



ORGANISATION OF EASTERN CARIBBEAN STATES

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COMMUNIQUE

44TH Meeting of the OECS Authority

10th – 12th January 2007

**Cabinet Room
Office of the Prime Minister
Antigua and Barbuda**

INTRODUCTION

The 44th Meeting of the Authority of the Organisation of Eastern Caribbean States (OECS) was held on January 11th and 12th 2007 at the Cabinet Room, Office of the Prime Minister, Antigua and Barbuda, under the Chairmanship of the Prime Minister of Antigua and Barbuda, Hon, Baldwin Spencer. An Opening Ceremony was held on the evening of January 10th at the Jolly Beach Resort.

Heads of Government and Representatives of Heads of Government in attendance were:

Hon. Baldwin Spencer	Prime Minister of Antigua and Barbuda and Chairman of the OECS Authority.
Hon. Charles Savarin	Minister of Foreign Affairs of Dominica.
Dr. the Hon. Keith Mitchell	Prime Minister of Grenada.
Hon. Dr. Lowell Lewis	Chief Minister of Montserrat.
Hon. Dr. Denzil Douglas	Prime Minister of St. Kitts and Nevis.
Hon. Rufus Bousquet	Minister of External Affairs of St. Lucia.
Dr. the Hon. Ralph Gonsalves	Prime Minister of St. Vincent and the Grenadines.
Hon. Osborne Fleming	Chief Minister of Anguilla.

Heads of delegations from regional institutions were:

Sir Dwight Venner, Governor of the Eastern Caribbean Central Bank (ECCB), and
Mr. Irwin LaRocque, Assistant Secretary-General, Regional Trade and Economic Integration,
CARICOM Secretariat.



THE OPENING CEREMONY

A special welcome was extended to the new administration of Prime Minister Sir John Compton of St. Lucia, which came to office following the country's December 11th 2006 General Elections. Sentiments of appreciation were also expressed to former Prime Minister Dr. Kenny Anthony and his administration. Minister of External Affairs Hon. Rufus Bousquet addressed the opening ceremony on behalf of the Prime Minister. Minister Bousquet reaffirmed St. Lucia's continued embrace of the regional integration process and pledged that St. Lucia would continue to play its part, and to lead the way where necessary, in finding solutions to the region's problems and to deepening the integration process. He promised that, on the issue of crime and security, which was a major issue in his country's recent election campaign, St. Lucia would make some concrete proposals in due course on how the OECS might approach the problem, thereby providing tangible evidence on how regional integration can touch the lives of people and enhance their quality of life.

OECS Chairman, Prime Minister the Hon. Baldwin Spencer identified the review by Heads of the revised and refined draft of the OECS Economic Union Treaty with a view to endorsing it as the basis for engaging in public discussion and consultation as a major initiative over the next six months throughout the OECS, with the Heads giving direct leadership and being actively involved. Prime Minister Spencer also used the occasion to announce the agreement reached earlier in the day, by the three shareholder governments of regional airline LIAT – Antigua and Barbuda, St. Vincent and the Grenadines and Barbados – to enter into a commercial alliance with its competitor Caribbean Star, effective February 1st 2007. Mr. Spencer urged his OECS colleague Heads to join the shareholder governments in securing the future of LIAT, Star of the Caribbean.

OECS Director General Dr. Len Ishmael in her address highlighted the continuing strong performance of OECS economies which recorded an average 5.4 percent growth in 2005, up from 4.1 in the previous year. Tourism, construction, foreign direct investment and preparations for Cricket World Cup 2007 have contributed to the region's economic performance. Dr. Ishmael however noted that a number of challenges lie ahead, including finding solutions to high levels of public debt – now at 95 percent of OECS regional GDP, ensuring long terms benefits from investments for Cricket World Cup, and responding to the changing geo-political landscape. Dr. Ishmael said that this period is however one of richness and excitement for the OECS, punctuated by a wealth of possibilities.



REPORT ON THE WORK OF THE SECRETARIAT

Heads of Government received with commendation, an update on the projects and programmes being undertaken by the Secretariat in fulfillment of the various mandates from the Authority.

Within the context of a labour market policy project being undertaken by the Secretariat, the Meeting received an urgent plea from the Chief Minister of Anguilla for sister OECS countries to assist the island in addressing the challenges facing his administration in raising adequate provision for the social infrastructure required for the large number of OECS nationals engaged in work in Anguilla as a result of the island's labour market shortage. The Chief Minister said Anguilla needed to source at least 2000 overseas workers for its tourism industry alone over the next two to three years. The Authority decided that in an effort to address the wider issue of inadequate numbers of quality workers in the hospitality sector, the sub-region should move towards the establishment of an OECS Hospitality Arts Training Centre, and package a project proposal in this regard.

Heads of Government were informed of a related skills enhancement project targeting unemployed youth, which was being pursued as a pilot initiative co-financed by the World Bank and the Government of St. Lucia. This pilot project would focus on hospitality and tourism, construction, information and communications technology, and agriculture as the target sectors for generating new employment opportunities.

ECONOMIC UNION

Heads have endorsed a proposal to proceed with the process of public consultation and discussion on the draft Economic Union Treaty. Such consultations are to encompass all segments of the OECS public, including the parliamentary opposition in each member state.

The Economic Union Draft Treaty

The Authority received an amended and refined version of the draft OECS Economic Union Treaty from the Task Force on Economic Union, chaired by the Governor of the Eastern Caribbean Central Bank and comprising distinguished representatives nominated by each Head of State. The amendments included the insertion, based on a request from the 43rd Authority meeting, of a provision for a Regional Assembly of Parliamentarians to act as a legislative filter under the proposed governance structure.



The governance structure will now comprise:

- The OECS Authority, which will be granted powers to legislate in well defined selected areas, with binding effect on Member States.
- The Council of Ministers, to be charged with preparation of subsidiary legislation in Member States.
- The Economic Affairs Council.
- The Regional Assembly of Parliamentarians, comprising representatives of the government and opposition sides of national parliaments, to whom pending legislation will be referred for debate.
- The Eastern Caribbean Commission.

The Authority directed the Task Force to add a further provision in the draft Treaty to provide for the Speaker of the Regional Assembly, on the advice of either side of the Chamber, to invite regional experts on issues being debated, to participate in the debate, having been provisionally accorded the full rights of the Members.

The Authority also agreed that there was urgent need for further dialogue between the six independent OECS Member States and the three non-independent Member States, including Montserrat which is a full member of the OECS, with a view to determining how the three British Overseas Territories can accede to membership of the Economic Union. The Authority further noted the announcement by the Chief Minister of Anguilla of his plans to invite an OECS representative to join the Overseas Territories in their next engagement with the British government later this year.

The Economic Union Work Programme

The Authority mandated the Secretariat to develop and cost a proposal for the establishment of a special OECS Economic Union Unit, patterned after the stand alone CSME Unit set up by CARICOM to drive the CARICOM Single Market and Economy process. The proposal will be presented to Heads before the 45th Meeting of the Authority in May 2007. Heads also identified the need for a special meeting prior to the 45th Authority to conduct a final review of the latest proposed amendments to the draft Economic Union Treaty to pave the way for the Treaty to be taken to the people of the OECS in a regional public awareness and sensitization campaign. The Authority urged individual Heads of Government to seek to establish adequate national institutional arrangements to avoid a disconnect between local and regional administrations.

EXTERNAL AFFAIRS NEGOTIATIONS



WTO/OECS Trade Policy Review

The Authority was reminded that the second WTO/OECS Trade Policy Review is scheduled for November 2007. Heads were further informed that the preparatory process for the review has been initiated and, as was the case with the first review in 2001, will be very demanding on national public services, particularly Ministries of Trade and Finance. The Authority mandated the Secretariat to seek to obtain additional resources to conduct the Trade Policy Review.

CARICOM/US Trade and Investment Council Third Meeting

Heads received a briefing note on the outcome of the Third Meeting of the CARICOM/US Trade and Investment Council held in October 2006, and noted that the two sides have agreed on a preliminary approach to further engagement. Heads agreed to recommend to CARICOM that a Free Trade Area between CARICOM and the US should not be pursued at this time.

The Authority agreed to adopt recommendations submitted by the government of Grenada that OECS engagement in the Trade and Investment Framework Agreement (TIFA) should have:

- i. a political dimension
- ii. an engagement, through Washington-based ambassadors and diplomatic missions for a development oriented agreement, and
- iii. an agreement that is rooted heavily in the areas of functional and technical cooperation.

EU/CARIFORUM – Status of Negotiations

The Meeting received an update on the status of negotiations between CARIFORUM and the European Union for an Economic Partnership Agreement (EPA). Heads agreed to ensure OECS concerns are clearly and firmly articulated in the ongoing negotiations.

INTERNATIONAL RELATIONS

The Authority noted that the OECS has undertaken a comprehensive assessment of the geopolitical landscape within which the future of the OECS will be shaped. This exercise will be instrumental in assisting the OECS region in making a determination with respect to the deployment of resources devoted to the Organisation's joint diplomatic missions in furtherance of the strategic interests of Member States.



OCEANS GOVERNANCE

Heads have requested the Secretariat to continue the process of devoting resources to building capacity at the regional and national levels in the area of Oceans Governance to start the process of implementation of the Secretariat's joint work programme in this area. Heads noted with appreciation, the tremendous support given to this initiative by the Commonwealth Secretariat, Dalhousie University Maritime Law Institute and CIDA.

Heads also agreed that the Secretariat should develop regional capacity for maritime boundaries negotiation and also to identify a possible schedule for potential negotiation.

OECS TECHNICAL MISSION TO GENEVA

Heads expressed their appreciation for the extension through the EU 9th EDF, of support to the OECS technical mission over the next three years. Heads also noted that the granting of observer status to the OECS to the UN in Geneva by the United Nations now permits the Mission to service meetings of two UN organizations, namely UNCTAD and WIPO, in addition to the representation at the WTO. OECS Heads are to review this arrangement at the 47th OECS Authority meeting in May 2008.

FEASIBILITY OF REGIONAL COOPERATION IN THE REGULATION OF THE ELECTRICITY SECTOR

The Authority discussed the issue of electricity supply in the OECS, and agreed that a two-track approach should be pursued, dealing with the sources of generation of electricity including renewable sources, and with the regulatory framework that will govern the supply of electricity. In this regard the experience of telecommunication liberalization was viewed as a good basis to guide this process.

ASSISTANCE FROM TRINIDAD AND TOBAGO TO THE OECS THROUGH A SPECIAL WINDOW OF THE PETROLEUM STABILISATION FUND



The Meeting expressed deep appreciation to the Government of Trinidad and Tobago for putting in place a special OECS window of TT\$84 million a year in the Petroleum Stabilisation Fund for development and budgetary support to the OECS. The Meeting agreed that this assistance would be utilized by all OECS Member States to support priority areas of expenditure in each Member State.

LIAT – CARIBBEAN STAR MERGER

The Authority received an update from the Prime Minister of St. Vincent and the Grenadines, the Dr. Hon. Ralph Gonsalves, on the process of the merger talks between LIAT and Caribbean Star.

The Meeting was informed that agreement had been reached for a commercial alliance between both carriers, leading to a full merger by the middle of this year. Details were still being finalized and would be announced at a later date.

PETRO-CARIBE

Member States that were parties to the Petro-Caribe agreement updated the Meeting on the progress of implementation in each Member State.

ECONOMIC DEVELOPMENT ISSUES

Tourism

The Authority received and endorsed the proposals from the 4th meeting of the OECS Council of Tourism Ministers held in October 2006 in Puerto Rico. The Meeting welcomed the announcement of the opening of the OECS Puerto Rico Office with consular attributions. The Meeting noted and welcomed plans for the staffing of the office and expressed thanks to the Puerto Rico Administration for the assistance provided.



Agriculture

The meeting received and endorsed recommendations from a meeting of OECS Agriculture Ministers in October 2006, including the implementation of the OECS Agriculture Plan of Action.

SOCIAL AND SUSTAINABLE DEVELOPMENT ISSUES

OECS Youth Initiative

The Authority endorsed the formulation of an OECS Youth Initiative. The Meeting also received a report on the first OECS Conference on Youth, Crime and Violence, held in October 2006.

Bulk Procurement of Text Books

The Meeting welcomed the ongoing work on the feasibility of bulk procurement of textbooks for OECS schools.

DATE FOR NEXT MEETING

The Authority decided that the next meeting will be held on the 24th and 25th of May 2007. The venue is to be agreed.