



ORGANISATION OF EASTERN CARIBBEAN STATES

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COMMUNIQUE

45th Meeting of the OECS Authority

**Grenada Grand Beach Resort and Convention Centre
Grand Anse, St. Georges,
Grenada**

23-25 May 2007

INTRODUCTION

The 45th Meeting of the Authority of the Organisation of Eastern Caribbean States (OECS) was held on May 24th and 25th at the Grenada Grand Beach Resort and Conference Centre, St. Georges, Grenada, under the Chairmanship of the Prime Minister of Dominica, Hon. Roosevelt Skerrit. An opening ceremony was held on the evening of May 23rd.

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

Hon. Baldwin Spencer, Prime Minister of Antigua and Barbuda;

Hon. Roosevelt Skerrit, Prime Minister of Dominica;

Dr. 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, representing the Prime Minister of St. Lucia;

Dr. Hon. Ralph Gonsalves, Prime Minister of St. Vincent and the Grenadines;

Mr. Clyde Lettsome, representing the Chief Minister of the British Virgin Islands.

THE OPENING CEREMONY

The opening ceremony was addressed by the OECS Director General, Dr. Len Ishmael, Host Prime Minister Dr. the Hon. Keith Mitchell, outgoing Chairman of the OECS Authority, Hon. Baldwin Spencer, and incoming Chairman Hon. Roosevelt Skerrit.

The Speakers all used the occasion to extend, on behalf of the Governments and People of the OECS, and on their own behalf, best wishes for a speedy recovery to the Prime Minister of St. Lucia, Sir John Compton.



In her address, the Director General pointed to far reaching developments that have been made in 2006; a year that can be considered a defining marker in the history of the evolution of the OECS. Highlights of the year included celebrations to mark the OECS 25th anniversary, the raising of an OECS flag, OECS ascension to the CARICOM Single Market, and work on a new OECS Treaty to lead into the OECS Economic Union. The year, Dr. Ishmael said, was also marked by sustained outward orientation designed to forge OECS interests strategically into a number of global pursuits with the focus including South-East Asia, Central and Latin America and the wider Caribbean, particularly Puerto Rico and Cuba. The year, she added, also marked one of the strongest economic performances for the OECS in many years, moving from an average of 5.7 percent in 2005 to 7.2 percent in 2006.

Host Prime Minister Dr. Keith Mitchell, in his address, called for the OECS to move expeditiously from plan to action to bring into existence the administrative arrangements for the establishment of the proposed OECS Economic Union. The Prime Minister noted the tremendous benefit to Grenada from hosting matches in the just ended Cricket World Cup (CWC) and recommended that regional governments extend the successful collaboration on security into a permanent arrangement. He suggested that the establishment of an OECS, and ultimately a CARICOM, agreement on Cooperation in the area of Maritime Security will assist in drug interdiction and other security programmes.

The outgoing Chairman, Prime Minister Hon. Baldwin Spencer, provided a review of his year-long stewardship of the Organisation, including on the list, the signing of the Declaration of Intent by Heads of Government to ratify a new OECS Treaty for the establishment of the OECS Economic Union, the raising of the new OECS flag, an OECS Vision 2015 Development Conference, and the first OECS conference on Youth, Crime and Violence. Prime Minister Spencer welcomed on the Meeting's agenda, the presence of discussion on the Cricket World Cup's legacy and called for some of the post World Cup focus to be put on the restoration of the highest levels of competence by the players on the West Indies cricket team and to the structural and institutional environments that shape the game at the national and regional levels.

The incoming Chairman, Prime Minister Hon. Roosevelt Skerit promised to give special focus, during his tenure, on Youth and Agriculture. He anticipates, as Patron of the OECS Secretariat's Youth Initiative, to help develop programmes that will target youth in Education, Sports, Community, Science and Technology, Business and Youth Leadership and Mentoring. These, he expects, will facilitate the release of the youths' tremendous potential for creative achievement and excellence. Prime Minister Skerit says his new expression for promoting Agriculture is "the power of the plate". He called for a new initiative that maximizes the application of new technologies to increase the productivity of the limited land resources while targeting regional and extra-regional markets and the land-based and cruise tourism markets. The Chairman announced his intention to



organize a retreat for OECS Secretariat staff in June to help release the collective energy that will be required to set the tone for the deliverables of the Economic Union.

FINANCIAL MATTERS

Heads approved the Organisation's budget for the Fiscal Year 2007 – 2008, noting their agreement to supplement this, pending the outcome of a job reclassification and salary review exercise currently underway at the Secretariat; the last such review having been undertaken in 1999.

Heads also agreed to do more to bring the arrears owed to the Organisation under control.

SECRETARIAT'S WORK PROGRAMME

The Meeting applauded and endorsed the 2007-2008 work programme for the Secretariat which was far-reaching in scope – ranging from initiatives which focus on trade policy management, social development, macro-economic development, judicial and legal reform, sports development, environmental management, education and health reform to others which focus on institutional strengthening of the Secretariat.

SPECIAL PROJECTS

ECEMP

The Authority acknowledged the tremendous assistance provided by the three phases of the CIDA-financed ECEMP (Eastern Caribbean Economic Management Programme) to the Macro-Economic development of Member States, and agreed to make a further request to CIDA for the arrangement of a fourth phase of the project.



Geneva Mission

Heads noted the progress and achievement to date of the OECS Technical Mission in Geneva, including the change in status following the granting of Observer Status for the OECS to the UN and its specialized agencies. The meeting also discussed financing arrangements for the Mission and the need to review the mandate, structure and staffing arrangements of the Mission. The Heads look forward to receiving a report on these important issues at the upcoming meeting of the Authority scheduled to be held in November 2007

Hub and Spokes

The Meeting acknowledged the invaluable assistance being provided to Member States in negotiating trade agreements, implementing obligations and formulating trade policy, through the Hub and Spokes project being undertaken with support from the Commonwealth Secretariat, European Commission, Organisation Intergouvernementale de la Francophonie (OIF) and ACP Secretariat.

FIRST OECS INTERNATIONAL DEVELOPMENT CONFERENCE

Heads received a report on the first OECS International Development Conference held on January 29th and 30th in St. Lucia, under the theme “Vision 2015: Shaping the Future of the OECS – New Development Paradigm in the Context of Small Island Developing States”. The Heads welcomed plans to have recommendations from the conference distilled into action plans to shape the future regional agenda and noted the need to ensure that this Development Conference – now slated to be an annual event – will be well grounded in the philosophy of development as articulated by Caribbean countries..

INTERNATIONAL RELATIONS/STRATEGIC INTERESTS

Encounter with the Secretary of State of Puerto Rico

Heads held a very productive meeting with the Secretary of State of Puerto Rico, His Excellency Fernando Bonilla. Discussions surrounded the new OECS Office which opened in Puerto Rico in October 2006 which is designed to promote trade, investment and tourism opportunities in OECS Member States. The Secretary of State presented to OECS Heads the possibility of benefiting from new capital infrastructure being developed in Puerto Rico to transform that country into a major transshipment point for goods originating from China and other parts of South-East Asia.



During this encounter, the two parties also discussed plans for the redevelopment of two airports in Puerto Rico to support the movement of air cargo, and ways in which the OECS countries could benefit. The Secretary of State also presented information on new technologies being developed by Puerto Rico in Air and Sea transportation security and surveillance which can be made available to OECS Member States. Other initiatives underway include the development of a major dry dock for ocean going vessels. The Meeting also discussed the possibility of continued collaboration in the development of cruise tourism, and the provision of pharmaceutical suppliers as part of the pool of supplies to the OECS Pharmaceutical Procurement Services programme.

The Secretary of State of Puerto Rico and OECS Heads reaffirmed their intention to continue to work towards full implementation of the various initiatives contained in the Memorandum of Understanding executed between the two groups in 2004.

OECS Relations with Cuba

The Meeting welcomed the Foreign Minister of Cuba Hon. Felipe Perez and his delegation. The Minister reaffirmed Cuba's strong commitment to building economic, social and cultural ties with the OECS and pledged his country's continued support for the region through the maintenance and expansion of a number of cooperation projects including:

The Miracle Eye project – The Minister announced that Cuba will continue to perform eye surgeries and have started an initiative to ensure that more patients will have the operations conducted in their home island, reducing the need to travel. One in every 58 OECS nationals were tested during the first phase of the project, and 9,799 received operations.

Support for the fight against HIV/AIDS – twenty-five post graduate scholarships will be awarded to OECS nationals involved in work related to the fight against HIV/AIDS.

Energy saving initiatives – Cuba has already installed more than 700,000 energy saving light bulbs in homes across the OECS and has offered to provide new bulbs to sustain the energy saving initiative at cost price.

Scholarships – As part of its annual scholarship programme, Cuba is offering 130 scholarships to OECS nationals outside of medicine for the 2007-2008 academic year. They plan to establish a special medical training facility in Cuba specifically for Eastern Caribbean students, with an enrollment of up to 400.

Development of health facilities – Cuba is assisting with the development, equipping and staffing of Diagnostic Centres in Antigua/Barbuda, Dominica and St. Vincent and the Grenadines, an Eyesight Centre in St. Lucia, and the reconstruction of the main hospital in Grenada.



Heads expressed their gratitude for the ongoing show of friendship by the Cuban government and people and extended best wishes for the continued speedy recovery of President Fidel Castro. Heads further agreed that the OECS should examine ways in which the region can make practical responses to Cuba's generosity, despite the latter's insistence that it requires nothing in return.

2020 Vision Conference

Heads discussed the upcoming conference to be convened on 19-21 June on CARICOM-US Relations. Highlights of this conference include: a meeting between Heads and President Bush and his delegation; a meeting with the Ways and Means Committee on Capitol Hill; and meetings with Secretary of State Condoleezza Rice, the Secretary of Homeland Security and the CARICOM Diaspora. Heads noted the importance of ensuring that OECS and CARICOM matters of strategic interest are included in each of these fora. These include matters pertaining to the shipment of small arms, security, the transshipment of drugs, immigration and trade related matters among others. Heads will undertake a teleconference to engage in further discussion prior to this meeting.

Geopolitical Review

Heads noted with satisfaction, the emphasis being placed by the Organisation on pursuing initiatives aimed at securing their strategic interests in different regions of the world. They noted in that context, the recent expression of interest by Cuba, Turkey, Brazil and Japan in exploring functional cooperation initiatives at the OECS regional level and confirmed initiatives which will include visits to South East Asia in the Fall to identify technical and other forms of development assistance which may be deployed at the regional level. They confirmed plans for a mission to Calgary, Canada led by the Director General, to stimulate trade, investment and tourism investments from that market, and received a report on the recent reciprocal mission undertaken by the Director General to Brazil to explore functional cooperation initiatives between the two groups. The strategic agenda of the region at the level of the OECS is one which Heads are committed to pursuing further.

FUNCTIONAL COOPERATION

Status of Oceans Governance Initiatives

Heads received a Report on the status of initiatives aimed at strengthening OECS capabilities at both the regional and national levels in the area of Sustainable Oceans Governance. They received the report of a Consultant commissioned by the Commonwealth Secretariat and noted their appreciation to the Commonwealth Secretariat for furnishing this consultancy.



The Petroleum Fund: OECS Special Window

Heads reiterated their appreciation for the support provided to the OECS through this special facility established by the Government of Trinidad and Tobago. In that context they expressed as well their gratitude for the US\$ 8M support which was delivered from both the OECS Special Window and the Wider Petroleum Stabilisation Fund to assist with regional security efforts associated with the hosting of Cricket World Cup. Heads discussed several other projects for submission through that window while noting the need to seek further clarification on the guidelines surrounding the operations of the OECS Special Window.

ECONOMIC UNION

Heads gave their approval to the latest draft of the OECS Treaty for the establishment of the OECS Economic Union in order to start an intensive process of public education and consultations in all Member States.

The Meeting agreed that the draft Treaty will be made available to the public to facilitate the process. At the end of this period of consultation, revisions will be made to the draft OECS Treaty as necessary before it is finally formally accepted and ratified.

Heads decided that an important first step to start the public education exercise will be a series of meetings involving the OECS Chairman, Prime Minister Roosevelt Skerrit of Dominica; the Director General, Dr. Len Ishmael; and the Chairman of the Economic Union Task Force, Sir Dwight Venner, with Leaders of the Opposition in all Member States. National Cabinets will also review the draft Treaty as part of this process.

The Meeting agreed that a formal launching ceremony for the public education initiative will then follow. This is expected to take the form of a regional television and radio broadcast by the OECS Chairman, Colleague Heads, the Director General and the Task Force Chairman. The goal is to reach out to and involve the total population of the OECS to mobilize the highest possible level of commitment and support for this phase in the deepening of OECS integration.

The Meeting decided that key elements of the process will include national focus group meetings, and meetings with select stake-holders, regional and international consultations and the establishment of Working Committees in agreed areas.

ECONOMIC DEVELOPMENT MATTERS



OECS Transportation Initiatives

The Meeting received an update from the Prime Minister of St. Vincent and the Grenadines on ongoing discussions in the regional transportation sector. The Meeting was informed of plans to engage a consultant to expand on existing outlines of a regional transportation policy. The Meeting was also informed of plans for the establishment of a regional task force, headed by Trinidad and Tobago, to explore, over the next three months, the feasibility of operating a fast ferry service through the Eastern and Southern Caribbean. The Meeting was also informed of a proposal, which is being developed for presentation to the Heads, on a Passenger/Cargo Ferry Service to be provided to the OECS. This proposal is being developed by a Puerto Rican proprietor who currently owns and operates ferry services between Puerto Rico and the Dominican Republic, Miami and Turks and Caicos Islands, as well as other islands in the Caribbean.

Heads noted the importance of transportation links in the region which were reliable, affordable and supportive of this region's development agenda. It is in this context that Heads expressed their concern at the significant increases in air fares and noted the perception that these had taken an upward spiral since the commercial alliance between LIAT and Caribbean Star. Heads noted their interest in participating in a soon to be convened stakeholders meeting at which this issue will receive the attention it merits.

Heads also spoke of the importance of ensuring that full use is made of marine modes of transportation as a means of moving goods, services and people up and down this region. It was felt that this is especially important given the advent of the CARICOM Single Market and the impending implementation of the OECS Economic Union.



CWC Cricket

The meeting agreed that an early analysis of the impact and outcomes of the Cricket World Cup was essential. In particular, it was felt that the investments made in all areas must be a platform for further development and that the analysis should address this matter. Heads also noted the need to develop a comprehensive plan aimed at ensuring optimal use of all the infrastructure, deriving maximum benefits from “new” investments in the form of the various national stadia and ultimately promoting sports development along a sustainable path.

Cricket World Cup: OECS Experience with the Single Space Concept

Heads, in discussing the legacy of CWC, also undertook a review on the experience of the OECS in certain arrangements which were put in place to facilitate the single domestic space. Of particular importance were those arrangements which dealt with the operations of the Single Domestic Space and visa requirements for certain nationals.

In that context, Heads noted their concern that the operations of the Single Domestic Space imposed more rather than less burden on the former “hassle free” arrangements which they had been put in place for travel within the nine Member States of the OECS. They also noted that the visa requirements for certain nationals caused some degree of dislocation for certain countries such as Cuba, with whom they enjoy good relations. It is in that context that they expect to re-examine those arrangements. Notwithstanding, the Meeting felt that while there were some useful aspects that could be retained, such as the Advance Passenger Information System (APIS),

New Project Initiatives

The meeting welcomed the work done by the Secretariat in advancing project proposals for Statistics Development, OECS Labour Market Analysis and the strengthening of E-Government initiatives. The meeting agreed that the projects should be finalized and financial resources should be sought for implementation.

The meeting further agreed that regional and international financial institutions should be approached for support.



EXTERNAL ECONOMIC NEGOTIATIONS

EPA Negotiations

The Meeting considered developments in the ongoing EPA negotiations. Concern was expressed regarding the ongoing treatment of bananas. The meeting was apprised of the state of the negotiations and the commitment by CARIFORUM to complete the negotiations within the agreed time-frame – that is by year end. It was also indicated that there was a degree of receptivity on the part of the EU regarding the OECS position with respect to the primacy of development support as a crucial element of the agreement.

Update on the status of the WTO negotiations

The meeting noted the continued lack of substantial progress in advancing the Doha Round negotiations, notwithstanding the increased efforts in Geneva and among key countries such as the G4. The meeting agreed that the OECS must remain fully engaged in the process and must continue to push its critical positions in the negotiations.

OECS/WTO Trade Policy Review

The meeting took note of the activities regarding the OECS Trade Policy Review, slated for November this year. Heads agreed that this was a very important exercise, and that they would ensure proper preparation by their own countries.

ANY OTHER BUSINESS

Renewal of Contract

OECS Heads expressed their support for and their satisfaction in the demonstrable accomplishments made by the Organisation and its strategic Work Programme under the leadership and guidance of the Director General. Heads used this opportunity to issue a public statement regarding the renewal of the Director General's contract for a second four-year term.

Date and Venue of the 46th Meeting of the Authority

The Heads agreed that the next meeting of the Authority will be held 22nd – 23rd November, 2007 in the Commonwealth of Dominica