

**Speech by  
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**Regional Interactive Discussion  
on OECS Economic Union and the ECCU Eight Point Stabilization Fund  
23 July 2009**

**GREETINGS.....**

As the OECS contemplates deepening its integration arrangements, question arise as to the reason for such action. Already the confluence of history, geography, and politics and economics endowment resulted in 1981, in the conclusion of the treaty of Basseterre which governs our current relations. The region also boasts of the establishment of several institutions, including the Supreme Court , Central Bank, Civil Aviation Authority , Telecommunication Authority; joint Diplomatic Missions to Ottawa and Brussels , a joint technical mission to the World Trade Organization (WTO) in Geneva ; a mechanism for joint procurement of pharmaceutical products, to name but a few. Why, then the need for furthering the integration process?

While we acknowledge the progress made by the OECS to date, one must also recognize the vital need for the region to respond effectively and with alacrity to the changed and indeed continuously evolving global economic landscape which has the potential to throw our individual countries into economic and social turmoil as it responds to dictates other than our own. The vulnerability of OECS countries to extraneous shock is as much a fact as is the imperative of a common response to issues of common interest through policy convergence, harmonization of legislation and administrative practices and procedures and rationalization of institutional arrangements. The current global economic crisis has served only to underscore for the OECS countries that there is no option other than further integration and that nine otherwise relatively insignificant countries when bound together constitute the only real response. While the OECS maintains the important relationships which it has with the Caribbean Community (CARICOM) and other grouping at the regional, hemispheric and global levels, it must solidify the foundation fro which to pursue its own interests and build other strategic alliances.

The proposed new OECS Treaty recognizes the continuing challenges posed by the region's vulnerability and sets out among the Organisation's purposes, that of being an institutional forum to discuss and facilitate constitutional, political and economic changes which would be necessary for the successful participation of member countries in the regional global economies.

The Draft Treaty provides for an economic union as a single economic and financial space. Establishment of the economic union consolidates the region's achievements

thus far such as common monetary arrangements, the custom union, movement of factors of production, foreign and other policy harmonization. The Economic Union Protocol as drafted spans several areas ranging from the movements of goods, services, workers and the right of establishment, to sectoral development and harmonization (agriculture, tourism, transportation, energy, telecommunications) and fiscal policy harmonization . The Protocol also gives significance to the human element of integration by the elaboration of such areas as education, human and social development, environmental sustainability, marine resources and the marine environment , disaster response and risk reduction.

Member countries also recognize the need to confront the challenges of policy implementation traditionally faced by the region, through the introduction of a new governance structure with attendant legislative and executive procedures. In the new arrangements, Members will accord to the Organisation the authority to make laws and regulations in areas enunciated in the Treaty, including trade policy, maritime jurisdiction , monetary policy and civil aviation. The new governance structure reaffirms the OECS Authority as the supreme policy-making Organ of the OECS, possessing ultimate authority over the Organisation's financial matters, its relationships with other institutions and third countries and its progressive development. The OECS Assembly is created, comprising elected members of the houses of Parliament and Legislature of member countries from government as well as opposition and is empowered to consider and report on proposals to enact laws or to make regulations as set out in the Draft Treaty. The OECS Commission, consisting of the Director General, one Commissioner of Ambassadorial rank named by each member country and appropriate secretariat staff, will be responsible for the general administration of Organisation, monitoring of Members' implementation of their obligations, undertaking of studies, provision of legislative drafting and other legal services to the organization, among other functions. The Council of Ministers will make recommendations to the Authority on matters placed before it, will advise on proposals to make Acts of the Organization and will ensure regulations and other implementing instruments are put in place to give effect to such Acts. It is anticipated that the new structure will result in a more nimble, responsive and effectual OECS.

The Authority plans to sign off on the Treaty at the next Meeting and to complete the legislative arrangements within each Territory so as to begin the implementation of the Treaty, by June 2009, the 30<sup>th</sup> Anniversary of the Treaty of Basseterre.