

SUMMARY OF OUTCOMES FROM THE SMALL ECONOMIES TENT

1. We recognize that access to markets is important, but some protective mechanisms must be built-in for small economies.
2. The agreement should address a developmental program that targets poverty reduction.
3. The agreement should include the honoring by every member of the ILO core labor conventions.
4. The agreement should consider the development of a "Potential Impact Index" that measures the vulnerabilities of small economies to trade liberalization.
5. The agreement should support the restructuring of Caribbean economies for the production of higher value added exports.
6. Funding should be provided for research and development as part of the proposed structural convergence fund.
7. We recognize the need for enhanced infrastructure support to improve the ability of small economies to accommodate increased investments.
8. Under health and human resources development, special funding for programs impacting HIV/AIDS for the entire Caribbean is necessary.
9. In order to preserve cultural diversity we recommend that the audio-visual sector and media and broadcasting services be exempted from liberalization.
10. We support the retention of subsidies by small and vulnerable economies, as long as subsidies are maintained by developed countries.
11. We expect that with respect to the Caribbean these issues will continue to be addressed and supported on a regional basis.

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1. While we recognize the potential opportunities inherent in the proposed Free Trade Area of the Americas for small open and vulnerable economies, we equally understand and appreciate that smaller economies will face real threats to their survivability in an FTAA that fails to make appropriate provisions for them to manage the pace and rate of liberalization vis-a-vis other more developed and capable members of the FTAA.

2. In view of these realities and accepting the need for special attention to be paid to the needs of smaller and vulnerable economies, we strongly encourage Ministers to swiftly move to negotiate on and agree to a set of deep and comprehensive measures that provide special and differential treatment provisions within the FTAA that are concrete, clear, mandatory, and implementable across the various disciplines within the FTAA.

3. That provisions should include but not be limited to technical assistance and transitional measures associated with longer adjustment periods. Rather, that an appropriate framework that expands and improves on the S&DT measures in the GATT (94) should be developed with particular focus on limiting the extent of liberalization in market access across disciplines, curtailing regional MFN reciprocity requirements, providing exemption provisions according to sector sensitivity, and/or special safeguard measures and the provision of technical and financial assistance to aid with adjustment and help in building productive and competitive capacities.

4. That in regard to (3) above a Regional Integration and Adjustment Fund should be created to provide real financial assistance to smaller economies to aid in their adjustment to the requirements of greater trade liberalization across disciplines. And that such a fund should consist of “new money” and not of rolled over resources already promised as part of parallel initiatives such as the Hemispheric Cooperation Programme.

5. That the Agreement should consider the development of an “Impact Index Assessment System” that measures the level of impact of liberalization to aid policy-makers in developing “soft trigger” mechanisms for accessing financial resources under the RIAF to offset negative impacts on sensitive sectors and industries.

6. That the agreement should address a developmental program that targets poverty reduction in keeping with the commitments made by hemispheric leaders on achieving the millennium development goals.

7. The agreement should have as one of its key principles the ILO core labor Conventions but that in doing so such commitments shall be dealt with outside the scope of the agreement in a way that does not devalue their importance, nor manipulate them in such a way that they become protectionist measures that distort trade.

Sectoral Recommendations:

Market Access for Goods:

We recommend that negotiators should proceed to conclude negotiations on market access based on asymmetrical commitments for smaller economies and where possible exemptions on reciprocity for critical or highly sensitive sectors critical to the very economic and social stability of these economies.

Agriculture

We recommend that negotiators proceed cautiously with intentions for extensive liberalization of market access provisions for small economies in this area recognizing their very heavy reliance on

agriculture for social, economic, and cultural survival. That alternately clear provisions should be made for stricter discipline to be exercised on domestic support measures, export credits and food aid policies of developed country members of the FTAA which have the potential to distort trade across the hemisphere.

Services

We recommend that negotiators continue to consider progressive liberalization of trade in services with especial attention to extensive factory mobility particularly with reference to mode 4 liberalization in the Hemisphere. That such liberalization should not go beyond existing international obligations in the GATS. We equally recommend that smaller economies should not be required to liberalize its services at the same rate and pace as other more developed FTAA members and that such sectors as health, education, water and port services should not be subject to liberalization.

We recommend that in keeping with our position on limited sectoral liberalization and appropriate exemptions where necessary smaller economies should not be required to undertake commitments in respect of government procurement, investment competition policy, and intellectual property rights which go beyond limited measures on transparency.

Dispute Settlements

We support the development of dispute settlement mechanisms but caution that such should only be on a state by state basis, be simple and accessible to smaller economies.