are imported are highly processed foods which lead to chronic NCDs – diabetes, hypertension, cardiovascular disease, and some forms of cancer (Hennis et al. 2004; Stuart 1968). Also, the high costs of food importation are a drag on the economies of these countries as they experience losses in foreign exchange.

<sup>35</sup> Haiti is a special case in CARICOM. Its population, at 17.5 million, accounts for 60% of the entire population of the Caribbean Community but it has approximately 90% of the undernourished people in the region (FAO Subregional Office for the Caribbean 2015).

Being classified as high- to upper-middle class countries does not necessarily mean that all people in the region have access to good quality food. In fact, there is a high level of income inequality and unemployment in these countries with more than 30% of the population living below the national poverty line in six CARICOM states<sup>36</sup> (FAO Subregional Office for the Caribbean 2015: 13).

With respect to stability, CARICOM's food and nutrition security has been described by the FAO as "precarious". This is so because the Caribbean region is generally at risk "due to the high occurrence of tropical storms, floods, droughts and earthquakes" (FAO Subregional Office for the Caribbean 2015: v).

Instability and vulnerability caused by natural and economic shocks constantly undermine efforts to advance food and nutrition security in the region. CARICOM countries are vulnerable to natural disasters which, not only cause extensive damage to property and loss of lives, but also undermine national efforts to enhance food security and reduce poverty. Over the period 1990-2014, there were 182 major natural disasters in the region. Over 11.5 million people were affected by these disasters and approximately 241,550 deaths were recorded as a result (FAO Subregional Office for the Caribbean 2015: 21). These natural disasters disrupt the local agriculture and food production systems thereby reducing the flow of goods, including food.

Some observers hypothesise that Latin America has the potential to become the breadbasket of the world, if that region is able to harness the innovation, investment and partnership needed to drive sustainable and inclusive agricultural growth (Tedeneke 2016). This hypothesis is based on the fact that 28% of the world's arable land happens to be located in the Latin American region. Also one-third of the globe's freshwater supply is also in that region (Tedeneke 2016: para. 5). Argentina leads the region in food production and it is aiding other Latin American countries, like Colombia, to increase their agricultural yield by supplying technology and knowledge transfers.

At least four governments in Latin America are benefiting from the adoption of a good food security strategy. All four of those countries (Argentina, Colombia, Mexico and Nicaragua) have embraced the World Economic Forum's (WEF) New Vision for Agriculture (NVA) initiative. It is an initiative that calls for public-private partnerships (PPPs) to help advance the agricultural sector and improve food security in those countries that participate in that hybrid arrangement (Tedeneke 2016). Other countries in the region are enjoying a fairly significant level of food security, as well. Argentina, Brazil, Paraguay and Uruguay not only enjoy a significant level of food sovereignty

<sup>36</sup> Haiti, Belize, Grenada, Guyana, Suriname and St. Vincent and the Grenadines.

and security, they contribute to increasing the world's supply of wheat, corn and soybeans. It is important to note, in view of food utilisation (one of the pillars of food security), that not all food produced is consumed by humans. Therefore an increase in food supply may not always mean or lead to greater food security.

Not all Latin American countries are enjoying the same level of food security as those countries mentioned above. Indeed, El Salvador, Guatemala and Honduras have experienced difficulties in their agricultural sector mainly because of inadequate infrastructure, the paucity of a food and nutrition security strategy, climate change, and limitations in their human capital development.<sup>37</sup>

### 3.3.4 Non-communicable diseases

NCDs have been a major concern for health specialists and policymakers in Latin America and the Caribbean for over two decades and should be an area of cooperation for the Bi-regional Strategic Partnership. NCDs impose an enormous economic burden on the health care systems of every country in the region. Across the Americas, about 4.5 million people die each year from NCDs. This represents more than 80% of all deaths of people under the age of 70. An estimated 70% of years of lives lost in the countries of the OECS are due to NCDs, as compared to the global average of less than 50% and the average in lower-middle income countries of about 60% (World Bank 2012: 9).

The four major NCDs – cardiovascular disease, most cancers, diabetes and chronic respiratory diseases – will account for approximately 81% of deaths in Latin America and the Caribbean by 2030 and 89% of all deaths in high-income countries. Individuals living with NCDs tend to endure years of disability which can be costly for the affected families, a country's economy and health care systems (Baldwin et al. 2013: 1).

Most of the deaths from NCDs are the result of long-term tobacco use, the harmful over-consumption of alcohol, unhealthy diets (too much sugar and salt) and lack of physical activity. The high level of cases of obesity throughout the LAC region are directly linked to unhealthy diets consisting of highly processed foods that are high in fat and sugar. There seems to be a correlation between high rates of poverty and increases in the cases of malnutrition. Children in countries like Guatemala where poverty is high are showing more signs of malnourishment while the population, on average, is becoming more obese (Marini and Gragnolati 2003).

<sup>37</sup> For more information, see: World Economic Forum, <https://www.weforum.org/agenda/2015/05/why-food-security-is-an-opportunity-for-latin-america/> (accessed 12 November 2016).

According to the PAHO first *Regional Status Report on Alcohol and Health in the Americas*, the highest rates of harmful alcohol consumption in the Americas can be found in Paraguay, St. Kitts and Nevis, and Dominica in descending order. It was also found that 10% of drinkers in the region account for more than 40% of all alcohol consumed in the Americas, and that the LAC region has on average the second highest per capita consumption of all WHO regions, after Europe. Furthermore, approximately 6% of the region's population experience an alcohol use disorder (PAHO 2015: 16, 36, 55).

What accounts for the increase in the over-consumption of alcohol in this region? Maristela Monteiro, PAHO/WHO senior advisor on alcohol and substance abuse, has argued that this phenomenon can be explained by high availability, low cost and the aggressive advertising of alcoholic beverages.<sup>38</sup> Also, there are serious consequences associated with the over-consumption of alcohol. In the Americas, alcohol was a contributing factor in the deaths of approximately 300,000 people in 2012. Over consumption of alcohol in the region is responsible for over 200 diseases and injuries, including cirrhosis of the liver and some types of cancers. People who drink alcohol in excess are more susceptible to infectious diseases such as HIV and tuberculosis (PAHO 2015: 5, 23, 24).

When it comes to addressing the problem of NCDs in the Caribbean, we have witnessed much rhetoric, declarations, target setting and plans of action. However, there is clearly an implementation deficit that needs to be bridged if words are to be transformed into deeds.

### 3.3.5 Financial vulnerabilities

The vulnerability of financial systems can be defined as the degree of susceptibility to crises, which is dependent on the frequency of shocks, the extent and type of exposures<sup>39</sup> and the resilience<sup>40</sup> of a financial system. It can be expressed in the following way: Vulnerability = Probability of shock (exposure-resilience; see Essers 2013 for explanation of terms).

The liberalisation of financial systems has led to increasing regional financial integration and the intensification of cross-border financial activity. In particular, a key feature is the dominance of large and entrenched conglomerates and financial

38 For more information on this issue, see: [http://www.paho.org/hq/index.php?option=com\\_content&view=article&id=11116%3A2015-harmful-alcohol-use-increasing-americas&Itemid=135&lang=en](http://www.paho.org/hq/index.php?option=com_content&view=article&id=11116%3A2015-harmful-alcohol-use-increasing-americas&Itemid=135&lang=en) (accessed -15 November 2016).

39 Exposure refers to the characteristics of a financial system which predisposes it to weakness.

40 Resilience refers to the ability of financial systems to absorb shocks without incurring significant costs.

groups, often connected through ownership and business interests. However, regional financial markets are still relatively thin and underdeveloped and dominated by the commercial banking sector as national regulators cannot adequately manage risks and promote financial stability in their national jurisdictions without reference to cooperation with regulators in connected countries.

Overall, the regulatory and supervisory systems in the region are still lacking in some areas, particularly in the non-bank financial institution (NBFI) sector. Moreover, there is still no formal architecture codified in law to deal with risks emanating from increasing financial interconnectedness in spite of improvements such as supervisory colleges for systemically important financial institution (SIFIs) and information sharing among regional regulators. The regional financial stability architecture should involve the following: institutions – regional financial stability committees or new institutions; monitoring and reporting systems – regional financial stability report (RFSR); decision-making frameworks – triggers for intervention and the development of a regional crisis management plan; and laws – to give force for cross-border information sharing and regulatory action. The crisis of the CL Financial conglomerate<sup>41</sup> in Trinidad and Tobago showed how interconnectedness could amplify and propagate crisis if not managed properly. However research has also shown benefits in the absence of frictions (Allen and Gale 2000).

Canadian banks also dominate in the region and their conservative corporate culture may have helped in limiting risky behaviour which led to crises in more advanced markets. Conversely, these banks would be considered a node in a connectedness map, the failure of which could lead to crises in many countries (Ogawa et al. 2013). Moreover, in the Eastern Caribbean Currency Union (ECCU), indigenous banks are connected through common ownership structures such as the Eastern Caribbean Financial Holding Company and the Eastern Caribbean Amalgamated Bank. Additionally, government and national insurance system (NIS) schemes are shareholders which have high exposures (20-30%) to the public sector on both the asset and liability sides. There are also financial entities such as Sagicor with two of its major shareholders, the National Insurance Board in Barbados and Republic Bank as well as Guardian Life which has similar linkages.

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<sup>41</sup> "CL Financial, headquartered in Port of Spain, Trinidad, is the holding company for a diverse group of companies, associates and subsidiaries, in Trinidad and Tobago, the Caribbean region, and beyond... CL Financial grew out of the Colonial Life Insurance Co (Clico), the first Trinidadian owned insurance company, which opened for business on June 1, 1937. Within a decade the company had begun to expand into other countries within the region, and it subsequently experienced several decades of rapid expansion. During this time Clico established subsidiaries and bought into businesses mainly in the financial sector, in Trinidad and Tobago and elsewhere in the Caribbean region" (Caribbean Centre for Money and Finance 2009: 2); on Clico, please also see section 3.3.6.

The risks associated with these linkages are mitigated in some jurisdictions by strong consolidated regulatory and supervisory frameworks. However, problems still exist with outdated regulations and prudential standards across the region, especially in the area of asset classification and provisioning, and the treatment of real estate collateral. The combination of supervisory and economic knowledge to effectively monitor risks is also still inefficient with human resources deficiencies, both in terms of numbers and expertise, little or no data on regional financial interconnectedness (and therefore contagion probabilities), underdeveloped systems for information sharing and regulatory cooperation across the region, and a crisis resolution framework developed by the Caribbean Group of Bank Supervisors (CGBS), but no implementation.

Other major financial vulnerabilities relate to the process of de-risking. It is the practice by international banks of lowering their overall risk exposure in response to more stringent and prudential anti-money laundering and financial disclosure standards imposed by international regulatory bodies.<sup>42</sup> A recent working paper by the Caribbean Centre for Money and Finance (CCMF; see Caribbean Centre for Money and Finance 2016) also concluded that this has severely impacted CARICOM economies and British dependencies. This issue has the potential to stymie the development of the financial services sector by placing huge constraints on interaction - and, in some cases severing the region's linkages - with the international financial system.

The Brexit also has major implications and the impact will vary according to how long it takes to structure a new relationship between the EU and the UK, as well as the nature of the final deal. While there are potential opportunities, the effect is expected to be negative (International Monetary Fund 2016). In particular, financial flows to the region could fall and become more expensive. The strengthening of the US dollar, to which most Caribbean countries are pegged, could further compromise the external competitiveness of the region, and aid and development finance flows to the region could fall because of the rationalising of development finance post-Brexit.

Lastly, pre-existing macroeconomic weaknesses, in terms of high debt overhangs and weak fiscal and balance of payment accounts, mean that sovereign risks are high, leading to problems related to the cost and availability of external finance. Most LAC countries are highly dependent on external finance and the intensification of such problems has huge negative implications for growth prospects (de la Torre et al. 2013).

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<sup>42</sup> This "de-risking" often takes the form of termination of correspondent banking relationships with local banks, withdrawal from selected markets, and the closure of the accounts of selected clients in an effort to reduce their risks to countries, institutions and individuals who could potentially damage their reputation by violating one or more of these international standards and rules (see for example, Erbenová et al. 2016).

In all these areas the solution requires regional, and in some cases, international cooperation since the source of the vulnerabilities is regional in nature and scope. The issue of global financial stability, and the regulation of financial institutions and markets, has a regional dimension because of greater financial interconnectedness. De-risking is a common threat faced by the entire LAC region and would be best addressed through the widest regional partnership. International shocks such as Brexit need an international response, and common structural financial weaknesses in the LAC region would also benefit from a regional strategy, as well as national solutions.

### 3.3.6 Good governance and transparency

Good governance, accountability and transparency are essential to, and permeate every aspect of, the planning and delivery of any sustainable development strategy, and therefore warrant greater prominence in any joint action for effective and sustainable development. This approach is supported by the UN SDGs, which the CELAC 2020 Plan promotes. The UN, in identifying peace, justice and institutions as Goal 16 of the SDGs, clearly illustrates the adverse impacts which corruption, bribery, theft and weak institutions can have on lifting people, particularly those in developing countries, out of poverty and placing economies on a path to more sustainable development. It notes that these systemic weaknesses “cost some \$1.26 trillion for developing countries per year” which could be used to “lift those who are living on less than \$1.25 a day above \$1.25 for at least six years”.<sup>43</sup>

Ambassador Dr. Joseph Edmunds noted that, despite the Caribbean’s long tradition of democratic governance and a strong parliamentary system, lack of legislation and transparency regarding political campaign financing and public procurement practices strains democratic institutions and subverts good governance, which could have devastating consequences for the security of small island states (Edmunds 2015). The IDB has also linked good governance, transparency and integrity to the growth, development, equity and competitiveness of Caribbean economies. With most of the economies of the Caribbean currently experiencing declining growth and low export earnings, the case for strong democratic institutions, good governance and accountability is even more urgent. As unemployment, crime and international debt steadily increase in these countries, transparency and good governance will be critical for the equitable distribution of shrinking resources, which in turn will impact the level of social cohesion and overall stability of these countries.

<sup>43</sup> For more information on Goal 16, see: <http://www.un.org/sustainabledevelopment/peace-justice/> (accessed 9 June 2016).

Additionally, the importance of building a culture of accountability, both at the public and corporate levels cannot be overstated. In small economies such as those of the Caribbean, where the government is often the largest employer or purchaser of goods and services, and where the private sector is often relatively small, and consists of a few powerful companies, often with interlocking directorates, it is imperative that proper legislative and oversight mechanisms are put in place to avoid abuse and corruption. The impact of the meltdown of Colonial Life Insurance Company Limited (CLICO), Trinidad and Tobago's largest insurance company, and the Caribbean's largest conglomerate – the CL Financial Group – was catastrophic, not only for Trinidad and Tobago, but also for the entire region (Rambarran 2013). An International Monetary Fund (IMF) report estimated the cost of the CLICO collapse on the smaller countries of the OECS to be as high as 17% of their GDP. “Poor corporate governance; a severe lack of transparency and systemic weakness in the regulatory architecture” (Rambarran 2013: 5) were cited as major contributors to “the worst financial shock experienced by the region to date” (Soverall 2012: 166).

Given the significance of oversight, accountability and legislation for the optimal functioning of all spheres of society, good governance should necessarily also encompass creation and/or strengthening of institutions and systems that effectively address other segments such as health, safety, education, housing and other social and environmental needs of citizens, particularly the most vulnerable.

The CARICOM Charter of Civil Society adopted by heads of government of CARICOM in 1997 provides a useful framework for deepening and widening the integration process by underscoring the establishment or adoption of cross-cutting measures and practices such as good governance and respect for basic human rights and liberties (Article XI) (CARICOM Secretariat 1997). However, although the Charter promotes “bottom-up” participation to reduce the “benefit deficit” which seems to affect the most vulnerable groups in the region, it remains largely unworkable and its potential is therefore untapped. The absence of more active and constant participation by the citizenry in the democratic processes of Caribbean countries has seen a widening of governance and oversight fissures, which make leakage due to corruption, and/or misallocation of resources more commonplace. This is evident in the region's consistently poor performance in Transparency International's (TI) Corruption Perception Index (CPI).<sup>44</sup>

A Special Insight Paper, *Tackling Corruption in Central America*, stated that “corruption remains one of the key problems in Central America... leading to

44 See Transparency International Corruption Perceptions Index: [http://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016](http://www.transparency.org/news/feature/corruption_perceptions_index_2016) (accessed 30 January 2017).

economic losses, undermining the rule of law and corroding the democratic fabric of society” (Latin American Newsletters 2016: 1). For El Salvador, Honduras and Guatemala, which comprise the ‘northern triangle countries’, corruption also contributes to forced migration due to criminal violence. This region’s overall poor performance in global rankings, e.g. CPI, press freedom<sup>45</sup>, judicial independence and quality of institutions<sup>46</sup>, is worrisome. What is even more telling is the recent exposé of allegations of systematic corruption against former Panamanian President, Ricardo Martinelli; and the “Panama Papers”<sup>47</sup> scandal which revealed entrenched and institutional corruption in which Panama’s financial jurisdiction was misused for alleged international tax evasion and money laundering by clients from across the globe, including companies and individuals from the Caribbean.

Several other Latin American countries such as Ecuador, Nicaragua, Venezuela, Guyana and Haiti, have also scored low in the CPI, suggesting that the issue of governance and public sector corruption has far reaching negative consequences and requires a concerted and urgent effort among the subgroups, but more importantly, at the wider CELAC level. The ability of governments to address poverty and inequality gaps within the sub-regions of CELAC remains an important agenda item for achieving the SDGs. Ensuring that leakages arising from corruption are kept to a minimum should be a key priority for the entire hemisphere, as well as the EU. It is in this context, and in light of the governance challenges confronting CARICOM, that the authors call for the CELAC 2020 Development Plan to include good governance as a stand-alone item for which EU collaboration can be harnessed. The authors advance the view that good governance and transparency should be closely aligned to education and broader community empowerment strategies across the EU-LAC, in addition to the legislative framework. In this way, more effective monitoring of and compliance by the public and business sectors can be accomplished from the ground up. This type of initiative will not only send a strong signal to all levels of society, across all EU-LAC countries that these principles must be ingrained in all activities if countries are to achieve the SDGs, but it also places greater ownership of the process of monitoring in the hands of the true owners of resources in these societies.

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45 The World Press Freedom Index is provided annually by Reporters without Borders: <https://rsf.org/en/ranking> (accessed 30 January 2017).

46 Judicial independence and the quality of institutions are measured regularly by the Rule of Law Index: <http://worldjusticeproject.org/> (accessed 30 January 2017).

47 “The Panama Papers is a global investigation into the sprawling, secretive industry of offshore [sic] that the world’s rich and powerful use to hide assets and skirt rules by setting up front companies in far-flung jurisdictions.” The investigation is based on more than 11 million leaked files. See the International Consortium for Investigative Journalists, <https://panamapapers.icij.org/video/> (accessed 30 January 2017).

### 3.3.7 Other areas for potential collaboration

In our interviews, we asked interviewees to define priority areas in which the Caribbean will benefit most from collaboration with Latin America and the EU. Interviewees proposed additional areas for collaboration between the LAC sub regions and CELAC and the EU. These are provided below.

The areas of climate change, energy<sup>48</sup>, the environment and biodiversity, the management of natural resources – marine resources, in particular – and disaster management were seen to be key areas of concern for the Caribbean which should be prioritised as an area for joint action. The rationale is that the Caribbean (and Latin America) is one of the most disaster-prone regions in the world (Fagen 2008); hence the high priority of climate change on the Caribbean agenda. Additionally, the LAC sub-regions have common ecosystems and environmental challenges by virtue of the shared geographic space and the Caribbean Sea which the Caribbean shares with some Latin American countries. In the area of disaster management, in particular, it was felt that the Caribbean can enlist the support of CELAC and the EU to lobby for concessional financing for disaster risk reduction.

Debt reduction also featured among the priority areas for joint action. It was stated that the Caribbean is currently among the most indebted regions in the world, therefore this matter is high on its agenda. One of the issues for which the Caribbean has been lobbying is for funding pledges for climate change adaptation measures for the Caribbean to be used to write down Caribbean debt (debt for climate adaptation swap). Because much of the debt is owed to countries through bilateral arrangements in Europe, lobbying the EU is very critical in this regard. CELAC is also useful as some member countries are part of the G20.

Infrastructure and connectivity, including ICTs to promote tourism, were identified among the areas for collaboration between the LAC sub-regions. There is need to expand the tourism market to tap into the Latin American and non-traditional EU markets. The Caribbean could do so through greater collaboration with the EU and Latin America.

Trade issues were also highlighted among the areas for joint action. The rationale for this suggestion stems from the view that the Caribbean has not benefited significantly from the EPA because of the challenges being encountered with its implementation.

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48 The importance of energy cooperation to the Caribbean with Latin America is seen in the some countries participation in the Petro Caribe Agreement. Established in 2005, it aims to contribute to the transformation of LAC societies and to promote the elimination of social inequalities, quality of life and effective participation of the people in shaping their own destiny (PDVSA and Gobierno Bolivariano de Venezuela Ministerio del Poder Popular para la Energía y Petróleo n.d.).

Greater collaboration with the EU was seen to be necessary in this regard, especially on copyright and related issues and for exploring opportunities to export services, especially in the creative sector in Europe. These opportunities were seen to also be possible in Latin America.

Other areas of interest to the Caribbean and listed as priority for cooperation, include education – research and innovation, academic exchanges and institutional strengthening and development issues (social cohesion and inclusiveness and poverty reduction).

Additionally, the following were identified as areas the Caribbean should prioritise in its relations with the EU, especially in the Post-Cotonou context: market access, mobility of individuals, development cooperation, protection of the Caribbean Sea, and preventing the movement of nuclear material through it, and reparations for slavery. Our view and that of some interviewees is that CELAC could be a complementary framework through which the Caribbean can pursue selected priorities with the EU.

# 4 FACILITATING AND ENHANCING THE CARIBBEAN'S PARTICIPATION IN CELAC AND IN THE BI-REGIONAL STRATEGIC PARTNERSHIP

## 4.1. Overview

The LAC region and EU are characterised by huge differences as well as similarities across different dimensions (Gratius 2013; Talvi 2014). The increased blurring of the divide between core and periphery means that some EU countries now share certain challenges with LAC countries. The interplay between the forces of segmentation and convergence in both regions means that there are challenges as well as opportunities for cooperation within LAC and between LAC and the EU. The fact that segmentation is present alongside forces of convergence, however, could make for a very convoluted institutional structure for cooperation between countries in LAC and between LAC and the EU. CELAC and the Bi-regional Strategic Partnership are well placed to address this challenge.

Borrowing from Sandler's (2010) assertion, based on the work of Mancur Olson (1965), that limiting complexity promotes collective action, we argue for challenges to be addressed at the national and regional levels, with CELAC and the EU playing supporting roles and a coordinating role for CELAC, albeit in the long term. This idea subscribes to the principle of subsidiarity. For the purpose of this paper, subsidiarity is defined as governance at the lower level with "responsibility at the actual level of actions" (Donati 2009: 229). This approach highlights the distinctness of the Caribbean from Latin America and guards against a one-size-fits-all approach. It recognises that, while LAC share common problems, the two sub-regions are unique, having different historical legacies as well as social, cultural and political systems which inform their existing challenges and, by extension, should inform the solutions. It has been said that "subsidiarity cannot work without solidarity [...] solidarity

and subsidiarity are mutually reinforcing and necessary to realizing the common good” (Donati 2009: 214). Solidarity is needed to guard against fragmentation and marginalisation of agendas. It allows for drawing on each other’s strengths to resolve security challenges at the regional and national levels. Drawing from the principle of solidarity, we argue, first, that the Caribbean states’ participation in CELAC and the Strategic Partnership be conducted through its regional and sub-regional organisations, on the basis of division of labour. This means that regional institutions best placed to handle a specific issue area will provide input, coordinate and represent the Caribbean sub-region in CELAC’s substantive discussions.

Second, we argue that CELAC and the Bi-regional Strategic Partnership provide the space for coordination between the two sub-regions and between the LAC region and the EU. One of the points of discussion could be the rationalisation of existing frameworks to avoid duplication of efforts and to ensure the maximisation of available resources. CELAC should also facilitate greater sharing and pooling of resources and expertise in support of regional mandates and objectives.

This chapter outlines key institutional frameworks in each of the areas proposed for joint action for enhancing the Caribbean’s participation in the above. These include select examples of regional and sub-regional frameworks in the LAC region, between the two sub-regions and with the EU, in the various areas. By outlining the work of selected mechanisms, we illustrate their relevance to the priority area under discussion and the potential they hold for contributing to the participation of the Caribbean in CELAC and the Bi-regional Strategic Partnership.<sup>49</sup> We provide specific recommendations in Chapter Six, for each issue area, by outlining how regional and sub-regional frameworks discussed can be used to facilitate joint action, and enhance the Caribbean’s participation in CELAC and the Bi-regional Strategic Partnership.

## 4.2. Poverty and inequality

### 4.2.1 CELAC and EU-CELAC policy and institutional framework

CELAC’s concerns on poverty and inequality have been present since its inception. In the first Political Declaration of Caracas<sup>50</sup> guidelines were established

49 The role of Meetings of National Coordinators “To implement [...] the decisions of the Summit of Heads of State and Government and the resolutions of the Meeting of Ministers of Foreign Affairs [...] and] To coordinate CELAC initiatives with other existing processes of regional and subregional integration” (CELAC 2013, 5, 6) does not preclude the authors’ proposal for a more central role for regional organisations in supporting the work of CELAC. Moreover, National Coordinators add an additional layer of responsibility to the limited and overstretched resources at the national level for the Caribbean. Regional organisations could be incorporated more formally in CELAC to support CELAC’s work, in particular, substantive input and implementation.

50 See *Caracas Declaration “In the Bicentenary of the Struggle for Independence towards the Path of our Liberators”*. Caracas: CELAC (3 December 2011). Available from <http://www.pnuma.org/forodeminstros/19-reunion%20intersesional/documentos/CARACAS%20DECLARATION.pdf> (accessed 23 June 2016).

for implementing social policies to reduce internal social inequalities. In the Declaration of Belén (CELAC 2015b: 1), CELAC reaffirmed its “strong determination to eradicate extreme poverty, hunger and inequality in the region as an indispensable precondition to reach sustainable development, through the articulation of economic, social, and environmental policies with integral and fair citizen participation”. At the Fourth CELAC Summit (2016), poverty and inequality were recognised as one of the main challenges the LAC region faces today. In the 2016 CELAC Action Plan, the first main action area is food security and eradication of hunger and poverty.

In the proposed CELAC 2020 Plan, the goal of reducing extreme poverty and inequality appears as the first of five main thematic areas. It proposes for CELAC to achieve, by 2020, a reduction of extreme poverty in the region, a reduction of the Gini coefficient, and a reduction of informal employment (CELAC 2015a).

Poverty and inequality in LAC are important to the EU-CELAC relationship. Paragraph 25 of the Brussels Declaration of the Second EU-CELAC/Eighth EU-LAC Summit (2015), states: “[w]e are determined to eradicate poverty in all its forms and achieving sustainable development...” (EU-CELAC 2015a). In the Action Plan, poverty eradication is addressed under chapters three and five: “regional integration and interconnectivity to promote social inclusion and cohesion” and “education and employment” (EU-CELAC 2015b).

The EU also supports the LAC region in its efforts to reduce poverty and promote social inclusion and other development related issues in collaboration with other regional organisations such as the IDB.

#### 4.2.2 Regional and sub-regional institutions

The following are key institutions which can be utilised to support the Caribbean’s participation in CELAC and the Bi-regional Strategic Partnership.

**ECLAC** is among the five of the regional commissions of the United Nations and aims to promote the social and economic development of the LAC region. It seeks to coordinate actions in an attempt to meet this goal and build economic linkages among LAC countries and between LAC and the rest of the world. ECLAC is able to bring a regional viewpoint to global challenges and in turn offers a global perspective to regional and sub regional problems. Among its numerous other objectives, ECLAC conducts research and disseminates it,

engages in development cooperation and organises and sponsors training and seminars.<sup>51</sup>

In keeping with ECLAC's objectives to promote economic and social development, initiatives on reducing poverty and inequality are key to its work. In November 2015, ECLAC, together with the UNDP and the government of Peru, organised the *Regional Conference on Social Development in Latin America and the Caribbean*. The meeting discussed new policies regarding poverty and inequality in light of the SDGs that had recently been adopted.<sup>52</sup> ECLAC has been providing advice regarding the fight against poverty and inequality in the context of CELAC. At the Fourth Summit of CELAC (2016) in Quito, ECLAC presented proposals for the fight against poverty, inequality and hunger and provided statistical information.

ECLAC research efforts have been focused on addressing inequalities in the LAC region. Recommendations for combating inequality are at the heart of the strategy set forth in *Time for Equality: Closing Gaps, Opening Trails* (2010). The document points to the negative impact of inequality on growth and on political and social stability in LAC countries. The document *Structural Change for Equality: An Integrated Approach to Development* (2012) extends this line of argument and stresses that, unless the production structure and specialization patterns incorporate more technology and shift towards activities with higher levels of productivity, it would be impossible to create quality jobs to replace the very low productivity employment that fuels inequality in the region's countries and holds back their development. More recently, in 2014, ECLAC argued in *Compacts for Equality: Towards a Sustainable Future* that the most effective way to pursue a new development pattern is to build broad alliances and social compacts to make sustainable development policies viable and turn them from government policies into state policies, in the framework of a new equation between the state, the market and society (ECLAC 2014).

ECLAC has contributed to the preparatory process for the Summits of Heads of State and Government of CELAC and the European Union. For the first Summit in 2013, ECLAC produced the report *European Union and Latin America and the Caribbean: Investments for growth, social inclusion and environmental sustainability* with the aim of providing "a broad and well-informed view of the main dimensions of development in LAC countries and the European Union, as well as an insight into the central theme of the Summit: investments for economic growth, social inclusion and environmental sustainability" (ECLAC 2012a: 13). According to ECLAC (2012a: 13),

<sup>51</sup> For more information about ECLAC, see: <http://www.cepal.org/en/about> (accessed 27 July 2016).

<sup>52</sup> For more details of this conference, see: <http://www.cepal.org/en/news/social-development-ministers-latin-america-and-caribbean-will-meet-lima-discuss-policies> (accessed 30 January 2017).

there is “strong complementarity” in the European Union and LAC relationship, and it holds great promise for a strong partnership for the benefit of both regions.

In 2012, ECLAC identified a decline in investments between the EU and LAC regions and recommended that relevant actors work towards seeking new opportunities and encouraging investments in non-traditional areas. ECLAC concludes that “[a] deeper partnership between the LAC region and the EU would speed up economic development in the LAC region, propel structural change towards more knowledge-intensive sectors, reduce poverty, increase social inclusion and protect the environment” (ECLAC 2012a: 14).

ECLAC’s role of providing statistical information to the LAC region can be very useful in supporting the Caribbean’s participation in CELAC. While existing statistical data are very comprehensive, there are still important gaps to be filled, with specific reference to the Caribbean.

Overall, ECLAC could play a particularly important role in strengthening CELAC and the Bi-regional Strategic Partnership by virtue of the extensive work it has undertaken, among others, in international trade and integration – one of its work areas.<sup>53</sup>

The **SELA** is a regional intergovernmental body consisting of 27 LAC member states. Its objectives are to provide a mechanism to facilitate the formulation of common positions and strategies on economic issues in LAC countries’ external engagements and to promote LAC cooperation and integration. SELA has developed an extensive database which provides information aimed at poverty reduction in the region.<sup>54</sup>

The **OAS** was established to achieve peace and justice among its membership, pursue solidarity, strengthen collaboration, and defend the sovereignty, territorial integrity, and independence of its members. The OAS’ work is based on four main pillars: democracy, human rights, security, and development. The body has an Executive Secretariat for Integral Development with four areas of work: economic development, sustainable development, human development, and education and employment and social inclusion.<sup>55</sup> The above could support efforts by CELAC’s member states aimed at reducing poverty and achieving economic development, as well as support greater cohesion between CELAC’s two sub-regions.

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53 For further details, see, CEPAL: <http://www.cepal.org/en/work-areas/international-trade-and-integration> (accessed 20 July 2017).

54 See SELA. Available from <http://www.sela.org/en> (accessed 1 October 2016).

55 See OAS. Available from <http://www.oas.org/en/default.asp> (accessed 1 October 2016).

The **ACS** is an intergovernmental organisation established to facilitate consultation, cooperation and action in the Greater Caribbean. Through political dialogue, members are able to identify areas of common interest and concern for which they could take joint action at the regional level. The ACS' five working areas are "natural disasters", "sustainable tourism", "trade and economic external relations", "transport", and the "preservation and conservation of the Caribbean Sea".<sup>56</sup> The ACS has recognised poverty as a key challenge of the Greater Caribbean and, in the Havana Declaration approved at its Seventh Summit (2016), the ACS committed to eradicating hunger and poverty and to meeting the goals and targets of the 2030 Agenda for Sustainable Development. Its platform for engaging in cooperation initiatives might be a useful one to put emphasis on actions for eradicating poverty within the programmes actually in place.

The Bolivarian Alliance for the Peoples of Our America-Peoples' Trade Treaty (**ALBA-TCP**) is a platform for facilitating the integration of LAC countries. It is founded on the principles of "solidarity, complementarity, justice and cooperation", with the aim of achieving structural change needed for development, sovereignty and justice. It is also "a political, economic, and social alliance" to defend the "independence, self-determination and the identity" of its peoples.<sup>57</sup> The ALBA Bank, functioning since 2008, is aimed at contributing to economic and social sustainable development, poverty reduction, strengthening integration, reducing asymmetries, and promoting justice, inclusion and equity among its members.<sup>58</sup>

The **IDB's** goals are decreasing poverty and social inequalities, meeting the needs of small and vulnerable economies, promoting development via the private sector, dealing with climate change and related areas and advancing regional integration. The IDB's aim is to enhance the lives of the peoples of the LAC region by providing financial and technical assistance to countries' programmes geared towards the reduction of poverty and inequality and provide support in the areas of health, education and infrastructure. Additionally, the IDB conducts research with a focus on social inclusion and inequality, productivity and innovation, and economic integration and the cross-cutting issues of gender equality and diversity, climate change and environmental sustainability; and institutional capacity and the rule of law.<sup>59</sup>

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56 See ACS. Available from <http://www.acs-aec.org/index.php?q=about-the-ac> (accessed 10 November 2016).

57 See ALBA-TCP. Available from <http://alba-tcp.org/en/contenido/alba-tcp-eng> (accessed 10 November 2016).

58 See ALBA-TCP. Available from <http://alba-tcp.org/en/contenido/founding-act-alba-bank> (accessed 20 April 2017).

59 IDB. Available from <http://www.iadb.org/en/about-us/about-the-inter-american-development-bank,5995.html> (accessed 20 July 2017).

### 4.3. Crime and insecurity

#### 4.3.1 CELAC and EU-CELAC policy and institutional framework

Security is not one of the four thematic areas of the CELAC 2020 Planning Agenda Proposal; however peace and security are important to CELAC's agenda. At the second CELAC Summit in Havana in 2014, heads of states and government declared the LAC region as a 'zone of peace' where states are to settle their differences "through dialogue and negotiation or any other peaceful means in compliance with International Law" (CELAC 2014a: para. 53). This was reaffirmed at the fourth and fifth CELAC Summits in Quito in 2016 and Punta Cana in 2017, respectively and highlighted at both EU-CELAC Summits in 2013 and 2015 and the EU-CELAC ministerial meeting in Santo Domingo in 2017.

CELAC's 2016 Action Plan addresses the world drug problem to fulfil commitments made in the Declaration of Quito (2015) on the drug problem in the region and CELAC's common positions on the issue in the UN in 2016. The 2016 plan is also to enhance the EU-CELAC Cooperation and Coordination Mechanism on Drug Issues Framework.<sup>60</sup>

The drug problem is a key area of cooperation between the EU and the LAC region. This is done within the framework of the EU-CELAC Coordination and Cooperation Mechanism on Drugs. The EU-CELAC Action Plan updates biannually, the concrete measures to be implemented. The Cooperation Programme on Drugs Policies (COPOLAD) supports the EU-CELAC Coordination and Cooperation Mechanism on Drugs through capacity-building in reduction in drug demand and supply, and consolidating national observatories (European Commission. High Representative of the Union for Foreign Affairs and Security Policy 2015).

The EU-CELAC Action Plan adopted at the first EU-CELAC Summit in 2013 addresses the challenge of illegal drugs. "The objective is to strengthen bi-regional dialogue and the effectiveness of joint efforts to tackle the world drug problem as identified and developed in the framework of the EU LAC Coordination and Cooperation Mechanism on Drugs" (Council of the European Union 2013: 9). The 2013-2015 Action Plan also aimed to engage in dialogue, to increase cooperation to fight drug trafficking, within the UN, in particular, the Commission on Narcotic Drugs (Council of the European Union 2013).

60 For more information on the 2016 CELAC Action Plan, see: [http://www.itamaraty.gov.br/images/ed\\_integracao/IV\\_CELAC\\_SUMMIT\\_2016ActionPlan\\_ENG.pdf](http://www.itamaraty.gov.br/images/ed_integracao/IV_CELAC_SUMMIT_2016ActionPlan_ENG.pdf) (accessed 3 October 2016).

EU-LAC cooperation takes place in other interregional processes such as the EU-Andean Community High Level Specialised Dialogue on Drugs and the EU Strategy on Citizen Security in Central America and the Caribbean. Cooperation also takes place at the bilateral/regional level through political dialogue such as the Joint EU-Caribbean-Partnership Strategy (2012) which, among other areas, includes crime and security. Additional cooperation also takes place between the European Commission and individual countries and/or regions via National and Regional Indicative Programmes.

An important example of an EU-funded programme at the interregional level includes the Cocaine Route Programme adopted in 2009. Components of this programme are as follows: Prevention of the Diversion of Drug Precursors in the LAC Region (PRELAC);<sup>61</sup> Airport Communication Programme (AIRCOP) to prevent cocaine shipments by air;<sup>62</sup> the Police Community of the Americas (AMERIPOL) project to strengthen LAC and the EU efforts to tackle trans-regional organised crime; the Financial Action Task Force of Latin America (GAFILAT) project to counter money laundering and financing of terrorism in LAC countries<sup>63</sup>; and the Cocaine Route Monitoring and Support (CORMS) to liaise and create synergies among the various elements of the Cocaine Route Programme.<sup>64</sup>

EU-LAC consensus exists in other areas of security, including the eradication of the illicit trade in small arms and light weapons as well as human trafficking and terrorism, as evidenced in EU-CELAC Summit Declarations of Santiago in 2013 and Brussels in 2015.

Cooperation at the multilateral level, takes place through the Latin American and Caribbean Group (GRULAC) at the UN.

#### 4.3.2 Regional and sub-regional institutions

The CARICOM Implementation Agency for Crime and Security (**IMPACS**) is the body which addresses security matters of CARICOM member states. The purpose of IMPACS is to enable CARICOM states to take a collective response to crime and

61 Participating countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru, Trinidad & Tobago, Uruguay and Venezuela. For more information on PRELAC, see: <https://www.unodc.org/brussels/en/prelac-ii.html> (accessed 31 July 2017).

62 The Eastern Caribbean is covered by AIRCOP's counterpart, The Seaport Cooperation Project (SEACOP). For more information on AIRCOP, see: <https://cocaineroute.eu/projects/aircop/> (accessed 31 July 2017).

63 For more information on GAFILAT, see: <http://www.fatf-gafi.org/pages/financialactiontaskforceofsouthamericaagainstmoneylaunderinggafisud.html> (accessed 31 July 2014).

64 For more information on CORMS, see: <https://cocaineroute.eu/about-us/> (accessed 31 July 2017).

security challenges.<sup>65</sup> IMPACS identifies and ranks CARICOM's security threats and risks as transnational organised crime, trafficking of illicit drugs and illegal guns, gangs and organised crime, cyber-crime, financial crimes, and corruption in tier one. In tier two are human trafficking, natural disasters and public order crimes. Risks in tiers three and four are attacks on public infrastructure and terrorism, and climate change, pandemics, and migratory pressures, respectively (CARICOM IMPACS 2013). IMPACS' sub agencies are the Joint Regional Communications Centre (JRCC) and the Regional Intelligence Fusion Centre (RIFC). The latter was established to provide intelligence support and share information.<sup>66</sup>

The Regional Security System (**RSS**) is a security mechanism among OECS states and Barbados to undertake joint action in the face of security threats to any of its member states, if requested. The RSS is also responsible for covering the rest of the CARICOM region as provided by the Treaty on Security Assistance (TSA). The work of the RSS has expanded beyond addressing traditional security threats of illegal drugs and arms trafficking and national security to analysing the impact of emerging security threats to national security.<sup>67</sup> The policy framework governing crime and security in the Caribbean is the Caribbean Security Strategy adopted by the Conference of Heads of Government of CARICOM in 2013.

We provide below examples of institutions with Caribbean and Latin American membership. UNASUR's South American Defense Council (**SADC**) seeks to strengthen regional cooperation in security matters among South American countries in the areas of defence policies, military cooperation, humanitarian action and peace operations, defence industry and technology, and education and training (UNASUR 2015). One of the objectives of the SADC speaks explicitly to LAC collaboration: "[t]he creation of a South American identity in defence issues that incorporates the sub-regional and national characteristics and contributes to the strengthening of unity between Latin America and the Caribbean" (UNASUR 2008: art. 4c). UNASUR member states are Bolivia, Colombia, Ecuador, Peru, Argentina, Brazil, Paraguay, Uruguay, Venezuela, Chile, Guyana and Suriname.<sup>68</sup>

**The Central American Integration System (SICA)** is the regional integration scheme in Central America. One of SICA's objectives is "[t]o set up a new model of regional security based on the reasonable balance of forces, the strengthening of civilian authority, the overcoming of extreme poverty, the promotion of sustainable

65 For more information on CARICOM IMPACS, see: <http://caricomimpacs.org/> (accessed 8 September 2016).

66 For more information on CARICOM IMPACS, see: <http://caricomimpacs.org/> (accessed 8 September 2016).

67 For more information on the Regional Security System, see: <http://www.rss.org.bb/about-us.html> (accessed 8 September 2016).

68 For more information on UNASUR and the South American Defense Council, see: <http://www.unasur.org/en/node/339> (accessed 31 July 2017).

development, the protection of the environment, and the eradication of violence, corruption, terrorism, and drug and arms trafficking”.<sup>69</sup> SICA’s members are: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and the Dominican Republic. Latin American observer states are Brazil, Argentina, Peru, Ecuador, Uruguay and Colombia. Among other extra-regional observers are EU member states: Spain, Germany, Italy, the UK and Malta.<sup>70</sup> The policy framework governing crime and security in Central America is the Central American Security Strategy, adopted in 2007, by the Heads of State and Government of SICA.

The **Central American Armed Forces Conference** was created to foster cooperation among the armies of Central America. This body is aimed at protecting the region from threats to democracy, peace, and freedom and to contribute to security and military development and integration in the region towards contributing to peacekeeping operations. The member states are El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic. Countries with observer status are Argentina, Belize, Brazil, Canada, Chile, Colombia, France, Germany, Mexico, Russia, Spain, Taiwan, the UK and the US. The policy framework governing crime and security in the Central American sub-region is the Central American Security Strategy (ESCA) (Latin American Security and Defence Network 2010).

In addition there are several bilateral agreements between the Caribbean and Latin America in the security realm.

#### 4.4 Food security

##### 4.4.1 CELAC and EU-CELAC policy and institutional framework

Food security and the eradication of hunger and poverty were pivotal items on the agenda of the CELAC Quito summit in 2016. Members were called to apply the 2025 CELAC Plan on Food Security, Nutrition and Hunger Eradication and were called to continue the commitments that were made at the Second Meeting of Ministers and High Authorities of Social Development to Eradicate Hunger and Poverty held in Caracas, in 2015 (CELAC 2016a).

The 2016 CELAC Action Plan explicitly addressed the issue of family farms and called on members to implement the Ministerial Declaration on Family Farming and the CELAC Ad Hoc Working Group on Family Farming Action Plan in 2016. This would allow for governments to reflect, analyse, and define the scope and the challenges

<sup>69</sup> See Central American Integration System. Available from [http://www.sica.int/sica/propositos\\_en.aspx?IdEnt=401&Idm=2&IdmStyle=2](http://www.sica.int/sica/propositos_en.aspx?IdEnt=401&Idm=2&IdmStyle=2) (accessed 10 November 2016).

<sup>70</sup> For more information on SICA, see: <https://www.sica.int/> (accessed 31 July 2017).

involved in promoting the SDGs on matters relating to family farming, food security, nutrition and hunger eradication (CELAC 2016b).

At the V CELAC Summit, held in Punta Cana, Dominican Republic, on January 25, 2017, leaders adopted the Special Declaration on the CELAC Plan for Food Security, Nutrition and Hunger Eradication 2025 in which they also “welcomed [the] adoption of the Gender Strategy for the implementation of the CELAC [Food and Nutrition Security] Plan 2025, with the purpose of building the necessary bridges to guarantee the empowerment of women, mainly rural women” (CELAC 2017a: para.19).

The links between the LAC and the EU when it comes to a trans-regional strategy for addressing the issue of food insecurity can be seen in the EU/LAC Parliamentary Assembly. In January 2006, this body developed a thematic strategy for food security to advance the food security agenda in LAC as well as to achieve the MDGs related to food security and the eradication of hunger (Commission of the European Communities 2006).

#### 4.4.2 Regional and sub-regional institutions

In both the Caribbean and Latin American regions there is already an institutional framework for addressing the issues around food security. **ECLAC, Inter-American Institute for Cooperation in Agriculture (IICA)**<sup>71</sup> and the **FAO Regional Office for LAC**<sup>72</sup> are part of the regional institutional framework which analyses trends and outlooks for agriculture and its overall environment (both microeconomic and sectoral). Another element in the regional institutional framework with a direct mandate to foster integrated farms and diversify agricultural systems in the Caribbean is the **Caribbean Agricultural Research and Development Institute (CARDI)**.<sup>73</sup> CARDI operates in a highly networked environment and coordinates with other regional, hemispheric and global bodies. CARDI is a member of CARICOM’s Agricultural Cluster and it is the only regional agricultural institution identified in the Revised Treaty of Chaguaramas. Its network includes the OECS, the Scientific Research Council of Jamaica<sup>74</sup>, the Caribbean Chemicals and Agencies Ltd.<sup>75</sup>, the CCCCC,<sup>76</sup>

71 For more information on IICA, see: <http://www.iica.int/en> (accessed 31 July 2017).

72 For more information on the FAO Regional Office for LAC, see: <http://www.fao.org/americas/en/> (accessed 31 July 2017).

73 For more information on CARDI, see: <http://www.cardi.org/> (accessed 31 July 2017).

74 For more information on the Scientific Research Council of Jamaica, see: <http://www.src.gov.jm/> (accessed 31 July 2017).

75 For more information on Caribbean Chemicals and Agencies Ltd, see: <http://www.caribbeanchemicals.com/~caribbeanchemicala/about-us.php> (accessed 31 July 2017).

76 For more information on CCCCC, see: <http://www.caribbeanclimate.bz/> (accessed 31 July 2017).

the Caribbean Farmers Network,<sup>77</sup> the Caribbean Industrial Research Institute,<sup>78</sup> the Caribbean Institute for Meteorology and Hydrology,<sup>79</sup> IICA, the University of Guyana and the UWI. CARDI has links with EU institutions, including, the *Centre de coopération Internationale en recherche agronomique pour le développement* (CIRAD)<sup>80</sup> in France, the Institute of Agro-Food Research and Technology<sup>81</sup> in Spain, the French National Institute for Agricultural Research,<sup>82</sup> and the Technical Centre for Agriculture and Rural Communities<sup>83</sup> in the Netherlands.

## 4.5. Non-communicable diseases

### 4.5.1 Regional and sub-regional institutional frameworks

Sub-regional bodies in the LAC area, such as the OECS and CARICOM, have been working with national governments, **PAHO/WHO**, private sector firms and NGOs to develop preventive strategies to control the impact of NCDs. This is seen in the development of the Caribbean Charter of Health Promotion. The Caribbean has been instrumental in making NCDs a major agenda item, not only for the LAC region, but also for the trans-regional and global community. This is a typical case of scaling up through adherence to the subsidiarity principle.

The primary institutional framework for addressing NCDs in the Caribbean can be found in the Caribbean Cooperation in Health organization in which the Caribbean Public Health Agency (**CARPHA**)<sup>84</sup>, the CARICOM Secretariat, and PAHO/WHO are core partners. The CARICOM Heads of Government Meeting in July 2015 gave specific direction for joint work on NCDs by the Council for Trade and Economic Development (**COTED**) and the Council for Social and Human Development (**COHSOD**), and to a joint task force headed by the Chairs of COHSOD and COTED. The CARPHA was instrumental in getting several regional institutions to agree to join together in a consortium to increase action at the national level, across sectors in the obesogenic food environment to cut childhood obesity by half over the next decade. Within LAC, there is an **OAS** task force that was initiated by the former

77 For more information on the Caribbean Farmers Network, see: <http://www.caribbeanfarmers.org/> (accessed 31 July 2017).

78 For more information on the Caribbean Industrial Research Institute, see: <http://www.cariri.com/> (accessed 31 July 2017).

79 For more information on the Caribbean Institute for Meteorology and Hydrology, see: <http://www.cimh.edu.bb/> (accessed 31 July 2017).

80 For more information on CIRAD, see: <http://www.cirad.fr/en> (accessed 31 July 2017).

81 For more information on the Institute of Agro-Food Research and Technology, see: <http://www.irta.cat/en-us/Pages/default.aspx> (accessed 31 July 2017).

82 For more information on the French National Institute for Agricultural Research, see: <http://institut.inra.fr/en> (accessed 31 July 2017).

83 For more information on the Technical Centre for Agriculture and Rural Communities, see: <http://www.cta.int/en/> (accessed 31 July 2017).

84 For more information on CARPHA, see: <http://carpha.org/> (accessed 31 July 2017).

Assistant Secretary-General of the OAS, Albert Ramdin. It makes sense to have the OAS involved in this issue because the Organisation periodically convenes a number of sectoral meetings that ought to be concerned with NCDs across LAC and in the hemisphere.

While there are no specific links between the EU and LAC on this vital matter, as the issue of NCDs becomes scaled up, one can expect to see a number of avenues in which collaboration between the EU and LAC regions could possibly be harnessed, not the least of which is via the extensive institutional network that already exists in the food security area.

## 4.6. Financial vulnerability

### 4.6.1 Caribbean and Latin American institutional frameworks

LAC regional and sub-regional arrangements have had to expand areas of cooperation beyond their original mandate. For example, CARICOM has had to address financial vulnerability, especially the issue of “de-risking” in the wake of tougher international financial regulations and standards, since it is one of the major challenges for the region (CARICOM Central Bank Governors Technical Working Group on De-Risking 2016).

There are wider regional arrangements which can facilitate cooperation between the Caribbean and Latin America such as **ACS**, **SELA** and the **OAS**. Of these, the OAS is the best resourced and most advanced. The ACS and SELA do not represent the entire LAC region and therefore neither would be the ideal mechanism to develop consensus among all members of LAC.<sup>85</sup>

The aforementioned arrangements have mandates which cover areas such as development, security, democracy, human rights and governance, but *not* on financial vulnerability. Therefore these institutions, in their current configurations, are not ideal mechanisms for dialogue and collective action in this area. There is a case to be made, however, for this issue to be included as part of their formal mandate given how damaging it has been in the LAC region.

In that regard, the main mechanisms that already address this issue include well-developed institutions such as ECLAC and the IDB. Others are the International Monetary Fund, the Centre for Latin American Monetary Studies (CEMLA) and the Association of Supervisors of Banks of the Americas (ASBA).

<sup>85</sup> This applies to other sub-regional groupings such as the Union of South American Nations (UNASUR), the Andean Community, the Bolivarian Alliance for the Americas and the Pacific Alliance.

In relation to **ECLAC**, financial vulnerability is broadly covered under its economic development mandate through the Financial and Monetary Sector Division. It emphasises issues relating to exchange rates, financial and monetary policy issues and other macroeconomic matters in the LAC region. It also included the sovereign debt crisis, the possibility of expanding the Latin American Reserve Fund (**FLAR**)<sup>86</sup> to other countries, looking at the dynamics of capital flows and the impact of the expansion of international financial standards and rules, all in the region.<sup>87</sup> The ECLAC mechanism therefore provides a forum, as well as resources, to offer advice and help the region address the issue of financial vulnerability.

The **IDB** supports regional efforts to deal with financial vulnerability since it provides resources and expertise to support member countries' efforts in this area. It focuses on expanding capital markets and risk management tools, and employing regulation for the efficient management of macro-financial risks. It has thus helped improve the financial resilience of the region, but membership from Organisation for Economic Co-operation and Development (OECD) countries which can influence the Bank's modus operandi, means that regional countries may not have *full* control over the Bank's agenda.<sup>88</sup> A country must also belong to the OAS and the IMF before it can become member of the Bank, which has meant that Cuba is a non-member. Therefore the issue of the IDB being a truly regional arrangement to drive collaboration in the area of financial vulnerability may be a concern.

**CEMLA's** main activities include delivering courses and seminars, hosting meetings of member central banks and providing technical assistance in monetary and financial matters. It also facilitates dialogue and consensus building in the area of financial vulnerability. It is an effective forum to develop consensus on the main strategies that can be used to deal with emerging and entrenched financial vulnerabilities and to implement strategies at a *national* level to mitigate financial vulnerabilities. However the implementation of a joint region-wide strategy is problematic. Central banks do not have sovereign powers to bind their jurisdictions to regional agreements nor apply legislative changes to the crafting of regional agreements as this power lies with governments. Moreover, in certain areas such

86 For more information on FLAR, see: <http://www.flar.net/> (accessed 31 July 2017).

87 A component of Latin American integration since 1978 serving initially as the foreign reserve mechanism for the Andean Community of Nations. It has expanded over the years to include non-Andean nations such as Costa Rica and Uruguay. FLAR continues to provide liquidity support to member countries facing balance of payments (BOPs) difficulties (see Rosero 2014).

88 "Voting power in IDB is assigned based on the subscribed Capital Stock. Under the Agreement Establishing the Inter-American Development Bank, each member country shall have 135 votes plus one vote for each share held by that country.... There are 48 member countries of which 26 are regional borrowing members from Latin America and the Caribbean, 2 are regional non-borrowing members (Canada and the United States) and 20 are non-regional non-borrowing member countries from Asia and Europe. Voting power among member countries of the IDB is as follows: Latin American and the Caribbean have 50.015 percent, United States 30.006 percent, Canada 4.001 percent and the non-regional members 15.979 percent"; see <http://www.iadb.org/en/idb-finance/english/subscribed-capital-stock-and-contributions.2121.html> (accessed 10 March 2017).

as sovereign debt, although central banks can provide advice to implement policy, change rests with the governments.<sup>89</sup>

**ASBA's** membership includes all the countries in LAC but also includes regulatory agencies from the USA and Spain. It aims to and has assisted in the improvement of regulatory and supervisory system for banks in the LAC region and so has enhanced the resilience of the regional financial system. However, the fact that it has an extra-regional influence means that it is not a purely LAC-specific regional mechanism. Additionally, it focuses on the narrow area of banking in the LAC region and it is not an adequate vehicle to facilitate cooperation in all the other dimensions of financial vulnerability.<sup>90</sup>

A case can be made for CELAC to play a role in this area, considering the organisation brings together all the constituencies in the LAC region and its work in areas related to financial vulnerability. In fact, as part of the second summit of CELAC in Havana, Cuba, in 2014 in a special declaration on the challenges facing middle-income LAC countries, the group flagged the need to engage in sharing economic and financial experiences for promoting dialogue to develop mechanisms addressing the effect of the international financial crisis (CELAC 2014b). At CELAC's summit held in Quito in January 27, 2016, in the group's declaration, leaders expressed the importance of issues related to strengthening the regional financial architecture and encouraged continued coordination on the issue.<sup>91</sup> As a follow-up, CELAC adopted a Special Declaration on Financing for Development at the V CELAC Summit in Punta Cana, Dominican Republic in 2017 which called on developed countries to meet their commitment to allocate 0.7% of their gross national income to ODA and for donor countries and international agencies to allocate ODA based on criteria which consider the multidimensional nature of development (CELAC 2017b).

CELAC also adopted Special Declaration on the Inclusion of CELAC Member States on Lists of Non-Cooperative Jurisdictions, at the V CELAC Summit, based on concerns about loss of correspondent banking relations resulting from actions aimed at de-risking by some major international banking partners, which affect developing countries, particularly the Caribbean.<sup>92</sup>

89 For more information on CEMLA, see: <http://www.cemla.org/english.html> (accessed 31 July 2017).

90 For more information on the Association of Supervisors of Banks of the Americas, see: <http://www.asbasupervision.com/en/> (accessed 31 July 2017).

91 See CELAC Summit 2016, Political Declaration. Available from <http://www.sela.org/media/2088261/iv-cumbre-celac-declaracion-politica.pdf> (accessed 1 September 2016).

92 CARICOM introduced the Special Declaration on Correspondent Banking which was adopted at the IV CELAC Summit in Quito, Ecuador in 2016. This Special Declaration states that the "decline in correspondent banking relationships with developing countries [...] pose[s] an existential threat to the financial stability of the affected countries and undermine their efforts towards sustained socio-economic growth and development [...] and] urges the international financial community to make extra and strenuous efforts to resolve the problems being faced by some Member States due to the loss of correspondent banking relations, particularly in the Caribbean, in light of the de-risking actions by certain major international banking partners which present profound difficulties for their national economies and which affect their financial and international trade security" (CELAC 2016c: para. 2, 3, and 4).

The declaration

urges all CELAC partners to support the request to countries, regional integration mechanisms and international financial institutions that publish lists on non-cooperative jurisdictions, to act on the basis of objective criteria and to fully take into consideration the compliance of CELAC Member States with commitments of the Global Forum on Transparency and Information Exchange for Tax Purposes or other recognised international agreements or standards on financial transparency and exchange of tax information (CELAC 2017c: para. 7).

CELAC therefore appears to be moving in the direction of focusing on financial vulnerability and related areas.

#### 4.6.2 Caribbean and the European Union institutional frameworks

With strong historical ties, the institutional mechanisms for cooperation between the EU and the Caribbean include the following: the **Cotonou Agreement of 2000**, the **EU-CARIFORUM EPA** of 2008, the **Joint EU-Caribbean Partnership Strategy (JECS)** of 2012, **EU Delegations** in the Caribbean, the biennial **summits of EU-CELAC leaders**, and the **relationships between European sovereigns and dependent territories in the Caribbean**.

The first two mechanisms provide a framework for trade, investment and development financing (EDF). Financial vulnerabilities are not specifically identified but development financing has tangential implications for financial vulnerability. Among the goals of the JECS is to reduce SIDS' vulnerability and build up their resilience to external shocks (Council of the European Union 2012). However this aim has a very broad mandate. The EU-CELAC relationship is also wide-ranging, encompassing economic developmental goals for the LAC region, but does not concentrate on financial vulnerability as a separate mandate. Additionally, the above-mentioned mechanisms often do not focus exclusively on the Caribbean; the EU-CELAC itself does not as yet have a well-developed institutional mechanism for cooperation in this area.

## 4.7. Governance and transparency

In order for the Caribbean to participate meaningfully in CELAC and in the Bi-regional Strategic Partnership, certain institutional mechanisms should be in place that would allow this to happen. Issues of governance and transparency undoubtedly play a major role in facilitating the Caribbean's participation in these arrangements and as Johnston (2004: 1) points out, good governance is part of the democratising process and is "most effective when sustained and restrained by legitimate, effective institutions". This section will highlight the governance processes, mechanisms and institutions that exist in the Caribbean, between the Caribbean and Latin America, and between the Caribbean and the EU.

### 4.7.1 Regional and sub-regional institutional frameworks

The primary regional governance mechanism in existence today is **CARICOM**, followed by the OECS which operates at the sub-regional level. Included in CARICOM's governance institutions are the Revised Treaty of Chaguaramas (entered into force in 2006) and the CARICOM Charter of Civil Society (1997). While the former focuses explicitly on the economic cooperation and integration of member CARICOM countries, it also implies that good governance must be the driving force for collective progress, and that treaties and agreements alone cannot motivate development. The fact, though, that there exists no executive body to legally ensure that members comply with regulations and policies means that the Treaty becomes a weak legal instrument and as such is unable to facilitate the fulfilment of its objectives. The possibility of such a situation being reconciled, though, may be small as "the link between economic and political integration remains a contentious issue in a region where failed attempts at political unity still haunt the political landscape and where national sovereignty is guarded suspiciously" (Alleyne 2007: 2).

The CARICOM Charter of Civil Society, as well, speaks clearly to the importance of good governance mechanisms. It notes the determination of its member governments "to enhance public confidence in governance," and Article XVII is devoted to outlining the measures that should be in place to ensure that good governance transpires among CARICOM states. However, as an instrument for good governance and transparency, the Charter is also impotent; the majority of the citizenry is unaware of its existence, and so it is not used to hold leaders accountable for their actions or non-actions, as the case may be.

In 2002, the OECS formally adopted the **OECS** Development Charter. This Charter also identifies good governance as a key element in achieving its human development agenda and recognises “that the strengthening of the machinery for good governance and the further implementation of good governance practices are central to the attainment of our development objectives” (OECS 2002: 16).

Finally, the **ACS** must be mentioned as a governance institution within the wider Caribbean. Its focus is to provide a platform for consultation, cooperation and action among its member countries through a process of political dialogue. This process facilitates identification of areas of common interest and concern, as well as solutions that can be addressed through cooperation at the regional level.<sup>93</sup> However, for this type of coordination effort to be successful, good governance and transparency must be an integral part of the process.

Over the years, the LAC sub-regions have embarked on several initiatives – **ALBA**, **UNASUR**, the **Latin American Integration Association (ALADI)**,<sup>94</sup> and **SICA** – to facilitate their broad development and integration objectives. While these arrangements do not speak directly to the issues of governance and transparency, they all promote the strengthening of democracy and social inclusion and reducing socioeconomic inequality (SELA 2015). The most recent of these is CELAC, which has also been regarded as the most promising. Some of its obligations to the regional integration effort focus on the transparency of the institution, and several parts of the Political Declaration of Belén (2015) (Articles 5, 6, 7, 32, 62, and 93) refer to the transparency of systems in fulfilling its objectives.

#### 4.7.2 European-Caribbean institutional frameworks

The major institutional frameworks between the EU and the Caribbean were elaborated in section 4.6.2. However, it should be noted that one of the intended benefits of the EPA is to promote greater transparency and political and economic stability which are predicated on democratic standards, good governance and human rights (European Commission 2013); while the JECS of 2012 is a vehicle for promoting broader dialogue and cooperation between the parties.<sup>95</sup>

93 For more information about the ACS, see: <http://www.acs-aec.org/index.php?q=about-the-ac> (accessed 10 July 2016).

94 For more information on ALADI, see: <http://www.itamaraty.gov.br/en/politica-externa/integracao-regional/5975-aladi-en> (accessed 31 July 2017).

95 For more information see: European Parliament. <http://www.europarl.europa.eu/atyourservice/en/displayFtu.html> (accessed 10 November 2016).

# 5 THE CARIBBEAN IN CELAC AND IN THE BI-REGIONAL STRATEGIC PARTNERSHIP: CHALLENGES AND LIMITATIONS

## 5.1. Overview

The relationship between Latin America and the non – Spanish Caribbean is gradually overcoming a legacy of mistrust and suspicion. Nevertheless, some of the factors behind the once distant relationship still linger and pose challenges for the latter's participation in CELAC and regional integration efforts, and by extension its engagement in the Bi-regional Strategic Partnership. CELAC has been playing a role in bridging remaining barriers and easing tensions. The Bi-regional Strategic Partnership promises to also continue to facilitate LAC collaboration and cohesion. Although the challenges of the Caribbean's participation in CELAC cannot be divorced from its participation in the Strategic Partnership with the EU, we discuss these separately for ease of reference. The challenges which are listed below (such as, wide scope of CELAC's agenda, CELAC's institutional structure, CELAC contributing to spaghetti bowl effect of regional efforts) are based on the available literature and authors' analyses which lean heavily on interviewees' perspectives.

## 5.2. Community of Latin American and Caribbean States

Based on the assumption that the effectiveness of the Bi-regional Strategic Partnership depends very much on CELAC itself, we outline below several challenges faced by the organisation and its member states. The challenges are organised as follows: those relating to CELAC as an organisation, relations between Latin American countries and the Caribbean sub-region.

### 5.2.1 CELAC

**CELAC contributes to the 'spaghetti bowl' of integration efforts in the LAC region:** CELAC joins a myriad of existing institutions and mechanisms established to promote regional integration, dialogue and cooperation in similar areas, in which Caribbean countries participate, including, but not exclusive to CARIFORUM, CARICOM, OECS, ACS, OAS, SELA, SICA, ALBA and UNASUR (Kirton 2014).

Initially, CELAC was seen by some Caribbean countries as potentially competing with existing institutions and as such the organisation needed to carve a space for itself without infringing on the space of existing organisations. The overarching concern is that regional organisations – in the LAC region and around the world – are emerging with similar goals and interests. This view points to the potential or actual competition, rather than collaboration, among organisations.

Notwithstanding the similar goals that CELAC has with the ACS, CARICOM and OECS to promote regional integration, among others, it must be noted, that while the latter organisations have partial membership, CELAC consists of all independent countries of the LAC region which distinguishes it from existing institutions.

**Wide scope of CELAC's agenda and onerous meeting schedule:** The scope of the CELAC work programme has been described as trying to cover too many issues. One outcome of this wide scope of work is a high number of meetings which results in an overburdened schedule of meetings for its membership.

**CELAC's minimalist institutional approach:** CELAC's loose institutional structure makes its current and future performance unpredictable. The organisation functions on the basis of summits as well as foreign ministers', national coordinators,' and specialised meetings. The organisation lacks a permanent secretariat and there is no permanent executive body, no mechanism for the rotating Pro Tempore Presidencies, or for facilitating development cooperation. The rotating chair mechanism makes the organisation vulnerable to the country which holds the position in any given year. Without institutional strengthening, CELAC may have difficulties in undertaking the coordination of programmes and policies or relating in a systematic manner with pertinent regional organisations. This in turn will affect efforts towards meeting its objectives of fostering integration and promoting development (see Kennedy and Beaton 2016).

**Uncertainty about CELAC's leadership:** Following the formation of CELAC, there have been concerns about which of the regional powers in Latin America will provide sustained leadership for CELAC. At this juncture, many Latin American countries,

including the larger actors, are experiencing social, economic and political crises which have driven them to focus on national concerns, diverting attention from regional initiatives. It is noteworthy that, since CELAC's formation, it is the relatively smaller countries which have held the Chair.

### 5.2.2 Latin American and Caribbean Relations

**Differences in development levels between the LAC sub-regions:** These inequalities, which result in varying needs and priorities, make it challenging to have a common agenda in CELAC.<sup>96</sup> There are significant economic asymmetries (see for example, Jessop 2015). Therefore, regional integration is a challenge even for the OECS, whose members are similar in many respects; regional integration promises to be more challenging for CELAC whose member states are very diverse.

**Trade relations between Latin America and the Caribbean are underdeveloped and asymmetrical:** This poses a challenge in light of their close geographical proximity and trade potential. Both sub-regions tend to trade with partners from outside the region – the US, Europe and Asia. Relatively low levels of LAC intraregional trade exist, with an imbalance in favour of Latin America (Romero 2013; Laguardia 2015; Mowatt 2017; see also, a report by bkp Development Research and Consulting (2014), a study commissioned by the CARICOM Secretariat).

**Poor LAC participation in cross-country production networks:** The LAC region tends to integrate into global value chains (GVCs) only at the beginning – as exporters of raw materials, as do the South American nations – or at the end – as manufacturers of final goods, as do Mexico and Central America – and not in the middle where most potential growth gains are possible (de la Torre et al. 2015).

**Latin America and the Caribbean face different challenges:** While Latin America and the Caribbean are in the same geographic region, differences arise, for example, from the fact that the Caribbean consists of largely island states while for the most part Latin American countries are on the mainland. The Caribbean faces economic and environmental vulnerabilities which continental Latin America does not share, to a large extent. Beside their small size and insular condition, Caribbean SIDS share high exposure to natural disasters and the negative effects of climate change, which adversely impact these countries more than the continental South American landmass (see for example, Marto et al. 2014). The Caribbean's peculiarities have been formally recognised by CELAC, evidenced by CELAC's special declarations on

<sup>96</sup> This partly explains the wide scope of CELAC's agenda.

SIDS in 2013, 2014 and 2015. CELAC's recognition of the validity of the principles of common but different responsibilities and of special and differential treatment, as well as of the need for providing Haiti with sufficient resources and support to overcome its serious socioeconomic and political problems, is a positive first step towards bridging these differences.

**Poor connectivity:** The LAC region faces the challenge of inadequate transport and infrastructure – virtual, air and maritime networks for the mobility of goods and services which pose obstacles for development (see Cerra 2016; Tomas 2015; Romero 2013) and integration between the two sub-regions. Infrastructural links are more developed and established with Europe and North America.<sup>97</sup>

**Lack of media reporting on LAC issues:** For the most part, Latin American media houses do not report on CARICOM countries and vice versa. As a result, citizens of the sub-region largely remain ignorant of each other on issues of importance. This denies the region avenues for important economic opportunities such as in the area of tourism.

### 5.2.3 The Caribbean

**Differing levels of interest of Caribbean states in Latin America:** Guyana, Suriname and Belize, by virtue of their location in South and Central America respectively, and their participation in Latin American arrangements, such as UNASUR and SICA, may have a deeper interest in discussions on infrastructure and connectivity in relation to improving trade in the LAC region. Similarly, the Dominican Republic and Cuba, which share historical and linguistic ties with Latin America, are at the same time eminently Caribbean island countries.

**Inadequate sympathy of Caribbean concerns:** The Caribbean has succeeded on many occasions in having its voice heard and accepted at meetings, including CELAC Summits. Further, CELAC has adopted Special Declarations and resolutions on issues of concern to the Caribbean, such as, SIDS and correspondent banking. At the Ecuador Summit (2016), CARICOM, for example, insisted that they would agree to the Declaration, only on condition that a paragraph on the critical issue of climate change (as advocated strongly by Nicaragua) was included.

Additionally, it has been noted that a measure of convergence has been taking place among member states, evidenced by CELAC Declarations of the Summits of

<sup>97</sup> See, ACS. *Transport, Logistics, and Competitiveness in Latin America and the Caribbean*. Available from <http://www.acs-aec.org/index.php?q=transport/transport-logistics-and-competitiveness-in-latin-america-and-the-caribbean> (accessed 3 August 2017).

Santiago de Chile (2013) and Havana (2014), which referred “to CARICOM foreign policy positions vis-à-vis global governance and regional development themes” (Byron 2014b: 42).

Despite these successes, there remains a sense that some issues which Caribbean countries generally consider to be of high priority – such as correspondent banking – do not have adequate levels of sympathy of some Latin American countries which may be in a position to advance the Caribbean agenda. This is because the issue is of little to no interest to many other members of CELAC. This is an example of why some Caribbean countries may feel that CELAC may not be the most suitable framework for addressing some of their key concerns.

**Coordination and implementation challenges:** CARICOM’s institutional weakness and the increasing economic differences and political interests among member states have resulted increasingly in a dilution of its coordination of foreign policy. The same is true of the OECS (Byron 2014b; see also Girvan 2011). CARICOM countries also face a capacity challenge which affects their ability to implement the large number of agreements of which they are a part (see for example, Bishop et al. 2011). As participation in CELAC is giving way to a variety of bilateral arrangements, CARICOM’s implementation challenges may be compounded.

**Language and cultural barriers:** There is a language barrier, generally on the part of the Anglophone Caribbean (Mowatt 2017) and mutual lack of understanding of the history and culture between these countries and Latin America (see for example, Pantojas-García 2008). This contributes to the participation challenges of CARICOM in CELAC. The language barrier hinders integration (Mowatt 2017) and poses difficulties for CARICOM’s delegates’ participation in ambassadorial and technical meetings and workshops and limits their ability to engage in informal discussions with their Latin American counterparts. On a related point, hindrances to media reporting between the LAC sub-regions may be partly explained by the language barrier which currently exists.

**Limited resources to participate in meetings:** Inadequate financial and human resources make it challenging for the Caribbean to attend CELAC meetings which add to an already overburdened schedule of regional and international meetings. Most CELAC meetings have been held in Latin America, which makes it even more expensive for Caribbean representatives to participate. However, if meetings were to be hosted by Caribbean countries, there would still be the cost of hosting the meeting to consider. Overall, the outcome of non-attendance at technical meetings means that Caribbean countries are *largely* not able to make substantive input in the CELAC agenda and policy discussions. Because Caribbean countries – for the

most part - do not participate at the lower level, leaders largely follow the agenda at the higher level and are not able to get their priorities on the table. This hinders the effectiveness of the Caribbean's participation in political discussions, which seems to be the area of greater interest to the sub-region. This unfortunately results in declarations which may not always be representative of the Caribbean's positions.

***Lack of Caribbean participation in the leadership structure at the establishment of CELAC:*** Evidence of this is seen in the establishment of CELAC's governance structure in which the *Troika* was initially comprised only of Latin American countries. CARICOM was included subsequently when the *Troika* (current, past and incoming Pro Tempore Chairperson) was transformed into a *troika* plus one arrangement – a quartet – which included the current CARICOM Chairperson. Despite this development, CARICOM countries continue to face participation challenges in CELAC. This absence of the CARICOM participation in the initial governance structure of CELAC may have had unintended consequences of feelings of lack of ownership of the organisation which may still linger today.

#### 5.2.4 European Union-Community of Latin American and Caribbean states relations

***Relative economic importance of Latin America vis-à-vis Caribbean to EU:*** Latin America is more attractive for FDI and trade. Caribbean interests and agenda face the risk of 'diminishing' in the wider LAC framework where Latin America represents a more interesting economic area for the EU than the Caribbean. In light of the way in which the EU sees its global role, the latter may find larger economies, such as Mexico, Brazil, and Argentina, more appealing than the smaller states of the Caribbean for trade and economic relations. In particular, CARICOM's economic importance may further decline, in light of Brexit, since CARICOM's links are primarily with the UK in the EU.

***Asymmetrical access and benefits from EU-LAC trade and economic relations:*** The EU benefits from trade and economic relations with Latin America more than with the Caribbean (see for example, Gomez Ramirez et al. 2016). The Caribbean's small size hinders its ability to benefit as much.

***Different levels of trade arrangements with the EU:*** South America, as a *bloc*, has not been able to move into a reciprocal trade arrangement with the EU, as have Central America and the Caribbean. This complicates matters in terms of advancing towards closer trade relations between the LAC bloc and the EU. The Caribbean could share this valuable experience with the rest of CELAC members.

***Different levels of relations between the Caribbean and Latin America with the EU regarding development cooperation:*** There are cases of special treatment enjoyed by most ACP countries. For example, the ACP group is assigned a special development fund from the EU – the EDF – which is usually considered more advantageous than having to compete for funding from the general EU budget as Latin American countries have to do. The EU has different financing instruments for the Caribbean and Latin America; therefore this poses a challenge for joint programmes.

***Different levels of political and institutional relationships between LAC and the EU:*** Political relations and links between the EU and the Caribbean are more developed than those between the EU and Latin America. The Caribbean has a well-established institutional structure for political dialogue with the EU via the ACP framework. Latin America has a different set of structured relations with the EU. These exist especially at the national-EU levels; some Latin countries have significant political relations with the EU, including SICA-EU at the bi-regional level.

***Differences in political relations with the EU among Caribbean sub-groupings:*** This refers particularly to the non-independent Caribbean – French, Dutch and British – and the independent Caribbean. Although this does not pose a challenge to the Bi-regional Strategic Partnership at the moment, it may in the long term, if the wider Caribbean is integrated into the EU-CELAC relationship as sensitive issues of decolonisation and self-determination may arise.

***The CARIFORUM – EU Economic Partnership Agreement:*** The EPA, which was signed in 2008 between CARIFORUM and the EU is provisionally applied by most of the signatory parties<sup>98</sup> and currently, 21 of the 28 EU countries and eight of the 14 Caribbean countries have ratified the Agreement.<sup>99</sup> The EPA established joint institutions to manage the implementation of the agreement, namely the Joint Council (ministerial level), the Trade and Development Committee (senior officials), the Parliamentary Committee, the Consultative Committee (civil society), and Special Committees which meet on an *ad hoc* basis. At the time of writing, all of the above committees have met at least once. Despite the above developments, the implementation of the Agreement has faced several challenges, including a slow ratification process, lack of technical capacity, difficulties in identifying a list of needs and priorities and a complex decision making process in CARIFORUM.

98 On the Caribbean side, all signatory parties except Haiti, whose legislation obliges it to ratify the agreement prior to its application, and on the EU side, all states, except Croatia have been applying the EPA “provisionally” until the ratification process is concluded.

99 See Council of the European Union. Available from: <http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008034> (accessed 23 April 2017).

In relation to the substantive elements of the agreement, the following observations have been made: for trade in goods, there is still much to be done to implement obligations and activate key provisions. With respect to trade in services and investment, there are outstanding issues both in terms of implementation of obligations and the use of innovative provisions. The EPA has had little impact on intra-CARIFORUM trade or CARIFORUM-French Caribbean Outermost Region (FCOR) trade and there have not been significant changes in FDI or trade in key sectors that can be traced back to the agreement. Additionally, the EPA does not address many policies that positively impact CARIFORUM's attractiveness for investment and export (Singh et al. 2014); the above points to the limitations of the EPA's potential impact.

Despite these challenges, at the last Trade and Development Committee meeting held in Kingston in November 2016, there were interesting discussions on tariff liberalisation schedule, trade in services, technology transfer, intellectual property, cultural cooperation, monitoring and development cooperation. Negotiations on Geographical Indications will continue and a new special committee on agriculture and fisheries will be established in 2017 to discuss agriculture policy in the context of the EPA.

# 6 CONCLUSION: OPPORTUNITIES AND THE WAY FORWARD

## 6.1. Overview

This final chapter explores the opportunities for the Caribbean's participation in CELAC and the Bi-regional Strategic Partnership. First, the assets of the sub-region which can boost its participation are identified. Second, the opportunities which CELAC and the Bi-regional Strategic Partnership provide, in general, and for the Caribbean in particular, are discussed. The chapter concludes with specific recommendations on the priority areas and general recommendations which are based on our research and analysis, as well as the interviews conducted.

## 6.2. Opportunities: The Caribbean's assets

**The political weight of the Caribbean:** CARICOM carries diplomatic leverage by virtue of the numerical size of the grouping, carrying 14 votes in international fora. This relatively large number of votes is disproportionate to its size, as CARICOM comprises mostly small and micro states. If CARICOM countries are able to coordinate and participate as a bloc, with the Dominican Republic and Cuba, this relative weight would increase to 16 countries and the sub region's participation could be strengthened in CELAC and the bi-regional partnership. This could also be potentially powerful for leveraging its interests alongside Latin America and the EU. By the sheer numbers, the visibility of the Caribbean in CELAC and in its relations with the EU could be raised in international fora in cases where joint action is being taken. An example of this was seen in the COP21 of UNFCCC, in which CARICOM, with EU collaboration, and in alliance with several Latin American and AOSIS countries, was successful in promoting its positions. The Caribbean can therefore be of great value in CELAC and the Bi-regional Strategic Partnership.

**Success of regional integration and cooperation in the Caribbean:** Latin America can learn from CARICOM's success with functional cooperation and the successful experiences of the OECS.

***The Caribbean voice has legitimacy on small state development issues:*** The inputs of the Caribbean to the cooperation process have historically included diplomatic support in global fora and the contribution of small-state perspectives on various development issues (Byron 2014a). The Caribbean has contributed to the formulation of CELAC positions on the special needs of small vulnerable economies, SIDS, landlocked countries and Haiti's rehabilitation and sustainable development.

***Caribbean countries' dual affinity with the Caribbean and Latin America:*** In the CARIFORUM framework, the membership of the Dominican Republic and Cuba – which are both Caribbean and Latin American states – is important in facilitating the Anglophone Caribbean's collaboration with the other Spanish-speaking members of CELAC. Additionally, CARICOM member states physically located on the continent – Belize, Suriname and Guyana – which hold membership in Latin American integration processes, provide an important gateway for CARICOM's engagement with CELAC. These countries, having shared membership in groups with Caribbean and Latin American groupings, can serve as bridges to launch the Caribbean into a more meaningful relationship with CELAC.

Regional groupings of which these countries belong are very valuable in this regard. We therefore highlight SICA – in particular – as a valuable asset for the Caribbean's participation in CELAC and in the Bi-regional Strategic Partnership across the thematic areas. The rationale for this is as follows: both CARIFORUM and SICA consist of the smallest member states of CELAC, and their members share more characteristics among themselves than they do with the larger CELAC member states. Second, Belize and the Dominican Republic are members of both groups. For these reasons, SICA can genuinely identify with and is a natural ally of the Caribbean in CELAC and the bi-regional partnership. Third, although ad hoc, there already are bi-regional meetings between SICA and CARICOM and ACS as well as between CARICOM and SICA member states. With these existing institutional frameworks already in place, SICA could play a strategic role in boosting the Caribbean's participation in CELAC and in the Bi-regional Strategic Partnership.

***The Caribbean's natural resource endowment:*** Caribbean states hold an abundance of natural resources, particularly sea and marine resources, and a wealth of minerals and fertile agricultural land; in Guyana, for example. With adequate funding, these resources could be explored and developed via joint ventures with Latin American countries and with the EU.

***The Caribbean legacy of democracy and political stability:*** Anglophone Caribbean countries have an important intangible asset, namely, a long history of

stable democracies and democratic values and institutions. These qualities are seen as valuable because they can provide leadership in CELAC's relations with the EU on issues relating to democracy.

***The Caribbean's affiliations with the non-independent Caribbean:*** The Caribbean is part of a wider grouping comprising of Dutch and French speaking countries and shares membership with these in the ACS. This is an asset to the former's external engagement by virtue of the additional window it provides in its relations with the wider Latin American grouping and with Spain, France and the Netherlands. Brazil offers the Caribbean, through CELAC, an additional link to Portugal. As the UK prepares to leave the EU, these links with the non-independent Caribbean, in particular, will become increasingly useful for the Caribbean in relating to the EU.

***The Caribbean provides an entry point to important groupings:*** The Caribbean provides a door for Latin America and the EU to forge further strategic alliances with key groupings in which it participates. Among these organisations are: the ACP group, AOSIS, and the Commonwealth in the case of the Anglophone Caribbean, for the latter.

***The Caribbean has experience and expertise in substantive areas:*** There are many areas in which the Caribbean's expertise can be valuable in its substantive engagement with Latin America. For example, in the area of agriculture, Trinidad and Tobago is a centre of excellence for cocoa production and Barbados has a sugarcane breeding facility where superior varieties of sugarcane are developed. Latin America's advancement and innovation in science and technology can be harnessed to boost existing activities and develop new areas through joint venture arrangements; a role for CARDI and The UWI is relevant in this respect. Potential exists for collaboration, for example, with Brazil but also with Costa Rica, which is developing agro tourism.

***The Caribbean can be a valuable market for Latin America and can serve as an access point to other markets:*** While the Caribbean market is small – *vis à-vis* Latin America – access to this market could be important for Latin America's small and medium-sized enterprises (SMEs). Through Latin American investments in the region, it can provide an additional or expanded entry point to larger markets – Canada, the US and the EU – by virtue of the preferential access which the Caribbean has to these markets. In the case of the EU, this may be less relevant for Latin American countries which have completed bilateral agreements with the EU.

***The Caribbean holds an important key to the security of Latin America and the EU:*** By virtue of the Caribbean’s location between the producers of, and destination points for illegal drugs, the Caribbean is invaluable to Latin America’s and the EU’s national security. By deepening collaboration and strengthening relevant Caribbean institutions and systems, the Caribbean could play a substantial role in restricting the production and flow of illegal drugs from Latin America to Europe. This role does not only apply to physical drug interdiction, but also to the prevention of money laundering and related criminal activities.

***The Caribbean’s meaningful engagement in CELAC has the potential to increase the legitimacy of some LAC issues on the global agenda:*** Among the issues which the Caribbean’s active engagement within the CELAC framework and in the Bi-regional Strategic Partnership could provide with greater legitimacy when CELAC and the EU speak, is climate change – given that the Caribbean territories are SIDS. The Caribbean could add more weight to the wider LAC region’s international lobbying efforts to access funding for climate change mitigation and adaptation.

***The Caribbean “human capital”:*** The Caribbean possesses a highly educated population, a disproportionate number of Nobel Laureates relative to the size of its population, a history of outstanding leaders in the international arena, such as Sir Shridath Ramphal and Norman Girvan, among many others, and a legacy of excellent diplomatic representation on the global stage which could serve the sub region well in leveraging its positions in CELAC, with the EU and in global fora.

### **6.3 Opportunities in CELAC and the Bi-regional Strategic Partnership**

Having discussed what the Caribbean brings to the table in its relations with Latin America and the EU, we outline the opportunities which CELAC and the Bi-regional Strategic Partnership offer.

#### **6.3.1 The Community of Latin American and Caribbean States**

***CELAC creates additional opportunities for South-South cooperation based on solidarity and equity:*** CELAC presents opportunities for South-South cooperation based on the philosophy of solidarity. The language and ideology of this model of South-South cooperation is distinct from earlier models in its greater emphasis on sharing and complementary contributions. “Social protection and the reduction of

poverty and inequality feature prominently in national and regional development policy discourse” (Byron 2014b: 42).

***CELAC facilitates and intensifies friendly relations among Caribbean and Latin American countries:*** Among the main benefits of CELAC for the Caribbean has been the space it creates for formal and informal dialogue and networking among LAC leaders which has resulted in many cooperation initiatives. CELAC may also be assisting in bridging intra-Caribbean differences. One example of this is seen in the decision by the leaders of the Dominican Republic and Antigua and Barbuda to establish diplomatic relations. The *Antigua Observer* (2017) reported that Prime Minister of Antigua and Barbuda, Gaston Browne:

...took note of the tremendous potential of the relations between both countries, which is underpinned by strong people-to-people links, and joint coordination in fora such as CELAC and the Caribbean Forum (CARIFORUM). He said Antigua and Barbuda would welcome the further development of investment and business ties with the Dominican Republic, and pointed out that [sic] island would serve as an excellent platform for trade reach into OECS and CARICOM markets (para. 4).

***CELAC provides a forum in which to coordinate LAC concerns and positions:*** CELAC provides a forum for coordinating the foreign policy of the Caribbean with that of Latin America (Byron 2014a). Recent hemispheric and global changes have prompted a certain convergence of interests among LAC countries, including poverty and inequality and related socio-economic issues, development cooperation, HIV/AIDS, climate change and insecurity (Kirton 2008). It is important for CELAC countries to be able to share a common forum for political dialogue, consensus building and action on these issues. CELAC is a more formalised structure than the loose GRULAC arrangement, in which the countries of the LAC region may coordinate and represent their positions in the UN and beyond, such as in the G-20 (see Álvarez Figueroa 2012).

***CELAC promotes Caribbean concerns and increases its leverage on the global stage:*** CELAC can also be used to increase the Caribbean’s weight as a small player in the international community. “For the [Caribbean] grouping of small, developing states, CELAC provides additional visibility and a new forum for interaction with both emerging and traditional global powers” (Byron 2014a: 16). CELAC could play an important role in representing the Caribbean’s interest on the global stage by virtue of the fact that Mexico, Brazil and Argentina are part of the G20. However it will take strategising on the part of the Caribbean to reconcile differences where they exist –

for example, on correspondent banking – and to find common ground on which there can be agreement.

***CELAC provides an institutionalised entry point for the non Spanish - speaking Caribbean to Latin America:*** Latin American-Caribbean relations, although increasing, are not new. CELAC provides a more formalised platform on which to relate with Latin America. This has been enhanced with the incorporation of CARICOM as *permanent* member of the quartet. This is symbolic of the official recognition of the importance of a Caribbean sub-group within the CELAC and provides the former the space to play a significant role in setting CELAC’s agenda.

***CELAC can help overcome remaining divisions between Latin America and the non-Spanish-speaking Caribbean:*** The new models of cooperation in LAC have engendered a new era in the regional consciousness of CARICOM actors and societies. “In OECS territories, there is a greater awareness of being part of a hemispheric community based on the increased interaction with counterparts from Cuba, Venezuela, and other Latin American countries, especially those from ALBA. Due to social, economic and cultural exchanges, there is greater familiarity with the organisational norms and culture of their Latin American counterparts” (Byron 2014a:13). CELAC can help further cement this increasing convergence in the LAC region and help the Caribbean boost its negotiation power and its economic potential (Álvarez Figueroa 2012).

***CELAC provides increased weight for relating with the EU:*** The Caribbean can be more effective in relating to the EU within CELAC, than on their own, albeit on issues on which the sub-region has common interests with Latin America.

### 6.3.2 The Bi-regional Strategic Partnership

***The Strategic Partnership provides an avenue to broaden triangular cooperation with the EU:*** It promotes opportunities for triangular cooperation between the LAC and the EU. Through the Bi-regional Strategic Partnership, the Caribbean can benefit from triangular cooperation with the EU (see for example, Byron 2014a).

***The Partnership presents a forum to project positions on global issues on which LAC countries and the EU have common interests:*** The Bi-regional Strategic Partnership allows the LAC and the EU regions to address global issues on which they have mutual concerns. The EU and CELAC together make up almost a third of the total countries of the world, therefore, jointly, they are in a position to

influence global issues, international negotiations and shape the international agenda (Tusk 2015). The Partnership could serve as an instrument to mobilise alliances in multilateral fora.

***The Partnership can support and advance developmental regionalism in the Caribbean:*** CELAC “has engaged in research to establish the bases for socio-economic convergence programmes among its member states and has worked to further projects on poverty reduction, equality and social development, including initiatives on cultural cooperation and the advancement of women” (Byron 2014a: 14). Considering that Caribbean regionalism today is volatile, unpredictable and uncertain and influenced by global and hemispheric developments and the internal circumstances of countries, CELAC (and the Bi-regional Strategic Partnership) can be leveraged to overcome challenges and advance regional development objectives (see Byron 2014b).

***The Partnership can help overcome the fragmentation and promote cohesion in the LAC region:*** CELAC is currently working to move beyond cooperation towards achieving basic cohesion among its member states. In this regard, the EU’s programmes for reducing poverty and inequality and promoting social cohesion in the LAC region present invaluable opportunities to the Caribbean and CELAC.

***The Partnership can help the Caribbean take advantage of Latin America’s high levels of per capita income and technological advancements:*** Latin America is a vast market which can be explored for Caribbean tourism – in the cruise ship industry, for example. The geographic proximity of the sub-regions also allows for potential cooperation in air and sea transportation which can facilitate increased economic activity between the Caribbean and Latin America and interregional travel, both of which can help to accelerate the strength and pace of relations. The EU could assist the region to exploit these and other opportunities.

***The Partnership provides a space for the Caribbean to engage with the EU alongside the ACP framework:*** Through CELAC, the Caribbean can maintain and conduct parallel diplomacy, alongside the ACP group, with the EU. “[I]n a climate in which concessionary aid and preferential market access continue to decline” (Byron 2014a: 2), the Bi-regional Strategic Partnership could be one of the mechanisms for re-designing the Caribbean-EU partnership in the post-Cotonou framework. CELAC could provide the Caribbean with a framework for working with the EU on issues that are less suitable for the ACP framework. One of the areas in which CELAC is appropriate for the Caribbean to engage with the EU, is the security sphere, particularly the areas of public/citizen security, small arms and light weapons, illegal

drugs, human trafficking and money laundering. The CELAC framework is also appropriate for intelligence sharing, training, and monitoring the movement of illicit commodities between the LAC region and the EU.

***The Partnership provides an additional space to advance special consideration for the Caribbean:*** CELAC recognises the particularities of SIDS and their special challenges through various declarations. This is an issue of great importance to the Caribbean. This is in keeping with the character of the organisation that affirms unity in diversity. The CELAC has also extended these Caribbean concerns in its discussion with the EU, in a context in which preferential treatment given by the EU in its relations with the ACP group is changing.

***The Strategic Partnership provides a space for EU and LAC heads of state and government to interact:*** The EU is demonstrating a high degree of interest in CELAC, evidenced by high-level attendance at EU-CELAC summits. EU-LAC summits provide a space to the Caribbean (and Latin American) heads of state and government to engage directly with their European counterparts, both formally and informally. This had led to very productive informal bilateral engagements and tangible, concrete outcomes.

## 6.4. Recommendations and the way forward

The following section provides specific recommendations on the six priority areas outlined by the study and subsequently identifies more general recommendations for enhancing the Caribbean's participation in CELAC and the Bi-regional Strategic Partnership.

### 6.4.1 Priority Areas

We recommend that the priority areas identified be incorporated in the 2020 Plan and the five – year time span be extended to 2030, the time frame of the SDGs. In that regard, a role for regional institutions is key to the realisation of this plan and the optimal participation of the Caribbean, in particular.

Established institutions, mechanisms and other initiatives are fundamental for supporting the Caribbean's participation in CELAC and the Bi-regional Strategic Partnership. The Caribbean's participation could be strengthened by focusing on, and deepening complementarity, cooperation and coordination among, existing regional

institutions with similar aims and objectives in which all Caribbean countries<sup>100</sup> share membership or participate, such as the ACS, SELA, CARIFORUM and the Caribbean Basin Security Initiative (CBSI).<sup>101</sup> In cases where the Dominican Republic and Cuba do not have membership or participate, such as in CARICOM bodies, collaboration could be forged among CARICOM institutions and relevant ones in the former two countries. Some of these include the Economic and Social Council,<sup>102</sup> the Central Bank of the Dominican Republic,<sup>103</sup> and the Institutional and Justice Foundation,<sup>104</sup> in the Dominican Republic as well as the Cuban state. Caribbean regional centres and country offices of international bodies such as ECLAC, FAO, UNDP and WHO can also play a valuable role in strengthening the Caribbean's participation in CELAC and the Bi-regional Strategic Partnership.

#### 6.4.1.1 Poverty and Inequality

First, regional institutions, with the assistance of relevant national and international agencies, should work towards **expanding and enhancing systematic reliable statistics**,<sup>105</sup> especially on the Caribbean sub-region, to accurately assess areas such as employment, health, education, and environment, among others, by territory, gender, ethnicity and age groups. This is a basic requirement for designing better policies and targeted programmes to fight poverty and inequality. Therefore, CARICOM's ongoing efforts in this area are important. It is worth highlighting the Regional Strategy for the Development of Statistics (RSDS) for which the Action Plan was endorsed at the Thirty-Seventh Meeting of Conference of CARICOM Heads of Government, July 4-6, 2017. The aim of the RSDS is to strengthen the capacity of the region in developing reliable statistics with the view to designing evidence-based decisions. The RSDS is the framework within which the region will develop its long-term statistical capacity (CARICOM Today 2017a). This initiative is supported by the Partnership in Statistics for Development in the 21st Century (PARIS21).<sup>106</sup> Mention must also be made of the emerging plans by COHSOD to establish a Labour Management Information System (LMIS) for the region to provide statistical data to inform policies and programmes in the area of labour related matters (CARICOM Today 2017b).

100 The CBSI is the exception in which all Caribbean countries, but Cuba participates.

101 For further details, see: <https://www.state.gov/p/wha/rt/cbsi/> (accessed 1 February 2017).

102 The Economic and Social Council was created in 2010 to promote consultation and dialogue to encourage wide participation in the development of the country. For further details, see: Consejo Económico y Social, <http://www.ces.org.do/p/origen-del-ces.html> (accessed 27 January 2017).

103 For further details, see: <http://www.bancentral.gov.do/english/> (accessed 1 February 2017).

104 For further details, see: <http://www.finjus.org.do/> (accessed 1 February 2017).

105 ECLAC has done significant work in this area.

106 Established in 1999, PARIS21 is a joint initiative of the United Nations, the World Bank, the International Monetary Fund, the Organisation for Economic Cooperation and Development, and the European Commission. It was a response to the UN Economic and Social Council resolution on the goals of the UN Conference on Development (PARIS21, History, available at, <http://www.paris21.org/history> (accessed 22 July 2017).

Second, policy makers, scholars, civil society, government agencies and regional institutions should **utilise the global Multidimensional Poverty Index (MPI)** developed in 2010 that uses different factors to determine poverty beyond income-based criteria for LAC countries, as well as the Gini coefficient and the share of income/consumption of the poorest to determine inequality. LAC countries also need to develop indices to measure social vulnerability.

Third, **for measuring inequality, states should consider factors beyond income distribution**, such as access to public services and resources, living conditions, social norms and legal regulations. This recommendation is valid for governmental agencies, the academic community, regional institutions and independent consultants, among other actors, whose work it is to assess and address poverty and inequality in the region.

Fourth, through institutional collaboration, regional institutions, together with national governments and civil society representatives, should provide an **updated diagnosis on poverty and inequality in Latin America and the Caribbean**, in particular. This should go beyond traditional measurements and indicators to the identification of structural causes behind the (re)production of poverty and inequality in their different manifestations. “The history of the distribution of wealth has always been deeply political, and it cannot be reduced to purely economic mechanisms” (Piketty 2014: 20).<sup>107</sup>

Fifth, **incorporate considerations for reducing poverty and inequality in other policy realms** that seem unrelated (but are related) and are sometimes detached from poverty reduction strategies, such as climate change adaptation and mitigation policies, food security and non-communicable diseases, for instance; this points to the clear need for inter- and intra-institutional collaboration, especially among government institutions and between them and regional and international organizations.

Sixth, in LAC, **public policies need to focus on poverty reduction through more targeted measures**, especially in the Caribbean region. Some interesting examples implemented in recent years are the Family Grant Programme in Brazil (Gazola Hellmann 2015; División de Protección Social y Salud del Banco Interamericano de Desarrollo 2016) as well as more ambitious national strategies such as the National Strategy for Equality and Eradication of Poverty designed by Ecuador (Comité Interinstitucional para la Erradicación de la Pobreza et al. 2014).

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<sup>107</sup> ECLAC, which regularly publishes socio-economic analyses on Latin America and the Caribbean, is currently increasing its efforts in this regard.

#### 6.4.1.2 Crime and Insecurity

The RSS of the OECS and the CARICOM IMPACS currently play complementary and supporting roles in the security of the CARICOM region. The sub-grouping can play a productive role in CELAC and the Bi-regional Strategic Partnership by coordinating its participation in substantive security discussions via the CARICOM IMPACS and the OECS' RSS.

A **peer review mechanism** could be adopted in which CARICOM IMPACS, for example, is given a role to evaluate security programs in Latin America and vice versa. A well-functioning peer review mechanism will increase a sense of ownership, empowerment, and mutuality of trust among CELAC countries and promote transparency. Peer review and general monitoring and evaluation require resources. Additional resources could be harnessed through savings as regional and sub-regional organisations in the security realm pool resources and expertise. The EU could provide relevant support for this process.

The **EU-funded Cocaine Route Programme** and its constituent projects provide a good example of how law enforcement, judicial systems and ports can synergise to combat a security threat. This could be translated to other areas of security where this is not being done – not only in terms of funding but also systematic coordination. Regional and sub-regional organisations (along with organisations addressing socio-economic issues and with the EU) could use the CELAC and EU-CELAC summits to discuss the effectiveness of a myriad of security arrangements in the LAC region.

We argue that **the terms of continued financing should reflect the needs and priorities of the Caribbean and Latin America**. While the EU takes into account its security interests, its approach has tended to be bottom-up; informed by the region's security challenges.

Notwithstanding the thrust of CELAC, to provide a forum without US participation in the hemisphere, **the Caribbean's participation in CELAC and the Bi-regional Strategic Partnership cannot be detached from its engagement with the US in the OAS framework and the CBSI** for the following reasons: first, both frameworks have experience with, and have developed tremendous institutional capacity in, the areas of the security of the LAC region. Second, LAC security challenges and solutions are tied to those of the US by virtue of the latter being a key destination for drugs from the LAC region. Other useful frameworks include AMERIPOL in which nine Caribbean countries participate.

Because of the transnational nature of the illegal drugs and arms trade, **the LAC region must deepen collaboration and build alliances with other regions such as Africa**, through the African Union (AU), for example. While the EU is already forging this kind of cooperation with Africa, for example, the Caribbean can be a bridge for Latin American countries in groups in which the Caribbean participates such as the ACP and Alliance of Small Island States (AOSIS).

Arguably, the most important point is that a **human development approach** should form the overarching basis for strengthening the Caribbean's participation in CELAC and the Bi-regional Strategic Partnership in the security sphere. Despite an acknowledgement of the development-security nexus by the international community (see United Nations 2015a, 2015b; UN General Assembly 2005), the focus has been overwhelmingly on enforcement with less attention paid to human development. In some cases, enforcement strategies have undermined development objectives (United Nations Development Programme 2015). This challenge is being addressed in the EU's cooperation with the region. For example, the *Development Cooperation Instrument 2014-2020 Multiannual Indicative Programme for Latin America*<sup>108</sup> pledges to support national and bilateral development efforts in the areas of the security-development nexus, good governance, accountability and social equity, and inclusive and sustainable growth for human development (European External Action Service and European Commission Directorate-General for Development and Cooperation 2014).

Because freedom from poverty and inequality and development, in general, counteract crime and insecurity, CARICOM's ongoing efforts to develop the human capital of the region are important. Noteworthy is the CARICOM Human Resource Development 2030 Strategy aimed at meeting the development needs of the region in the 21<sup>st</sup> century. The Strategy provides the framework to inform the direction of human resource development, education and training needs of CARICOM member states.<sup>109</sup>

In light of this, **LAC could undertake to jointly or mutually support human development approaches to security through the CELAC framework with the assistance of organisations such as ECLAC** (see section on poverty and inequality). This makes it necessary for regional organisations in the security realm to work with those whose mandate is socio-economic development. Also, Latin America could

108 See for more information, see: Development Cooperation Instrument (DCI) 2014-2020 Multi-annual Indicative Regional Programme for Latin America, [http://ec.europa.eu/europeaid/development-cooperation-instrument-dci-2014-2020-multi-annual-indicative-regional-programme-latin\\_en](http://ec.europa.eu/europeaid/development-cooperation-instrument-dci-2014-2020-multi-annual-indicative-regional-programme-latin_en) (accessed 10 March 2017).

109 See CARICOM, *CARICOM Human Resource Development Strategy gets attention of Regional Education Ministers*, available at: <http://www.caricom.org/media-center/communications/press-releases/caricom-human-resource-development-strategy-gets-attention-of-regional-education-ministers> (accessed 23 July 2017).

share their experiences with the Caribbean on indigenous and bottom-up approaches to development in which the former have some experience, such as Brazil's Porte Alegre model of participatory engagement. This will only be attainable if both regions systematically engage relevant civil society organisations in the process. In that regard, **EU – LAC cooperation should be undertaken to deliberately target human development approaches to security (the development security nexus).**

#### 6.4.1.3 Food Security

How can the Caribbean and Latin America utilise existing frameworks in the region to improve their participation in CELAC and the Bi-regional Strategic Partnership in the issue area of food security?

By embracing the **principle of subsidiarity**, the LAC sub-regions are building capacity at the local level for the democratic governance of food production. Clearly, the countries of LAC have undertaken efforts to uphold family farming as a means, not only to increase agricultural production, but also to do so in a manner that will enhance their sovereignty over the production and distribution of food. Instead of relying on the vagaries of extra-regional food production, LAC countries have been reconfiguring local institutional frameworks to ensure that decision making with respect to food production is increasingly more inclusive and that, at the local levels, family farms have competency in the areas of risk management, the fighting of pests and diseases, climate change, fostering research and technology transfer, and management of water resources (Inter-American Institute for Cooperation in Agriculture 2016).

There is a certain **elasticity built into the subsidiarity principle**. If the LAC region can improve agricultural yields at the local levels through family farming, it is possible that this success could cause a laddering up from the local, to the regional, to the trans-regional level. In addition, some of the challenges to family farming may not be adequately addressed at the local level, particularly if there is no “competency” at that level to address them. But by plugging into the Bi-regional Strategic Partnership, local rural groups might be able to benefit from research aimed at adapting agriculture to climate change and from the policies and practices that promote sustainable agriculture. At the same time, CELAC and EU-LAC fora could reinforce strategies that ensure the inclusion of family agriculture, allow associativity, and provide assistance to this group of local agricultural producers, allowing them to become, not only more productive, but also agents of innovation.

One area in which local farmers may require assistance is in the **adoption of modern agricultural technology**. Financial assistance for procuring such technology may have to come from the state or private sector banking because local farmers in rural areas generally do not have access to the kind of credit needed to purchase such technology. Small farmers may also need help in the following areas: rural infrastructure building, post-harvest handling of agricultural products, and training. These may be areas in which the European Investment Bank<sup>110</sup> in conjunction with the IDB, CAF or CDB might be of assistance. To achieve a more food secure population, food security policies need to facilitate the provision of risk-coping mechanisms to poor populations. LAC countries have a large unbanked population, which is mostly rural. “Unbanked households have limited tools to stabilise their consumption and to respond to volatile prices and adverse weather shocks” (Falconi et al. 2012: 29).

Much progress has already been made in the area of **institutions**, mainly to strengthen good governance in the region. Nonetheless, it is critical not to lose sight of certain important measures that the countries of the hemisphere will need to adopt. The following especially stand out: strengthening and coordinating the effective implementation of policies; exchange of experiences among countries that have created opportunities for citizen participation; inclusion of cross-cutting themes such as youth, indigenous populations, and gender in national policies to foster family farming; skills-building among farmers and government officers; and encouraging public institutions to begin practising strategic thinking and forward-looking analysis.

#### 6.4.1.4 Non Communicable Diseases

The issue of NCDs was first raised by CARICOM with the adoption of a 14-point Declaration committing heads of government to collective action to stop the epidemic of NCDs. Perhaps the time has come to scale up the action to deal with this pressing issue. Bearing in mind that there are no bi-regional institutional arrangements to deal with NCDs *per se*, we propose that regional organisations in the LAC region cooperate with the EU to address the issue of NCDs.

First, **resources of the Development Cooperation Instrument (DCI) should be used to support efforts in LAC countries to reduce the cases of NCDs**. Similarly, the EDF, which was established within the framework of the ACP-EU partnership, can be used to assist projects aimed at reducing the scourge of NCDs (along

<sup>110</sup> The European Investment Bank provides loans for the entire chain of the agri-food and fishery sectors, including from input and the provision of equipment to aspects related to wholesale and retail (see The European Investment Bank, <http://www.eib.org/projects/sectors/agriculture/index.htm> (accessed 30 January 2017).

with other diseases such as Zika, Chikungunya and Dengue and HIV/AIDs) in the Caribbean. Second, **bi-regional cooperation on research and innovation for the treatment of individuals with NCDs can be supported through *Horizon 2020***, which is open for participation to all CELAC countries. The UWI, for instance, could take advantage of this mechanism to address specific ways to combat the risk factors that lead to NCDs. Third, governments in the LAC region should **utilise the EU-CELAC framework to place the issue of NCDs squarely on the bi-regional agenda** to develop a cooperative programme to reduce the level of NCDs throughout the LAC region. Finally, at the next CELAC-EU summit, it would be useful to do an **assessment of what LAC governments have done to date with respect to tackling the epidemic of NCDs**. The outcome of the assessment should be used as a “report card” that gives grades to each government in order to measure their success or failure in living up to their declared actions for dealing with NCDs in their respective countries.

But in order to ensure that NCDs are given important prominence of place on the bi-regional agenda, it will be necessary for the countries in the CELAC region first to agree among themselves on a concrete set of recommended actions which the EU might consider before the next CELAC-EU Summit. The Caribbean Community leaders have already renewed their commitment to tackle the epidemic of chronic diseases which are costing the region dearly with respect to health and development. CARICOM should immediately prepare a memorandum for the Latin American members of CELAC that informs of the various measures being undertaken within the sub-region to address the scourge of NCDs, including the Declaration of a tobacco free zone by 2022, in accordance with the Framework Convention on Tobacco Control; the moves to change dietary practices through taxation and education; the commitment to fight childhood obesity through legislation and education; the measures to reduce trans fat, sugar and salt in the diets of Caribbean children; and the promotion of exercise and healthy lifestyles among especially the youth of the region. Given that this year marks the 10th anniversary of the Port of Spain Declaration, this memorandum should be used to inform the countries of Latin America about the progress made since the adoption and signing of that Declaration, in the hopes that a discussion can be held as soon as possible that would bring about agreement within the LAC region as to the approach to be used to ensure that NCDs are accorded an important place at the next CELAC-EU Summit agenda.

#### 6.4.1.5 Financial Vulnerability

There are a number of long-standing institutional and relatively new arrangements to facilitate cooperation between LAC countries, as well as cooperation between Caribbean countries and Europe; however these generally do not have a special or separate mandate in the area of financial vulnerability, partly because it is cost effective to have one institution serve multiple goals rather than having separate institutions for separate goals. However, the frequency and intensity of recent financial crises require that there be changes.

In this context, the following are a number of adjustments to existing mechanisms that can be included to better meet the need for a joint approach to financial vulnerability: **Expand the FLAR to include all countries in LAC.** The need for a regional fund to supplement the liquidity provided by other multilateral financial institutions when members get into financial difficulties is critical to recovery, as was highlighted in the aftermath of the recent international financial crisis.

**Create a LAC regional financial stability architecture.** This should include regional financial stability committees, regional supervisory colleges for financial institutions, and an expanded FLAR and regional resolution framework to deal with institutions with region-wide operations.

**Include a separate and distinct area on financial vulnerability in multilateral institutional mechanisms.** Existing multilateral institutional mechanisms should include a separate and distinct area of focus on financial vulnerability to focus resources for the overall development of the region.

**CELAC should be the main vehicle for intraregional discussion and cooperation in the area of financial vulnerability.** This should be the case since it is the only truly LAC regional association. However, the institutional base needs to be developed through the creation of a permanent secretariat and resource management. It should also include all heads of the regional integration movements in its decision-making framework.

**Focus on financial vulnerability in EDF:** The EDF should include financial vulnerability as a distinct line item targeted for funding to facilitate progress in the LAC area.

**Share experiences:** European countries now have significant experience with policy interventions targeted at financial vulnerabilities given their recent and current

challenges. The experience of LAC countries can provide some guidance on the strategies to successfully address these challenges and build up resilience to shocks since LAC countries have, by and large, successfully addressed these vulnerabilities which were prevalent in the 1980s and 1990s. The current approach of using the EU-CELAC summits to share experiences can help address financial vulnerability challenges in both regions.

Other development banks in the region such as the Caribbean Development Bank (CDB) and the Development Bank of Latin America (CAF) can also play a significant role in regional cooperation to reduce financial vulnerabilities in the LAC region. Both institutions have membership that include a good cross-section of countries from Latin America and the Caribbean. These institutions also include European countries as members which means they are also good vehicles to foster EU-LAC cooperation in the area of financial vulnerability. They both can therefore help to finance some of the initiatives to reduce financial vulnerabilities in the LAC region. This seems to fit naturally with their strategic focus as well. In the case of CAF, its areas of strategic focus include the strengthening and deepening of financial markets, as well as, improving governability, corporate governance frameworks and the institutional capacity of member countries. In the case of the CDB, it is focused broadly on the development of its regional members but some of its main functions include the support of regional financial institutions and a regional market for credit and savings, as well as support for and the development of capital markets in the region. These areas of focus are ultimately geared to reducing financial vulnerabilities and these institutions should therefore be leveraged to drive EU-LAC cooperation aimed at reducing financial vulnerability in the LAC region.

#### 6.4.1.6 Governance and transparency

Through functional cooperation, the two regions could resolve some of their challenges, but a new kind of governance mechanism would be needed: “**collaborative governance**”. Collaborative governance “brings multiple stakeholders together in common forums with public agencies to engage in consensus-oriented decision making” (Ansell and Gash 2008: 543), and is sustained by the fact that as “knowledge becomes increasingly specialised and distributed and as institutional infrastructures become more complex and interdependent, the demand for collaboration increases” (Ansell and Gash 2008: 544). Fostering the development of strong institutions based on the principles of good governance, accountability, and transparency will accomplish a range of benefits: it will reduce the region’s vulnerability in the global economy, create a sound foundation for

cooperation, and ensure policies that are “consistent with sustainable development” (Tromp 2002: paragraph 5). As noted in chapter three, any sustainable development agenda must stem from and be pervaded by these principles since they underpin processes aimed at equitable, inclusive and sustained development of the CELAC region.

Transparency International (TI) has several Caribbean chapters, including the Trinidad and Tobago Transparency Institute and the Transparency Institute of Guyana; while there exist other legislated entities such as the integrity commissions of Trinidad and Tobago, Jamaica, and Grenada, anti-corruption agencies in Latin America and financial intelligence units in Latin America and the Caribbean, whose mandate is to minimise the incidence of corruption and facilitate a practice of good governance and accountability in both the public and private sectors. These **anti-corruption institutions can be partnered with to promote a culture of greater accountability and good governance** at the policy-making and wider societal levels in Latin America and the Caribbean.

## 6.4.2 General recommendations

The general recommendations are based on the challenges identified in section 5.2 and are similarly categorised by those relating to CELAC as an organisation, relations between the Latin America and the Caribbean sub-regions and the Caribbean.

### 6.4.2.1 CELAC

**CELAC could provide a greater institutionalised and coordinating role for regional organisations to alleviate the “spaghetti bowl effect” of integration efforts in the LAC region:** As CELAC represents the widest concentric circle of regional integration processes in the LAC grouping, the organisation can play a role in alleviating the challenge of having regional organisations with overlapping and competing mandates and objectives. It may be necessary to strengthen, re-define the existing scope, and orientation of regional organisations for overall efficiency to enable them to effectively support Caribbean participation in CELAC. Part of this process should include an exercise to seek out synergies in the work of the various regional institutions so as to better utilise scarce resources. These existing institutions could then be incorporated into CELAC on the basis of division of labour and pooling of resources to provide advice, substantive input and analysis in executing decisions taken by the heads of state and government of CELAC.

For the Caribbean in particular, regional organisations can support the sub-region's engagement in CELAC's thematic discussions by providing the necessary technical support. In this regard, there is a role for the OECS, CARICOM, and CARIFORUM, as well as specialised institutions such as CARICOM IMPACS, The UWI, CARDI and the CCCCC, to not only assist the sub-region's input in thematic discussions, but also in the implementation of initiatives. This would alleviate CARICOM's minimal input in CELAC and its implementation challenges, in general.<sup>111</sup> Specialised institutions should also be encouraged to enter into strategic partnerships with comparable institutions in Latin America.

**Reduce the scope of CELAC's agenda:** The wide scope of CELAC's agenda has the effect of making states with limited capacity feel overwhelmed and discouraging their participation. This can be addressed in two ways: first, by CARICOM prioritising its main interests in CELAC and focusing on these areas; and second, by CELAC narrowing its agenda to prioritise *core areas* which advance cohesion between the LAC sub-regions, in the first instance, and expanding to secondary areas in the long term.<sup>112</sup> The question which both CELAC countries and the EU should ask in this regard is: what are the fundamental requirements for reducing inequality between the LAC sub-regions for achieving greater cohesion between them? CELAC's agenda in the short to medium term should be informed by the answer to the above question. Greater economic convergence will translate into convergence in other areas, which in turn will reduce divergence of the agendas of the LAC sub-regions.

**Strengthen CELAC's institutional structure:** CELAC needs a more established institutional framework that will ensure the continuity, sustainability and effectiveness of its work. Mechanisms to translate its declared intentions into actions are required. CELAC should consider a general secretariat that would allow it to strengthen its political dialogue, engage in substantive cooperation, and enhance its relationships with other regional organisations and its partnerships with the EU and other countries. Taking into account the cost implications of setting up a new secretariat and the fact that CARICOM countries joined CELAC on condition that membership fees would not be a requirement, we propose that CELAC explores the possibility of utilising a regional organisation with a well-established secretariat with the requisite technical expertise and resources to host the CELAC secretariat, such as, CARICOM, ACS, SICA, SELA and ECLAC.

111 The recommendation for regional organisation to support Caribbean participation rather than represent them in CELAC discussions takes into account the reservations of CELAC member states about the participation of regional organisations in CELAC meetings. This concern has been raised at CELAC meetings, particularly at the XIII Meeting of CELAC National Coordinators held in Quito, Ecuador in August 2015. Member states also expressed preference for participating as individual member states rather than as representatives of regional bodies, in keeping with CELAC's original plan to be a forum for political dialogue among individual member states and not regional entities. This concern stems from the view that member states have expressed reservations about the participation of regional bodies in CELAC meetings.

112 After making significant progress in achieving greater social cohesion, in the long term, CELAC's work may be expanded to include other issues, such as the protection and welfare of children.

CELAC could also progress and move, beyond political dialogue and consultation, to the implementation of tangible initiatives that contribute to the development of its member states. Therefore, CELAC needs to develop concrete projects on the ground to assure CARICOM that there are benefits to be gained from participating in the organisation. Greater institutionalisation of CELAC is important for achieving this goal.

**Regional powers in the LAC region should assume greater leadership role to ensure the sustainability of CELAC.** CELAC needs the leadership of a regional power to assume responsibility for the organisation, especially in light of recommendations for institutional strengthening and greater engagement in substantive matters. This makes the Bi-regional Strategic Partnership even more important at this juncture.

#### 6.4.2.2 Latin American and Caribbean Relations

**Tackle cohesion, first between the LAC sub-regions:** This recommendation supports the hypothesis from the theoretical framework that countries will cooperate when benefits are equitably distributed. While cooperation initiatives between LAC and the EU are important, the focus should be on distributing the benefits of cooperation equitably. This could be achieved when inequality and inequity between sub-regions and among member countries are reduced. In this context, the principles of differentiated responsibilities and special and differential treatment and programmes targeted at bringing countries and the sub-regions to similar levels of development – already acknowledged – should be *central* to the agendas of CELAC and the Bi-regional Strategic Partnership. The EU can offer valuable lessons and support by virtue of its successful experiences in this area.

Latin American countries with higher levels of development could undertake development cooperation in the most deprived areas of the Caribbean to maximise the impact of sustainable development programmes of the latter. CELAC could serve as the forum to initiate this discussion, where the main cooperation needs could be identified, as well as the designing, implementing, coordinating, monitoring and evaluating the outcomes arising from this dialogue (Romero 2013: 70-71).

Lessons may also be drawn from the CARICOM grouping which has also grappled with and addressed economic disparities among member states – between the more developed countries and the less developed countries. This is aimed at alleviating the disadvantages faced by latter in the regional integration process so that the benefits of regional integration are distributed more equitably. Although it has been said that

“CARICOM has provided only limited developmental opportunities for its member states, particularly the [less developed countries]” (Hosten-Craig 1990), CELAC – where economic asymmetries are more glaring among member states - can build on the *principle of asymmetrical treatment* of the less developed countries within the CARICOM grouping to the wider Caribbean group vis-à-vis the wider CELAC membership and the Bi-regional Partnership in the various spheres. This would mean various levels of differentiated treatment for the less developed countries in CARICOM, and other levels for the rest of the Caribbean sub-grouping, and indeed other states at the lower end of the development spectrum in CELAC.

**Boost trade relations between Latin America and the Caribbean:** Several factors could play a role in improving trade between the LAC sub regions as follows: remove non - traditional barriers to trade related to information, trade facilitation and cost of transportation. First, with regard to information, potential exporters need information about market demand, consumer preferences and existing regulations in the market to which they wish to export. Therefore, market research, policies and strategies to reduce information cost are important to boost trade relations. Second, measures are also needed to reduce costs, promote intra-regional trade and regional value chains in the areas of rules of origin and customs procedures. The multiplicity of trade agreements signed among LAC countries have resulted in different regulatory regimes among trading partners, in the areas of rules of origin, in particular, which impact on business performance. Efficient customs procedures also reduce additional time and compliance costs for LAC firms so as to boost their competitiveness and ability to trade. Trade facilitation in the above areas is therefore necessary for improving trade in general between the sub regions. Finally, improving physical and ICTs infrastructure and transportation between the sub regions, will improve the movement of goods and services and reduce trade costs in the LAC region (Staples 2015, Gonzales 2017; International Monetary Fund 2017, Morgan 2017).

**Foster LAC participation in global value chains:** Effective participation in GVCs has great development potential, including technology transfer (Taglioni and Winkler 2016). The LAC sub regions should design policies geared towards competitiveness of goods and services not in isolation but rather as part of global networks of related activities and processes. More specifically, the LAC region should explore and promote complementary aspects of industries, in which the countries of the two sub regions are most suited and competitive, with the aim of participating in the *various stages* of GVCs. The elements discussed immediately above are necessary in this regard.

**Exploit Latin American and the Caribbean differences for enhancing cooperation:** Differences which otherwise contribute to challenges could be harnessed for collaboration and cooperation. For example, differences in geography, physical and related attributes are ideal to make the sub-regions mutually attractive as tourist destinations to their respective populations. Moreover, while the Caribbean (and Central America) may be more susceptible to certain types of climate change related catastrophes, South America experiences disasters too. The sub-regions can mutually share disaster management experiences. Another example, not directly related to size and geography necessarily but which advances this recommendation is in relation to the point discussed above, where the differences among the LAC sub-regions could be synergised for participation in GVCs.

**Promote inter-regional transportation and the sharing of ICT among the LAC sub-regions:** The promotion of interregional transportation and ICT is important for keeping each region, its people and its issues in the spotlight. These enabling tools underpin cooperation in trade and boost competitiveness,<sup>113</sup> but are even more necessary to drive and sustain the Caribbean's growing relationship with CELAC and their position within the EU-LAC relationship. Cooperation in air and sea transportation would be important in bridging the geographic spaces that exist between the LAC sub-regions and alleviate the uncertainty and mistrust which distance may encourage (Romero 2013). Cooperation in the area of ICT would further facilitate the sharing and dissemination of ideas, information and strategies that could drive both the CELAC and EU-LAC arrangements and promote greater “buy in” of CELAC and EU-LAC initiatives among the populations of the LAC region. The small Caribbean islands need assistance for infrastructural development, especially with respect to transportation; they therefore need to seek to influence CELAC's agenda on infrastructure and connectivity. Effective and efficient connectivity is also very important for participation in GVCs.

**Engage in more media reporting of LAC issues:** Latin American and Anglophone Caribbean media houses should engage in increased reporting on the respective sub-regions. Additionally, there should be a deliberate attempt to also focus on non-political matters as well as business reporting which could facilitate awareness of the business environment and economic opportunities in both sub regions.

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<sup>113</sup> See, ACS. *Transport, Logistics, and Competitiveness in Latin America and the Caribbean*. Available from <http://www.acs-aec.org/index.php?q=transport/transport-logistics-and-competitiveness-in-latin-america-and-the-caribbean> (accessed 3 August 2017).

### 6.4.2.3 The Caribbean

**Use the Spanish-speaking members of the group, i.e. Cuba and the Dominican Republic, as bridges for more meaningful insertion in CELAC.** Cuba was instrumental in the decision to expand the *Troika* to a quartet to include CARICOM in the governance structure of CELAC. CARICOM should build on this opportunity to leverage for articulating its interests in CELAC. Cuba can continue to play a role in this regard (Martínez 2014). The Dominican Republic could also play a role in this regard. Similarly, CARICOM should leverage the position of its member states in Central and South America and could use these member states as windows for greater access to Latin America; these states can build bridges to CELAC through their membership in regional bodies in the LAC region. Guyana, Belize and Suriname, in particular, being on the continental landmass, can benefit from CELAC in terms of developing physical infrastructure.

**Further explore the benefits of CELAC:** The Caribbean could use CELAC to actively lobby at the international level for the provision of external resources for developing the capacity of countries in the economic, productive and social spheres (Romero 2013).

**Enhance coordination and overcome the implementation deficit:** CARICOM has coordinated its positions in relation to CELAC through various means: exchange of information between senior officials by email, through caucuses at CELAC meetings and discussions on CELAC issues at meetings of CARICOM's Council for Foreign and Community Relations (COFCOR). As a result, a list of CARICOM key concerns and interests in CELAC has been developed. At the same time, in general, CARICOM's participation is still regarded as relatively weak in CELAC. This could be partly addressed through stronger collaborative mechanisms and lobbying for agreed positions in a more strategic and organised manner such as more collaboration in the wording of declarations and action plans in order to have a stronger presence and make a greater impact in CELAC.

Implementation challenges can be overcome by greater pooling of resources and capacities among Caribbean countries with the support of regional organisations where necessary. Overcoming implementation challenges can also be achieved by strengthening CARICOM and enabling it to become a “genuinely implementative organ” (Bishop et al. 2011: 41).

**Address language and cultural barriers between CARICOM and Latin America:** For LAC cooperation to deepen in a meaningful way, the language barriers which

currently exist (mostly on the Anglophone Caribbean side) must be overcome. This could be addressed within the framework of the Bi-regional Strategic Partnership, under chapter 9 – Higher Education of the 2015 EU-CELAC Action Plan and the establishment of an EU-CELAC Space of Higher Education, Science, Technology and Innovation.<sup>114</sup> In that regard, CARICOM countries could more actively promote the establishment of the proposed European, Latin American and Caribbean Space of Higher Education, Science, Technology and Innovation, with the aim to, among other objectives, increase foreign language proficiency in CARICOM for its integration with Latin America.<sup>115</sup>

Greater proficiency in Spanish and Portuguese is particularly important for more productive engagement, including, informal discussions – where official translation services are not available – but where important partnerships could be developed. This would facilitate enhanced trade in goods and services, provide opportunities for expanded investment and employment and allow the Anglophone Caribbean to sell itself to Latin America.

CARICOM also needs to lobby CELAC to provide more interpretation and translation services at meetings at various levels. The costs could be paid for by the CELAC PPT or the country hosting a CELAC event or by a CELAC special budget. Notwithstanding this above recommendation, it should be noted that CELAC embraces diversity, including language differences. Therefore, it should be emphasised that Spanish is not the official operational language of CELAC.

In addressing cultural barriers, the Caribbean Diaspora in Costa Rica, Panama, Nicaragua, Honduras, Venezuela, Colombia, Ecuador and Cuba could be engaged to improve cultural understanding between Latin America and the Anglophone Caribbean.

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114 Bi-regional cooperation in this area is already operational under the supervision of the European Commission's Directorate-General for Education and Culture (DG EAC) and Directorate-General for Research and Innovation (DG RTD). This includes EU programmes such as Erasmus+, the Alfa Programme (EU-Latin America), EDULINK (EU-ACP/Caribbean), and the Marie Skłodowska Curie Actions, as well as the EU-CELAC Joint Initiative on Research and Innovation (JIRI). In the fifth EU-CELAC Senior Officials Meeting on Science and Technology on 14 March 2016, Senior Officials from both regions committed to move towards the implementation of the EU-CELAC Common Research Area around three pillars: mobility of researchers, international outreach of research infrastructures and increased thematic cooperation to address global challenges. On the part of the Higher Education sector, two Academic Summits organised by the Permanent Academic Forum (FAP-ALCUE) had taken place in the context of the EU-CELAC Summits (2013 in Santiago and 2015 in Brussels), and Summits of the Presidents of the Councils of University Presidents (CPCR) had taken place, as well. Initiatives are underway to bring all stakeholders and interested parties (bi-regional and sub-regional associations of academics, university rectors, universities) on a single path in order to work jointly towards the further consolidation of a Common Space of Higher Education, Science, Technology and Innovation and to generate coordinated and substantive contributions to this chapter of the Action Plan. The EU-LAC Foundation has supported this initiative, inter alia by the facilitation of meetings between interested stakeholders and the commissioning of a recent study on the issue: <https://eulacfoundation.org/es/documentos/bases-institucionales-y-normativas-para-la-construccion-del-espacio-europeo>.

115 In the case of Jamaica, it was proposed, in the past, that Spanish should be the second language of the country, but this has not materialised fully due to lack of resources.

**Pool resources to increase participation in thematic discussions to maximise the benefits from CELAC:** For CARICOM participation to be maximised at the political level, it should participate in discussions at lower levels, where initial opinions are exchanged, where initial analyses are done, and where initial consensus is derived. Therefore, CARICOM should work towards more widespread participation in thematic/working group discussions in the areas *it has prioritised*, by pooling expertise and resources with the support of regional institutions. Very importantly, ICTs can also be utilised for facilitating and consequently reducing the cost of the Caribbean's participation in CELAC meetings.

**The Caribbean should continue to build and further strengthen its presence to boost its leadership in CELAC:** The primary method of achieving this goal is through greater institutional strengthening and stronger internal coordination. For CARICOM, this is already in train and progress has been made through COFCOR, which was charged with the responsibility of coordinating foreign policy in 2002 (see Montoute 2015).

#### 6.4.2.4 Other Recommendations

**The Caribbean should use CELAC as a parallel and complementary framework to the ACP group.** Both CELAC and the ACP frameworks are useful to the Caribbean and could be parallel fora within which the latter engages with the EU. The Caribbean should “straddle both fences” and pursue its strategic interests in both groupings because the Caribbean may not be able to advance all of its interests in any one of the two spaces.

**CELAC should deepen and expand a bottom-up approach to co-operation by facilitating a greater role for civil society as well as for the private sector.** CELAC will be more effective if there is enhanced civil society engagement in dialogue and in developing its agenda. Greater private sector participation should also be encouraged in the co-operation activities of CELAC. Non-state actor inclusion will foster a degree of ownership by the citizenry of the LAC region.

#### 6.5. Concluding theoretical reflections

We conclude with final reflections in light of Sandler's (2010) framework which outlines conditions under which states are likely to take action. First, when a challenge mutually affects the countries in question: This assumption provides the justification

for proposing collaboration on challenges which are shared mutually by both sub-regions as elaborated in Chapter 3. Other factors driving collective action are, when *all participating countries* can benefit and these gains are equitably distributed, when the benefits to be gained are in the short term while potential costs are long term and when states are able to settle doubts about the benefits of joint action. These considerations imply the realist basis of states' willingness to participate in regional and other initiatives. The opportunities discussed under sections 6.2, 6.3 and 6.3.2 are intended to highlight the potential which exists for harnessing multiple benefits from CELAC and the Bi-regional Strategic Partnership. The recommendations are intended to allow states capitalise on the existing opportunities to increase and realise the full potential benefits of CELAC and the Bi-regional Strategic Partnership in the short, medium and long term. The key recommendation to tackle cohesion, first, between the LAC sub-regions is aimed at reducing gaps in inequality so that gains can be distributed more equitably.

Also, according to Sandler, states are more likely to engage in collaboration when they are not required to give up much of their autonomy and when collaboration begins modestly and only intensifies over time. These two considerations are complementary and work in tandem. While surrendering autonomy discourages collaboration, if collaboration starts minimally and only increases over time, participation can be encouraged, justifying the recommendation to reduce CELAC's agenda in the short term. In this regard, the recommendation to strengthen the institutional structure of CELAC does not contradict Sandler's propositions on four levels. First, the recommendation in this regard does not suggest adopting a supranational model of governance which requires states to give up their independence in decision making; second, it is proposed that the strengthening of CELAC's institutional structure be incremental – the recommendations to coordinate the work of regional organisations and provide a greater institutionalised role for them in CELAC can serve as initial steps towards further gradual institutionalisation of CELAC. Third, the recommendation for CELAC to have a secretariat is for the long term, and, fourth, the proposal to utilise an existing secretariat rather than creating a new structure is likely to save costs for member states. The recommendation for regional powers in the LAC region to assume greater leadership role in CELAC is therefore important in these efforts to ensure the long-term sustainability of the organisation.

Finally, the study sought to empower and give agency to the Caribbean by highlighting the valuable assets the group possesses, and importantly, points to the responsibility and ability the sub-region has to explore the potential benefits of, and to improve their participation in CELAC and the Bi-regional Strategic Partnership.

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## List of Interviewees

Last Name, Name	Function
Alleyne, Dillon	Deputy Director
Ayow, Tonya	Assistant Director of Support Services
Berna, Federico	Geographical Coordinator for Latin America and the Caribbean
Byron-Reid, Jessica	Director – Institute of International Relations
(a) Castellanos, Ana	(a) Ambassador in Charge of Bilateral Relations
(b)Wellington Bescome	(b) Director of Relations with the United States
(c)Yesenia Antigua	(c) Director of Relations with Asia and Oceania
Encarnación, Lidia	Director of Regional Cooperation and Integration
Gomes, Patrick Ignatius	Secretary General
Gonsalves, Ralph	Prime Minister
Gonzales, Anthony	Senior Fellow
Granderson, Colin	Ambassador, Assistant Secretary General - Directorate for Foreign and Community Relations,
Hospedales, James	Executive Director and Head
Kofler, Silvia	Minister Counsellor
Marie, Percival	Director General
Medina Sanchez, Andrison	Executive President
Mora, Taiana	Managing Director
Ogando Lora, Ivan	Director
Ortega Tous, Julio	Former Ambassador
Ponz, Fernando	Deputy Head of Division for the Caribbean
Severin, Anthony	Head of the International Relations Unit
Soomer, June	Secretary General
Vélez, Rosajilda	Director General - Research Unit of the Caribbean Economic and Social Policies
Williams, Nathaniel	Permanent Secretary

Institution	Date	Interviewed by
Economic Commission for Latin America and the Caribbean (ECLAC)	18 August 2016	Annita Montoute
CARICOM IMPACS	26 September 2016	Annita Montoute
Directorate General DEVCO, European Commission	23 August 2016	Annita Montoute
University of the West Indies St. Augustine Campus	15 September 2016	Annita Montoute
Ministry of Foreign Affairs of the Dominican Republic	14 September 2016 (group interview)	Jacqueline Laguardia Martínez
Directorate General of Multilateral Cooperation of the Dominican Republic	14 September 2016	Jacqueline Laguardia Martínez
African, Caribbean and Pacific Group of States (ACP)	15 August 2016	Annita Montoute
St. Vincent and the Grenadines	20 October 2016	Annita Montoute
University of the West Indies St. Augustine Campus	13 September 2016	Jacqueline Laguardia Martínez
Caribbean Community (CARICOM)	24 August 2016	Annita Montoute
Caribbean Public Health Agency (CARPHA)	14 November 2016	Andy Knight
Delegation of the European Union to Barbados, the Eastern Caribbean States, the OECS and CARICOM/CARIFORUM	15 December 2016	Annita Montoute
Caribbean Forum (CARIFORUM)	16 September 2016	Annita Montoute
Comité Nacional de Estudiosos de Relaciones Internacionales (CONERI)	7 October 2016	Jacqueline Laguardia Martínez
NEX Consulting	15 September 2016	Jacqueline Laguardia Martínez
Facultad Latinoamericana de Ciencias Sociales, Programa República Dominicana (FLASCO – RD)	11 September 2016	Jacqueline Laguardia Martínez
Dominican Republic	16 September 2016	Jacqueline Laguardia Martínez
European External Action Service (EEAS)	7 September 2016	Annita Montoute
Organization of Eastern Caribbean States (OECS)	25 January 2017	Annita Montoute
Association of Caribbean States (ACS)	24 August 2016	Annita Montoute
Ministry of Economy, Planning and Development of the Dominican Republic	12 September 2016	Jacqueline Laguardia Martínez
Ministry of Foreign Affairs, Foreign Trade, Commerce and Information Technology – St. Vincent and the Grenadines	19 October 2016	Annita Montoute



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