



ORGANISATION OF EASTERN CARIBBEAN STATES

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COMMUNIQUE

40TH MEETING OF THE OECS AUTHORITY

10-12 November 2004

**Long Bay Beach Resort and Villas
Tortola, British Virgin Islands**

The 40th Meeting of the Authority of the Organisation of Eastern Caribbean States (OECS) was held at the Long Bay Beach Resort and Villas, Tortola, the British Virgin Islands, under the chairmanship of the OECS Chairman, Prime Minister Dr. the Hon. Kenny Anthony of St. Lucia.

Other Heads of Government in attendance were:

The Hon. Osborne Fleming, Chief Minister of Anguilla
Dr. the Hon. Orlando Smith, Chief Minister of the British Virgin Islands
The Hon. Roosevelt Skerrit, Prime Minister of Dominica
Dr. the Hon. Keith Mitchell, Prime Minister of Grenada
The Hon. John Osborne, Chief Minister of Montserrat
Dr. the Hon. Denzil Douglas, Prime Minister of St. Kitts/Nevis
The Hon. Louis Straker, Deputy Prime Minister and Minister of Foreign Affairs and Trade in St. Vincent and the Grenadines

Also in attendance were:

Ambassador Colin Murdoch, Permanent Secretary, Ministry of Foreign Affairs, Antigua/Barbuda
Sir Dwight Venner, Governor of the Eastern Caribbean Central Bank (ECCB)
Mr. Adrian Saunders, Acting Chief Justice, of the Eastern Caribbean Supreme Court
Ms. Fay Housty, Director of Foreign and Community Relations, CARICOM Secretariat

The Opening Ceremony

The Opening Ceremony was held on the evening of Wednesday, 10th November at the Sir Rupert Briercliffe Hall. Speakers at the Opening were:

Dr. Len Ishmael, OECS Director General

Dr. the Hon. Orlando Smith, Chief Minister

Dr. the Hon. Keith Mitchell, Prime Minister of Grenada

Dr. the Hon. Kenny Anthony, Prime Minister of St. Lucia. and Chairman of the OECS Authority

Dr. Ishmael pointed to the steady recovery of the economies of OECS Member States over the past two years with the tourism sector leading the way. She observed that the growth in the sector averaged 3.6 percent in 2003 following a contraction in 2002 of -7.1 percent. She noted that Grenada which should have been one of the leading performers with a projected growth rate of 5.7% for 2004 had suffered severe reverses due to hurricane Ivan.

The OECS Secretariat, she noted, in partnership with UNECLAC and ECCB and with funding from USAID and UNDP had undertaken the important task of a macro-economic and social assessment which put damages at EC\$2.4 billion, or more than twice the production of goods and services in Grenada over a two-year period. The Director General said that the Caribbean response pointed to the need to advance work on the various initiatives aimed at deepening OECS integration through the establishment of an Economic Union.

Dr. the Hon. Orlando Smith emphasized the importance of effective regional collaboration for Member States to address the challenges of an increasingly complex world. OECS Member States had demonstrated the importance of standing together in response to natural disasters. Continuing he gave examples of how his country had benefited from being a member of the OECS. He referred specifically to the creation of a national tourism development plan, curriculum development, fisheries management programmes and an initiative to create a national statistical database. He noted the critical importance of uniting the people of the region.

Prime Minister Mitchell, taking the podium to a standing ovation from his colleague Heads of Government and the audience, expressed appreciation to Heads and the people of the OECS and the wider Caribbean for the solidarity and support received during Grenada's hour of need. Dr. Mitchell announced the establishment of an Agency for Reconstruction and Development, to be headed by the distinguished Grenadian and Caribbean figure Sir Allister McIntyre, with a mandate to focus on the economic, social and infrastructural recovery of Grenada. The Agency will be supported by a National Council for Reconstruction and Development which will serve as an Advisory body to his Cabinet and a forum for policy dialogue on the issues arising from implementation of the reconstruction and development programmes.

Prime Minister Anthony, in an address on the theme ‘Challenge, Courage and Commitment’ called for an improvement by Member States in their support for the work of the Organization. He also noted diminishing returns from expensive, often archaic public sectors. He pointed to the ongoing decline in traditional exports, to creeping poverty and shrinking recurrent revenues associated with lower tariffs and the removal of preferential regimes. He called for serious attention to be paid to the integration issues on the agenda of the 40th Meeting of the Authority and he referred specifically to the need to implement regional decisions at the national level, creation of an OECS citizenship, and governance arrangements for an Economic Union Treaty.

Exchange with CIDA President

The Meeting engaged in an exchange of views between the Heads and the President of the Canadian International Development Agency (CIDA), Mr. Paul Thibault, on priority areas for Canada’s continuing development assistance to the OECS sub-region. CIDA’s sub-regional development programme for the sub-region for the 2002-2007 period is estimated at \$30-35 million Cdn, with an additional \$4.5 million allocated to the reconstruction effort in hurricane-ravaged Grenada.

The meeting witnessed the signing of a Contribution Arrangement by the CIDA President and OECS Director General, Dr. Len Ishmael, for CND\$3.75 million for an OECS Secretariat Institutional Strengthening Project.

Grenada: Post Hurricane Ivan

The Authority commended the Secretariat for its leadership in conducting the assessment of the socio-economic situation of Grenada within three weeks following passage of Ivan.

The Secretariat was asked to engage all disaster management agencies in the OECS in a comprehensive review of Grenada’s experience. Heads pledged their continued support, to Grenada and looked forward to the outcome of the Meeting of Development Partners planned for 19th November, in Grenada as a follow-up to that of 4th October at the World Bank.

Heads agreed to assist the Government of Grenada in the provision of short-term hospitality training attachments for unemployed Grenadians.

The Authority welcomed an offer by the Chief Minister of Anguilla to remove work permit requirements for Grenadians wishing to take up employment in the construction sector in Anguilla and also agreed to fund the continuation of Regional Security System (RSS) assistance to Grenada until December 31st 2004.

Legal Matters

Heads agreed that a feasibility study on the establishment of a Regional Law Reform Centre to replace the

existing Legislative Drafting Unit should be conducted and also expressed their approval of the work being done in Court reform. Heads also endorsed a request by Chief Minister Dr. Orlando Smith for closer collaboration between the Secretariat's Legal Unit and his country's Law Reform Unit. The Authority mandated that the Unit's harmonized legislation agenda must be shared with Heads of Government.

Heads requested that discussions should be held with the CARICOM Secretariat to include talks on the strengthening of the efficiency of the Magistrates' Courts.

The Authority endorsed the initiative for reforming Family Law and the associated programme for public sensitization and engagement.

The Authority noted the Legal Unit's ongoing support to Member States with respect to their readiness for participation in the CSME.

Heads received an update on discussions held by Prime Minister Anthony and the Secretariat's Legal Counsel with the Lord Chancellor of the United Kingdom about the implications relating to the appointment of the Chief Justice of the Eastern Caribbean Supreme Court in light of the announced intention of Her Majesty's Government to abolish the post of Lord Chancellor

Tourism

Heads expressed appreciation for the work of the Secretariat on the OECS yachting sector in connection with Le Grand Pavois Boat Show, La Rochelle, France in 2005 and noted that the OECS will be the Guest of Honour. Particular attention was paid to the process of preparation already underway. Heads also noted with interest, the outcome of the recent meeting which took place between the President and Managing Director of Le Grand Pavois and the Director General and staff of the Secretariat, as well as the participation of the Secretariat at Le Grand Pavois in 2004.

Economic Integration Issues

Heads received reports from a team of consultants on the National Constitutional Issues of an OECS Economic Union. Papers were also presented with respect to the preparation of a draft Treaty on Economic Union and related Governance Arrangements, and on a Work Programme on the Economic Union initiative. The Authority agreed that to ensure effective and timely implementation a Task Force chaired by the Governor of the Eastern Caribbean Central Bank comprising senior officials of Member States would be immediately established. It was agreed that a draft Bill on the Treaty to establish the OECS Economic Union would be prepared by the consultants for submission to the 41st Meeting of the Authority in May 2005.

External Economic Negotiations

The Authority endorsed a report from Ministers of Trade aimed at enhancing institutional arrangements for Member States' participation in external trade negotiations, through a system of rotational representation and directed the Secretariat to take action to give effect to the recommendations of the Ministers.

The Authority assigned lead responsibility to Ministers of Trade for specific areas and negotiating theatres, namely, ACP-EU negotiations, FTAA, WTO, and bilateral and other negotiations.

Execution of an empirical Study identifying benefits for OECS Countries

The Meeting was updated on the execution of an "Empirical Study identifying the benefits of the CSME for the OECS, being undertaken by the Secretariat in conjunction with the Caribbean Office of UNECLAC. This was in response to a previous decision of the Authority, for this assessment to be done. The Meeting was informed that the work had been initiated, and that a very comprehensive report which would identify and recommend appropriate strategies for the OECS to derive full advantages from the CSME would be presented to the Member States prior to the next meeting of the Authority. The Authority welcomed the actions taken in light of the priority it attached to this matter.

The Implementation of the CSME – Donor Support

The Meeting considered and endorsed proposals from the Secretariat to seek additional external financial support for key areas of work with respect to the implementation of the CSME, by OECS Members. These include continuing support for the legislative programme at the level of the Member States; strengthening of national capacity for implementation of the CSME; public education and sensitisation on the CSME; and the establishment of a Registry/ Database of available skills in the OECS.

Legislative Arrangements by OECS: Removal of Legal Restrictions for the CSME

The Meeting welcomed the work of the Legislative Drafting Facility, in providing assistance to the Member States with the necessary legal instruments to give effect to the Treaty provisions. A range of existing laws that should be amended or repealed has been identified for each Member State and the requisite instruments have been or are being prepared. The Authority recognised that this was an essential step to CSME readiness, and noted that it indicated the seriousness of the OECS to move towards implementation of the CSME.

Establishment of the Geneva Facility

With respect to the commencement of operations of the OECS Representation Facility in Geneva, the Meeting considered the various actions being pursued by the Secretariat. It welcomed the indications that the Grant of Observer Status to the United Nations, to the OECS Secretariat, was proceeding well, and the Meeting expressed appreciation to the Government of St. Lucia for its efforts in this regard. Observer Status will allow the OECS Secretariat to maintain a presence at WTO meetings in Geneva.

The Meeting endorsed, as an interim measure, the execution of a Memorandum of Understanding between the OECS Secretariat and the Government of St. Kitts and Nevis. This will facilitate the operations of the OECS Office in Geneva under diplomatic cover as the Permanent Representative of St Kitts and Nevis to the WTO through the OECS Ambassador in Brussels, His Excellency Mr. George R. E. Bullen. This arrangement will remain in place until the completion of other formalities to allow the Mission to operate in Geneva.

Institutional and Functional Cooperation Issues

The Authority received an update on recommendations presented to the 39th Meeting on strategies relating to penal reform including proposals on alternative sentencing regimes and the access to treatment by mentally ill and drug dependent inmates. Heads requested further that a Plan of Action for implementation of key recommendations be formalised, and that Model Legislation be drafted.

Heads received a report from the team of consultants on critical issues relating to the establishment of a Regional Police Service. A final report is to be prepared by February 2005. This initiative will be further examined at the 41st Meeting, in May 2005. It was also agreed that the consultants will draft a model Bill in connection with this initiative.

Heads agreed with respect to the introduction of the common OECS passport that they will give CARICOM a further extension of 6 months to May 2005 to introduce a CARICOM passport, failing which the OECS will move expeditiously with its plans for the introduction of the OECS passport which have been underway for quite some time.

Agriculture

The Authority noted work in progress to transform the agriculture sector and boost production and distribution of agricultural products, and endorsed the programmatic areas identified by the Agricultural Action Plan submitted by the Secretariat. Among these are: an effective and efficient marketing system; and productive linkages between the agriculture and tourism sectors; efficient water management systems; the mitigation of the effects of natural and man-made hazards; cooperation of farmers in agricultural development; and an increase in investment flows to this sector.

Future Prospects for Bananas

Heads agreed that efforts will be undertaken in the banana producing countries to arrive at a mutually beneficial arrangement with Belize and Suriname on the setting of tariffs.

Heads welcomed the commitment of the European Commission to the ACP, especially in relation to the mounting of an aggressive media campaign to protect the interests of ACP banana producing countries.

Heads expressed their concerns about the potential adverse impact that any early decision on tariffs is likely to have on the negotiations for an Economic Partnership Agreement with the EU.

Future Prospects for Sugar – St. Kitts

Heads agreed that a regime of fair prices was as equally important to the survival of the sugar industry as the issue of market access and expressed their concerns about the competition from beet sugar. They agreed that a comparative analysis should be done as was the case for bananas with respect to the challenges of unemployment that would result from closure of the sugar cane industry.

Heads agreed that assistance should be sought from the Caribbean Development Bank and the Eastern Caribbean Central Bank and other regional partners for the execution of a study on sugar with recommendations on the way forward. A meeting of stakeholders will convene in St Kitts on 26th November.

Status of OECS Refugees in Canada

The Authority expressed its extreme disappointment over the practice of OECS nationals who seek refugee status in Canada. It was agreed that discussions should be held with the Canadian Authorities to address the problem arising from the practice of agents in Canada who entice OECS nationals to apply for refugee status.

Financing of Regional Obligations

Heads agreed to move to legislative mechanisms to raise revenues to facilitate automaticity of payments of their contributions to the OECS and CARICOM.

It was also agreed that Member States will shoulder responsibility for Grenada's financial commitments to the OECS over the coming 12 months as a result of Hurricane Ivan.

Development of an Air Transport Policy

Heads welcomed the fact, given the critical importance of this initiative, that the consultants will submit a draft copy of an OECS Air Transportation Policy to Member States by December 10th 2004.

Establishment of the Eastern Caribbean Civil Aviation Authority

Heads urged all Member States to enact relevant aviation legislation to ensure speedy establishment of the Eastern Caribbean Civil Aviation Authority (ECCAA).

Aviation and Maritime Security

Heads agreed on the establishment of a Regional Transportation Security Agency. Heads will receive recommendations on this initiative at their 41st Meeting, May 2005.

SIDS+ 10

The Authority agreed that a high level OECS delegation will represent the region at the SIDS + 10 conference in Mauritius January 2005 and expressed appreciation for the funding which will be provided by various sources to facilitate OECS participation.

OECS Public Sector Reform

Heads agreed that detailed discussion will take place on the report received from the World Bank on this very important initiative at the 41st Meeting in May 2005.

OECS Authority Meetings 2005

Subject to further consultations the 41st Meeting will take place in Dominica on 26-27 May 2005 and the 42nd Meeting in Anguilla on 11-12 November 2005.