

PART I

TRADE PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

Article 1

Objectives

The objectives of this Agreement are:

- (a) Contributing to the reduction and eventual eradication of poverty through the establishment of a trade partnership consistent with the objective of sustainable development, and the Sustainable Development Goals;
- (b) Promoting regional integration, economic cooperation and good governance thus establishing and implementing an effective, predictable and transparent regulatory framework for trade and investment between the Parties and in the CARIFORUM region;
- (c) Promoting the gradual integration of the CARIFORUM States into the world economy, in accordance with their political choices and development priorities;
- (d) Improving the CARIFORUM States' capacity in trade policy and trade related issues;
- (e) Supporting the conditions for increasing investment and private sector initiative and enhancing supply capacity, competitiveness and economic growth in the CARIFORUM region;
- (f) Strengthening the existing relations between the Parties on the basis of solidarity and mutual interest. To this end, taking into account their respective levels of development and consistent with WTO obligations, the Agreement shall enhance commercial and economic relations, support a new trading dynamic between the Parties by means of the progressive, asymmetrical liberalisation of trade between them and reinforce, broaden and deepen cooperation in all areas relevant to trade and investment.

Article 2

Principles

1. This Agreement is based on the following fundamental principles:
 - (a) equality of the partners and ownership of the development strategies: for the purposes of implementing the objectives of the partnership, the CARIFORUM States shall determine the development strategies for their economies and societies in all sovereignty and with due regard for respect for human rights, democratic principles and the rule of law; the partnership shall encourage ownership of the development strategies by the countries and populations concerned; UK development partners shall align their programmes with these strategies;
 - (b) participation: apart from central government as the main partner, the partnership shall be open to parliaments and local authorities in CARIFORUM States and different kinds of other actors in order to encourage the integration of all sections of society, including the private sector and civil society organisations, into the mainstream of

political, economic and social life;

- (c) the pivotal role of dialogue and the fulfilment of mutual obligations and accountability: the obligations assumed by the Parties in the framework of their dialogue shall be central to their partnership and cooperation relations; the Parties shall work closely together in determining and implementing the necessary processes of donor alignment and harmonization, with a view to securing a key role for the CARIFORUM States in these processes;
 - (d) differentiation and regionalisation: cooperation arrangements and priorities shall vary according to a partner's level of development, its needs, its performance and its long term development strategy. Special treatment shall be given to Least-Developed Countries party to this Agreement. The vulnerability of island countries shall be taken into account. Particular emphasis shall be put on regional integration.
2. Respect for human rights, democratic principles and the rule of law, which shall underpin the domestic and international policies of the Signatory CARIFORUM States and the United Kingdom, constitute the essential elements of the Agreement. Good governance, which shall also underpin the domestic and international policies of the Signatory CARIFORUM States and the United Kingdom, constitutes the fundamental element of the Agreement. Hereinafter, the elements set out in this paragraph shall be referred to as the Essential Elements and Fundamental Elements of this Agreement respectively.

Article 3

Sustainable development

1. The Parties reaffirm that the objective of sustainable development is to be applied and integrated at every level of their economic partnership, in fulfilment of the overarching commitments set out in Articles 1 and 2 of this Agreement and especially the general commitment to reducing and eventually eradicating poverty in a way that is consistent with the objectives of sustainable development.
2. The Parties understand this objective to apply in the case of this Agreement as a commitment that:
 - (a) the application of this Agreement shall fully take into account the human, cultural, economic, social, health and environmental best interests of their respective population and of future generations;
 - (b) decision-taking methods shall embrace the fundamental principles of ownership, participation and dialogue.
3. As a result the Parties agree to work cooperatively towards the realisation of a sustainable development centred on the human person, who is the main beneficiary of development.

Regional integration

1. The Parties recognise that regional integration is an integral element of their partnership and a powerful instrument to achieve the objectives of this Agreement.
2. The Parties recognise and reaffirm the importance of regional integration among the CARIFORUM States as a mechanism for enabling these States to achieve greater economic opportunities, and enhanced political stability and to foster their effective integration into the world economy.
3. The Parties acknowledge the efforts of the CARIFORUM States to foster regional and sub-regional integration amongst themselves through the Revised Treaty of Chaguaramas establishing the Caribbean Community including the CARICOM Single Market and Economy, the Revised Treaty of Basseterre establishing the Organisation of Eastern Caribbean States Economic Union and the Agreement establishing a Free Trade Area between the Caribbean Community and the Dominican Republic.
4. The Parties further recognise that, without prejudice to the commitments undertaken in this Agreement, the pace and content of regional integration are matters to be determined exclusively by the CARIFORUM States in the exercise of their sovereignty and in the light of their current and future political ambitions.
5. The Parties agree that their partnership builds upon and aims at deepening regional integration and undertake to cooperate to develop it further, taking into account the Parties' levels of development, needs, geographical realities and sustainable development strategies, as well as the priorities that the CARIFORUM States have set for themselves and the obligations enshrined in the existing regional integration agreements identified in paragraph 3.
6. The Parties commit themselves to cooperating in order to facilitate the implementation of this Agreement and to support CARIFORUM regional integration.

Article 5

Monitoring

The Parties undertake to monitor continuously the operation of the Agreement through their respective participative processes and institutions, in order to ensure that the objectives of the Agreement are realised, the Agreement is properly implemented and the benefits for men, women, young people and children deriving from their partnership are maximised. The Parties also undertake to consult each other promptly over any problem that may arise.

Article 6

Cooperation in international fora

The Parties shall endeavour to cooperate in all international fora where issues relevant to this partnership are discussed.

Development cooperation

1. The Parties recognise that development cooperation is a crucial element of their Partnership and an essential factor in the realisation of the objectives of this Agreement as laid down in Article 1. This cooperation can take financial and non-financial forms.
2. Development cooperation for regional economic cooperation and integration shall be carried out so as to maximise the expected benefits of this Agreement. Areas of cooperation and technical assistance are set out, as appropriate, in the individual Chapters of this Agreement. Cooperation shall be implemented according to the modalities provided for in this Article, shall be kept under ongoing review and shall be revised as necessary according to the provisions of Article 245 of this Agreement.
3. The UK financing pertaining to development cooperation between CARIFORUM and the United Kingdom supporting the implementation of this Agreement shall be guided by the internationally agreed aid effectiveness agenda, assessment of the Signatory CARIFORUM State's commitment to the UK Partnership Principles, reducing poverty and achieving the Sustainable Development Goals, the Signatory CARIFORUM States' national development strategies, and the CARIFORUM States' most immediate development cooperation priorities. In this context, supporting the implementation of this Agreement shall be one of the priorities.
4. Commensurate with their respective roles and responsibilities, the United Kingdom and the Signatory CARIFORUM States shall take all measures necessary to ensure the effective mobilisation, provision and utilisation of resources aimed at facilitating the development cooperation activities provided for in this Agreement.
5. The United Kingdom undertakes to support, by means of its development policies and instruments, development cooperation activities for regional economic cooperation and integration and for the implementation of this Agreement in CARIFORUM States and at the regional level, in accordance with the complementarity and aid effectiveness principles. The Parties recognize the importance of predictable financing to the effective implementation of this Agreement.
6. The Parties shall cooperate to facilitate the participation of other donors willing to support the cooperation activities referred to in paragraph 5 and the efforts of the CARIFORUM States in achieving the objectives of this Agreement.

Article 8

Cooperation priorities

1. Development cooperation as provided for in Article 7 shall be primarily focused on the following areas as further articulated in the individual Chapters of this Agreement:
 - (i) The provision of technical assistance to build human, legal and institutional capacity in the CARIFORUM States so as to facilitate their ability to comply with the commitments set out in this Agreement;
 - (ii) The provision of assistance for capacity and institution building for fiscal reform in order to strengthen tax administration and improve the collection of tax revenues

- with a view to shifting dependence from tariffs and other duties and charges to other forms of indirect taxation;
- (iii) The provision of support measures aimed at promoting private sector and enterprise development, in particular small economic operators, and enhancing the international competitiveness of CARIFORUM firms and diversification of the CARIFORUM economies;
 - (iv) The diversification of CARIFORUM exports of goods and services through new investment and the development of new sectors;
 - (v) Enhancing the technological and research capabilities of the CARIFORUM States so as to facilitate development of, and compliance with, internationally recognised sanitary and phytosanitary ('SPS') measures and technical standards and internationally recognised labour and environmental standards;
 - (vi) The development of CARIFORUM innovation systems, including the development of technological capacity;
 - (vii) Support for the development of infrastructure in CARIFORUM States necessary for the conduct of trade.
2. The Development cooperation priorities as broadly articulated in paragraph 1 and further specified in the individual Chapters of this Agreement shall be implemented according to the modalities provided for in Article 7.

Article 8A

**CARIFORUM-UK Technical Sub-Committee on
Development Cooperation**

1. The CARIFORUM-UK Technical Sub-Committee on Development Cooperation ('the TSCDC') is hereby established to carry out the functions set out in paragraph 3. The TSCDC will be composed of representatives of the United Kingdom, of the one part, and representatives of the CARIFORUM Directorate of the CARICOM Secretariat, representatives of the Signatory CARIFORUM States, and representatives of three Caribbean civil society organisations of the other part.
2. The TSCDC seeks to further consolidate on-going CARIFORUM-UK dialogue on development cooperation matters in this Agreement in facilitation of proper and effective implementation of this Agreement. The TSCDC will advise and make recommendations to the CARIFORUM-UK Trade and Development Committee on the type of support required to satisfy development cooperation objectives of this Agreement and to monitor the implementation of development cooperation priorities of this Agreement.
3. Given the specific provisions of this Agreement on development cooperation, and based on the relevant work streams of the CARIFORUM-UK Trade and Development Committee, the TSCDC's functions in assisting the work of the CARIFORUM-UK Trade and Development Committee are to:

- (a) advise the CARIFORUM-UK Trade and Development Committee on the best ways to support the realisation of the development cooperation and technical assistance provisions and objectives of the various relevant Chapters of this Agreement;
- (b) advise the CARIFORUM-UK Trade and Development Committee on strategies for increased and sustained CARIFORUM-UK dialogue on specific development assistance in this Agreement based on best practice experiences;
- (c) advise the CARIFORUM-UK Trade and Development Committee on concrete strategies for resource mobilisation and the effective utilisation of resources for development cooperation activities in this Agreement;
- (d) provide concrete recommendations to the CARIFORUM-UK Trade and Development Committee on non-UK donor financial and technical support beneficial to this Agreement's implementation and relevant regional economic cooperation and integration activities;
- (e) monitor and update the CARIFORUM-UK Trade and Development Committee on:
 - (i) the status of implementation of the development cooperation provisions of this Agreement;
 - (ii) utilisation of technical assistance for capacity building (human, legal and institutional) for implementation of this Agreement;
 - (iii) the status and effectiveness of capacity and institution building for progressive fiscal and tax administration reforms, and improved revenue collection systems, as components of more effective implementation of this Agreement;
 - (iv) the status and effectiveness of this Agreement's support for private sector development – in particular small and medium-sized enterprises – and economic diversification, including of exports of goods and services, as well as the development of trade supporting infrastructure, in CARIFORUM;
 - (v) the status of implementation of provisions related to innovation and research capabilities; and
 - (vi) the status of CARIFORUM States' capacity to facilitate compliance with internationally recognised SPS measures and technical standards and internationally recognised labour and environmental standards, and other enabling capacities benefitting from this Agreement; and
- (f) assist with the implementation of the responsibilities of the CARIFORUM-UK Trade and Development Committee in other technical areas identified and assigned by that Committee.