



Sistema Económico
Latinoamericano y del Caribe

Latin American and Caribbean
Economic System

Sistema Econômico
Latino-Americano e do Caribe

Système Economique
Latinoaméricain et Caribéen



Conclusions and Recommendations

Extra-Regional Relations

Regional Seminar on Economic Relations between Canada and Latin America and the Caribbean
Caracas, Venezuela
30 March 2012
SP/SRRECALC/CR-12

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Printed in the Permanent Secretariat of SELA, Caracas, Venezuela.

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The delegations participating in the Regional Seminar on the Economic Relations between Latin America and the Caribbean and Canada, held at the headquarters of SELA on 30 March 2012, adopted the following conclusions and recommendations:

1. In the last few years, the economic relations between Latin America and the Caribbean (LAC) and Canada have experienced a positive trend. Thanks to their economic and social policies, both parties have been able to successfully overcome the effects of the global financial crisis and the resulting economic downturn, and have been able to maintain mutual exchanges at positive levels.
2. Within this context, the Seminar endorsed the concept that in view of its prospects for growth, Latin America and the Caribbean is a trading partner “with greater purchasing power, resistant to external shocks, with more solid and less uncertain expectations for growth”, as reflected by its growing share in Canadian exports and foreign direct investment (FDI).
3. Similarly, participants noted that the margin for expanding the participation of Latin America and the Caribbean in the Canadian market is significant, and that it is advisable to continue and strengthen efforts to increase such participation in order to make it reach its full potential.
4. Since its launch in 2007, Canada has maintained its commitment to democracy, prosperity and security in Latin America and the Caribbean, despite difficulties. Its “Long-Range Economic Strategy” is aimed at expanding economic links with the region through trade and investment. Standing out in this context are the Free Trade Agreements already signed with Mexico (NAFTA), Chile, Peru, Colombia, Costa Rica and Panama, as well as those being negotiated, or under review, with the countries of Central America and the Common Market of the South (MERCOSUR), in addition to the Agreement on Trade and Development under negotiation with the Member States of the Caribbean Community (CARICOM).
5. There was an important exchange of views as regards Free Trade Agreements, emphasizing, on the one hand, that their impact should be assessed in a long term perspective and on whether or not they serve to diversify the economies and imprint dynamism to them. On the other hand, it was noted that such agreements do not substitute national economic and social development policies or international development cooperation efforts. While recognizing the special attention that Canada has lent to achieving this objective in the agreements that it has signed with the countries of the region, it was deemed necessary for both parties to maintain a comprehensive perspective of mutual benefit.
6. In this connection, some countries recalled the negative experiences with the liberalization of their economies, proving that not all countries considered the formula of FTAs to be the most appropriate or the most beneficial one to boost economic exchanges. This contrasts with a more desirable development – centered approach in promoting economic exchanges in mutual relations schemes.

7. Particularly, in reviewing the experiences of the Member States of CARICOM, as pointed out in the study prepared by the Office of Trade Negotiations of the CARICOM Secretariat,¹ it was clear that it is advisable to overcome constraints to the scope of the *Trade and Economic Development Assistance Programme* adopted in 1986 by Canada, in order to include a dimension for economic and technical cooperation to foster development and establish a sound and predictable basis for liberalization of trade in goods and services and for a sustainable increase in reciprocal direct investments. In this regard, participants took note of the progress made in the negotiations between CARICOM and Canada to replace such Programme in line with these parameters and to ensure its compatibility with the parties' multilateral obligations within the World Trade Organization (WTO) before December 2013, when the waiver to the application of the Most Favoured Nation clause, which temporarily protects such programme, will expire.
8. In view of Canada's policy precedents and current status, participants recognized that the country is ideally positioned to further strengthen its links with the region through its international cooperation policy, taking into account, in particular, its commitment to earmark 0.7% of its Gross Domestic Product (GDP) for Official Development Assistance (ODA).

Member States were invited to analyze the potential of Canada's cooperation for development beyond ODA and the federal government, recalling the role of provinces and the civil society in assistance and cooperation flows and in enhancing and strengthening the relationship.

9. However, despite the upward trend of ODA and the significant levels of trade and investment relations of Canada with Latin America and the Caribbean, such assistance aimed at the region accounts for only 20% of the total ODA reported by Canada, being significantly surpassed by Asia and Africa.
10. As a result of the changes in legislation and agreements within the context of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD), Canada's international development cooperation has focused its efforts on providing assistance to a small number of countries in the region, making emphasis on those countries in greatest need for poverty and inequality reduction (Bolivia, Colombia, Haiti, Honduras, Peru and the Caribbean subregion).
11. In addition, it was noted that, although priority issues of the Canadian International Development Cooperation largely meet the Millennium Development Goals (MDGs), they are focused on a smaller number of areas. Among them, the following priorities stand out: democratic governance, economic growth, childhood and youth, local projects, humanitarian assistance and natural and man-made disasters.
12. In the general context of economic and cooperation relations between Latin America and the Caribbean and Canada, participants stressed the advisability of establishing a thematic agenda between the parties that enables them to reach a consensus on the development needs of the region and to strengthen

¹ [Perspectives of Regional Organizations on the Trade Relations between Latin America and the Caribbean and Canada: Current and Future Status. Study prepared by the Secretariat of CARICOM, Office of Trade Negotiations \(SP/SRRECALC/DI N° 9-12\).](#)

economic and cooperation relations between the Member States of SELA and Canada through dialogue and consultation. Among the topics mentioned in this regard are human development, vulnerability to natural disasters, the debt-overhang, special and differential treatment and non-reciprocity, access to preferential financing, capacity building, mobility of human resources and triangular cooperation.

13. Participants took note of the activities suggested by the Permanent Secretariat of SELA in the base document "*Canada: international development cooperation policies and programmes. Opportunities for Latin America and the Caribbean*" (SP/SRREECALC/DT No. 2-12), Section 5, Recommendations to deepen cooperation.
14. In particular, taking into account the various experiences and views analyzed during the Seminar, participants agreed to request the Permanent Secretariat to identify, in consultation with its Member States, regional and subregional proposals for cooperation with Canada in specific areas, and to keep them informed of the evolution of economic and cooperation relations between the countries of the region and Canada.
15. In this connection, participants considered that an area that should be explored is how triangular cooperation with partner countries in LAC could complement cooperation with Canada, both with those countries identified as priority countries as well as others that have not been so classified. The establishment of cooperation partnerships with LAC countries may be ideal for exploring ways to further enhance capacity-building and attention to vulnerable sectors of the population, particularly women, youth and children. LAC countries can develop a richer agenda through new forms of joint collaboration. This might be a good manner to pursue the accomplishment of the Millennium Development Goals by the year 2015.
16. Participants agreed to submit these Conclusions and Recommendations to the Latin American Council.