



ORGANISATION OF EASTERN CARIBBEAN STATES

SECRETARIAT

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COMMUNIQUE

A firm date for introducing Freedom of Movement of people, a 'common passport and ID card', and an Economic Union of Member States.

These are among the far-reaching areas on which OECS Heads of Government reached agreement at their two-day summit in Dominica, July 25th and 26th.

The Heads agreed to work towards a January 1st 2002 deadline for introducing free movement of OECS nationals among the Member States. A Task Force will be set up to work out the details under the supervision of Prime Ministers Dr. Ralph Gonsalves of St. Vincent and the Grenadines and Dr. Kenny Anthony of St. Lucia.

The Heads expect Freedom of Movement to involve the removal of restrictions on Work and Residency permits, now required for OECS nationals seeking to move from one island to another.

The Task Force has been mandated to look at a "common passport" for OECS nationals, under an entity to be called the "Eastern Caribbean Union of Independent States" (ECUIS), with the holder's country of birth inscribed below. A Common ID card is also to be issued for, among other things, inter island travel.

The Summit agreed to set up a high level Task Force under the Chairmanship of Prime Minister Dr. Ralph Gonsalves of St. Vincent and the Grenadines to pursue the creation of an Economic Union of OECS Member States.

This “Eastern Caribbean Union of Independent States” is expected to be modeled on the European Union, with an executive drawn from among the OECS Leaders and a regional parliament drawn from representatives of both the government and opposition sides of parliament.

Relations with Libya

The Meeting saw agreement by five OECS Heads to mount a joint mission to Libya in August this year, aimed at increasing financial and technical co-operation with that country. The mission will comprise the Prime Ministers of Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis and St. Vincent and the Grenadines, with the Vincentian and Dominica Prime Ministers acting as co-coordinators.

Report and Recommendations of the Technical Committee on the Functioning and Financing of the OECS Secretariat.

The Heads strongly endorsed a recommendation for the appointment of Lead Prime Ministerial spokesmen on specific matters of interest and concern to the OECS.

The recommendation was presented by the Chairman of the Technical Committee set up the Heads at a special meeting in April in Grenada with a mandate to look into the functioning and financing of the OECS Secretariat.

On the financing of the Secretariat, the Heads agreed to the Committee’s recommendation that Member States commit themselves to monthly contributions to the Secretariat by linking the payments to the same procedures used for domestic commitments such as monthly payroll payments.

On the question of arrears owed by Member States to the Secretariat, the Heads agreed to a proposed formula for settling these arrears, which involves the write-off of a proportion, while retaining what is necessary to

meet the outstanding commitments of the Secretariat. This remainder is to be settled by indebted Member States over a period of up to two years.

The Committee under the Chairmanship of the ECCB Governor also recommended that the current form and structure of the Secretariat should be maintained, but that Member States should strengthen its capacity for performing its functions.

The Committee also suggested there was need to revisit and reconstruct the governance structure of the OECS to be more relevant to current demands and requirements.

The Budget

The meeting received and approved the Secretariat's Audited Statements for the last two fiscal years, and Budget for the fiscal year 2001-2002, in the amount of \$10.06 million.

In discussing the financing of the Eastern Caribbean Supreme Court, the Meeting expressed some concerns about the adequacy of the operations and delivery of judicial and legal services in the OECS. To this end, the Heads decided to seek a meeting with the Chief Justice of the Eastern Caribbean Supreme Court so that they could air their concerns and seek appropriate solutions.

The Economic and Fiscal Situation of the OECS Member States.

Given their serious concerns about the economic problems facing the region, the Heads mandated the Eastern Caribbean Central Bank (ECCB) and the OECS Secretariat to;

Formulate and implement a stabilization and revitalisation programme for the economies of the OECS;

Work on the structure of a Transition Fund to be presented to the wider CARICOM for support; and

Develop a timeline for these actions to be completed in time for implementation by the beginning of January 2002.

These demands followed a report by the Governor of the Eastern Caribbean Central Bank on the current economic and fiscal situation of the OECS Member States, in which he pointed to the economic slowdown in the OECS, and the serious fiscal crunch that was currently being faced by practically all Members.

In his presentation, the Central Bank Governor noted that the overall global economy itself was facing severe difficulties, and that this had impacted negatively on the OECS Member States. He pointed to the adverse effects on the exports of traditional products such as bananas, which had also suffered from prolonged drought. He also referred to fall offs in tourism and other key sectors of the economy.

He said growth performance had been negatively affected in the first quarter of the year in the OECS and the short to medium prospects were not favorable. This, he said, required a very considered and deliberate response on the part of the OECS countries to return to positive growth.

External Trade and Economic Negotiations.

Heads agreed that the OECS would consistently push for recognition of the special circumstances of Small States, especially Small Island Developing States, and for appropriate treatment to be extended to these countries.

This was among some central principles which the Meeting agreed should guide the participation of the OECS in the wide range of external trade and economic negotiations in which the OECS was engaged.

The Heads agreed that in-depth technical work was urgently needed on the critical negotiations, especially in the lead up to the FTAA and on the Built –in Agenda of the WTO, and mandated the OECS Secretariat to work with the Member States and other Regional institutions such as the CRNM to ensure the necessary work was undertaken.

The OECS Secretariat was mandated to develop an approach to effective OECS representation and participation in the various negotiation forums, in consultation with the Member States, for

consideration by the Heads of Government in time for their next Summit.

The Authority welcomed the efforts towards the reorganization of the Caribbean Regional Negotiation Machinery, which was recognized as a vital instrument in the development and coordination of the Caribbean positions in the negotiations. The Meeting called for this work to be concluded with urgency, and that all efforts must be made to ensure that the CRNM must become more streamlined and integrated into regional institutional processes.

Bananas

The meeting welcomed the outcome of the July 16 2001 meeting of Windward Islands Prime Ministers which adopted a plan of action for restructuring the Banana Industry and WIBDECO and agreed to work with the EU in financing the restructuring, social recovery and diversification plans.

The Heads urged the farming community to commit themselves, despite the difficult market conditions, to continued enhancement of efficiency, cost reduction and quality improvement.

They called on Ecuador to withdraw its latest attempt to curtail the market access of ACP bananas, and on the WTO to speed up consideration and approval of the waiver for the Cotonou Agreement.

Development Strategy and Charter.

The Meeting reviewed a draft of a proposed Charter for the Development of the OECS, and agreed with its general thrust and direction.

The Meeting directed the Secretariat to proceed with further refinement of the Charter, for submission in two weeks to a Special Committee headed by the OECS Chairman, Prime Minister Dr. Keith Mitchell of Grenada, and comprising Mr.

Victor Banks – the Minister of Finance in Anguilla; Governor of the Eastern Caribbean Central Bank, Sir K Dwight Venner; and Ambassador Simon Jones- Hendrickson of St. Kitts and Nevis.

This Committee will assess the revised document for submission to the Member States. The Charter should be finalized by the end of August for adoption by the Member States. This would also apply to the Development Strategy.

Air Transportation and Tourism

The Meeting discussed issues affecting the recent state of the tourism sector, cruise tourism and the impact that airlift and the recent configuration of air transport operations was having on visitor arrivals to the OECS.

The meeting agreed that the CARICOM Tourism Summit scheduled for October in the Bahamas would provide a useful forum to discuss the specific problems facing small island destinations.

It also agreed that the OECS Secretariat and the ECCB should prepare a brief that would be discussed by OECS Heads prior to their going to Nassau.

The Meeting also discussed cruise tourism and agreed that Member States need to maintain the solidarity that was achieved in relation to the Head Tax and Environmental Levy.

Director General

The Meeting paid tribute to outgoing Director General Mr. Swinburne Lestrade who leaves the helm of the OECS Secretariat after five years.

This 34th Meeting of the OECS Authority was held under the chairmanship of Dr Keith Mitchell, Prime Minister of Grenada. It was agreed that Dr. Mitchell would retain the

Chairmanship of the Authority until the 35th Meeting in November 2001, when the Chairmanship would pass to the Mr. John Osbourne, Chief Minister of Montserrat. The Meeting was attended by: Hon. Lester Bird, Prime Minister of Antigua and Barbuda; Hon. Pierre Charles, Prime Minister of Dominica; Hon. Dr. Lowell Lewis, Minister of Communications and Works in the Government of Montserrat; Hon. Dr. Denzil Douglas, Prime Minister of St. Kitts and Nevis; Hon. Dr. Kenny Anthony, Prime Minister of St. Lucia; Hon. Dr. Ralph Gonsalves, Prime Minister of St. Vincent and the Grenadines; Hon Victor Banks, Minister of Finance of Anguilla.