



**ORGANISATION OF EASTERN CARIBBEAN STATES**

## **ACCREDITATION CEREMONY**

**H. E. Mr. Paul Brummell  
British High Commissioner**

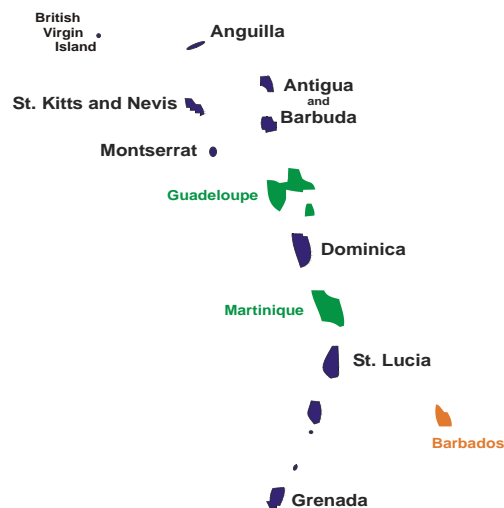
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**REMARKS BY  
DR LEN ISHMAEL  
DIRECTOR GENERAL**

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**OECS Secretariat  
Saint Lucia**

**13<sup>th</sup> October 2010**



## **REMARKS BY DIRECTOR GENERAL**

Excellency,

I take real pleasure in welcoming you to the Secretariat of the Organisation of Eastern Caribbean States, and in receiving letters accrediting you as the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the Organisation of Eastern Caribbean States. This is for us, a momentous occasion, marking as it does the beginning of a new and potentially exciting chapter in the long and enduring relationship between the United Kingdom and its friends and former colonies in the Eastern Caribbean.

This moment is timely, coming as it does on the heels of one of the most significant events in the history of our region and our Organisation, namely the signing of the Revised Treaty of Basseterre Establishing the OECS Economic Union on 18<sup>th</sup> June as we entered the 30<sup>th</sup> year of our existence both as an integration movement, and as an international organization. Through this Treaty the last remaining barriers to the movement of our regions' productive resources will be eliminated, effectively unifying the economies of the OECS into a single economic and financial space. Economic Union positions us, not only to enlarge our domestic space with all of the opportunities which this brings, but it also gives a great boost to our efforts to reach beyond our region's borders and strategically reposition ourselves in this globalised and increasingly interdependent world, by becoming a new platform for the development of closer relations and development cooperation, politically and commercially, with Third Countries.

The deepening of our integration through the establishment of the OECS Economic Union bears all of the characteristics of the OECS model in action and represents a concrete step in advancing the region's historical evolution within both the regional and international systems. While we continue to take much pride in our

achievements, we are conscious, as never before, of the threats to our continued developmental stability.

We are acutely aware for example, of the changes which have been made in the geopolitical landscape within which we seek to insert ourselves and find our space. Relationships which 30 years ago were characterized by elements which were not only political but developmental in scope, while no less important politically, are now far less important when viewed through a developmental prism. Most importantly is the fact that these relationships are now being played out in multiple multilateral fora which themselves are being directed by a plethora of rules to which all countries – regardless of size or stage of development – must now play.

The world has changed dramatically in other ways as well. Emerging powers are highly visible on the world stage, and are demanding a greater say in international affairs and in multilateral institutions commensurate with their growing economic and geopolitical clout. The collapse of the integrated international financial capital markets, from which the world is still reeling, seems to have given even greater impetus to changes on the geopolitical front, blurring the ideological divide and changing the language of our times. The fact is that a new world economic order is in the making and the world is in transition to multi-polar points of power and influence. New alliances are being formed and are finding expression in various multilateral theaters within which the voices of microstates such as these, will not be heard, but within which decisions are being made with the potential to impact, profoundly, the future of these islands. It is therefore incumbent on small island developing states such as these here in the OECS, to position themselves strategically, to benefit from opportunities which such change can bring and to seek the protection of their stronger allies. It is for this and other reasons that the OECS Member States are so conscious of the need to engage in the development of strategic alliances and partnerships in pursuit of their strategic interests.

In the matter which gathers us here this morning, we seek not to **create** a new friendship, but to strengthen even further, the bonds of an old and enduring relationship based on friendship and a commonality of values, ideals and institutions. The enhancement of this long relationship between the OECS and the United Kingdom is very much in keeping with recent OECS initiatives aimed at a new level of engagement with the rest of the world. As a result of both its performance and its international outreach, the OECS has been attracting the interest of major players in the international arena. Today, the United Kingdom becomes the seventh country to establish relations at the diplomatic level with the OECS, following Spain, Mexico, Brazil, Germany, Finland and France. It has also become the fifth European Union member country to do so. Argentina has recently informed of the desire for closer links through accreditation of an Ambassador to the OECS and others have signaled such interest, through informal channels.

Common historical and cultural links between the UK and the Member States of the OECS are important facets of the long and excellent relationship which they share. Men and women from these former colonies, for example, heeded the call to arms during both world wars, and represented this region with valor. Despite those many changes that have resulted from the passage of time, including the political evolution of some OECS Member States, and the reconfiguration of the international geopolitical map, OECS Member States still retain certain strong traditional ties with the UK.

All Member States are members of the British Commonwealth, and all (with the exception of Dominica) share the same Head of State as the UK. Large populations of OECS nationals and their descendants reside in the UK. I am, for example, probably typical of those ties: my father served in the British Army, named his first child after Len Hutton, the famous British cricketer, (clearly his first born was to have been a son!), one sister was born in a British army camp in Germany, and half of the family are British citizens with island roots. Three members of the OECS are still colonies of the UK. One Member, Montserrat, is currently engaged in the process of

negotiating instruments necessary to allow it to sign on to the recently formed OECS Economic Union. All three, the British Virgin Islands, Anguilla and Montserrat, participate in the Organization's work program, its judiciary and other organs. The United Kingdom remains a major tourism market for OECS Member States though resolution of discussions under way with respect of the imposition of a carbon tax on long haul carriers to this region is central to the continuing viability of this market.

Over the years, the United Kingdom has demonstrated an awareness of the complexities inherent in the condition of small states. After all, it is in this awareness that the seeds of the principles of special and differential treatment and development differentials were first sown. However, in this the year during which the Framework for Action regarding the challenges faced by Small Island Developing States was the subject of a Five Year High Level review by the community of nations at the United Nations General Assembly, there is no discounting the severity of the challenges which we as OECS SIDS, continue to face, which ironically seem to be growing over time. Recent reconfigurations in the international trading system have not redounded to the benefit of OECS Member States. The reconfiguration of the EU/ACP relationship and the institutionalization of the Economic Partnership Agreement by the European Union, is another case in point. The fact is that no amount of time for adjustment will allow tiny countries such as St Lucia, Dominica or Grenada, to compete and trade fairly on a world stage with a Germany, Canada or France.

Multiple global crisis – food, fuel, financial – have only intensified the challenges which we face. Twelve of the sixteen most highly indebted countries in the world are Caribbean SIDS. Six of these are located within the OECS with debt to GDP ratios ranging from over 65% to close to 180%. Regional OECS debt to GDP levels is projected to increase to 112% this year. Much of this debt is being serviced by loans borrowed at commercial rates. Ten Caribbean SIDS have been identified by the UN

Vulnerability Index as among the world's fourteen most vulnerable countries. OECS SIDS fall within this category.

And yet, perhaps nothing has been more crushing in impact than the fact of the “graduation” of the majority of Caribbean SIDS into the ranks of ‘middle and upper middle income’ countries - effectively ending their ability to access sources of concessionary financing to support their developmental agenda. Central to the formulation of graduation is its dependence on GDP per capita - a formulation which makes no space for the inherent lack of economic resilience of these islands, their systemic vulnerabilities and the formidable obstacles occasioned by their small size. Within the micro SIDS of the OECS grouping, the two countries with the highest GDP per capita are also those with the highest ratio of public debt to GDP. And while the rest of Latin America has bounced back solidly from the effects of the financial crisis, for many Caribbean SIDS further contraction is the only reality. The regional economy of the OECS nine member countries for example contracted by 7.9% in 2009; a further contraction of close to 3% is projected for this year – reflecting the inherent lack of resilience of these economies. The fact is that these economies are said to be too rich to be supported, and yet all evidence points to them being too small to progress and support themselves, without special systems of support.

Even in this context, however, we in the OECS can point to certain successes. The OECS model of integration, is one such success. The immediacy of our coordinated response to the financial crisis effectively put a brake on the potential for destabilization of the currency union. This is another success. Our achievements of the MDG's are another.

However, the counterpoint is stark. Really disturbing and sobering is the staggering rise of crime, fueled by the movement of drugs from north to south, through this region; the arsenal of weapons on our streets and the violence which cuts down young lives. The lack of a viable development paradigm to guide international engagement on the matter of highly indebted vulnerable, middle income SIDS

continues to cripple our efforts to search for development options which are viable for us. In all of these areas, we need the help of advocates and champions. And it is for this reason that we, today, are appreciative of this next chapter in the relationship between the United Kingdom and member countries of the OECS.

Excellency, the strengthening of relations between the UK and the OECS at the regional level holds the promise of much which is positive, and good. It is an opportunity for both sides to build upon a long and solid friendship, to build consensus on some of the most important global issues of our times, such as Climate Change prior to COP 16, and to explore new areas of cooperation. As a most respected member of the international community we in the OECS look to the UK for the advocacy role which you can play in the various world theatres which will provide support to our ability to pay our own way and to devise lasting solutions to the challenges of development which we face.

Finally Excellency, I have covered much ground with these remarks this morning. All that is left is for me to convey my very best wishes and that of my colleagues, for the successful conduct of your new assignment as Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the OECS. You can count on our support.

Director General  
Castries  
13<sup>th</sup> October 2010

