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- Antigua and Barbuda
- Aruba
- Bahamas
- Barbados
- Belize
- Br.Virgin Islands
- Cuba
- Dominica
- Dominican Republic
- Grenada
- Guyana
- Haiti
- Jamaica
- Montserrat
- Netherlands Antilles
- Puerto Rico
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Suriname
- Trinidad and Tobago
- U.S. Virgin Islands

Fifteenth session of CDCC
Santo Domingo, Dominican Republic
26-29 July 1994

GENERAL
LC/CAR/G.425
13 July 1994
ORIGINAL: ENGLISH

16 OCT 1997

**THE ASSOCIATION OF CARIBBEAN STATES (ACS):
A Commentary**



UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
Subregional Headquarters for the Caribbean
CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE



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Background

The Association of Caribbean States (ACS) had its genesis in the Report of the West Indian Commission, which itself responded to long-standing calls for the widening of the CARICOM membership. The initiative was given formal approval by the Conference of Heads of Government of the Caribbean Community, at a special meeting in Trinidad and Tobago, in October 1992. At the political level, the idea of the Association was advanced further at the Second CARICOM/Central America Ministerial Conference, held in Kingston, Jamaica, in May 1993 and the Summit of the Heads of State and Governments of the Caribbean Community, the Presidents of the Group of Three and the Vice-President of Suriname, held in Port-of-Spain, Trinidad and Tobago, in October 1993.

While consensus was being built at the political level, discussions at the technical level were also proceeding in parallel. The secretariat of the Economic Commission for Latin America and the Caribbean/Caribbean Development and Cooperation Committee (ECLAC/CDCC) participated fully in these discussions, which commenced at the level of individual experts in Trinidad and Tobago in February 1993 and were completed in Barbados in December of the same year. By then, a draft Convention had been prepared for the consideration of government representatives. Technical consultations at the governmental level began in Jamaica, from 16-18 March 1994, and resumed in the Dominican Republic from 9-10 May 1994. The technical consultations resumed from 3-5 June 1994, in Mexico and were finalized in Caracas, Venezuela, from 27-28 June 1994. The ministerial session at which the Convention was finally agreed was held in Caracas on the day following the final technical meeting, on 29 June 1994. The Conference of Plenipotentiaries to sign the Convention establishing the Association of Caribbean States will be held in Cartagena, Colombia, on 24 July 1994.

The objectives of the Association

The Convention Establishing the ACS states that "The Association is an organization for consultation, cooperation and concerted action..." whose purpose is to promote the implementation of policies and programmes designed to: (a) harness, utilize and develop the collective capabilities of the region; (b) develop the potential of the Caribbean Sea; (c) promote an enhanced economic space for trade and investment; and (d) establish, consolidate and augment, as appropriate, institutional structures and cooperative arrangements. The Association is to promote, gradually and progressively among its members, the following activities: (a) economic integration, including the liberalization of trade and investment; (b) discussion on matters of common interest for the purpose of facilitating active and coordinated participation by the

region in the various multilateral forums; (c) the formulation and implementation of policies and programmes for functional cooperation; (d) the preservation of the environment and conservation of natural resources of the region and especially of the Caribbean Sea; (e) the strengthening of friendly relationships among governments and peoples of the Caribbean; and (f) consultation, cooperation and concerted action in such areas as may be agreed upon.

Membership of the ACS is open to the 25 States, Antigua and Barbuda, The Commonwealth of the Bahamas, Barbados, Belize, Colombia, Costa Rica, Cuba, Dominica, the Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and Venezuela. Members of the Association have the right to participate in discussions and to vote at meetings of the Ministerial Council and Special Committees of the Association.

Associate membership is open to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, the Turks and Caicos Islands, the Netherlands Antilles, Aruba, Guadeloupe, Martinique, Guyane, Puerto Rico and the United States Virgin Islands. Associate States may vote on matters falling within their jurisdiction. The areas on which they will be deemed to have jurisdiction will be agreed in the relationship agreements to be concluded with each entity and the Association, once it comes into force.

Provision is made in the Convention for observers. Any State, country, territory or organization, may apply and be granted such observer status.

Provision is made in the Convention for the convening of meetings of Heads of State or Government, under special circumstances. The permanent organs of the ACS are, however, the Ministerial Council and the Secretariat.

The work programme of the ACS

The Ministerial Council is empowered to establish, initially and on an ad hoc basis, the Special Committees that it considers necessary to assist it in the performance of its functions. It shall, however, establish and determine the terms of reference and the composition of: (a) the Committee on Trade Development and External Relations; (b) the Committee for the Protection and Conservation of the Environment and of the Caribbean Sea; (c) the Committee on Natural Resources; (d) the Committee on Science, Technology, Health, Education and Culture; and (e) the Committee on Budget and Administration.

At the technical level, it was agreed that the work programme should focus initially on three main areas:

- (a) Trade, development and external economic relations;
- (b) Protection and conservation of the environment, natural resources, and the Caribbean Sea;
- (c) Cooperation activities relating to science, technology, transportation, education and culture.

These priority areas would be pursued in stages, taking into account the budgetary constraints and the activities of relevant regional institutions.

The Special Committee on Trade, Development and External Economic Relations was mandated to carry out the following:

- i) Elaborate strategies for the convergence of trade policies, both among participants in the Association as well as between them and the rest of the world;
- ii) Identify initiatives for promoting increased levels of trade, both among participants in the Association as well as between them and the hemisphere and also the rest of the world;
- iii) Evaluate the significance of the new General Agreement on Tariffs and Trade (GATT) Accord and the creation of the World Trade Organization and identify measures that need to be taken by ACS members to respond to the challenges and opportunities created by these recent developments;
- iv) Strengthen the participation of the private sector in trade and regional development;
- v) Explore avenues to further develop the financial institutions and improve access to capital markets; and,
- vi) Identify tourism activities which can be promoted at the regional level.

The Special Committee relating to the Protection and Conservation of the Environment, Natural Resources and the Caribbean Sea, was mandated as follows, to:

- i) Promote cooperation among the ACS members, in order to ensure the maintenance of the environmental integrity of the region and, particularly, the Caribbean Sea;
- ii) Promote measures for coastal and inland protection, and pollution control;

- iii) Exchange information and experiences and promote cooperation among offices, agencies and entities in the ACS having responsibility for the environment; and,
- iv) Undertake an inventory of the natural resources of the Caribbean Sea.

The Special Committee having responsibility for **Science and Technology, Transportation, Education and Culture** agreed that one of the chief goals of the Secretariat should be to bridge the historic gap in mutual awareness and understanding that has existed between the ACS members. It was, accordingly, mandated to undertake the following initial activities to:

- i) Promote exchanges among tertiary-level institutions in respect of teachers, students, documentation, as well as in post-graduate research;
- ii) Elaborate proposals for strengthening cooperation among ACS countries and territories in the area of language training and cultural diffusion, and Caribbean Basin studies. In this context, account should be taken of the activities being carried out to create a Latin American Centre in the Caribbean, at the University of the West Indies, at Mona in Kingston, Jamaica. Consideration should also be given to the establishment of a corresponding centre to promote the teaching of English and related cultural activities in Latin America;
- iii) Facilitate exchanges to improve the quality of education in the region;
- iv) Rationalize the transportation infrastructure, and undertake the consultation and coordination necessary for adjusting the conclusions and recommendations of the Caribbean Development Bank (CDB) Study on Transportation and Communication to cover the entire ACS region;
- v) Promote a Free Cultural Trade Zone in the region, to facilitate, in particular, the publication and distribution of books edited and printed in the ACS area. It was recognized that the Rio Group was also pursuing this goal;
- vi) Promote science and technology exchanges. In this context the Bolivar Programme is seen as a mechanism which could be used by the ACS membership in pursuing goals related to science and technology;
- vii) Exchange information on seismic research done on volcanic activity as well as alternative sources of energy in these States; and,

- viii) Recognize the link between birth control and development. It was noted that the United Nations was already doing work in this area, but that there was need for an ACS focus.

The subcommittee recognized that for each biannual work programme, specific actions identified by the relevant working groups would need to be developed in each one of the three priority areas.

In view of the important role that information and information technology could play in decision-making and in the coordination of activities of the ACS, the following activities required special attention. The ACS should, therefore:

(a) Promote the establishment or upgrading of the physical information infrastructure in the ACS and provide suitable training for its personnel;

(b) Facilitate inter-connection and exchanges between the networks operating in the region, including the use of electronic mail;

(c) Elaborate proposals for strengthening, coordinating and disseminating information within the ACS area, with respect to trade information, taking account of currently existing systems and the importance of satisfying the needs of the members and associate members of the ACS.

Despite the fairly detailed work programme proposals emanating from the technical working group, they are still only indicative. It should be noted that the Convention stipulates that the Ministerial Council "shall establish and determine the composition and terms of reference" of five committees. The number of committees to be established initially, therefore, deviates somewhat from the proposal of the working group and though the deviation was never discussed it appeared in the Convention approved at Caracas. Details of the work programme will be further elaborated by a small ad hoc working group, for submission to the first Ministerial Council meeting so that the structure of the work programme will become clear at that time.

Neither is the composition of the special committees finalized. Some participants proposed small technical groups of experts, meeting in their individual capacity, to decide on issues and make recommendations to the Ministerial Council. The model envisaged was somewhat like action committees of the Latin American Economic System (SELA). Others suggested the more familiar intergovernmental committee comprised of government representatives, which would be open-ended to allow all countries to participate. Nevertheless, it is also envisaged that these participants should bring technical skills to bear on the issues to be discussed. This matter will not be resolved until the first

Ministerial Council where the ad hoc committee will consider the issue and make proposals.

The secretariat: Its structure and composition

The Convention makes provision for a permanent Secretariat for the Association, as follows:

(a) The Secretariat shall comprise a Secretary-General and such other staff as the Ministerial Council shall determine. In addition to any other powers conferred on the Secretary-General by or under this Convention, the Secretary-General shall be the Chief Administrative Officer of the Association;

(b) The Secretary-General shall be elected on the basis of rotation, for a period of four years, on such terms and conditions as may be determined by the Ministerial Council;

(c) The Secretary-General shall act in that capacity, in all meetings of the Ministerial Council and special committees of the Association and shall make an annual report to the Ministerial Council on the work of the Association;

(d) In the performance of their duties, the Secretary-General and the staff of the Secretariat shall neither seek nor receive instructions from any Government of a member State, or from any other authority external to the Association. They shall refrain from any action which may reflect adversely on their position as officials of the Association and shall be responsible only to the Association;

(e) The staff of the Secretariat shall be appointed by the Secretary-General, in accordance with the regulations established by the Ministerial Council. The paramount consideration in the appointment of them shall be the need to secure the highest standards of efficiency, competence and integrity. In the recruitment of staff, due regard shall be paid to the principles of equitable geographical distribution and linguistic representation;

(f) Member States undertake to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and shall not seek to influence them in the discharge of their responsibilities; and,

(g) The Ministerial Council shall approve the regulations governing the operations of the Secretariat.

The functions of the Secretariat were defined as being:

(a) To assist the Ministerial Council and special committees of the Association in the development and implementation of policies and programmes;

- (b) To maintain contact with other subregional, regional and international organizations;
- (c) To initiate, organize and conduct studies on various issues;
- (d) To collect, store and disseminate information to member States, associate members, and when the Ministerial Council so decides, to other relevant entities;
- (e) To service meetings of the Ministerial Council and special committees and take appropriate action in decisions of such committees;
- (f) To coordinate within the framework of the work programme of the ACS the activities of donor agencies, international, regional and national institutions; and
- (g) To prepare the draft budget of the Association.

The technical working group noted that, in view of anticipated budgetary stringency, the Secretariat would need initially to be small and operate with the greatest degree of flexibility. It would draw support from both regional and other institutions and Government agencies, as well as function with the use of consultants.

The structure suggested was that of a Secretary-General and three functional divisions¹, as well as an administrative and budgetary section. The functional divisions suggested would coincide with the subject areas defined above as priorities, namely: Trade, Development and External Economic Relations; Protection and Conservation of the Environment, Natural Resources and the Caribbean Sea; Cooperation activities relating to Science, Technology, Transportation, Education and Culture.

With respect to the staff complement of these Divisions, the meeting decided that such a determination should await the outcome of the discussions on the budget and greater precision in the definition of the ACS work programme. Recommendations would be made by the ad hoc group, to the first meeting of the Ministerial Council.

Financing of the Association

Provisions are made for a budget, which is essentially to cover the regular operations of the Secretariat and a Special Fund, for the purpose of financing programmes of technical cooperation and related research, consistent with the purposes and functions of the Association.

¹ With the caveat that the number of special committees is still to be fixed.

SCALE OF ASSESSMENT FOR BUDGET CONTRIBUTIONS

Country	Population	Income Per capita	Example<1> (US \$ 000)	Example<2> (US \$ 00)
Mexico	94664209	2490	525	350
Venezuela	21334395	2560	375	250
Colombia	33841270	1200	375	250
Cuba	10628968	2000	135	90
Trinidad and Tobago	1349004	3610	135	90
Jamaica	2641056	1500	135	90
Dominican Republic	7651414	830	135	90
Bahamas	569826	11420	52.5	35
Barbados	268955	6540	52.5	35
Costa Rica	3246626	1900	52.5	35
Guatemala	10115967	900	52.5	35
El Salvador	5702830	1100	52.5	35
Honduras	5671730	590	52.5	35
Nicaragua	4299886	830	52.5	35
Panama	2574254	1830	52.5	35
Suriname	423896	3050	52.5	35
Antigua and Barbuda	76000	4600	22.5	15
Belize	192949	1990	22.5	15
Dominica	83000	2210	22.5	15
Grenada	106315	2190	22.5	15
Guyana	1091739	330	22.5	15
Haiti	6924895	370	22.5	15
St. Kitts and Nevis	52315	3330	22.5	15
St. Lucia	153000	1900	22.5	15
St Vincent/Grenadines	116633	1720	22.5	15
Headquarters		300	200	
Total		2790	1860	

Source: SICA, working document (27-6)

The budget will be financed by contributions of member States in such proportions as the Ministerial Council may decide. Initial discussions to determine the scale of contributions were inconclusive and will need to be completed by the ad hoc group, which will make recommendations to the first meeting of the Ministerial Council.

A number of criteria were examined in trying to arrive at the proportions of the various national contributions. Essentially, the methodology being used by SELA was proposed. The conclusions are set out in the table, above, which provides two options. The first option approximates to a budget of nearly US\$3 million, while the second option approximates to a budget of nearly US\$2 million. Some notable anomalies appear in the second and third country categories, notably between Jamaica and the Dominican Republic in category two and Costa Rica, El Salvador and Panama, in category three. The anomalies become evident when population size and

income per capita figures are compared with the budget contributions proposed. The anomalies seem to be caused with the use of old information to determine contributions. A new basis will need to be found. One other criterion suggested to be used in the determination of contributions, was trade. It was not, however, specified which trade indicator should be used.

The Special Fund, which will essentially finance special programmes of technical cooperation and associated research, will be financed through voluntary contributions, from member States, non-members and other entities. Detailed work remains to be done to make more precise the distinction between the Regular Budget and the Special Fund activities.

Associated institutions

It may be surprising that for a proposed grouping of more than 25 countries of three Caribbean and Latin American subgroupings, with a number of subregional institutions engaged in the promotion of development cooperation, there is no acknowledgement even of the existence of such institutions in the Draft Convention Establishing the ACS. The closest it gets to such acknowledgement is in the provision for Observers to the ACS: "Additionally, any other State, Country, Territory, or an organization applying for observer status in the Association may be accorded such status, provided that the Ministerial Council so decides."

While the situations may not be exactly comparable, it is interesting to contrast this with the Treaty Establishing the Caribbean Community which designates a number of regional institutions as Associate Institutions of the Community -- these include the regional universities, the CDB, the East Caribbean Common Market (ECCM) (forerunner to the Organization of Eastern Caribbean States - OECS) and others. The CARICOM Treaty also provides that, "The Community shall seek to establish such relationships with its Associate Institutions as will promote the achievement of its objectives".

The Draft Convention does take account of the work of other institutions when it assigns functions to the proposed secretariat of the ACS: one of its assigned functions is to "coordinate, within the framework of the work programme of the Association, the activities of donor agencies, international, regional and national institutions." In discussing the objectives of the ACS, a CARICOM Secretariat paper, (based on a presentation by consultant, Henry Gill), observed "there will inevitably be some overlap in activities between the ACS and other regional and multilateral bodies, but this is altogether normal and desirable since it would enable the ACS to draw on the specific competencies of the other bodies in the pursuit of its objectives." The same document opts in favour of an Association which "would provide an umbrella for a flexible system of relationships among groups of countries over a range of activities."

Possible institutional linkages

Much depends on one's vision of the scope of the functioning of the ACS and its secretariat. Perhaps the least impractical vision is, initially, of a small secretariat, with responsibility for servicing meetings of the ACS and for carrying research and producing documentation relating to a small number of select issues, for example, global and hemispheric economic developments; opportunities for expanding trade and economic cooperation among the members of the ACS; promotion of language and sporting communication; and women's issues.

In respect of all of these subject areas, the ACS Secretariat would want to take account of the work which has already been carried out in the subregional institutions of the ACS region and of the capabilities which reside in them; so that at the very least, the ACS would wish to seek a cooperation relationship with them. Provision is made for this in the Convention since the Ministerial Council, shall "authorize the negotiation and conclusion, by the Secretary-General, of agreements with third parties, institutions or groups of States or other entities as may be required for the advancement of the work of the association."

Taking into account the inevitably limited size and capability of the ACS Secretariat, this relationship may need to be more one of collaboration than cooperation. In the interests of seeking to ensure that it brings the maximum possible regional institutional capability to bear on its work, the ACS may consider it desirable to seek a more "structured" or "formalized" relationship with these institutions, than one which is merely informal or a "working" relationship.

The forms of this relationship would appear to be either one which resembles CARICOM's associate institution model, or the conclusion of technical cooperation agreements with identified institutions. While it is arguable that neither option ensures a sufficient measure of commitment of resources to the ACS on the part of those institutions identified, there are two considerations which may provide a measure of assurance. The first is that the institutions themselves can perhaps be assumed to be imbued of a "natural" desire to commit to the ideals and programme of work of the ACS, and secondly that the member countries of the various institutions concerned can be assumed to have the capacity to exercise leverage in ensuring the required support to the functioning of the ACS.

In the English-speaking Caribbean, CARICOM, the OECS, the CDB and the University (or perhaps the Association of Caribbean Economists - ACE) would appear to be natural institutional candidates for such an "associate institution" relationship with the ACS, whatever the formal nature of such a relationship. Corresponding organizations relating to the other members of the

ACS have already been identified through their participation in the preparatory and consultative process -- SELA and the Central American Integration System (SICA), for example.

ECLAC would also appear to be an obvious candidate for an associate institutional relationship with the ACS, since one of its prime objectives is the promotion of development cooperation between the countries of the Caribbean and Latin America; considerable relevant expertise resides in its Offices in Santiago, Mexico and Port-of-Spain, and its Washington Office may be not at all irrelevant for purposes of promoting the interests and programmes of the ACS in certain ways. ECLAC is fully supportive of the goals and ideals of the ACS and is committed to providing it with the maximum possible support, within the limits of its institutional capability.

Regarding the mechanisms of cooperation between the ACS and the various collaborative institutions, it may be desirable to adopt an approach involving structured consultations on the work programme of the ACS with a view to agreeing on the specific inputs, support or collaboration which they can provide. The frequency of consultations can be determined at a later date, but could conceivably be annual, semi-annual or as often as individual institutional relationships require.

More specifically, with respect to the CDCC and its ongoing work programme, member governments might wish to give some consideration to the relationship which should be developed in the future between this institution and the emerging ACS. The ACS holds the potential for including all CDCC members and associate members, while many of its aims and objectives overlap. Governments might wish to reflect on the most appropriate mechanisms to ensure that duplication in the respective work programmes is prevented.

Follow-up and interim arrangements

A number of issues remain to be resolved before the first meeting of the Ministerial Council. These have been listed under the various subject areas but, in summary, relate to the budget and the proportions to be contributed by member States; the work programme including the special committees and their composition; and the structure and staff complement of the Secretariat. Other outstanding issues are the site of the Secretariat and the nomination of the Secretary-General of the Association. Some of these issues will need to await the signing of the Convention, to see which countries intend to become members. Others, such as the convening of the first Ministerial Council meeting, which will have to take decisions on a number of the outstanding questions, must await the coming into force of the Convention. Entry into force must await deposit of the Instruments of Ratification of two thirds of the States signatory to the Agreement.

In the interim period, between the signing and the entry into force of the Convention, much preparatory work will need to be done before the outstanding issues can be presented for decision to the first meeting of the Ministerial Council. Much, therefore, will depend on the interim arrangements for the Secretariat, including the ad hoc working group, which will need to be agreed upon when the Convention is signed, on 24 July 1994 in Cartagena, Colombia, or soon thereafter.



