

# The Environmental, Gender and Social Impacts of the EPA on CARIFORUM States

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# Context for the paper: Terms of Reference

General objective:

To investigate the social, environmental and gender implications of the CARIFORUM-EU Economic Partnership Agreement (EPA) on the sustainable development of CARIFORUM Member States towards the development of a civil society monitoring framework to undertake annual assessments.

# Context for the paper: Terms of Reference

## Specific objectives:

- To undertake a summary analysis of the implementation status of the development cooperation commitments, utilizing the seven cooperation priorities outlined in Article 8 as evaluation measures.
- To identify the key provisions for social development and gender inclusivity in the EPA and investigate the impact of these areas in CARIFORUM nation states, highlighting the implications for:
  - a. The labour market and employment
  - b. Social expenditure
  - c. Vulnerable groups
- To analyze the environmental quality and policy sphere/arena of CARIFORUM countries pre and post EPA implementation and comment on its influence on achieving Sustainable Development Goals (SDGs 12, 14 & 15).

# Research Methodology and Limitations

- ▶ Methodology- Mix of ex-post and ex-ante type assessment (determined by data availability)
- ▶ Data sources: CARIFORUM Govt. portals, IO's such as World Bank and ILO, Academic Studies, Consultancy Studies, Press Releases etc.
- ▶ Limitations: No assessment undertaken in relation to Haiti. Data availability and Haiti not applying the C-EPA.

# The TSD Framework of the C-EPA

- ▶ The C-EPA is a development enhancing agreement not a regular FTA.
- ▶ EPA does not contain a single Trade and Sustainable Development (TSD) Chapter but TSD elements permeate the Agreement (References to sustainable development, Chapters on Social Aspects and Environment).
- ▶ TSD framework of the C-EPA tracks with multilateral developments in relation to trade and sustainable development (Trade and environment-WTO Work Programme) and also bilateral developments (FTAs, e.g EU Agreements).

# The TSD Framework of the C-EPA

TSD framework of the C-EPA also includes the wider framework of ACP-EU Cooperation (Cotonou, Post-Cotonou, EDF funded cooperation) and the SDGs

Cooperation commitments play an important role in underpinning the EPA TSD framework (Note broad priorities - Art. 7 and subject specific cooperation measures).

# Impact of the C-EPA on the Environment in CARIFORUM States

- C-EPA commitments on the environment are set out in Chapter 4 of Title IV to the Agreement (Articles 183-190).
- These commitments reinforce the existing multilateral obligations of the Parties. There is no obligation to accede to new commitments but note that EU TSD framework is evolving.
- The obligations commit the Parties to engaging in good environmental governance: Article 184 (1) commits the Parties to seeking to ensure that their environmental and public health laws and policies provide for and encourage high levels of environmental and public health protection and to striving to continue to improve those laws and policies
- But is the “soft” approach to enforcement conducive to positive environment impacts?

# What can lead to positive environment impacts of the EPA?

Positive environmental impacts can arise from implementation of:

- Commitment to environmental governance
- Commitment to use of international standards and benchmarks
- Commitment to transparency (Aarhus Convention effectively addressed)
- Commitment to not using low environmental standards as a feature of investment policy framework



# Impact of the C-EPA on the Environment in CARIFORUM States

- ▶ Positive environmental impacts can arise from implementation of:
  - Commitment to engaging in cooperation.
  - For example, one of the cooperation measures set out in the C-EPA Environment Chapter is *“Technical assistance and capacity building, in particular to the public sector, in the implementation and enforcement of multilateral environmental agreements..”*. This language is broad enough to support interventions in relation to climate change

# Benefits of CF-EU cooperation for the environment

The EU has funded within the Intra-ACP GCCA+ Programme and to the tune of 12 million euros, a 5-year project (2019-2023) entitled, *“Enhancing Climate Resilience in CARIFORUM Countries”*. All CARIFORUM Countries are beneficiaries of the project. The Intra African, Caribbean and Pacific (ACP) Global Climate Change Alliance Plus (GCCA+) is a programme funded by the European Union to increase the capabilities of countries in the ACP region to mitigate and adapt to the effects of climate change.

# Impact of FDI on the Environment

- ▶ Liberalisation of investment sectors can have positive and negative impacts.
- ▶ Opening up of sectors such as mining can have adverse impacts. Note Barrick Gold Mine in the Dominican Republic:

<https://www.france24.com/en/tv-shows/focus/20230118-gold-mining-a-blessing-or-a-curse-for-the-dominican-republic>

- ▶ However, liberalisation of sectors which deal with climate friendly activities can have positive impacts. But note missed opportunities.

# CARIFORUM Investment Liberalisation Commitments

CF STATE	FORESTRY AND LOGGING	FISHING	MINING AND QUARRYING	MINING OF COAL AND LIGNITE; EXTRACTION OF PEAT	EXTRACTION OF CRUDE PETROLEUM AND NATURAL GAS	MINING OF METAL ORES	OTHER MINING AND QUARRYING	MANUFACTURE OF REFINED PETROLEUM PRODUCTS	MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS OTHER THAN EXPLOSIVES	PRODUCTION OF ELECTRICITY; TRANSMISSION AND DISTRIBUTION OF ELECTRICITY ON OWN ACCOUNT	HAZARDOUS WASTE TREATMENT AND DISPOSAL SERVICES	REMEDIATION AND CLEAN -UP OF SOIL AND WATERS	PROTECTION OF BIODIVERSITY AND LANDSCAPE	WASTE AND WASTE WATER MANAGEMENT	RECYCLING SERVICES	HOTELS AND RESTAURANTS
AB		x	X								x			x		x
BAH																
BAR		x	X		x											x
BEL		x	X	X	X	x	x				x					x
DOM	X	x	X													x
DR		x	X	x	x	x	x	x		x		x	x	x	x	x
GRE	X	x	X								x			x		x
GUY		x	X													x
JAM		x	X	X	x		x		x							x
SKN		x	X								x			x	x	x
STL		x	X											x		x
SVG	X	x	X								x			x	x	x
SUR	X	x	X								x			x	x	x
TT		x	X		x			x			x			x	x	x

# The EPA framework for FDI: Missed Opportunities

The CARIFORUM States have missed the opportunity to signal an openness to receiving foreign investment from the EU in sectors where EU firms may be in a position to contribute to the achievement of positive environmental outcomes through the introduction of new technology and utilisation of local capacity. These sectors are Remediation and Clean Up of Soil and Water and Protection of Biodiversity and Landscape. Only the Dominican Republic has liberalised this sector. Only 5 of the States have liberalised another environment friendly area of activity, Recycling Services. These observations suggest that the investment commitments of the CARIFORUM States are not sufficiently correlated to achieving favourable environmental outcomes.

# Regulatory flexibility and environmental protection

CARIFORUM States have retained policy flexibility to impose environmental regulations. Note for example reservations which have been scheduled.

No ISDS framework in the C-EPA. Why is this important? ([RWE v Netherlands](#) and [Westmoreland Holdings v. Canada](#))

CARIFORUM States can also use the general exceptions provision of the Agreement to ensure application of environmental laws.

# Impact of Trade Facilitation Commitments on the environment

- ▶ Commitments to simplify customs procedures can have a positive impact on the environment.
- ▶ EPA can support implementation of the WTO TFA. States have notified Category 3 commitments in respect of the TFA.

# CARIFORUM States's notification of TFA Provisions

CARIFORUM STATE	Category A Notifications (%)	Category B Notifications (%)	Category C Notifications (%)
Antigua and Barbuda	37	10.5	52.5
Barbados	33.2	32.4	34.5
Belize	34	10.9	55
Dominica	55	7.1	37.8
Dominican Republic	76.5	6.7	16.8
Grenada	73.5	8.0	18.5
Guyana	73.1	2.9	23.9
Jamaica	14.7	29.4	55.9
Saint Kitts and Nevis	67.6	8.0	24.4
Saint Lucia	49.2	29.4	21.4
Saint Vincent and the Grenadines	54.6	8.4	37
Suriname	10.1	0	89.9
Trinidad and Tobago	21.4	8	70.6



# Benefits of CARIFORUM-EU cooperation in relation to Trade Facilitation

Positive indicator is support for Barbados Port Community System (PCS) Project.

Objectives of the PCS:

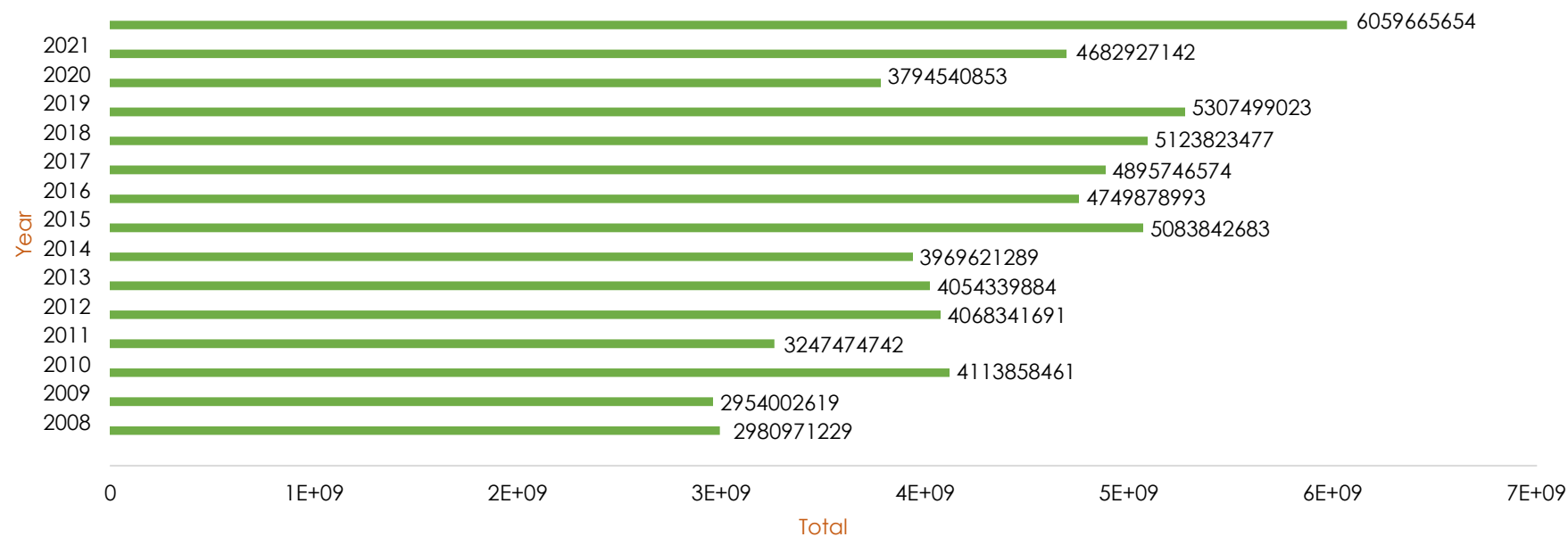
- Reducing the length of time taken and associated costs to complete trade related transactions through simplification, standardization, rationalization and harmonization of processes, procedures and documentation while allowing for interoperability with other systems in real-time; and
- Reducing clearance times for cargo through the electronic release of cargo across agencies.

# Impact of Tariff Liberalisation on the Environment

- ▶ Assessment of NAFTA (now USMCA) shows some negative environmental impacts arising from the implementation of tariff liberalisation commitments. E.g- Increased congestion in border areas (Canada-US).
- ▶ Also potential for increased economic activity leading to more emission etc.
- ▶ Also potential for more extraction of natural resources.
- ▶ Trade data does not show concerning increase in CARIFORUM exports.

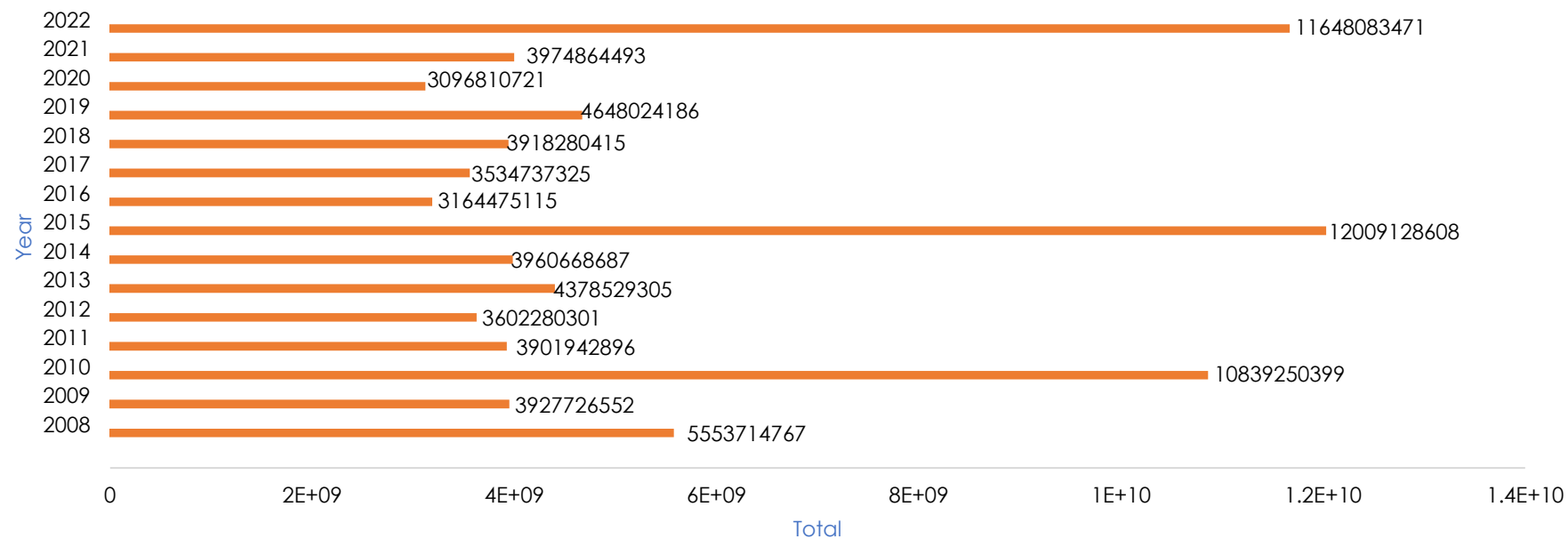
# Trade data: CARIFORUM Exports to EU

Fi: CARIFORUM Exports to the EU, 2008-2022- Value in Euros



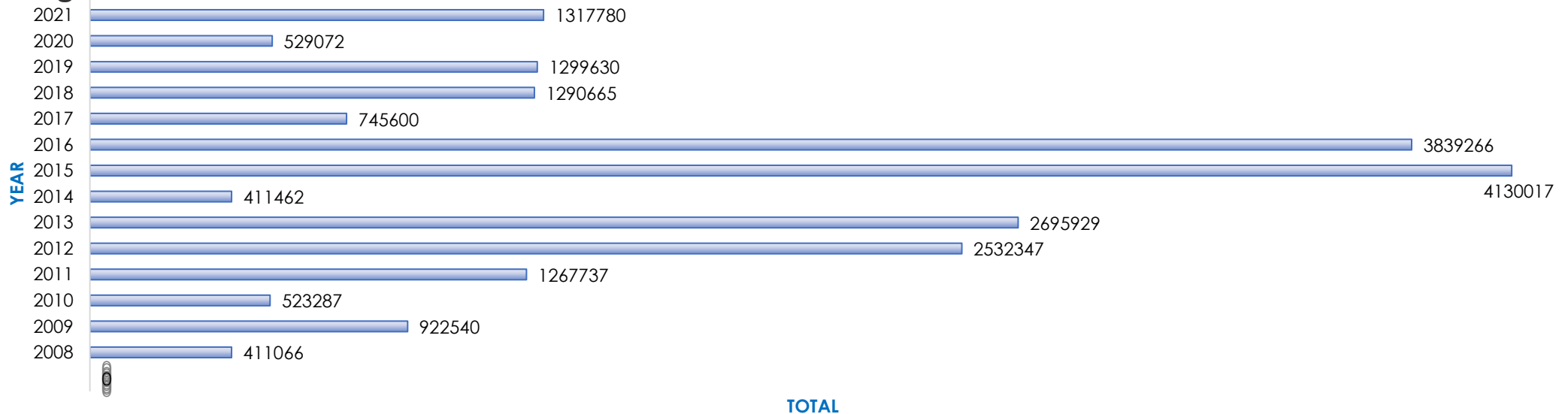
# Trade data: EU Exports to CARIFORUM

Figure 2: EU Exports to CARIFORUM States 2008-2022 (Value in Euros)



# Environmental goods and the environment

- ▶ There is some evidence that the EPA might have contributed to an improvement of the environment in the CARIFORUM States by facilitating the export of climate mitigation goods from the EU to CARIFORUM.



# Gaps that need to be filled to enhance potential for EPA to have a positive environmental impact

- ▶ Promotion of green investments: Other EU agreements have stronger framework related to commitment of the parties to promote green investment.
- ▶ CARIFORUM participation in EU framework programmes- Linked to increased innovation potential (climate mitigation technologies etc.)
- ▶ Art 142 framework for transfer of technology- Linked to increased innovation potential (climate mitigation technologies etc.)

# Gaps that need to be filled to enhance potential for EPA to have a positive environmental impact

- ▶ Promotion of circular economy: Vague language in the EPA. More concrete language in other agreements and in Post-Cotonou. Note the potential for the circular economy to support positive environment outcomes.

Note for example, Article 400 (5) of the EU-United Kingdom Agreement:

*“The Parties shall work together on trade-related aspects of environmental policies and measures, including in multilateral fora, such as the UN High-level Political Forum for Sustainable Development, the UN Environment Programme, the UN Environment Assembly, multilateral environmental agreements, the International Civil Aviation Organization (ICAO) or the WTO as appropriate. Such cooperation may cover inter alia: (a) initiatives on sustainable production and consumption, including those aimed at promoting a circular economy and green growth and pollution abatement...”*

# Development cooperation leads to positive environment impacts

- ▶ Examples of projects:

12 million euro 5-year project (2019-2023) entitled, *“Enhancing Climate Resilience in CARIFORUM Countries”*.

Objectives:

- Improve forecasting, prediction and information generation for effective development planning;
- Improve climate resilient water sector infrastructure and management in the CARIFORUM region;
- Enhance public awareness and education on climate change; and
- Improve climate risk management planning at all institutional levels in the CARIFORUM region

Note that cooperation has to be viewed in the wider context of CF-EU Cooperation.



# Gender impacts of the C-EPA

- ▶ Trade agreements can have gender differentiated impacts.
- ▶ Tariff liberalisation can create economic opportunities for women (garment industry) etc. but may reinforce systemic inequalities.
- ▶ Vulnerable women may also lose vital social supports as governments adjust to loss of revenue.
- ▶ Gender mainstreaming is an important component of sustainable development policies in the CF States. Note for example focus in Trinidad and Tobago's development policy on increased economic participation of women.

# Gender impacts of the C-EPA

Gender inequalities reflected in regional labour market structures.

Lower labour force participation for women generally and in industry and agriculture **BUT** reverse pattern in services.

Difficulty to identify more precise gender disaggregated data at specific economic activity level,

# World Bank (Based upon ILO modelled estimates) DNA= Data not available

CARIFORUM State	Labour force participation rate Women	Labour force participation rate Men	Percentage difference between labour force participation by Men and Women
Antigua and Barbuda	DNA	DNA	DNA
The Bahamas	65.6	71.5	5.9
Barbados	56.1	63.7	7.6
Belize	46.9	76.8	29.9
Dominica	DNA	DNA	DNA
Dominican Republic	49.6	75.2	25.6
Grenada	DNA	DNA	DNA
Guyana	40.3	64.1	23.8
Haiti	60.7%	68.9	8.2
Jamaica	56.1	70	13.9
Saint Kitts and Nevis	DNA	DNA	DNA
Saint Lucia	63.2	73.2	10
Saint Vincent and the Grenadines	52.9	74.1	21.2
Suriname	43.4	65.1	21.7
Trinidad and Tobago	46.7	68	21.3

# Gender impacts of the C-EPA

Positive impact of the C-EPA can be achieved if the EPA has support structures to address barriers to women's entrepreneurship.

Note Compete Caribbean Study identified that barriers include a lack of access to finance.

Projects have supported women's economic empowerment:

- Caribbean Export Development Agency- We-Xport
- CDB administered EPA and CSME Standby Facility projects in Jamaica, Guyana and Trinidad and Tobago.

# Impact of C-EPA on Social Aspects

Nature of the commitments:

- Reinforce ILO obligations
- No direct obligation to accede to specific ILO Conventions but indirect obligation to act consistently with ILO norms.

Note ratification of ILO Conventions by CARIFORUM States.

# Normative Framework: ILO core labour standards

- Freedom of Association and protection of the Right to Organize Convention, 1948
- Right to Organize and Collective Bargaining Convention, 1949
- Forced Labour Convention, 1930
- Abolition of Forced Labour Convention 1957
- Minimum Wage Convention 1973
- Worst Forms of Child Labour Convention, 1999
- Equal Remuneration Convention, 1951
- Discrimination (Employment and Occupation) Convention, 1958.

# CARIFORUM States' ratification of ILO Conventions

Source: ILO

CARIFORUM State	Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	Forced Labour Convention, 1930 (No. 29)	Protocol of 2014 to the Forced Labour Convention, 1930	Abolition of Forced Labour Convention, 1957 (No. 105)	Minimum Wage Convention, 1973 (No. 138)	Worst forms of child labour convention, 1999 (No. 182)	Equal Remuneration Convention, 1951 (No. 100)	Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
Antigua and Barbuda	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bahamas	✓	✓	✓	X	✓	✓	✓	✓	✓
Barbados	✓	✓	✓	X	✓	✓	✓	✓	✓
Belize	✓	✓	✓	X	✓	✓	✓	✓	✓
Dominica	✓	✓	✓	X	✓	✓	✓	✓	✓
Dominican Republic	✓	✓	✓	X	✓	✓	✓	✓	✓
Grenada	✓	✓	✓	X	✓	✓	✓	✓	✓
Guyana	✓	✓	✓	X	✓	✓	✓	✓	✓
Haiti	✓	✓	✓	X	✓	✓	✓	✓	✓
Jamaica	✓	✓	✓	✓	✓	✓	✓	✓	✓
St. Kitts	✓	✓	✓	X	✓	✓	✓	✓	✓
St. Lucia	✓	✓	✓		✓	X	✓	✓	✓
St. Vincent and the Grenadines	✓	✓	✓	X	✓	✓	✓	✓	✓
Suriname	✓	✓	✓	✓	✓	✓	✓	✓	✓
Trinidad and Tobago	✓	✓	✓	X	✓	✓	✓	✓	✓

# CARIFORUM States' ratification of ILO Conventions

## Source: ILO

Note the issue of attribution:

Has the EPA had an impact of pushing the States to ratify the EPA?

Not really. Evidence (dates of ratification) suggests that the States have just been complying with their international law obligation to implement treaty objectives in good faith (*Pacta sunt servanda*).

CARIFORUM needs to improve in relation to child labour. EPA can provide forum for dialogue and cooperation.



# SDGs and Social Aspects

Specific SDG targets linked to social aspects of the EPA:

- **8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value; and
- ▶
- **8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

# Has progress been reported in achieving SDG 8?

Mixed reporting of the progress that CARIFORUM States have reported in achieving the targets associated with SDG 8. Data reported by CARIFORUM States with respect to the indicator: “Fundamental labor rights are effectively guaranteed” between 2014 and 2020.

Limited progress made with respect to reducing unemployment rate

# Support for SDG implementation

To assist the CARIFORUM States in achieving these targets and in improving the social infrastructure, cooperation between the States and the EU on issues within the scope of the Chapter will be pivotal.

Article 196 commits the CARIFORUM States and the EU to cooperating in relation to labour and social issues and identifies indicative cooperation priorities. These are:

- ▶ Exchange of information on the respective social and labour legislation and related policies, regulations and other measures;

# Indicative cooperation priorities:

## Social aspects

- ▶ Formulation of national social and labour legislation and the strengthening of existing legislation, as well as mechanisms for social dialogue, including measures aimed at promoting the Decent Work Agenda as defined by the ILO;
- ▶ Educational and awareness-raising programmes, including skills training and policies for labour market adjustment, and raising awareness of health and safety responsibilities, workers' rights and employers' responsibilities; and
- ▶ Enforcement of adherence to national legislation and work regulation, including training and capacity building initiatives of labour inspectors, and promoting corporate social responsibility through public information and reporting.

# The impact of CARIFORUM-EU cooperation on social aspects

Some positive impacts arising from cooperation:

Through the provision of EU development cooperation, positive impacts of the C-EPA, (when viewed in the wider context of EU- CARIFORUM cooperation) on labour and social issues are discernible. Under the 10<sup>th</sup> EDF (2008-2013), EU financial support was provided to the Caribbean Secretariat to support the implementation of a Labour Market Information System (LMIS).

Civil society support project:

The EU has provided support for a three-year programme (2015-2018) to develop the capacity of CARIFORUM stakeholders including the Caribbean Congress of Labour (CCL), Caribbean Employers' Confederation (CEC) and their affiliates in the CARFORUM States to assist in the development of policies to implement EPA social aspects commitments.

# The role of Civil Society

- Civil society has an important role to play in the design of cooperation interventions and in advocating for policy reform which ensures that the States take appropriate regulatory actions to protect the environment, promote women's empowerment and improve social welfare issues in keeping with their EPA obligations. Civil society can only be effective change actors if appropriate benchmarks which they can use to assess progress made by the States are developed and if their explicitly stated role in monitoring the implementation of the EPA is acknowledged and supported by the States.
- One of the most challenging obstacles to be overcome in relation to the ability of civil society actors to fulfil their important role is that of the lack of data in the region by which the environment, social and gender impacts of the EPA can be measured.
- It is also important however for civil society to see itself as having a vital role in data capture. Organisations such as the Caribbean Congress of Labour (CCL) and the Caribbean Employers Confederation (CEC), environmental groups and gender advocates, can, within their respective work programmes, seek to capture data to assist in the measurement of the impacts of the EPA.
- EU and other donors can be asked to provide support for programmatic activities.

# Monitoring the impacts of the Agreement

Civil society to be seen as an active partner in trade policy. Civil society should have a role in shaping and monitoring trade tools and agreements.

Effective monitoring of the Agreement calls for civil society to be appropriately integrated into national and regional monitoring frameworks within which there are specific roles for all relevant stakeholders.

# Monitoring the impacts of the Agreement

Elements of monitoring framework:

- ▶ *Establishing partnerships:* The Members should seek formal integration into national monitoring and regional frameworks. This will facilitate the ability of the Members to obtain data related to the implementation of the C-EPA and its effects and provide a direct avenue for civil society advocacy.
- ▶ *Establishment of internal surveillance mechanisms:* The Members should seek to collect data required to facilitate a monitoring of the C-EPA.
- ▶ *Data Synthesis and Reporting:* Synthesize the data obtained from the data collection processes and prepare a report which present an assessment of the progress made in each year in implementing the EPA and the perceived effects of the Agreement.