

COMMUNIQUE
for the
36TH Meeting of the OECS Authority
June 18th to 20th 2002
ECCB Auditorium
Basseterre
St. Kitts/Nevis

Introduction

The 36th Meeting of the OECS Authority was convened at the Eastern Caribbean Central Bank Auditorium, in Basseterre St. Kitts/Nevis, June 18th to 20th under the Chairmanship of the hon. Dr. Denzil Douglas, Prime Minister of St. Kitts/Nevis.

The Opening Ceremony on June 18th was timed to coincide with the 21st anniversary of the signing of the Treaty of Basseterre on June 18th 1981, through which the Member States agreed to create the regional sub-grouping.

Delegations

Seven Heads of Governments were among the leaders of delegations to the Meeting.

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| Prime Ministers: | Hon. Lester Bird of Antigua/Barbuda |
| | Hon. Dr. Keith Mitchell of Grenada |
| | Hon. Dr. Kenny Anthony of St. Lucia |
| | Hon. Dr. Ralph Gonsalves of St. Vincent and the Grenadines |
| | Hon. Dr. Denzil Douglas of St. Kitts/Nevis |
| Chief Ministers | Hon. John Osborne of Montserrat |
| | Hon. Ralph O'neal of the BVI |

The Dominica delegation was led by Hon. Charles Saverin, Minister of Tourism; and Anguilla by Hon. Victor Banks, Minister of Finance.

Also in attendance were the Governor of the Eastern Caribbean Central Bank, and representatives of regional organizations including CARICOM, the Caribbean Development Bank (CDB), and the Regional Negotiating Machinery (RNM).

The Opening Ceremony

The ceremony featured the honouring of the Prime Minister of Antigua/Barbuda Hon. Lester Bird as the only signatory to the Treaty of Basseterre, still in office on the Organisation's 21st anniversary. Two OECS Staff Members who worked in the precursor

organisations and who witnessed the signing and are still with the Secretariat – Mr. George Goodwin and Ms. Marcelline Chitollie - were also presented with awards.

Acting Director General Mr. George Goodwin, noting the decision to deepen the OECS Integration process, applauded the six independent Member States for taking legislation to the national parliaments during March and April this year, to facilitate free movement of OECS people in the sub-region.

Mr. Goodwin also pointed to the opportunity provided by the OECS Development Charter for a common development strategy or road map for Member States as they position themselves to meet the new economic challenges. The charter was developed jointly by the OECS Secretariat and the Eastern Caribbean Central Bank.

Montserrat's Chief Minister Mr. John Osborne, who was in office when the Treaty was signed in 1981, but who was represented at the signing by one of his Ministers – Franklyn Margetson, also addressed the historic ceremony.

Mr. Osborne said while his island remains the only original signatory still not politically independent (the other dependent territories, Anguilla and the BVI joined the OECS later as Associate Member States), he was sending a clear message that Montserratians will not allow anyone to impede its participation in the regional integration movement. The island's authorities are currently reviewing draft free movement legislation while awaiting directions from the British government.

Prime Minister Bird in his presentation to the ceremony felt the historic 21st anniversary of the OECS presented the ideal opportunity to further deepen the integration process, noting that 'the time for talk is past – the time for action is urgent.

Mr. Bird strongly urged that the OECS revisit a proposal he had made to OECS Heads for a Commission, based on a similar recommendation in the Shridath Ramphal-led West Indian Report, to enforce decisions taken by the Authority.

He said the OECS Member States at this 21st anniversary meeting should implement this recommendation, establishing a three-man commission - with the Director General as one Member - to oversee the implementation of the decisions and to superintend the deepening of the process of economic integration and functional cooperation with the guidance of the Authority.

He also laid out a challenging agenda for the OECS into the future which included common customs administration; free movement of goods and services; the machinery for joint external marketing; common investment regimes; tax harmonisation and double taxation treaties; a common magistracy; and a common police and prison service.

OECS Chairman, Prime Minister Dr. Denzil Douglas of St. Kitts/Nevis told the ceremony that now Member States have passed the Free Movement legislation they need guidelines for the proper and orderly implementation of the initiative. He urged the

Secretariat to commission a study with respect to implementation, and recommend to the Heads of Government, the best way in which implementation can be effective, paying due regard to the fears – the real genuine fears of the many populations within the region.

The OECS Chairman promised to work with his colleagues to tackle the thorny question of how the governments should address the issues of the labour market in a liberalised, global economy, which provides for unfettered movement of goods and services and capital. He said the doctrine of an unregulated labour market leading to total flexibility has serious implications for all of the OECS countries.

Dr. Douglas urged his colleagues to use the historic meeting to put their signatures to the Development Charter which he sees as a renewal of the mandate given to the regional integration movement twenty-one years ago.

Lead Spokespersons

Heads of Government agreed to the following allocations of subjects between themselves as lead spokespersons.

Anguilla – Chief Minister Osborne Fleming – Tourism

Antigua/Barbuda – Prime Minister Lester Bird - Information Technology; External Trade and Economic Relations

BVI - Chief Minister Ralph O'neal - Financial Services

Dominica - Prime Minister Pierre Charles - Agriculture and Labour

Grenada - Prime Minister Dr. Keith Mitchell - Science, Technology, and Sports

Montserrat – Chief Minister John Osborne - Disaster Preparedness and Management

St. Kitts/Nevis – Prime Minister Dr. Denzil Douglas – Social Development and Health (with special reference to HIV/AIDS)

St. Lucia - Prime Minister Dr. Kenny Anthony - Justice, Governance and Security

St. Vincent and the Grenadines - Prime Minister Dr. Ralph Gonsalves - Economic Union, the CARICOM Single Market and Economy, and Bananas.

Economic Situation in the OECS

The Authority discussed the current economic situation, the challenges and threats faced by the Member States and the policy responses.

There were wide ranging discussions in a variety of issues, with particular attention being paid to the difficulties of the financial sector (Offshore) which had been pursued as a major area to achieve diversification of the economies of the OECS members. The need to ensure the improvement of the regulatory framework and tax reform was discussed and agreed.

The Authority strongly recognized that concerted and corrective action was required, and agreed to convene a special meeting of the Authority on the Economy of the OECS countries to be held within the next three months.

The Heads of Government further agreed to invite top level representatives of the private sector to meet with them following the special meeting, to chart a course towards strengthening and sustaining growth in the OECS Economies.

International Trade Negotiations

The meeting was addressed by Ambassador Richard Bernal, Director General of the Regional Negotiating Machinery (RNM) who gave the undertaking that the RNM will work more closely with the OECS to strengthen the sub-region's capacity to effectively participate in international trade negotiations. The Meeting noted the response of the US to the positions adopted by the CARICOM negotiating team at the FTAA TNC meetings, and in particular, the strongly worded reference to the role of the Director General of the RNM. The Meeting expressed its concern at the approach of the US to this matter, and clearly affirmed its support for the CARICOM position and its confidence in the Director General of the CRNM.

Heads of Government recommitted themselves to the establishment of the OECS Trade Negotiating Group and promised to move immediately to implement the arrangements for effective functioning of the Group, including taking the necessary actions at the national level.

The Meeting mandated the Secretariat to coordinate the establishment of a Committee drawn from among Whaling Commissioners in OECS Member States and Foreign Minister Officials to coordinate positions within the IWC and OECS Japanese relations.

The Geneva Mission

The Authority agreed to the establishment of a full diplomatic mission in Geneva, and to pursue negotiations at the highest level with the Government of Switzerland to work out the arrangements for joint representation.

Assistance for technical support to deal with the WTO related issues has been received from the European Union through the ACP.

OECS Development Charter

The Authority reviewed the OECS Development Charter and adopted and accepted the direction and approaches laid out in the Charter. To signify their general acceptance of the Charter, individual Heads of Government initialed the document to this effect, and agreed that following a final refinement by a sub-committee of the Authority, the Charter

would be formally signed at the upcoming special meeting of the Authority on the Economy of the OECS.

Economic Union

The Meeting agreed that a review of the Treaty of Basseterre should be urgently undertaken, to be led by an imminent Caribbean person who will spearhead the exercise aimed at deepening the existing cooperation arrangements and strengthening the move towards an OECS Economic Union.

OECS Free Movement

The Meeting noted that the six independent Member States had passed legislation in their respective national parliaments to facilitate free movement of OECS Nationals in the sub-region and that the necessary steps should be taken by relevant Departments in Member States to facilitate early implementation.

Secretariat

The Heads agreed to a revised pension Scheme to be put into effect for the staff of the Organisation.

The meeting also approved the Organisation's 2002/3 budget as well as a Strategic Plan for the financial year which outlines the corporate plan for the Secretariat aimed at promoting and ensuring sustainable development in the Member States individually and the OECS sub-region as a whole.

The Authority agreed to a change of name for the Natural Resources Management Unit (NRMU) to the OECS Environment and Sustainable Development Unit (OECS ESDU)

Conclusion

The Heads agreed that the next meeting of the OECS Authority will be held on the 28th and 29th November.