

**Report
of the
Commission to Review
Jamaica's Relations
within the CARICOM and
CARIFORUM Frameworks**

March 2017

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LIST OF ABBREVIATIONS

ACP	African, Caribbean and Pacific
ACS	Association of Caribbean States
ALBA	Bolivarian Alternative for the People of Our America
APIS	Advance Passenger Information System
CAFTA	Central American Free Trade Agreement
CAHFSA	Caribbean Agricultural Health and Food Safety Agency
CAIC	Caribbean Association of Industry and Commerce
CANTA	Caribbean Association of National Training Agencies
CARDI	Caribbean Agricultural Research and Development Institute
CARIB-EXPORT	Caribbean Export Development Agency
CARIBCAN	Caribbean-Canada Trade Agreement
CARICAD	Caribbean Centre for Development Administration
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum
CARIFTA	Caribbean Free Trade Area
CARINET	Caribbean Taxonomic Network of Bio-NET International
CAROSAI	Caribbean Organization of Supreme Audit Institutions
CARPHA	Caribbean Public Health Agency
CARTAC	Caribbean Regional Technical Assistance Centre
CASSOS	Caribbean Aviation Safety and Securing Oversight System
CBERA	Caribbean Basin Economic Recovery Act
CBI	Caribbean Basin Initiative
CBTPA	Caribbean Basin Trade Partnership Act
CBSI	Caribbean Basin Security Initiative
CCC	CARICOM Competition Commission
CCCC	Caribbean Community Climate Change Centre
CCGB	Committee of Central Bank Governors
CCJ	Caribbean Court of Justice
CCREE	Caribbean Centre for Renewable Energy
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster and Emergency Management Agency
CDF	CARICOM Development Fund
CEIS	Caribbean Energy Information System
CIMH	Caribbean Institute for Meteorology and Hydrology
CIP	Citizenship by Investment Programme
CLE	Council of Legal Education
CLI	Caribbean Law Institute

CMO	Caribbean Meteorological Organization
COFAP	Council for Finance and Planning
COFCOR	Council for Foreign and Community Relations
COHSOD	Council for Human and Social Development
CONSLE	Council for National Security and Law Enforcement
COTED	Council for Trade and Economic Development
CPU	Caribbean Postal Union
CRFM	Caribbean Regional Fisheries Management
CRITI	Caribbean Regional Information and Translation Institute
CRNM	Caribbean Regional Negotiating Machinery
CROSQ	CARICOM Regional Organization for Standards and Quality
CSME	CARICOM Single Market and Economy
CTO	Caribbean Tourism Organization
CTU	Caribbean Telecommunications Union
CXC	Caribbean Examinations Council
CYDAP	CARICOM Youth Development Action Plan
DOM	French Overseas Department
EDF	European Development Fund
EIB	European Investment Bank
EPA	Economic Partnership Agreement
EPOC	Economic Programme Oversight Committee
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
GSP	Generalized System of Preferences
GVC	Global Value Chain
HOPE	Haitian Opportunity through Partnership Encouragement Programme
ICT	Information and Communication Technology
ILO	International Labour Organization
IMF	International Monetary Fund
IMPACS	Implementation Agency for Crime and Security
JAMPRO	Jamaica Promotions Corporation
JRCC	Joint Regional Communications Centre
LAC	Legal Affairs Committee
LDC	Less Developed Country
LNG	Liquid Natural Gas
MDC	More Developed Country
MFN	Most Favoured Nation
NAFTA	North American Free Trade Agreement
NTB	Non-Tariff Barrier
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development

OECS	Organization of Eastern Caribbean States
OTN	Office of Trade Negotiations
PAHO	Pan-American Health Organization
PICA	Passport, Immigration and Citizenship Agency
RIFT	Regional Intelligence Fusion Centre
RIPO	Regional Intellectual Property Office
RBM	Rules-Based Management
RTFCS	Regional Task Force on Crime and Security
SEPAC	Security Policy Advisory Committee
SCM	Subsidies and Countervailing Measures
SICA	Central American Integration System
UG	University of Guyana
UN	United Nations
UNASUR	Union of South American Nations
UNCTAD	United Nations Conference on Trade and Development
UWI	University of the West Indies
WHO	World Health Organization
WTO	World Trade Organization

PREFACE

The CARICOM Review Commission was appointed by the Prime Minister, the Most Honourable Andrew Holness, O.N., in July 2016 to review Jamaica's relations with CARICOM and within CARIFORUM.

In his letter of appointment, the Prime Minister cited "the need for an in-depth examination of those aspects of our regional relationships within CARICOM that are not fully meeting their intended objectives" and stressed the importance of "exploring opportunities for forging strategic partnerships with other CARIFORUM states in the northern Caribbean so as to buttress the government's measures to achieve economic growth".

Terms of Reference

1. Evaluate the effects that Jamaica's participation in CARICOM has had on its economic growth and development with particular reference to trade in goods and services, investment, international competitiveness and employment;
2. Analyze CARICOM's performance against the goals and objectives enunciated in the Revised Treaty of Chaguaramas and to identify the causes of the shortcomings;
3. Review the CARICOM arrangement in light of the wider Caribbean, inclusive of the Dominican Republic and Cuba, as well as other Caribbean territories;
4. Assess the value of Jamaica's membership in CARICOM on its influence in critical international fora and with third state trade and development partners;
5. Assess the benefits from the coordination of foreign policy positions within CARICOM;
6. Assess the benefits that Jamaica has derived through functional cooperation within CARICOM institutions and its framework;
7. Consider the question of the enlargement of the membership of CARICOM;
8. Assess whether the CARICOM dispute settlement provisions provide realistic options for settlement of disputes for Jamaica.

The issue of Jamaica's relationship with the Caribbean Court of Justice beyond its original jurisdiction to which Jamaica has already acceded was specifically excluded from our mandate in light of the government's intention for that matter to be determined by way of a referendum.

Members of the Commission

Mr. Bruce Golding (Chairman)	Former Prime Minister
Ambassador Dr. Nigel Clarke	Deputy Chairman & CFO, Musson Group of Companies
Dr. Damien King	Co-Executive Director, Caribbean Policy Research Institute
Mr. Christopher Levy	President & CEO, Jamaica Broilers Group of Companies
Mr. Metry Seaga	President, Jamaica Manufacturers Association
Mrs. Michelle Chong	President, Jamaica Exporters Association
Mr. Warren McDonald	President, Jamaica Chamber of Commerce
Mrs. Maxine Henry-Wilson	CEO, Jamaica Tertiary Education Commission
Professor Eleanor Brown	Professor of Law, George Washington University
Mr. Danny Roberts	Head of the Hugh Lawson Shearer Trade Union Education Institute
Mr. Michael Diamond	Vice President, National Consumers League
Mr. Dennis Cohen	Deputy Group Managing Director, National Commercial Bank
Mr. John Jackson	Chairman, Jamaica Deposit Insurance Corporation
Mr. Kevin O'Brien Chang	Director, Fontana Pharmacy
Mr. William Mahfood*	President, Private Sector Organization of Jamaica
Ambassador Lorne McDonnough	Former CEO, CARICOM Development Fund and former High Commissioner of Jamaica to Trinidad & Tobago, Barbados, Guyana and the OECS
Mr. Donny Bunting	Farmer
Mr. Hugh Johnson	President, Small Business Association of Jamaica

* Subsequently replaced by the new President of the PSOJ, Mr. Paul Scott

The Commission's work programme

The Commission was anchored in the Ministry of Foreign Affairs and Foreign Trade and supported by a Secretariat headed initially by Ambassador Marcia Gilbert-Roberts and, subsequent to her appointment as Permanent Secretary, Mrs. Angela Comfort, the Director of the Caribbean and Americas Department in the Ministry.

The Commission held twenty meetings including a two-day retreat in January 2017.

Four working groups were established focusing on:

- (a) The economic impact of CARICOM on Jamaica and the region as a whole;
- (b) CARICOM's mechanisms for decision-making, implementation, enforcement and dispute settlement;
- (c) CARICOM's effectiveness in functional cooperation;
- (d) The possibilities and implications for Jamaica of broader economic relations beyond CARICOM.

The Commission took advantage of the vast body of research, reports and published literature that it considered relevant to its task. We also benefitted from discussions

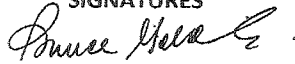
with several persons including current and former Prime Ministers in the region, the current and former Secretaries-General of CARICOM, representatives of umbrella organizations including the Private Sector Organization of Jamaica and the Jamaica Confederation of Trade Unions, representatives of the Jamaica Labour Party and People's National Party, local representatives of International Financial Institutions as well as persons here and overseas with recognized experience and expertise in the regional integration process.


The Commission invited and received submissions from members of the public and conducted eleven focus group studies in eight parishes across the island to gauge public awareness of and attitudes toward CARICOM. A Youth Forum was also held at the University of the West Indies to solicit the views of young people on CARICOM.

All these initiatives were of considerable value to the Commission in arriving at its findings and recommendations.

The Commission places on record its appreciation for the tremendous work done by the Secretariat at the Ministry of Foreign Affairs and Foreign Trade and the valuable assistance provided by the Foreign Trade Division of that Ministry as well as the support we received from the Office of the Prime Minister, the Ministry of Finance and the Public Service and the Planning Institute of Jamaica.

SIGNATURES


Mr. Bruce Golding (Chairman)

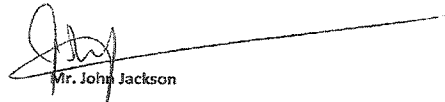

Ambassador Dr. Nigel Clarke


Mr. Michael Diamond


Dr. Damien King

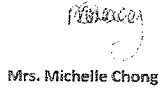

Mr. Dennis Cohen

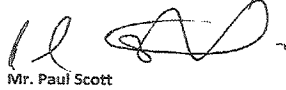

Mr. Christopher Levy

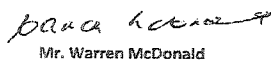

Mr. John Jackson


Mr. Metry Seaga


Mr. Kevin O'Brien Chang


Mrs. Michelle Chong

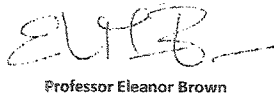

Mr. Paul Scott

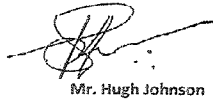

Mr. Warren McDonald

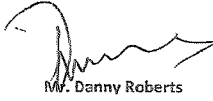

Ambassador Lorne McDonnough


Mrs. Maxine Henry Wilson


Mr. Donny Bunting


Professor Eleanor Brown


Mr. Hugh Johnson


Mr. Danny Roberts

List of persons with whom the Commission held discussions

- | | |
|---------------------------------------|--|
| 1. Most Honourable Sir Kenneth Hall | Former Governor-General of Jamaica, former Principal of the Mona Campus (UWI) and former CARICOM Assistant Secretary-General |
| 2. Most Honourable P.J. Patterson | Former Prime Minister of Jamaica |
| 3. Dr. the Honourable Ralph Gonsalves | Prime Minister of St. Vincent & the Grenadines |
| 4. Right Honourable Owen Arthur | Former Prime Minister of Barbados |
| 5. Dr. Kenny Anthony | Former Prime Minister of St. Lucia |
| 6. Honourable Dr. Keith Rowley | Prime Minister of Trinidad & Tobago |
| 7. Sir Shridath Ramphal | Former Commonwealth Secretary-General and Chairman of the West Indian Commission of 1989 |
| 8. Ambassador Sir Ronald Sanders | Ambassador of Antigua & Barbuda to the United States |
| 9. Ambassador Irwin Larocque | CARICOM Secretary-General |
| 10. Sir Edwin Carrington | Former CARICOM Secretary-General |
| 11. Ambassador Roderick Rainford | Former CARICOM Secretary-General |
| 12. Sir Hilary Beckles | Vice Chancellor UWI |
| 13. Ambassador Richard Bernal | Pro-Vice Chancellor for Global Affairs (UWI), Former Ambassador of Jamaica to the United States, former IDB Executive Director for the Caribbean Region and former Director-General – Caribbean Regional Negotiating Machinery |
| 14. Dr. Warren Smith | President – Caribbean Development Bank |
| 15. Ambassador Byron Blake | Former CARICOM Assistant Secretary-General |
| 16. Mr. Claude Clarke | Former Minister of Industry & Commerce and former President – Jamaica Exporters Association |
| 17. Mr. Franklyn Johnston | Management Consultant and Newspaper Columnist |
| 18. Honourable Dr. Christopher Tufton | Minister of Health (representing the Jamaica Labour Party) |
| 19. Ambassador Anthony Hylton | Opposition Spokesman on Industry, Investment & Commerce (representing the People's National Party) |
| 20. Mr. Constant Lonkeng Ngouana | Resident IMF representative |
| 21. Ms. Galina Sotirova | World Bank Country Manager |
| 22. Ms Judith Green | IFC Head of Operations for the English speaking Caribbean |
| 23. Mrs. Helene Davis-Whyte | Representing the Joint Confederation of Trade Unions |
| 24. Senator Kavan Gayle | Representing the Joint Confederation of Trade Unions |
| 25. Mr. Larry Watson | Representing the Private Sector Organization of Jamaica |
| 26. Mr. Donovan Wignal | Representing the Private Sector Organization of Jamaica |

**List of persons/organizations that made written submissions
to the Commission**

1. Right Honourable Owen Arthur
2. Dr. Warren Smith
3. Ambassador Sir Ronald Sanders
4. Sir Edwin Carrington
5. Ambassador Richard Bernal
6. Mr. Claude Clarke
7. Mr. James Moss-Solomon
8. Jamaica Manufacturers Association
9. Jamaica Diaspora (UK)
10. Ms Javanna Haughton
11. Mr. Matthew Reynolds
12. Ms Jennifer M. Nunes
13. Mr. Kayson Gilbert
14. Mr. Kevin Irvine
15. Mr. Raymond Grant
16. Mr. Carlton Stewart
17. Ms Sekeywi Carruthers
18. Mr. Courtney Wright
19. Mr. Richard Chen
20. Mr. Ferdinand Trench
21. Ms Roxann Linton
22. Mr. Collin Lysons
23. Ms Corrine Stewartson
24. Mr. Sean Osbourne
25. Ms Tanya Smith

EXECUTIVE SUMMARY

The circumstances and environment in which CARICOM was originally established in 1973 and subsequently remodeled in 2001 have changed dramatically. Originally designed to encourage production and trade among its members as a platform for import-substitution, that *raison d'être* was significantly eroded by the advent of liberalization, globalization and the new multilateral trading arrangements that mandated the lowering of tariffs and other barriers to free trade without favour to particular trading partners, demanding of all countries a new focus on international competitiveness. The new architecture of CARICOM sought to transform it into a borderless community in the expectation that it would be able to pool its resources and exploit opportunities that it would not be able to do separately as scattered small states. The Revised Treaty of Chaguaramas of 2001 laid out a design for the region to be converted into a **single market and single economy**, in other words, a single economic space.

This new arrangement faced significant challenges because all but one of the Member Countries are sovereign states that derive their authority from and are accountable to their separate electorates. CARICOM, therefore, was and remains an association of independent states that, through a process of inter-governmentalism, agree to act as one in specific areas.

Globalization is continuously reshaping the geography of production and consumption and thereby the patterns of trade across the world and it threatens to marginalize small countries that have not yet developed the capacity and resilience to withstand the intensity and competitiveness of that new paradigm. This provides even more urgent and compelling reasons for regional integration among a group of neighbouring countries whose people already share much in common in terms of history, culture and experiences.

The people of CARICOM are confounded by the fact that their adventure into this "consortium" does not, in many respects, appear to correspond with demonstrable success or improvement in the quality of their lives. CARICOM's share of world trade has fallen, growth in its output has been anemic and too many of its people remain poor, jobless and hopeless. Jamaica is more than a microcosm of that underachievement. Many of us are inclined to blame it on our "failed marriage" because we were led to believe that integration would have been good for us and would have created opportunities and provided benefits that we would not otherwise have been able to secure.

But something cannot be said to have failed unless it has been tried. The single market and economy that we so often declare is not working **cannot**, in reality, be expected to work because it has not yet been functionally established. The decision we made to build one, however sincere that intention was, has not up to now been carried through. So much time has elapsed and so much that should have been done has not been done that we are in danger of succumbing to "integration fatigue" without having actually integrated and we are having difficulty sustaining or renewing our commitment to the process.

The situation calls for a firm but calibrated response. Some of the difficulty lies in the architecture itself – an organization that has rules but no effective means of enforcing them, a body that has become unwieldy and costly, an arrangement in which authority and responsibility are not aligned for accountability and failure is immune to embarrassment.

The Commission has sought to identify the root causes of CARICOM's lack of advancement. It took no quantum physics. It is the "implementation deficit" about which so much has been spoken but so little done. We have sought to carefully list the matters on which required action has so far defied execution.

It is distressingly noteworthy that our deliberations took place a quarter of a century after the report of the West Indian Commission was presented in 1992. We raise the question whether the "time for action" that it so loudly proclaimed has passed. Only the response of Member States and their leaders, in particular, can answer that question. Only they can determine and demonstrate whether the appetite and will to validate the oft-recited declarations of commitment to regionalism still exist if, indeed, they really ever did. As the eminent Caribbean regionalist, Sir Shridath Ramphal, poignantly expressed it:

*"We have crept through the fractured promises of the Treaty of Chaguaramas and Declaration of Grand Anse and through innumerable pious declamations, affirmations and commitments. The roll call of unfulfilled pledges and promises and unimplemented decisions is staggering and shameful."*¹

This Commission feels that while CARICOM has been the victim of an over-reliance on the shared history of its members, the value of regional integration, notwithstanding the current wave of economic nationalism in various parts of the world, is as relevant and useful and, perhaps, even more urgent today than it was at its inception and can provide us a more secure passage to a brighter future than can each of us trying to row his boat alone. But set sail we must, whether separately or together as a crew. What is not sustainable is the pretense that we are building a single market and economy while busy marking time, justifying our own procrastination, unwilling to let go of our insular and protectionist predilections yet constantly reciting clichéd declarations of commitment to the integration effort.

We believe, as Prime Minister Freundel Stuart of Barbados declared in January 2017, that the time has come to have a full and frank discussion on the CSME. We feel that there is no more time to be wasted. If it is not time for action, it is time for decision. There needs to be a clear, definitive commitment **NOW** from each Member State to a specific, time-bound, measurable and verifiable programme of action to fulfill all its obligations and complete all the requirements for the single market and economy to be fully established and operational **within the next five years**. In the absence of such a commitment and its diligent execution, it is our recommendation that Jamaica should withdraw from the single market and economy but seek to retain its position as a member of CARICOM in a status similar to that held by the Bahamas. It would then consider what form of trading arrangement it would wish to pursue with the other CARICOM Member States.

In our hope that such a commitment is forthcoming, we have put forward proposals to rectify the structural and organizational deficiencies in CARICOM that we have identified. We have suggested ways of securing implementation and compliance that fall short of a supranational authority but respect the concept of a "Community of Sovereign States" while providing a means of enforcement and accountability.

We have suggested that the Institutions of CARICOM be restructured and rationalized and that the Heads of Government take direct and personal responsibility for ensuring that the Organs function more effectively. We have recommended a new, more responsive, effective and accessible mechanism to deal with disputes.

We have proposed the strengthening of the role of the Secretariat and the authority of the Secretary-General, in particular. We have urged that CARICOM governments address the precarious and unsustainable financial position of the Secretariat and all the CARICOM institutions and agencies as well as put in place measures to ensure their financial and operational accountability and transparency.

Importantly, we have stressed the essentiality of fulsomely engaging two stakeholders who are vital to CARICOM's success but who have been carelessly ignored – the private sector on whom so much of the CSME's delivery of benefits depends and the Caribbean people whose support, enthusiasm and involvement must be nurtured and mobilized if a real "Community" is to flourish.

¹ Inaugural G. Arthur Brown Memorial Lecture, Kingston July 22, 2011

If after these many years a commitment cannot be given and delivered on to complete within the next five years the work started more than a generation ago, the inevitable conclusion that must be drawn, in our view, is that either the material conditions for creating a single market and economy do not exist or, alternatively, the will to create it is simply not there.

Many of our recommendations would require amendment to the Revised Treaty of Chaguaramas. It is perhaps fortuitous that the Heads of Government themselves had concluded in 2010 that a review of the Treaty was necessary and mandated that an Intergovernmental Task Force be established for that purpose. That process, like so many other agreed CARICOM initiatives, has hardly progressed and needs to be re-energized. It is our hope that our recommendations will inform the input of the Jamaican government in that review.

Also, the CARICOM Secretariat has recently engaged a firm of consultants to undertake a comprehensive review of the Common External Tariff and Rules of Origin. We believe that this should be expanded into a review of CARICOM's entire intraregional trading arrangements.

SUMMARY OF RECOMMENDATIONS

1. Jamaica should seek a clear, definitive commitment by all Member States to a specific, time-bound, measurable and verifiable programme of action to fulfill all their obligations and complete all requirements for the CSME to be fully established and operational within the next five years. This should include:
 - Effective steps toward macroeconomic convergence including a Fiscal Responsibility Framework, Debt Management Strategy, abolition of exchange controls and full currency convertibility;
 - Full free movement of people throughout the Community subject only to exclusions for security and public health reasons;
 - Integrated capital market including the establishment of the legal framework to allow companies to raise capital by public issues across the region;
 - Harmonization of laws and regulations relating to financial services (implementation of the CARICOM Financial Services Agreement agreed by COFAP in 2013);
 - Harmonization of customs laws, regulations and procedures, especially treatment of perishable goods;
 - Agreed protocol on sanitary and phytosanitary standards and procedures;
 - Agreement on the application of the Rules of Origin to goods produced within Free Zones;
 - Free circulation of goods imported from outside the CSME once the appropriate import charges have been paid at the original port of entry;
 - Standardization of incorporation requirements and procedures as well as the establishment of a Regional Company Registry to allow companies to operate across all CSME countries without multiple registrations;
 - Development of a Corporate Tax Instrument to provide a common basis for the assessment of corporate tax liability;
 - Standard Double Taxation provisions for Member States entering into Double Taxation agreements with third countries;
 - Harmonized investment policy and incentives framework and the development of a Regional Investment Code;
 - Agreed protocol for cross-border regulatory cooperation;
 - Regionalization of Credit Bureau mechanisms;
 - Removal of all Non-Tariff Barriers to trade;
 - Removal of restrictions to the provision of services;
 - Agreed protocol relating to the recognition of professional accreditation;
 - Removal of restrictions to the Right of Establishment including ownership of land;
 - Removal of restrictions preventing suppliers of goods and services from qualifying for government contracts in other Member States;
 - Establishment of Fair Competition and Consumer Protection regulations and processes in all Member States;
 - Modernization and harmonization of intellectual property legislation and the establishment of a Regional Intellectual Property Office;
 - Adoption of Conventions relating to the registration and administration of patents, trade marks, protection of genetic resources, traditional knowledge and traditional cultural expressions.

2. Member States should be required, at least until the CSME provisions are fully implemented, to submit quarterly progress reports to the Secretary-General who should provide twice yearly assessments to the Heads of Government on the performance and level of compliance of each Member State.
3. Hold each Head of Government directly responsible for ensuring the full participation of their designated representatives including Ministers of Government in the various Organs, Institutions and Bodies of CARICOM and CARIFORUM.
4. Appoint an oversight body of not less than three nor more than five eminent CARICOM nationals to review CARICOM's performance and, in particular, the compliance of Member States, and deliver their assessment to the Caribbean public at least once per year.
5. Address the longstanding governance dilemma by taking the following actions:
 - (a) Make explicit provision in the CARICOM Treaty requiring Member States to give effect to the rights and obligations within their states arising from Community Law as well as decisions of the Heads of Government that require executive action within a timeframe to be specified, being not less than six months;
 - (b) Establish within the Treaty a body of sanctions for willful non-compliance or flagrant breaches that would include:
 - Loss of the right to vote on decisions of the Conference of Heads of Government and other Organs of the Community;
 - Loss of entitlement to benefits from Institutions of the Community (except in relation to disaster response, public health and security matters);
 - Restricted access to policy-based loans or grants from the Caribbean Development Bank;
 - Widening of the provisions for Member States to be authorized to take retaliatory action against another Member State for injurious breaches of the Treaty.
6. Amend the unanimity rule to differentiate those matters on which decisions will require unanimity and those that would require a simple or qualified majority vote of the members.
7. Ensure that the Secretary-General, in keeping with his obligations under Article 27, present to the Heads of Government, prior to the taking of decisions, a technical assessment including cost implications of proposals under consideration.
8. Establish clearly defined functions, guidelines, reporting and operating mechanisms for the Quasi-Cabinet.
9. Eliminate the differentiation between More Developed Countries (MDCs) and Less Developed Countries (LDCs) for which no stated criteria exist but retain the provision for special treatment of disadvantaged countries, regions or sectors.
10. On the basis of (9) above, Jamaica should make a commitment to the Second Funding Cycle of the CARICOM Development Fund.
11. Jamaica and all other member states should make suitable arrangements with CARICOM to liquidate their subscription arrears and ensure going forward that their obligations are met on a timely basis. In the future, strict sanctions should be applied for delinquency that exceeds a prescribed threshold.

12. Immediately conduct a review of the basis for assessment of Member States' financial contributions to the Secretariat and the various institutions and agencies. Thereafter, conduct five-yearly reviews to ensure that obligations are shared on an equitable basis.
13. Jamaica should, as a matter of urgency, appoint its Ambassador to CARICOM who would become a part of the Permanent Committee of Ambassadors.
14. Review and rationalize the growing list of CARICOM institutions and agencies with a view to reducing costs, eliminating overlaps and improving service delivery.
15. Without prejudice to (14) above, CARICOM Heads should consider the establishment of a Centre for Research and Innovation in partnership with the region's private sector and the University of the West Indies to identify and develop new opportunities for competitiveness and global market penetration. In this regard, consideration should be given to negotiating with the government of Trinidad & Tobago and the UWI the transformation of Trinidad's Caribbean Industrial Research Institute into a Community Institution.
16. Institute the Results-Based Management (RBM) system in all institutions and agencies of CARICOM and make it mandatory that they submit through the Secretary-General annual reports including audited financial statements to the Heads of Government and these, along with their approved budgets and the status of Member States' contributions, should be made public.
17. Require that all institutions and agencies be subjected to a performance evaluation every three years, the reports of which should be made public.
18. Undertake as a matter of urgency an institutional review of IMPACS.
19. Design and implement more intensive institutional collaboration between IMPACS and law enforcement agencies of Member States to more effectively address the problem of crime throughout the region.
20. The Caribbean Export Development Agency (Carib-Export) should intensify its focus on marshaling global market intelligence and identifying new opportunities for CARICOM exporters.
21. Complete, as a matter of priority, the implementation of the recommendations of the Landell Mills Report of 2012 and, in particular, strengthen the powers and capacity of the CARICOM Secretariat to -
 - provide technical support to Member States in the implementation of CARICOM decisions and fulfillment of Treaty requirements;
 - monitor the operations and effectiveness of the institutions and agencies of CARICOM;
 - conduct surveillance of Member States' compliance and conformity with Treaty obligations and CARICOM decisions.
22. Establish the position of CARICOM Auditor-General that would be independent of the Secretariat and would be responsible for auditing the Secretariat and all Community institutions and agencies. These audits would be conducted annually and address issues of financial management and accountability as well as operational efficiency. The Auditor-General would report directly to the Heads of Government and the report should be made public.

23. Restructure the existing disputes settlement arrangements by establishing a Central Dispute Settlement Body (similar to that which exists in the WTO) which would employ the internationally accepted modes of dispute resolution (consultations, good offices, mediation, conciliation, arbitration) and would have the authority, where those procedures do not succeed, to refer the dispute to a Tribunal for a final, binding decision subject to judicial review by the CCJ only on treaty interpretation and application and points of law.
24. Amend the Treaty to allow CARICOM nationals and corporate entities to avail themselves of the disputes settlement processes in their own right without having to depend on their government to pursue the matter on their behalf.
25. Approach the Caribbean Court of for a final determination as to whether domestic subsidies provided by a Member State relating to the supply of energy are in violation of the CARICOM Treaty.
26. Review the procedures for foreign policy consultation and coordination in order to avoid, as far as possible, the types of conflicting and embarrassing positions that have emerged from time to time among CARICOM members depriving it of the collective force it is capable of exerting.
27. Make urgent preparations through CARIFORUM to secure on the best possible terms an extension of the Cotonou Agreement with the European Union and a post-Brexit trade and development agreement with the United Kingdom.
28. Conduct all future negotiations of trade or economic agreements, as far as possible, through CARIFORUM which offers greater leverage and a sturdier platform from which to negotiate.
29. Earnestly explore the possibilities and benefits of a more comprehensive economic cooperation framework between CARICOM and the Northern Caribbean countries of the Dominican Republic and Cuba. Jamaica, in particular, should, in partnership with the private sector, begin to consider these broader engagements in the event that bilateral arrangements become our only or best option.
30. Establish an agreed framework with appropriate protocols and safeguards regarding the terms, conditions, qualifications and restrictions in relation to the operation of Citizenship by Investment programmes including prior consultations or sharing of information with other Member States.
31. Take deliberate and strategic steps to engage the private sector at both national and regional levels as the success of the CSME, in particular, ultimately depends on its involvement and efforts. Amend the Treaty to appropriately institutionalize this relationship.
32. Undertake a concerted effort to rekindle public support for the CARICOM integration process including:
 - removal of travel taxes on intraregional travel to encourage greater interaction among CARICOM nationals;
 - activation of the CARICOM Volunteer Corps and the CARICOM Youth Development Action Plan;
 - enlistment of the support of the Caribbean media to foster greater understanding and engagement among CARICOM nationals;
 - strategic utilization of the social media as a means of stimulating greater person-to-person contact among the CARICOM public;
 - collaboration with the UWI through its Open Campuses for the delivery of special courses designed to identify and promote opportunities for individual advancement within CARICOM;

- a region-wide programme to bring meaning and impact to the observance of CARICOM Day.

33. In the absence of a commitment by Member States as outlined in (1) above and its diligent execution, Jamaica should withdraw from the CSME but retain its membership of CARICOM in a capacity similar to that of the Bahamas.

CHAPTER 1

Historical background

1.1 The initial formation

The Caribbean Community (CARICOM) was established in 1973 by the Treaty of Chaguaramas. It replaced the five-year old Caribbean Free Trade Association (CARIFTA) that was established seven years after the demise of the West Indies Federation and was designed to facilitate free trade in a specified list of manufactured goods among its twelve Commonwealth Caribbean member countries. It also coincided with and was influenced, in part, by the decision of the United Kingdom to join the European Economic Community. Caribbean countries had relied heavily on preferential access to the UK market for major agricultural exports such as sugar and bananas. It was therefore seen as an appropriate mechanism through which they would seek to not only preserve these benefits but also secure similar benefits from the wider European community.

The CARICOM Treaty configured the "Community" and the "Common Market" as two separate but conjoined entities. The Bahamas which was not a member of CARIFTA became a member of the Community at its inception but subsequently chose not to join the Common Market and did not accede to the Revised Treaty of Chaguaramas. However, by special agreement, it remains a member of the Community under the terms of the original Treaty.

The transition from a Free Trade Area to a Common Market – in essence a Customs Union – entailed deeper economic integration among the subscribing member countries. Its modalities were to include:

- a common external tariff (Customs Union);
- harmonization of fiscal incentives and business-related laws and regulations;
- coordination of economic policies, development planning and industrial programming;
- functional cooperation in designated subject areas and the provision of common services;
- rationalization of agricultural production among member countries; and
- coordination of foreign policies.

Both CARIFTA and CARICOM were created in an era of intense protectionism when import substitution was the dominant economic development strategy. The expectation was that, with a common market and substantial tariff and regulatory protection from third country imports, local enterprises would have access to a larger market and would be able to achieve the economies of scale to produce an increasing share of the goods and services consumed within the region. In the process, jobs would be created in member countries and their demand for foreign exchange to purchase imported goods as well as their vulnerability to external shocks reduced.

CARICOM got off to a rocky start as it was severely disrupted by the ideological divide that prevailed throughout the Caribbean in the 1970s. As a result, no meeting of Heads of Government was held between 1975 and 1982.

1.2 Transitioning to a Single Market and Economy

By the end of the 1980s, the world environment had changed significantly. The Cold War had ended and the global economy was in the process of being reshaped by market-driven policies and liberalization. Former Prime Minister of Jamaica, the Most Honourable P.J. Patterson, described the challenges faced by Caribbean economies in this way:

*"A fragile industrial structure developed in an era of high levels of protection of manufacturing and weak national and regional competition makes it difficult to expose regional industries quickly to international competition. Nevertheless, the region recognizes it as a step which we cannot avoid."*¹

The 10th Heads of Government Conference held in Grenada in July 1989 took the decision to transform CARICOM's Common Market into a Single Market and Economy. It appears, from the wording of the Grand Anse Declaration emanating from that Conference, that the Heads expected this process to be completed by 1993. That clearly was – and proved to be – unrealistic, having regard to the considerable and complex legal and institutional arrangements that would be required. It was not until 2001, twelve years later, that the Treaty of Chaguaramas was revised and the formal process of transformation really began with a new completion date set for 2005.

By this time, the global landscape had changed even more dramatically with the advent of globalization, the push toward freer international trade and the WTO-mandated lowering of tariffs and removal of other barriers to trade. With these occurring in parallel with the erosion of the preferential markets in Europe for their traditional exports, CARICOM countries were now facing challenges far greater than they had ever faced before.

It was largely in response to this new paradigm that the Revised Treaty of Chaguaramas was designed around the strategic focus of achieving international competitiveness and increased trade with third countries rather than the previous heavy reliance on intra-regional trade. That new imperative had been clearly expressed by Mr. Patterson in 1998:

*"We in CARICOM must harmonize our productive capacity and export activities simply in order to survive but, much more, to take advantage of the opportunities presented by the new global marketplace. Industrial and economic programming must be pursued to achieve the optimal use of our scarce resources for the fullest advancement of our individual and collective potential. Traditional production patterns will not suffice in the new global environment. Now is not a time for simply tinkering with old economic modes. This new era calls for bold new action."*²

The provisions of the Revised Treaty came into effect only in 2006 after the necessary ratification by Member States. Its expanded scope included:

- convergence of macro-economic policies;
- common policies, legislative provisions and institutional arrangements relating to investment, agriculture, industrialization, trade, regulatory standards, competition rules and consumer protection;
- production integration;
- free movement of capital; and
- free movement of people (on a phased basis).

¹ Address to Conference on "Financing the Caribbean" – Montego Bay, Jamaica March 4, 1994

² Address to the 19th Conference of Heads of Government, Castries, St. Lucia July 1998

1.3 The Caribbean Community

CARICOM consists of fourteen independent countries as well as Montserrat. Twelve of these comprise the CSME.³

Table 1: CARICOM Member Countries

	Land Area (Sq. Km)	Estimated Population (2016)	Per Capita GNI 2015 US\$
CSME:	421,117	6,729,814	8,577
Antigua & Barbuda	442	92,740	13,270
Barbados	431	284,977	14,510
Belize	22,966	366,971	4,490
Dominica	750	73,017	6,890
Grenada	345	107,340	8,650
Guyana	214,970	770,749	4,090
Jamaica	10,991	2,769,613	5,050
St. Kitts & Nevis	269	56,175	15,060
St. Lucia	616	186,384	7,350
St. Vincent & Grenadines	389	109,678	6,630
Suriname	163,820	547,546	9,360
Trinidad & Tobago	5,128	1,364,624	17,640
Non-CSME	37,672	11,244,943	1,510
Bahamas	13,864	392,592	20,740
Haiti	27,560	10,847,172	810
Montserrat	103	5,179	9,455
Total CARICOM	432,510	17,974,753	4,156

Source: World Bank (World Development Indicators)

There are five "Associate Members", a loose and largely undefined type of membership. These are Anguilla, Bermuda, British Virgin Islands, Cayman Islands and Turks & Caicos Islands.

³ Haiti, while being a signatory to the Revised Treaty, is yet to fulfill all requirements for participation in the CSME, in part due to the setback resulting from the 2010 earthquake. However, in the meanwhile, it has been granted one-way free trade access for a specified list of products. Montserrat, as a British Overseas Territory, is awaiting the formal permission of the British government to join the CSME.

Applications for Associate Membership have been submitted by Aruba, Curacao, French Guiana, Guadeloupe, Martinique, and St. Maarten.

The Dominican Republic applied for full membership in 1989 and renewed its request in 2009. While CARICOM Heads slowly deliberated on the matter, it was formally placed in abeyance in 2013 because of the controversy surrounding the legal status of persons born in the Dominican Republic to undocumented Haitian immigrants.

CHAPTER 2

Regional economic integration and its relevance to Jamaica

2.1 Globalization and regional integration

Jamaica, like other Caribbean countries, no longer enjoys the geopolitical importance that it did during the Cold War which placed it on the radar of both sides of that divide and afforded it some leverage from which it derived not insignificant benefits as *“prizes to be won in the competition being conducted by the superpowers for the hearts and minds of potential converts in the developing world”*.⁴

The stark reality is that the twenty-first century has found us in a place where, to an ever-increasing extent, we are on our own and must face the challenge of lifting ourselves by our own bootstraps and finding the most effective way to navigate the bewildering global marketplace if we are to secure our place in the sun. The Commission has sought to assess whether CARICOM – in particular, the CSME – is the appropriate vehicle for doing so and, if that is the case, what needs to be done to ensure that it serves that purpose.

Regional economic integration as a means of achieving growth and development is not new, the most notable example being the European Union that had its origins in the Treaty of Rome of 1957. Since then, several other groupings of countries have been or are being established at varying depths of integration in Latin America, Africa, Asia and Eastern Europe.

The accelerated push toward regional economic integration and the single market and economy, in particular, is a direct result of globalization which, while offering huge opportunities for countries that are competitive and innovative, poses real danger for those that are not. The IMF and the World Bank have now acknowledged and have been expressing concern for the growing disparities and inequalities that have resulted from globalization despite the significant growth in the world economy prior to the financial crisis of 2007-2008. As pointed out by the IMF Managing Director, Ms Christine Lagarde:

*“In the years ahead it will no longer be enough to look simply at economic growth. We will need to ask if this growth is inclusive – whether the small boats rise with the big boats instead of being capsized by them.”*⁵

Jamaica, like all other Caribbean countries, is a highly open, trade-dependent economy. Jamaica’s trade in goods and services was equivalent to 84% of its GDP in 2014 but our exports accounted for only 31% of GDP, placing us 105th of 166 countries in export ranking. The situation in most other CARICOM countries is even more acute.

⁴ Most Hon. P.J. Patterson – Address to CARICOM Heads of Government, Port-of-Spain, July 1992

⁵ Address delivered at Stanford University, California, February 25, 2014

2.2 The limitations of intra-regional trade

The extent to which CARICOM economies can achieve meaningful growth by gearing their production toward increased intra-regional trade and reduced imports from the rest of the world is limited by three factors:

- (a) the relatively small size of even our combined market;
- (b) the lack of diversity among our economies – we try to sell each other much of the same things that we each produce; and
- (c) the effects of globalization and the resulting intense competition from low-cost producers who are able to absorb the Common External Tariff and still penetrate our markets.

As Table 2 shows, between 1994 and 2015, intra-regional exports among CSME Member States increased nominally at an average annual rate of 5.9%. However, as a percentage of its total exports, it has fallen from 15.6% to 13.1%. This contrasts sharply with the European Union where intra-regional exports account for more than 60% of its total exports.

Table 2: Intra-regional Exports by CSME countries as percentage of Total Exports (1995-1997 v 2012-2014)*

Country	1995-1997 (3-year Average)			2012-2014 (3-year Average)			Change (%)	
	Total Exports US\$m	Intra-regional Exports US\$m	Intra-regional %	Total Exports US\$m	Intra-regional Exports US\$m	Intra-regional %	Total Exports	Intra-regional Exports
Antigua & Barbuda	45.2	8.2	18.1	62.0	6.2	10.0	+37.2	- 24.4
Barbados	273.8	96.7	35.3	533.6	163.0	30.5	+94.9	+68.6
Belize	178.5	5.9	3.3	606.2	40.8	6.7	+239.6	+591.5
Dominica	50.7	23.2	45.8	40.3	22.4	55.6	- 20.5	- 3.4
Grenada	27.8	7.0	25.2	44.6	8.3	18.6	+60.4	+18.6
Guyana	554.6	41.7	7.5	1,319.3	121.2	9.2	+137.9	+190.6
Jamaica	1,739.1	52.7	3.0	1,597.0	80.2	5.0	- 8.2	+52.2
St. Kitts & Nevis	42.2	1.5	3.5	59.1	7.7	13.0	+40.0	+413.3
St. Lucia	90.3	12.6	13.9	198.4	49.9	25.1	+119.7	+296.0
St. Vincent & Grenadines	52.7	26.4	50.3	51.9	38.1	73.4	- 1.5	+44.3
Suriname	404.8	24.0	5.9	2,420.5	249.6	10.3	+497.9	+940.0
Trinidad & Tobago	2,508.5	628.5	25.0	15,409.0	2,134.7	13.8	+514.3	+239.6
Total CSME	5,968.2	928.4	15.6	22,341.9	2,922.1	13.1	+274.3	+214.7

Source: www.caricomstats

* 3-year averages used to avoid any abnormal occurrences that may arise in any one year

The data also shows that the value of the CARICOM market to CSME Member States as a percentage of their total exports varies widely from 5% in the case of Jamaica to 73% for St. Vincent and the Grenadines.

More worrying is the fact that CARICOM's share of global trade has fallen significantly. Its share of trade in goods has fallen during the last twenty years by just under 20%. A recent World Bank report makes the telling point that the Caribbean's share of world merchandise trade fell from 3% in the 1970s to less than 0.25% in 2012.⁶ It has fared even worse in trade in services where, even with tourism, the flagship sector for many CARICOM countries, its share of the world market in services fell by over 50%.

Table 3 shows the combined export (goods and services) performance of CSME Member States between 1994 and 2015.

**Table 3: Total CSME Export of Goods & Services
(1995-1997 v 2012-2014)**

Country	Exports of Goods & Services US\$m			
	1995-1997 (3-year average)	2012-2014 (3-year average)	Change (%)	Annual average increase
Antigua & Barbuda	415.0	511.7	23.3	1.1
Barbados	1,162.5	1,981.1	70.4	2.7
Belize	340.5	1,053.6	209.4	5.8
Dominica	115.5	171.4	48.4	2.0
Grenada	132.2	175.7	32.9	1.4
Guyana	612.5	1,553.5	153.6	4.8
Jamaica	3,389.7	4,331.7	27.8	1.2
St. Kitts & Nevis	129.9	300.5	131.4	4.3
St. Lucia	363.8	613.1	68.5	2.6
St. Vincent & Grenadines	143.8	185.2	28.8	1.3
Suriname	499.5	2,608.7	422.3	8.6
Trinidad & Tobago	2,983.4	17,161.5	475.2	9.1
Total CSME	10,288.3	30,647.7	197.9	5.6

Source: www.caricomstats

* 3-year averages used to avoid any abnormal occurrences that may arise in any one year

Our hopes for real growth and improved living standards must therefore lie in achieving competitiveness and global market share in those goods and services for which a comparative advantage exists or can be established and in pursuing beneficial trade and investment arrangements, especially with the huge trading blocs that increasingly are defining the ways of the global marketplace.

⁶ Trade Matters – World Bank Report 2015

2.3 *The new globalization debate*

The Commission took careful note of the pushback against globalization and the drift toward economic nationalism and protectionism in the USA, Europe and even parts of Asia as evidenced in the growing opposition to free or preferential trade deals and the rise of populist, nationalist political movements. It is difficult to predict how sustained this will be and the extent to which it will alter the multilateral trading system. The issue is clouded by its conflation with the immigration crisis affected, in large part, by the ongoing conflicts in the Middle East. We are of the view, however, that this pushback does not negate the benefits of regional integration or obviate the need for CARICOM's small economies to find the space and synergies to be competitive and productive.

2.4 *Global Value Chains*

Greater attention needs to be paid to the way in which production and trade have been reorganized across the globe. A report published by UNCTAD shows that 80% of the world's trade now involves Global Value Chains (GVCs) organized by transnational corporations in which inputs and outputs that make up the final product are traded across the globe.⁷ The WTO asserts that:

"Global supply chains have transformed the world. They revolutionized development options facing poor nations; now they can join supply chains rather than having to invest decades in building their own. The offshoring of labour-intensive manufacturing stages and the attendant international mobility of technology launched era-defining growth in emerging markets."⁸

More significant for CARICOM's services-oriented economies is the fact that logistics which the World Bank recently declared to be one of the core pillars of economic development⁹ account for almost a half of the value-added inputs to merchandise trade. The UNCTAD study reports that developing countries' share in global value-added trade has risen from 20% in 1990 to more than 40% in 2013. Globalization, therefore, provides opportunities for small countries like those in CARICOM to insert themselves into these value chains.

If the global market is CARICOM's target, its small size does not dictate that its exporters must necessarily be small. In capturing a share of that market, size does matter and, as Ambassador Richard Bernal pointed out to us and detailed in his published paper¹⁰, it is firms, not countries, that produce and trade and it is the size of firms and their level of competitiveness, not the size of the country in which they are based, that determine their impact on the global market. Singapore with a total size smaller than the parish of St. Thomas is among the world's top fifteen exporters with over US\$400 billion in annual export earnings. According to Ambassador Bernal, firms operating in CARICOM, even those we consider to be "conglomerates", are, in global terms, mere "nano-firms". The twenty largest exporters in CARICOM, if combined into one, would not make the cut for the Fortune 500 list. If regional integration is to make real sense, governments must ensure that the conditions exist to enable CARICOM exporters of goods and services to "grow big" and the exporters themselves must be prepared to take up the challenge and seize the opportunities that exist. Regional integration must be calibrated to facilitate and encourage that process.

⁷ *Global Value Chains and Development* – UNCTAD (2013)

⁸ *Global Value Chains in a Changing World* – WTO (2013)

⁹ *Connecting to Compete 2014: Trade Logistics in the Global Economy--The Logistics Performance Index and Its Indicators*

¹⁰ *Nano-firms – Regional Integration and International Competitiveness: The Experience and Dilemma of the CSME*

2.5 CARICOM's historical antecedents and political future

CARICOM has fallen victim to the moral hazard of an overreliance on the shared history of its members, an overreliance that has so often smothered the centrality of its economic purpose. It is only that economic purpose that can sustain it and enable it to deliver on its promise. A Group of Caribbean Experts commissioned to review CARICOM in 1980 introduced its report with the following statement:

"The roots of the Caribbean Community are not buried in doctrines of integration economics....Caribbean regionalism is the outgrowth of more than 300 years of West Indian kinship – the vagaries of the socio- economic political history of a transplanted people from which is evolving a Caribbean identity."¹¹

The commonality of our ancestry and historical experiences is beneficial but neither necessary nor sufficient for economic integration. It is not so much our shared past but the perceived advantages of a shared future that will inspire us and stimulate us to action, bearing in mind that integration is not a panacea but rather a strategic means toward achieving clearly defined goals. To be fair to the Group of Caribbean Experts, they readily acknowledged this:

"It is becoming increasingly recognized that regional integration is not a panacea for the economic ills of the region and that it cannot by itself bring instant prosperity to its Member States. What integration can do is to provide additional development opportunities and increased bargaining power for Member States as part of their national development effort".¹²

The regional integration effort has also been impaired by the ghost of the failed West Indies Federation of more than fifty years ago and the suggestion made from time to time by some CARICOM leaders that a political union is the region's ultimate destiny that we should not continue to resist.

Shortly after CARICOM came into being, the then Secretary-General, Dr. William Demas, addressing a group of trade unionists in Guyana in 1974, declared:

"We will probably not get very far along the road to purely economic integration unless we are conscious that the ultimate goal is political union."

Speaking at the 20th anniversary celebration of the OECS in June 2001, Prime Minister Ralph Gonsalves of St. Vincent & the Grenadines declared:

"For over thirty years I have been a passionate and, I believe, reasoned defender and promoter of the idea of a political union of the Caribbean."

He reiterated his position shortly afterward at the July 2001 Heads of Government meeting:

"This quest for a deeper union is a cause vital to our progress and cannot be won by doubtful men and women. Let us again put the issue of political union on the agenda and proceed to it with measured practical steps which truly mean something to the people of the region."

More recently, in 2008, the late Prime Minister Patrick Manning of Trinidad & Tobago canvassed the idea of a political union among CARICOM Heads. Jamaica, Belize and Suriname politely but firmly rejected the proposal. The Prime Ministers of Trinidad & Tobago and all OECS countries subsequently commissioned a task force headed by former Prime Minister of St. Lucia, Professor Emeritus Vaughn Lewis, to develop proposals for deeper integration between Trinidad & Tobago and the six OECS countries. Its report

¹¹ The Caribbean Community in the 1980s (January 1981)

¹² Ibid

recommended the initial establishment of a "Union of States" with supranational authority *"that, it is hoped, in time and in response to the aspirations of the people, will advance into a more mature form of full political union."*¹³ That idea does not appear to have progressed any further.

The notion of a return to federation has always been a source of apprehensiveness among some CARICOM leaders and CARICOM nationals and has undoubtedly affected attitudes toward regional integration. The Commission does not see a political union as a necessary component of regional integration. Indeed, we consider that a political union of CARICOM Member States is a virtual impossibility in view of its enlargement to include two countries (Haiti and Suriname) that operate under a vastly different legal system, the Napoleonic Code, and not the Common Law that is practiced in other Member States. **Fear of a drift toward political union should not, therefore, be allowed to impede the regional integration process or shroud its clearly defined objectives.**

The Commission notes that as recently as 2014, the Heads of Government of the OECS signaled a desire to transition to a political union. We feel that they should be free to do so in consultation with their respective populations and while it would reduce the number of sovereign states comprising CARICOM and thereby dilute its collective voting strength in international and regional councils, it should have no adverse effect on the economic integration process.

It was clear to the Commission during its deliberations that CARICOM's usefulness in achieving economic development for Jamaica is not a settled issue. Former Jamaican Prime Minister, the Most Honourable Edward Seaga, while consistently opposed to any idea of a political union, had, in 1985, expressed support for regional integration:

*"The government and people of Jamaica remain fully committed to the programme of regional cooperation and economic integration."*¹⁴

However, twenty years later he described it as *"an attempt to force an over-sized foot into an under-sized shoe"*, arguing instead that:

*".....the penetration of large external markets by using well established sophisticated facilities within the region manned by proficient regional skills to sell services and products attractively packaged, presented, promoted, branded and marketed.....does not require any elaborate, expensive regional bureaucracy."*¹⁵

More recently, in 2016, Mr. Seaga declared that Jamaica is a misfit and has no role to play in the CSME and, accordingly, should play a selected role, like the Bahamas, in CARICOM.¹⁶ Mr. Claude Clarke, industrialist, former President of the Jamaica Exporters Association and former Minister of Industry and Commerce, offered the Commission a more nuanced position, that Jamaica should take a "time-out" of, say, five years from the CSME to get its own house in order and press for the structural and other changes to the CSME arrangement to make it work fairly for all its members. These, he suggested, must include equal access to energy resources, a common incentives policy, free movement of labour and a more effective dispute settlement mechanism.

Former Executive Director of the Caribbean Council in Britain and a widely read and respected commentator on Latin American and Caribbean affairs, Mr. David Jessop, makes the somber observation:

¹³ Trinidad and Tobago-Eastern Caribbean States Integration Initiative Task Force Report 2009 p.358

¹⁴ Remarks made in Kingston, Jamaica at a dinner in honour of Prime Minister George Chambers of Trinidad & Tobago, November 17, 1985 (reported in the Daily Gleaner November 18, 1985)

¹⁵ *"Integration vs Cooperation: Rethinking CARICOM"* – Paper presented at a High-Level Seminar on Production Cooperation in CARICOM, UWI-Mona, January 26-27, 2006

¹⁶ *"Jamaica a misfit in CARICOM"* – Sunday Gleaner, July 10, 2016

"It is also far from clear whether anyone in power is prepared to think the unthinkable: that perfecting Caribbean integration may no longer be a relevant approach and what may be required are new alliances and configurations buttressed by better leadership, new thinking, new infrastructure, new hemispheric relationships, improved education and generational change.

This is not to set aside the importance of the Caribbean as an identity but to try to be realistic. It is also to wonder whether there might be greater value in nations seeking new groupings with those Caribbean and Central American nations that offer greater complementarity."¹⁷

We explore those possibilities in Chapter 9.

¹⁷ "Caribbean Integration May No Longer Be Practical" – Daily Gleaner May 31, 2015

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CHAPTER 3

Evaluating CARICOM's impact on Jamaica's economic growth and development

3.1 Jamaica's economic performance

It is difficult to determine precisely what impact CARICOM has had on Jamaica's economy since no baseline indicators were ever established and any attempt to do so leads into a counterfactual *cul-de-sac*. The following key indicators provide a snapshot of Jamaica's economic performance over the last 20 years:

Table 4: Jamaica Selected Indicators (1995-1997 v 2012-2014)*

	1995-1997 (3-year average)	2012-2014 (3-year average)
GDP (rate of growth)	-0.7	0.1
Inflation	16.9	8.2
Unemployment (%)	16.2	14.0
Fiscal Balance (% GDP)	-1.1	-1.5
Public Debt (% GDP)	98.9	141.1
Export of Goods & Services (US\$m)	3,389.7	4,331.6
Import of Goods & Services (US\$m)	3,877.9	7,560.9
Balance on Goods & Services (US\$m)	-488.2	-3,229.3
Current Account Balance (% GDP)	0.2	-8.9
Capital Expenditure (% GDP)	4.5	2.3
Foreign Direct Investment (US\$m)	286.4	439.6
Gross Reserves (weeks of imports)	13.3	15.5
Exchange Rate (US\$ equivalent)	36.0	100.4

Sources: STATIN, BOJ, www.caricomstats, IMF

*3-year averages are used to avoid abnormal occurrences that may arise in any one year.

These outcomes were affected, in part, by external factors such as the cyclical crises in oil, alumina and other commodity prices as well as the global recession of 2007-2009. **In large part, however, our economic misfortunes have been the result of our own domestic policy choices.**

3.2 CARICOM'S impact on Jamaica's trade

Jamaica has consistently recorded a huge trade deficit with CARICOM over the last twenty years as Table 5 illustrates:

Table 5: Jamaica's trade with CARICOM (1995-1997 v 2012-2014)*

	1995-1997 (3-year average)	2012-2014 (3-year average)
Imports (US\$m)	284.5	862.3
(of which crude oil & petroleum products)	154.6	592.9
Exports (US\$m)	52.7	82.2
Imports from CARICOM (% of Total Imports)	10.4	15.9
Exports to CARICOM (% of Total Exports)	3.0	5.1

Source: www.caricomstats

*3-year averages are used to avoid abnormal occurrences that may arise in any one year.

Approximately 75% of Jamaica's imports from CARICOM countries emanate from Trinidad & Tobago which is now our third largest source of imports (after USA and Venezuela). Crude oil and petroleum products account for about 75% of our imports from Trinidad & Tobago. While this produces a lopsided trade balance, it must be recognized that were these products not supplied by Trinidad & Tobago, they would have to be imported from elsewhere and it would therefore have no impact on our overall trade balance.

Jamaica's imports of manufactured goods, especially processed foods, from Trinidad & Tobago account for 7.5% of that country's manufacturing exports.

It is worth noting that Jamaica's imports from CARICOM as a percentage of its total imports have increased from 10.4% to 15.9% in the last twenty years while its exports to CARICOM as a percentage of its total exports have increased from 3.0% to 5.1%.

Anecdotal but credible evidence suggests that some Jamaican producers, primarily manufacturers, have been negatively affected and even forced out of business because of their inability to compete with imports from CARICOM. It is likely that some, at least, would have been displaced in any case because of lack of competitiveness. This is borne out by the presence in our market of similar products imported from other places like China and East Asia that are subject to the Common External Tariff but are able to compete with Trinidad-made products on our supermarket shelves. **The bane of the issue, it is clear to us, lies in Jamaica's level of competitiveness rather than in its trade with CARICOM.**

We hasten to point out that this lack of competitiveness is not necessarily an indictment of Jamaican producers because their ability to produce efficiently is affected by many factors including government policies, especially fiscal, monetary and regulatory policies, the level of crime and the high cost of security that they have to bear, inefficient and costly electricity generation, the educational level of the workforce and the quality of infrastructure.

We took note of the fact, too, that cheaper imports, even if they displace domestic producers, are of benefit to the Jamaican consumers and can be of long term benefit to the economy by forcing local producers to become more competitive or by inducing productive capacity to shift to other activities where they can be more efficiently utilized.

The Commission was told that some CARICOM exporters to Jamaica have been pricing their products in order to be marginally below those of non-CARICOM suppliers who are

subject to the Common External Tariff and it was argued that this was tantamount to taking unfair advantage of the Common Market arrangements. However, if these prices exceed those at which the same goods are sold in their home market, it would be an actionable violation of the Treaty provisions regarding non-discrimination on the grounds of nationality. The Commission was not presented with any documented evidence of this practice and, at any rate, this is a matter that ought properly to be pursued through the Jamaica Anti-Dumping and Subsidies Commission and the established CARICOM dispute settlement channels.

The Commission was also told of frustrations experienced by some Jamaican exporters to other CARICOM countries where their shipments are held up or mishandled by subterfuge at the ports of entry. This raises issues of Non-Tariff Barriers that must be removed through harmonization of customs procedures and established protocols to deal with such matters as rules of origin and sanitary and phytosanitary certification which we have included in our recommendations.

Hardly any data is available regarding CARICOM intraregional trade in services making it impossible to determine the extent to which Jamaica's position has been affected by its participation in CARICOM.

The full effect of Jamaica's engagement in CARICOM must, of necessity, take into account the revenue foregone from CARICOM imports that qualify for duty-free treatment which amounts to approximately US\$100 million per annum, equivalent to more than 40% of total customs revenues. A cynical observation that was made to us is that this amount is twice Jamaica's budgetary provision for its entire justice system.

3.3 *The pricing of energy from Trinidad & Tobago*

Undoubtedly one of the most vexing issues in Jamaica's relationship with CARICOM has been the price at which Trinidad & Tobago supplies energy products to Jamaica. The contention by Jamaican stakeholders is that:

- (a) Trinidad & Tobago provides energy to its domestic consumers and especially its producers at a cheaper price than that exported to Jamaica; and
- (b) Jamaica's obligation to apply the Common External Tariff to energy supplies imported from elsewhere deprives it of the ability to "play the market" and secure cheaper supplies.

These factors, it is argued, have not only placed Jamaican producers at an unfair disadvantage within the CARICOM market but have also undermined their ability to compete in other export markets and are thereby discriminatory and a breach of the spirit, if not the letter, of the CARICOM Treaty.

The Commission had the benefit of reviewing the report of a study commissioned by a consortium of Jamaican private sector organizations as well as a study undertaken by the Jamaica Anti-Dumping and Subsidies Commission relating to the supply of energy from Trinidad & Tobago. We also reviewed a legal opinion by CARICOM's then General Counsel, Mr. Winston Anderson, (now a Judge of the Caribbean Court of Justice), procured by the CARICOM Secretariat in 2003 at Jamaica's request. We must point out that this opinion dealt specifically with the supply of Liquid Natural Gas (LNG) for which Jamaica was seeking to secure an agreement.

This matter is extremely complex and rests on the interpretation of both the CARICOM Treaty and WTO rules, specifically those relating to Subsidies and Countervailing Measures (SCM) by which both Jamaica and Trinidad & Tobago are bound.

A factor that must not be ignored is Jamaica's high cost of converting crude oil into useable energy due to its inefficient and technologically antiquated plant and equipment,

a situation that would obtain with crude oil imported from anywhere else. We are cognizant that this is a matter that is currently being addressed by the Jamaican government.

The issue turns not only on the question of whether Trinidad & Tobago is subsidizing energy supplies in its domestic market but also whether Jamaica, as a member of CARICOM, is entitled to benefit from such a subsidy under the Treaty provisions for non-discrimination on the basis of nationality. As the legal opinion from Mr. Winston Anderson asserts,

*".....the Revised Treaty declares that a Member State is obliged to grant no less favourable treatment to other Community nationals than it does to its own nationals" and "Member States have the obligation to refrain from discrimination on the grounds of nationality alone in relation to all matters undertaken by them under the Revised Treaty."*¹⁸

The authorities of Trinidad & Tobago, on the other hand, contend that it is only obliged to provide this benefit to other Community nationals purchasing and utilizing the commodity **within the territorial boundary of Trinidad & Tobago**.

The provisions in the CARICOM Treaty in relation to the definition and treatment of subsidies mirror those in the WTO agreement. They prescribe that a subsidy exists where the seller of the product benefits from a financial contribution by the government or a public body that takes the form of:

- (a) a direct transfer of funds including grants, loans or equity infusion;
- (b) revenue foregone;
- (c) government purchase or supply of goods;
- (d) income or price support.

Both the CARICOM Treaty and WTO rules stipulate that for a subsidy to be actionable it must be "specific", i.e. it must be provided to an individual or group of enterprises, industries or regions or directed to export goods or goods using domestic inputs. Both also differentiate between subsidies that are absolutely prohibited and those that (a) cause injury to a domestic industry, (b) nullify or impair benefits to which a Member State is entitled, or (c) prejudices the interest of a Member State. The remedies available to an aggrieved Member State differ in each case.

The material facts that the Commission has reviewed including the accumulated losses of the Trinidad & Tobago Electric Company that are ultimately a government liability and, therefore, constitute a "financial contribution" indicate that Trinidad & Tobago does, indeed, subsidize the cost of energy to its domestic consumers and, even more preferentially, to its producers. The government of Trinidad & Tobago recently acknowledged that these subsidies amounted to TT\$31 billion over the last ten years. Their products are exported to Jamaica and hence compete unfairly with Jamaican producers as well as impair their ability to export to third markets. It, therefore, "prejudices trade and prevents, restricts or distorts competition"¹⁹ in Jamaica.

While the WTO rules regarding the effect of subsidies on downstream production (i.e. goods produced with subsidized inputs) may offer no relief, this practice does not comport with the provisions of the Treaty. This view is supported by the legal opinion rendered by Mr. Anderson that:

"Having established that access to energy and energy-related products falls within the scope of the CSME as defined in the Revised Treaty, it must now be ascertained

¹⁸ Advisory Legal Opinion: Energy – Dr. Winston Anderson, General Counsel, CARICOM Secretariat (5th November 2003)

¹⁹ Article 175 (1) of the Revised Treaty of Chaguaramas

whether the pricing of these products is also a matter dealt with in the Agreement. We are of the view that it is."

A complicating issue that arises is that all of the electricity that Trinidad & Tobago supplies to its domestic producers in relation to which the subsidy allegations are made is derived from natural gas, not crude oil, most of which it exports and which is largely what Jamaica imports. Trinidad & Tobago has proffered this argument, as well, in defense of its pricing of oil and petroleum products to Jamaica.

We note that the CARICOM Energy Policy approved by COTED in March 2013 includes a provision for "Intra-Community Trade in Hydrocarbon Energy Sources" with the stated purpose "to ensure fair pricing and access to hydrocarbon resources by all Member States". However, it failed to address the issue in any definitive way, stating only that "Pricing of regional energy sources should conform to Article 177 of the Revised Treaty of Chaguaramas that pertains to the Prohibition of Anti-Competitive Business Conduct" without elaborating on what that conformity should mean.

Jamaica is not without some leverage because it accounts for a substantial portion of the market for Trinidad & Tobago's oil exports. The Commission was made aware that discussions are ongoing at the highest level (not for the first time) with a view to resolving this issue but we are also conscious that a resolution of the matter that is favourable to Jamaica carries huge domestic political risks for the government of Trinidad & Tobago.

We share the view expressed to us by Sir Shridath Ramphal and others that differential pricing, especially for a vital commodity such as energy, is inconsistent with the principle of a single market and economy. It is our considered view that the Government of Jamaica should take steps to have this matter adjudicated by the CCJ for a final determination. Such a determination becomes even more necessary because of the large oil reserves recently discovered in Guyana's offshore.

3.4 CARICOM's impact on Jamaica's employment

The evidence available to the Commission suggests that Jamaica has suffered some loss of jobs in the manufacturing sector because of competition from CARICOM imports but, as earlier suggested, much of the same would probably have occurred as a result of imports from extra-CARICOM sources.

The Commission was unable to obtain any reliable data on the number of Jamaicans currently living and/or working in other CARICOM Member States or to identify how many have benefitted from employment as a direct result of our CARICOM membership. A report by the Ministry of Foreign Affairs and Foreign Trade submitted to the Public Administrations and Appropriations Committee of Parliament in March 2013 estimated the number of Jamaicans living in other CARICOM countries at that time to be between 30,000 and 40,000. No disaggregation of that number was available to determine how many of those were legitimately employed through work permits or skills certification under the ten approved categories of workers. It is impossible to determine the number who may be working illegally. Officials of Trinidad & Tobago have claimed, based on immigration records for Jamaicans landed for six months but for whom there is no record of departure, that there are over 20,000 Jamaicans residing illegally there, some of whom, presumably, are working without authorization.

We were informed that over 16,000 CARICOM skills certificates have been issued for persons among the ten approved categories with Jamaicans accounting for the largest share. However, this does not necessarily co-relate to the number of persons who have actually secured jobs as a result.

What records are available indicate that there is a large number of Jamaicans employed throughout CARICOM, mainly in Trinidad & Tobago, Barbados, Antigua & Barbuda and the Bahamas. The acceptance by some Member States of skills certificates issued by Jamaica is problematic as detailed in Chapter 4.

3.5 *CARICOM's impact on investment in Jamaica*

Over the last twenty years Jamaica has received over US\$11 billion in foreign direct investment (FDI). This includes investments from CARICOM countries, primarily Trinidad & Tobago and Barbados, in various areas including financial services, hotel properties, spirits and beverages, food manufacturing, cement production, agri-chemicals and ICT. The majority of these, however, were acquisitions of existing enterprises rather than new output or job creating ventures. Further, there is no empirical basis for attributing these to our CARICOM membership, nor is it possible to identify any extra-CARICOM investment made in Jamaica based primarily on its duty-free access to the regional market.

A small number of Jamaican companies and entrepreneurs have undertaken investment in other CARICOM countries but data on this is sparse. The absence of an integrated regional capital market that was intended to facilitate cross-border investment and the continued existence of some restrictions on the free movement of capital are addressed further in this report.

3.6 *CARICOM's impact on Jamaica's competitiveness*

We have already referred to the impact that imports from other CARICOM countries, primarily Trinidad & Tobago, have had on Jamaica's manufacturing sector and what this implies for its level of competitiveness. Some local manufacturing operations dislocated by competition from CARICOM imports have shifted into other production activities where higher levels of competitiveness have been attained. This would have to be seen as a benefit of CARICOM membership because it is in the interest of our own economic development and a natural and intended outcome of free trade to induce or force resources into activities where they can be more efficiently utilized. However, CARICOM's effect on Jamaica's competitiveness cannot be viewed in abstract but must be counterbalanced by the fact that many of the elements required for the efficient operation of the CSME are yet to be put in place. We expand on this issue further in the report.

CHAPTER 4

Analyzing CARICOM's performance against the goals and objectives enunciated in the Revised Treaty of Chaguaramas and identifying the causes of the shortcomings

4.1 CARICOM's broad objectives

The broad objectives of CARICOM are set out in Article 6 of the Revised Treaty of Chaguaramas:

- improved standards of living and work;
- full employment of labour and other factors of production;
- accelerated, coordinated and sustained economic development and convergence;
- expansion of trade and economic relations with third States;
- enhanced levels of international competitiveness;
- increased production and productivity;
- greater effectiveness in dealing with third states, groups of states and multilateral entities;
- functional cooperation in the provision of common services;
- functional cooperation for the advancement of social, cultural and technological development especially in health, education, transportation and telecommunications.

Achievement of these objectives is to be built on the four "Pillars of Integration":

- Economic integration
- Foreign policy coordination
- Human and social development through functional cooperation
- Security

Caribbean countries have had a long history of cooperation dating back to 1898 with the establishment of what was to become the Imperial College of Tropical Agriculture. Other early cooperation efforts include agreement on uniform quarantine laws and procedures (1904), West Indian Court of Appeal (1919), research station in Trinidad & Tobago for developing sugarcane varieties (1930), joint purchasing of essential scarce commodities during World War II, regional Oils and Fats Agreement and the establishment of the University College of the West Indies at Mona (1948). The most significant early initiatives toward broader economic cooperation were the mounting of a Joint West Indian Trade Commission to Canada in 1934 and the appointment of a Regional Economic Committee in the 1940s to develop a framework for regional economic development.

4.2 Economic integration disappointment

Accelerated economic development, expansion of trade and increased production and productivity were among the outcomes to be derived from regional integration. These, obviously, ought to be reflected in economic growth for the countries of the region. The

level of GDP growth among CARICOM countries over the twenty-year period 1995-2014 has been disappointing.

That disappointment is not ours alone. We cannot but be deeply troubled by the comments made recently by Mr. Bruce Bowen, retired senior vice president of Scotiabank for the Caribbean region and former president and CEO of Scotiabank Jamaica:

“In my position as head of the Caribbean’s largest financial institution, I often participated in high level meetings of the region’s major donor countries and IFIs and there are many individuals and institutions that will tell you confidentially that they see no future for the Caribbean. These are senior policymakers internationally that believe the Caribbean is unable to fix its problems and any aid provided is not going to make much of a difference”.²⁰

It is overly simplistic to attribute this poor performance to the failure of the CSME. Something cannot be said to have failed until it has been tried and the reality is that the CSME as an integrated economic arrangement is yet to be functionally established.

As **Table 6** illustrates, over the last twenty years, only Trinidad and Tobago achieved an average annual rate of growth exceeding five percent, driven primarily by its energy sector. Belize, Guyana, St. Kitts & Nevis and Suriname followed with over three percent. Apart from Montserrat that was literally decimated by volcanic eruption in 1995, Jamaica fell at the bottom of the pile with 0.5 percent. Most CARICOM countries performed below the world average for low, lower-middle and upper-middle income countries as well as the world in general. **Appendices 1(A) to 1(P)** provide data on the economic performance of the CSME countries as a bloc as well as each member country across a range of key indicators over the last twenty years.

²⁰ Address to Ryerson University Alumni, Bridgetown, Barbados, March 21, 2017

Table 6: GDP Growth Among CARICOM Countries (1995 – 2014)

	Cumulative GDP Growth 1995-2014	Average Annual GDP Growth 1995-2014
CSME:		
Antigua & Barbuda	56.0	2.2
Barbados	34.6	1.5
Belize	121.8	4.1
Dominica	49.4	2.0
Grenada	74.1	2.8
Guyana	85.9	3.1
Jamaica	10.0	0.5
St. Kitts & Nevis	87.6	3.2
St. Lucia	48.1	2.0
St. Vincent & Grenadines	70.0	2.7
Suriname	101.3	3.6
Trinidad & Tobago	177.3	5.3
Non-CSME:		
Bahamas	43.6	1.8
Haiti	27.7	1.2
Montserrat	43.0	-2.8
Low Income Countries	145.9	4.6
Lower Middle Income Countries	183.5	5.3
Upper Middle Income Countries	177.2	5.2
WORLD	79.3	3.0

Source: World Bank

4.3 CSME prerequisites

A **Single Market and Economy**, in other words, a single, virtually seamless economic space, requires a sophisticated infrastructure to singularize twelve separate spaces, politically independent of each other and separated at their extremities by over 2,000 nautical miles from the Yucatan Peninsula (Belize) to the northern coast of Brazil (Guyana and Suriname). Without that infrastructure, the dream of a single market and economy will remain "but a fleeting illusion to be pursued but never attained".

To their credit, CARICOM Heads of Government recognized this imperative and laid out an architecture of critical institutions and legislative and administrative arrangements to be put in place to enable it to work. In 2007, they adopted an implementation programme developed by the late Professor Norman Girvan that itemized the actions required to

bring the CSME into full operation.²¹ This was to be accomplished in two phases over the periods 2006-2008 and 2009-2015.

What has actually been accomplished has fallen far short of even modest expectations and varies both among member countries and across the range of actions that were to be taken. It must be acknowledged that some valuable work has been done, albeit tediously, in putting in place some of the legislative provisions and institutional arrangements both at the regional level and in Member States. However, there are still huge gaps to be closed. Many of the provisions vital to the creation and functioning of the CSME have received little or no attention. It is what is often referred to as CARICOM's "implementation deficit". We highlight below those that we consider to be of critical importance.

(1) Macroeconomic convergence

- An agreed **Fiscal Responsibility Framework** with prescribed targets to be achieved in the medium term.
- An agreed **Debt Management Strategy** with debt reduction targets to be achieved in the medium term.
- Alignment of monetary policies.
- Abolition of exchange controls and full convertibility of currencies within the region.

Note 1: A submission from a member of the public who returned to Jamaica after working for a number of years in Trinidad & Tobago recounted the difficulty he experienced in converting into Jamaican dollars his savings which he brought back in TT dollars.

Note 2: Some have long argued that a single market and economy requires a common currency. The Commission doesn't share that view. What is required is exchange rate stability and the confidence that exchange rate fluctuations will be minimal.

(2) Integrated Capital Market

- Harmonization of laws and regulations relating to financial services. (A **CARICOM Financial Services Agreement** that was agreed by COFAP in 2013 remains in limbo)
- An agreed protocol for cross-border regulatory cooperation.
- Regionalization of Credit Bureau mechanisms.
- Establishment of the legal framework to allow companies to raise capital by public issues across the region.

(3) Free movement of people

- Only ten categories of workers are currently entitled to work throughout the region without work permits. Other CARICOM nationals are entitled to up to six months stay but are not entitled to seek employment.
- Only Jamaica, Guyana and Grenada currently recognize all ten agreed categories of workers.
- Some Member States require certified workers to apply for a separate skills certificate in the country where they seek employment before being entitled to work.²²
- A police certificate which is totally irrelevant to one's level of competence is required before a skills certificate can be issued.

²¹ "Towards a Single Economy and Single Development Vision" – Norman Girvan (2006)

²² This is partly attributed to the incidence of fake certificates being tendered. The Ministry of Education advised that certificates with advanced security features are shortly to be introduced.

- In some Member States, spouses and dependents of certified workers are not allowed indefinite stay as was mandated.
- Business owners exercising the right of establishment are required to obtain work permits – a precarious basis on which to commit investment in a country.
- The long-discussed Protocol on Contingent Rights to ensure non-discriminatory access to social services by dependents of CARICOM nationals legally entitled to live and work in Member States other than their own is not yet in place.

Note: A submission to the Commission from a member of the public who was employed in Barbados related the difficulty in having his children enrolled in both primary and secondary schools, being required each year to produce a school permit from the Immigration Department as well as a letter from the school principal certifying that “they are not occupying the place of a national”.

- While the CARICOM Agreement on Social Security ensures portability for government schemes such as the National Insurance Scheme, the absence of similar arrangements for private pension schemes serves as an impediment to the free movement of CARICOM nationals within the region.

(4) Removal of all Non-Tariff Barriers (NTBs)

- Harmonization of Customs laws, regulations and procedures including, especially, treatment of perishable goods.
- Agreed Protocol on Sanitary and Phytosanitary standards, procedures and certification.
- Agreement on the application of Rules of Origin to goods produced within Free Zones in Member States.
- Free circulation of goods imported from outside the CSME once the appropriate import charges have been paid at the port of first entry.

(5) Harmonization of laws and regulations governing the registration and operation of businesses

- Standardization of incorporation requirements and procedures as well as the establishment of a Regional Company Registry to allow companies to operate in any Member State without multiple registrations.
- Development of a Corporate Tax Instrument to provide a common basis for the assessment of corporate tax liability.
- Standard Double Taxation provisions for Member States entering into agreements with third countries.
- Harmonized investment policy and incentives framework and the development of a Regional Investment Code.

(6) Services market

- Removal of existing restrictions relating to the services sector.
- Protocol relating to the recognition of professional accreditation.

(7) Right of establishment

- Removal of legal restrictions that still exist in several Member States on the right to establish businesses.

- Removal of restrictions on the ownership of land in respect of CARICOM nationals (some Member States still retain legal restrictions on the ownership of land by non-nationals).

(8) Fair Competition and Consumer Protection

- Establishment of the legal and institutional framework for enforcing rules of competition.
- Amendment of the Competition Policy to make provisions for treating with mergers and acquisitions.
- Harmonization of laws and regulations and establishment of the institutional arrangements regarding consumer protection (some Member States have no consumer protection laws while those in some other states are antiquated).

(9) Government Procurement

- Completion of ongoing work on a Regional Government Procurement Regime.
- Removal of existing restrictions that preclude goods and service providers from qualifying for government contracts in other Member States.

(10) Intellectual Property Rights

- Modernization and harmonization of intellectual property legislation across Member States.
- Establishment of a Regional Intellectual Property Office (or, perhaps, more suitably, designation of one of the existing IPOs to undertake that function).
- Adoption of appropriate conventions relating to the registration and administration of patents, trade marks, protection of genetic resources, traditional knowledge and traditional cultural expressions.

We consider some of these to be “make or break” issues that will determine whether the goal of a single market and economy is worth pursuing or whether we are simply “flogging a dead horse”.

We share the view expressed in his submission to the Commission by the former Prime Minister of Barbados, the Right Honourable Owen Arthur:

“The reality is that the CSME has not moved from being largely a legal phenomenon to one where real and effective market access has been created and where the operation of a truly regional market has been allowed to emerge.”

The Commission recognizes that some aspects of the work involved can be burdensome especially for countries with less than adequate institutional capacity that is already stretched dealing with urgent domestic matters. Yet, fifteen years is a long time....long enough for these difficulties to have been overcome.

Some eminent persons with whom the Commission conversed pointed out that as CARICOM continues to procrastinate, some members are integrating elsewhere. Belize joined the Central American Integration System (SICA) in 2000. Suriname and Guyana became members of the Union of South American Nations (UNASUR) in 2004 and 2010 respectively. The six OECS member countries have advanced their sub-regional integration far beyond that of CARICOM.

The Landell Mills Report²³ commissioned by the Heads of Government for restructuring the Secretariat, makes the chilling observation:

"CARICOM is in crisis...The crisis is sufficiently severe to put CARICOM's very existence in question.

".....There is evidence that, without fundamental change, CARICOM could expire slowly over the next few years as stakeholders begin to vote with their feet."

4.4 Macroeconomic convergence - the heavy lifting yet to be done

A single economy requires a relatively uniform economic environment within which to operate. It cannot exist in a space with a variety of different fiscal, monetary, foreign exchange and debt management regimes. The architects of the CSME quite clearly understood this and thus made explicit provision in the Revised Treaty of Chaguaramas for macroeconomic convergence to be pursued as an essential component and for the supporting legal and institutional framework to be established.

Only when these elements have fully or substantially been put in place will the CSME be given a chance to work and only then can a proper evaluation of its efficacy be made. But it is here that the bulk of the implementation deficit is to be found.

Little or no effort has yet been made to tackle this "elephant in the room". The primary responsibility for this rests with the Council for Finance and Planning (COFAP). Under its Rules of Procedure, it is required to meet twice per year. The Commission was alarmed to learn that it very rarely meets and has not met since 2013. Yet, this is hardly anything new. The report, previously referenced, of a review of CARICOM carried out in 1980 by the Group of Caribbean Experts made the observation:

"Very little has been done in the area of consultation on economic policies or the coordination of development planning. The Committee of Planning Officials from Member States has been virtually inactive."

While The Committee of Central Bank Governors (CCBG) meets on a regular half-yearly basis, it does not have the authority to take the policy decisions that are necessary.

At the beginning of the current decade, three concentric initiatives were taken:

- (1) The Inter-Sessional meeting of Heads of Government held in Grenada in March 2011 –

"Acknowledged that the pursuit of competitive production in the Caribbean Community required a complementary regime of macroeconomic and sectoral policies to support the Single Market arrangements;

Mandated the Council for Finance and Planning (COFAP) to conduct a strategic assessment of the elements of the macroeconomic policy coordination work programme including the network of institutions comprising the regional economic/financial architecture with a view to formulating a slate of initiatives to advance the CSME;

*Noted that, given the status of the macro-economic policy initiatives, the timetable for the significant establishment of the Single Economy framework by 2015 as set in the Single Development Vision (the Girvan plan) which was adopted in 2007 **was not now achievable**;*

Also mandated the COFAP to review this timetable with a view to proposing a revised set of timelines for advancing the completion of the CSME framework."

²³ Turning Around CARICOM: Proposals to Restructure the Secretariat (2012)

- (2) The Inter-Sessional Heads of Government meeting held in Suriname in March 2012, mandated that a study be done to re-examine the future direction of the Community and the arrangements for carrying it forward including the role and function of the Secretariat and that a Strategic Plan be prepared.
- (3) In 2013, the Heads of Government established a *Commission on the Economy* which developed, among other things, proposals for a Debt and Fiscal Sustainability Framework, engagement of private sector and trade union leaders, a regional investment promotion strategy and measures to improve the business operating environment in Member States.

At its regular meeting held in St. Lucia in July 2012, the Heads reviewed and adopted the report, arising from its 2011 mandate, titled *"Strategic Assessment of the Macroeconomic Policy Coordination and Harmonization Work Programme – Formulating a Slate of Initiatives to Advance the CSME."*

At its regular meeting held in Antigua and Barbuda in July 2014, the Heads of Government received and adopted the *"Strategic Plan for the Caribbean Community 2015-2019: Repositioning CARICOM"* that was commissioned in 2012. It is broader in scope and includes most of the tasks identified in the "Strategic Assessment.....Slate of Initiatives to Advance the CSME" document, some of the timelines of which had by then lapsed.

The Strategic Plan is now in the third of its five-year run. A progress report on its implementation prepared by the CARICOM Secretariat states, inter alia, that the majority of the seventy-six principal measures identified in the plan are "on track to achieve the target". The report is of such critical importance that we have reproduced it in its entirety as **Appendix 2**.

The Commission regrets that, having reviewed the report, it can find no reason to share the Secretariat's sanguinity because the heavy lifting tasks have not yet been undertaken and we have seen no indication that this is about to happen anytime soon.

The proposals submitted by the Commission on the Economy continue to languish for lack of decision or even serious consideration.

The immersion in inaction is palpable. Prime Minister Roosevelt Skerrit of Dominica, addressing the 28th Intersessional Meeting of Heads of Government on February 16, 2017, reiterated his call for *"the use of whatever powers at our disposal to work towards the speedy and effective implementation of matters we have long agreed upon"*. He noted that many of these matters were still pending and the inability of the relevant bodies to meet and finalize them was proving a hindrance to progress. *"We can and must do better"*, he added.

Déjà vu: It is a lamentation that has been heard so often and for so long. Barbadian journalist Arthur Gray writing in 1985 made the sardonic observation that: *"It is a pity that people can come together at such a high-powered level, talk through their problems in a spirit of understanding and then walk away from those meetings without the slightest intention of carrying out the noble actions which they said they would."*²⁴

For his part, the current chairman of CARICOM and President of Guyana, His Excellency David Granger, declared at the recently concluded Intersessional Heads of Government meeting in February 2017 that *"the CSME must not be allowed to become a victim of equivocation and procrastination."*

As former Prime Minister of St. Lucia, Dr. Kenny Anthony, declared in 2015, CARICOM is "stalled in a crossroads of indecision":

²⁴ *"Accord heavier than the paper it is on"* – Daily Nation, Barbados, November 11, 1985

*"We have confused conversation with implementation and eventually our diluted commitment, limited resources and chronic avoidance produces a cynicism at home and abroad and undermines the credibility of the regional apparatus and its operators."*²⁵

The Commission is of the view that the recurring failure of initiatives firmly agreed upon and which are vital to CARICOM's success is due not so much to inertia or the pressure of domestic issues but, rather, the reluctance on the part of member countries to embrace the challenges of the CSME mandate. It was this seeming lack of commitment and will that moved the West Indian Commission in 1992 to proclaim and title its report "Time For Action". Twenty five years on, we believe that CARICOM leaders should now make a determination as to whether that time has passed, whether a window of opportunity for a single market and economy is still open and whether the appetite for it still exists. It is a distraction and an exercise in futility that depletes energy and scarce resources to continue tinkering with the single market and economy, cherry-picking what pieces offer immediate benefits and deftly avoiding all others while reaffirming commitment to its total fulfillment if Member States feel, but are afraid to express, that it is too high a price for them to pay or that the risks involved outweigh its promise of benefits. **If it is not time for action, it must be time for decision.** If regional integration – the CSME, in particular – is a mirage, the sooner we acknowledge and face up to that is the sooner we will have a clearer vision as to where we can or intend to go.

4.5 Free movement of people

The ability of CARICOM nationals to move freely throughout the Community has remained a vexed issue. The report of the focus groups study that the Commission conducted revealed that almost all of the persons who participated felt estranged from other Member States because they didn't feel they were free to travel or welcome there. Data provided by the Passport, Immigration and Citizenship Agency (PICA) indicate that approximately 35,000 Jamaicans travel annually to other CARICOM countries. Although the number of persons denied entry is less than 3%, a much larger number complain of being subjected to unwarranted and sometimes demeaning treatment. This issue continues to be the most emotionally charged symbol of the separateness of what is supposed to be a community with a single market and economy.

Free movement of people was the source of much agonizing leading up to the West Indies Federation until it was eventually agreed that all countries would adhere to unrestricted movement of people within five years of its inauguration.

The Commission feels strongly that free movement of people is as critical a component of a single market and economy as the free movement of goods or capital. We note that Article 45 of the Revised Treaty established this as a goal and that the preamble to the Treaty avers that "*optimal production by economic enterprises in the Community requires the structured integration of production in the Region and, particularly, the **unrestricted movement of capital, labour and technology***". We consider this to be a litmus test of the commitment to regional integration and recommend that **all restrictions on the free movement of people except for security and public health reasons be removed within a specified timeframe not exceeding five years.**

We feel also that unrestricted movement of CARICOM nationals within the Community offers the most effective means in the short term of rekindling public interest in and support for the integration process while we work to transform CARICOM into something that makes a meaningful impact on their lives.

²⁵ CARICOM Leaders Lecture Series, Port-of-Spain, March 2015.

While Jamaica has a relatively good record for hassle-free admission of CARICOM nationals, we were aghast to learn during our consultations at the UWI that Jamaica imposes a fee on the entry of university students from other CARICOM Member States for study in Jamaica. On further enquiry of the relevant authorities, we were informed that since the Treaty guarantees admission for only six months, these students are required to apply for an extension to cover the period of their course of study and pay a fee of \$10,000. If they fail to do so before the six months expire, an additional fee of \$50,000 is charged. We were informed that similar, although less onerous, requirements are applied in some other Member States. This is the type of irritant that fuels cynicism about the depth of commitment of regional governments to the integration process and can be done away with almost by the stroke of a pen. The Commission was distressed – but not surprised – to learn that even though the matter of facilitating the movement of students within the region was discussed at the Conference of Heads of Government in 2006, no decision or action has been taken.

We are not unmindful of the fears held especially by smaller Member States that their population might be overwhelmed by intraregional migration as people instinctively move toward “poles of opportunity”. These fears are heightened by the expected full participation of Haiti in the CSME. The Commission must assume that the possibility of migration from Haiti to other Member States was contemplated when it was admitted in 2002 to full membership of CARICOM which had the free movement of people as a stated goal. The fact that Haiti is the only Member State whose citizens are required to obtain visas in order to enter another CARICOM country is an affront to not only its membership but, as well, to the CARICOM decision of 2007 that “all CARICOM nationals should be allowed an automatic six months stay on arrival in another CARICOM Member State” and to the CCF’s decision in the Shanique Myrie case.

The fears of inward migration appear not to take into account that there are benefits to be gained from free movement. The two waves of Cuban migration into South Florida in the 1980s and 1990s didn’t depress the South Florida economy; rather, they strengthened it.

The experience of the European Union after its enlargement in 2004 to include countries in Central and Eastern Europe (EU-8) is also instructive. Three of the fifteen original member countries – UK, Ireland and Sweden – opted to allow immediate unrestricted movement of people into their countries. The other twelve, fearing an unmanageable influx of low-skilled and low-wage workers from these new member countries, chose to phase in free movement over the maximum allowed period of seven years. The three countries that opened their borders from the outset are among the four fastest growing economies within the EU since 2004. CARICOM member countries have been “phasing in” the stated goal of free movement of people for more than ten years without yet even allowing full application in respect of the limited categories of workers that have been agreed.

Notably, the free movement of people allowed among the OECS countries since 2011 has not resulted in any significant migration problems despite the large differences in income levels among its member countries. As regards Haiti, the Commission sees it as less of a burden and more of an opportunity for CARICOM to grow in a way that is beneficial both to Haiti and the region, constituting as Haiti does 60% of CARICOM’s population.

It is the view of the Commission that to maintain barriers to free movement of people in a Single Market and Economy is like establishing border control at Ferry to determine whether persons from other parishes will be allowed to enter the Corporate Area to visit, live, seek employment or do their shopping. Simply put, it does not square with a single market and economy.

4.6 *Citizenship by Investment*

The Commission is concerned about the way in which Citizenship by Investment or Economic Citizenship programmes are administered by some Member States. The term "Citizenship by Investment" is a misnomer. It is essentially a "Citizenship for Sale" programme driven more by immediate revenue benefits than by long-term investment expectations because in all cases citizenship can be granted within three months on the basis of a "contribution" to a government fund which can be as low as US\$100,000. In most cases, there is no minimum period of residency required and it is possible to obtain citizenship without a face-to-face interview or the applicant even having to visit the country.

The Commission noted that there are several countries that offer immigration benefits as a means of attracting foreign investments. These include the USA's EB-5 and Canada's immigrant investor programmes. Almost all of these are limited to providing approved residency which, after a minimum period (usually five years), may assist in obtaining citizenship. However, only eight countries in the world confer citizenship based solely on the amount of the "investment" made, five of which are CARICOM Member States (Antigua & Barbuda, Dominica, Grenada, St. Kitts & Nevis and St. Lucia). Caribbean citizenship is highly sought after because it is relatively cheap, quick and uncomplicated and can afford the holder visa-free entry to as many as 132 countries, including the U.K., Canada and the countries of the Schengen area.

The practice has developed without any regional agreement or protocol regarding the terms and conditions of the programme, qualifications and restrictions or the need for prior consultations or sharing of information with other Member States who have the obligation under the CARICOM Treaty to accord the same rights to these "citizens" as to any other CARICOM national. This obligation was confirmed in a legal opinion rendered by CARICOM's General Counsel and presented to the recent Inter-Sessional meeting of Heads of Government in February 2017 at which, it is reported, the issue was the subject of contentious debate. From enquiries made by the Commission, the due diligence procedures employed by the granting countries vary from one to the other and much of it is carried out by their overseas authorized agents.

The Commission was informed that the Heads of Government had mandated that all applications should be vetted by IMPACS and we confirmed that such referrals, indeed, have been made. However, the granting state is not obliged to accept the advice of IMPACS and there is no mechanism for determining whether all applications are being so referred or only those about which the granting Member State may have concerns. Cases have emerged where persons granted citizenship under these programmes were later discovered to have fled other jurisdictions for alleged crimes. The issue is further compounded by the fact that some of these new "citizens" have been instantly issued diplomatic passports with the attendant immunities.

Concern has been raised by the USA, Canada and OECD countries about these programmes. In fact, two CARICOM Member States (St. Kitts & Nevis and Antigua & Barbuda) have lost their visa-free access to Canada and there is a real danger that it might also affect other aspects of CARICOM's relationship with these countries.

The Commission noted and is sympathetic to the view expressed by Prime Minister Ralph Gonsalves of St. Vincent & the Grenadines that *"The highest office in the land is that of citizen, higher than prime minister, higher than governor general. It is not a commodity for sale. The passport is the outward sign of the inward grace of citizenship and that, too, is not for sale"*.

We recognize that CIPs are of considerable economic value to some countries, accounting for a significant portion of their total revenues (25% in the case of Antigua & Barbuda and 33% in the case of St. Kitts & Nevis). However, the potential risks to the Community,

especially in view of the sophistication of transnational crime, cannot be ignored and since all member countries are directly affected, they have a right to be assured that appropriate safeguards are in place and closely monitored. The Commission urges that a CARICOM agreement with the necessary protocols and safeguards be established and scrupulously monitored in this regard.

4.7 Foreign policy coordination

CARICOM foreign policy coordination has produced mixed results. CARICOM Member States have agreed and taken common positions on many issues that have proven to be effective and beneficial. The pivotal role that CARICOM and Jamaica, in particular, played in the formation of the 79-member African Caribbean and Pacific States (ACP) is a notable example. Other significant successes have been evident in areas such as health, peace and security, climate change and the environment and, in some instances, candidatures for high-level positions in international organizations. It must also be noted that foreign policy coordination and division of labour is especially important at the United Nations where CARICOM missions are small and collaboration is absolutely critical if an effective presence is to be felt. CARICOM's collaborative efforts there and in the Caucus of Ambassadors in Washington are good examples of foreign policy coordination in action.

The fact that CARICOM has worked in tandem on development issues has also resulted in increased access to funding from international development partners who, especially when dealing with small countries, prefer to develop funding relationships with regional groupings. Through joint representation on international bodies, CARICOM has benefitted from technical assistance and specialized training programmes from multilateral sources and third countries that have been channeled through the CARICOM Secretariat.

The capacity of Member States to negotiate globally is strengthened by their membership in CARICOM as a regional bloc. CARICOM constitutes fourteen votes in important international and regional bodies such as the United Nations (7.25%), Commonwealth (27%), ILO (7.5%), OAS (40%), WHO (7.3%) and PAHO (14%). That gives CARICOM Member States, when acting in concert, a leverage proportionately greater in terms of its combined population than any other region in the world. This has been particularly effective on divided issues where CARICOM's fourteen votes are earnestly sought by major countries. The correspondent banking de-risking challenge is a typical issue where collective action is likely to be far more effective than battling separately.

However, there have been significant lapses. An obvious example is the fragmented approach toward relations with the People's Republic of China, arguably the most significant emerging player in the global economy, which has seen some CARICOM countries adopting the One-China policy and others maintaining diplomatic relations with Taiwan. Six Member States have joined the Bolivarian Alliance for the People of Our America (ALBA); the remaining Member States, up to now, have chosen not to do so. The spectre of CARICOM member countries supporting different candidates for the position of Commonwealth Secretary-General in 2015 is another regrettable example. The exercise by Member States of the right to independently pursue diplomatic engagements without regard for their implications for the region as a whole is not in keeping with the spirit of the CARICOM Treaty and will only lead to our being divided and manipulated.

In our discussions, the Commission came away with the view that, in many instances, these disjointed approaches resulted not from a failure to reach a common position, but rather, a failure to even discuss the issue in a serious way, in other words, a failure to agree to disagree. There have been instances where overseas representatives of CARICOM Member States were unable to take common positions because of their inability to obtain directions and timely responses from their governments. The Commission was told of cases where joint positions, firmly agreed, unraveled at the last minute after some

Member States were seduced by offers of bilateral aid, a phenomenon usually referred to as “dollar diplomacy”, but which was colourfully described to us as “eat-a-food” diplomacy. It is exemplified in the undignified hopscotching between Beijing and Taipei that some Member States have done in their diplomatic relations.

Notwithstanding the diminution of our geopolitical significance, our capacity to box above our proverbial political weight can be more effectively leveraged in collectively projecting the Community’s interests and goals in multilateral and regional settings. Going forward, this requires that CARICOM address the issue of improving its strategic foreign policy planning process. In the area of candidatures this would ensure that CARICOM candidatures are driven by regional rather than solely national or personal agendas. This is a matter about which, we suggest, that the Heads of Government should have a frank discussion.

4.8 Human and social development through functional cooperation

Functional cooperation is undoubtedly the area of CARICOM’s greatest achievement. Its benefits include greater access to international funding agencies, cost-sharing and improved efficiency in the delivery of public services, technical assistance and training, harmonization of standards and the strengthening of CARICOM’s international negotiating capacity. These benefits are often overlooked save for entities like CXC, CARPHA, CDEMA, and associated institutions like the UWI and the CDB. Functional cooperation services are delivered through a range of institutions and agencies:

- Caribbean Agricultural Research and Development Institute (CARDI)
- Caribbean Regional Fisheries Management (CRFM)
- Caribbean Aviation Safety and Securing Oversight System (CASSOS)
- Caribbean Centre for Development Administration (CARICAD)
- Caribbean Disaster and Emergency Management Agency (CDEMA)
- Caribbean Examinations Council (CXC)
- Caribbean Institute for Meteorology and Hydrology (CIMH)
- Caribbean Meteorological Organization (CMO)
- Caribbean Community Climate Change Centre (CCCCC)
- Caribbean Public Health Agency (CARPHA)
- Caribbean Agricultural Health and Food Safety Agency (CAHFSA)
- Caribbean Telecommunications Union (CTU)
- CARICOM Development Fund (CDF)
- CARICOM Implementation Agency for Crime and Security (IMPACS)
- CARICOM Regional Organization for Standards and Quality (CROSQ)
- CARICOM Competition Commission (CCC)

The Caribbean Export Development Agency (Carib-Export) and the Caribbean Regional Information and Translation Institute (CRITI) also serve as functional cooperation vehicles but are agencies of CARIFORUM.

The designated **Associate institutions** are:

- Caribbean Development Bank (CDB)
- Caribbean Law Institute (CLI)
- University of the West Indies (UWI)
- University of Guyana (UG)
- OECS Secretariat

A number of entities, although not formally part of the CARICOM structure, also facilitate functional cooperation. These include the Caribbean Tourism Organization (CTC), the Council of Legal Education (CLE) and the Caribbean Association of National Training Agencies (CANTA).

The Commission also noted that there are over forty organizations and associations outside of the CARICOM structure that facilitate regional collaboration in various fields such as business, the professions, sports, regulatory authorities, education and academia, public administration and judicial services.

The Commission reviewed the work of the formal CARICOM institutions and agencies and is satisfied that, in general, they are making a valuable contribution to developmental activities in member countries that it would be burdensome and an inappropriate use of scarce resources for each to provide for itself. Indeed, some would simply not be able to do so. However, there are deficiencies that need to be addressed. These include:

- limitations in the effectiveness of some institutions and agencies because of the failure to fully implement previously agreed measures for regional integration;
- inadequate budgetary support;
- inefficient management of some entities;
- lack of accountability and transparency.

4.9 Need for rationalization

The Commission is concerned at the large number of Community institutions and agencies that seem to have increased as a result of mission creep. There are instances of overlapping functions and the cost to member countries has become "intolerable and unmanageable", as Professor Havelock Brewster warned from as far back as 2003.²⁶ Even as this report is being prepared, CARICOM is in the process of establishing another body, the Caribbean Centre for Renewable Energy Efficiency (CCREE).

We consider the issues relating to the financing of CARICOM in Chapter 8 but note here that many of these institutions and agencies are so under-resourced that they are severely curtailed in the programmes they execute and the services they are able to deliver. Some have been unable to meet their basic operational costs and are accruing liabilities that are unsustainable. In fact, without funding from donor agencies, many of them would collapse and some that were previously established, indeed, have ceased to exist. The ability to attract competent persons to work in the various CARICOM institutions has been a casualty of this underfunding. We note, in particular, the observation made in the Landell Mills Report of 2012 that whereas CARICOM salaries were to have been maintained at 75% of equivalent international positions in the region, they were then measured at only 37% of that benchmark.

CARICOM's large number of institutions and agencies is unsustainable as is evidenced in the huge build up of arrears of subscription by Member States. We return to this issue as well in Chapter 8 dealing with the financing of CARICOM entities.

We are of the view that there needs to be significant rationalization among these bodies. For example, there appears to be sufficient complementarity in functions to consider merging the CMO, CIMH and CCCCC. Similarly, we feel that the functions of CAHFSA could be absorbed by CARPHA. We strongly recommend, as well, that the CDF be transferred to and administered by the Caribbean Development Bank. We also think that CARDI might be more effective if it is developed in conjunction with the UWI where the disciplines of pure and applied research can be merged.

Notwithstanding the above comments, the Commission sees an urgent need for a Center for Research and Innovation to help in identifying and developing new opportunities for global competitiveness and market penetration. The government of Trinidad and Tobago owns such a facility, interestingly named the Caribbean Industrial Research Institute (CARIRI), established in 1970 that has contributed significantly to its advances in technology and productivity. A real test of the commitment to integration is whether, instead of establishing yet another CARICOM institution, CARIRI could, by agreement with

²⁶ Review of the Rose Hall Declaration: Provisions on Regional Governance, July 2003

Trinidad & Tobago, be transformed into a CARICOM institution serving the needs of the entire Community.

The Commission was not satisfied that adequate mechanisms are in place to monitor the performance of these institutions and agencies to ensure optimal implementation and coordination of activities. The role and authority of the Secretariat in this regard need to be strengthened and clearly defined. Periodic institutional assessments should be conducted to ensure their continued relevance and measure their “fit for purpose” outcomes. We address these issues further in Chapter 7.

4.10 Caribbean Export Development Agency (Carib-Export)

The Caribbean Export Development Agency was established in 1996 as the trade promotion agency of CARIFORUM. While it has done valuable work with businesses in training, capacity building, technical assistance and even mobilizing financing which it showcases on its website, we did not have access to data that would measure its impact on CARICOM’s export expansion. In many respects, the services it provides are identical to those of national export promotion agencies such as JAMPRO. We feel it should intensify its focus on a more dynamic strategy, working closely with the business sector, not just in promoting and finding markets for Caribbean products but, more importantly, in marshaling market intelligence and identifying export opportunities that Caribbean businesses can position themselves to exploit. China became the world’s largest exporter not by trying to sell people what it produces but by producing the things that people want. This is a strategy that should define the focus of Carib-Export.

4.11 CARICOM Development Fund

The CARICOM Development Fund was established in 2008 pursuant to Article 158 of the Revised Treaty of Chaguaramas “for the purpose of providing financial or technical assistance to disadvantaged countries, regions and sectors”. The Fund operates on five-year funding cycles commencing with the period 2010-2015. Despite its stated purpose to serve the needs of “disadvantaged regions and sectors”, benefits under the first cycle were restricted to countries designated as Less Developed Countries (LDCs) as well as Guyana, the latter because of its classification as a “highly indebted poor country”. Largely because of the substantial debt relief from which it has benefitted and for which other CARICOM Member States, with the exception of Haiti, were not qualified, Guyana’s debt to GDP ratio now stands at just over 50% compared with More Developed Countries (MDCs) like Jamaica and Barbados, both of which are over 100%. The relevance of this differentiation is addressed in Chapter 5.

Jamaica contributed US\$19.7 million to the CDF’s First Funding Cycle (2010-2015) but has so far made no commitment to the Second Funding Cycle (2015-2020). Given the proposal we make in Chapter 5 for the removal of the differentiation between MDCs and LDCs and the certainty that there are vulnerable sectors in Jamaica that should qualify for CDF assistance, we recommend that Jamaica make an appropriate commitment to the CDF’s Second Funding Cycle.

4.12 Regional Security

Security is the fourth pillar of the integration architecture. The Conference of Heads of Government at its Twenty-Second meeting in 2001 established a Regional Task Force on Crime and Security (RTFCS) to develop a regional framework for the management of crime control and security. This, as well as the region-wide security measures required for the staging of the Cricket World Cup series in 2007, led to the establishment in 2006 of the CARICOM Implementation Agency for Crime and Security (IMPACS). The Council for National Security and Law Enforcement (CONSLE) provides policy direction and

oversight coordinated through the Security Policy Advisory Committee (SEPAC) that is usually comprised of permanent secretaries of the security ministries. Technical support is provided by three standing committees made up of:

- Commissioners of Police and Military Chiefs
- Heads of Intelligence
- Chiefs of Immigration and Chiefs of Customs

IMPACS serves as the executive arm and implementing agency for the regional security framework and operates through:

- (a) the Joint Regional Communications Centre (JRCC) which collates and disseminates to Member States data relating to all passengers and crew on inbound and outbound air and sea carriers (APIS); and
- (b) the Regional Intelligence Fusion Centre (RIFC) that coordinates intelligence gathering, analysis and dissemination to the intelligence and law enforcement agencies of Member States.

IMPACS also coordinates specialized training, technical and advisory support and assistance in the development of crime prevention and response strategies to regional law enforcement agencies. It also serves as CARICOM's interface with the Caribbean Basin Security Initiative (CBSI) through which the US provides security assistance in the region.

The Commission was informed that the functioning of the structure started out well and showed promise of great achievement but in recent years appears to have been stunted. Meetings of CONSLE and the various committees are irregular, poorly coordinated and attended and are proving increasingly to be ineffective, leading to a vicious cycle where, with each lacklustre experience, active participation slips further on the priority scale of Member States. The *CARICOM Crime and Security Strategy* developed by IMPACS and adopted by the Heads of Government in 2013 has been added to the long list of strategy documents diligently prepared but resting peacefully in desk drawers and filing cabinets.

Security is a crucial issue for all Member States, given the level of crime some are experiencing and the real dangers posed to the region by the illegal gun trade, narco-trafficking, money laundering, human trafficking, international terrorism and, more recently, transnational cyber crimes. The apathy with which it is being treated is pathetic. The Commission was embarrassed to learn that Jamaica has not attended a meeting of CONSLE in over four years!

The Commission considered whether IMPACS should be formally incorporated within the CARICOM Secretariat but is disinclined toward such a suggestion, having regard to the need for it to exercise the agility that the nature of its mandate requires. What is clear, however, is that the framework needs to be re-energized. The critical functionaries including the Ministers of National Security, must be made to take their duties far more seriously. It is the responsibility of each Head of Government to see to it that they do so.

The Commission recommends that an institutional review of IMPACS be undertaken as a matter of urgency. This would include an assessment of its staff compliment as it does not appear to us that the required skill sets are in place. Indeed, it seems to us that national political interests rather than competence and fit-for-purpose considerations dictated some of the appointments made.

CHAPTER 5

CARICOM's governance framework

5.1 CARICOM – sovereignty and intergovernmentalism

CARICOM was established as a “Community of Sovereign States” designed to operate on the principle of intergovernmentalism with each Member State retaining all its sovereign authority and regional policies and decisions arrived at only by unanimity. This differs sharply from the European Union which operates under the principle of supra-nationality in which Member States cede some sovereignty in clearly defined areas to a regional authority. Thus, in the EU, there is the Council of the European Union (one representative from each Member State) and the European Parliament (directly elected by the voters in each Member State). Together, these two bodies exercise authority in specified areas that binds Member States, is recognized by and enforceable in the courts of each Member State and, where questions of interpretation arise, those are finally determined by the European Court of Justice.

Many persons including eminent Caribbean personalities have attributed CARICOM's retardation to its intergovernmental structure and the lack of a supranational body with the authority to implement decisions in and across Member States. CARICOM leaders, it is said, are jealous of their sovereign authority and while they will cooperate and reach agreement at Heads of Government meetings, they are, and ensure that everyone is, mindful of the fact that no part of their authority is left at the regional table but returns home with them on conclusion of their deliberations.

In 2004, Former Barbadian Prime Minister Owen Arthur, who chaired the Prime Ministerial Subcommittee on the CSME observed:

“It is a false pragmatism that holds that economic and political affairs can be compartmentalized. The Caribbean is therefore expected to achieve the very highest form of economic union known to mankind, to achieve at the economic level that which, it is claimed, cannot be achieved at the political level and to do so without any major political readjustments.”

“Our Caribbean Community has been conceived to be a Community of Sovereign States. Each sovereign state in such an arrangement retains exclusive powers in relation to the implementation of community decisions. There is also no provision for the transfer of sovereignty to any supranational regional institution and there is no body of community law that takes precedence over domestic legislation or is automatically applied in domestic jurisdictions. The Caribbean has therefore chosen the most difficult political form of integration by which to implement something that is as complex as a single market and economy.”²⁷

Yet, as Mr. Arthur himself pointed out in his submission to the Commission:

“Brexit certainly should have drawn attention to the dangers of supranationalism as a form of regional governance and warrants attention being

²⁷ “The Caribbean Single Market and Economy: The Way Forward” – 30th Anniversary Distinguished Lecture of the Caribbean Community, Bridgetown, Barbados, April 23, 2004

paid to the putting in place of strong forms of intergovernmental cooperation as the preferred regime for the regional integration movement.”

CARICOM Member States, by acceding to the original jurisdiction of the Caribbean Court of Justice, have, in fact, ceded some amount of their sovereignty as the CCJ has asserted:

“Implementation of the very idea and concept of a Community of States necessarily entails, as an exercise of sovereignty, the creation of a new legal order and certain self-imposed, albeit perhaps relatively modest, limits to particular areas of State sovereignty. Community law and the limits it imposes on the Member States must take precedence over national legislation.....(and) where national law does not conform with the parameters laid down by Community law, it will be the latter that ultimately must prevail.”²⁸

The West Indian Commission in 1992 was clearly sensitive to the contentiousness that would result from the idea of any type of political union and declared it to be off the table, asserting that:

“Our proposals are rooted instead in the concept of CARICOM as a Community of Sovereign States who, by treaty, agree to the pooling of certain of their sovereignties and to exercising them collectively in very specific respects. It is the sharing of the exercise of sovereignty, not a transfer of it, that is involved in the integration process.”²⁹

What the West Indian Commission devised was a hybrid, something in-between the intergovernmental and the supranational. The **CARICOM Commission**, as it was to be called, would be a central directorate deriving its authority from the Heads of Government and would comprise three persons with high-level public and political experience in the region. It would operate as follows:

- The CARICOM Treaty would be amended to recognize the evolution of a body of Community Law emanating from the decisions of the Heads of Government;
- Member States would be required by the Treaty to give effect to the rights and obligations within their states arising from Community Law;
- Each Member State would enact a CARICOM Act through which Community Law would become part of domestic law;
- The Commission would have responsibility for drafting declaratory **Instruments of Implementation** based on the decisions taken and actions mandated by the Heads of Government for transmission to each government to be put into effect, whether by legislation or executive action as may be required;
- Where a Member State fails or refuses to take action as required, application may be made to the CCJ for an **Implementation Order**, defiance of which would warrant appropriate sanction by the Heads of Government.

In its Rose Hall Declaration and as what it referred to as “mature regionalism”, the Conference of Heads of Government held in July 2003 endorsed these recommendation in principle with the details to be worked out by an “Expert Group of Heads of Government assisted by a technical group” for presentation to a special Conference of Heads of Government later that year. That presentation was only eventually made to the Conference of Heads of Government in February 2005 which deferred the matter to the next meeting scheduled for July of that year. The communiqué issued from that subsequent meeting bears no reference to the matter.

The proposal was again discussed at the Conference of Heads of Government in February 2007 at which some Heads expressed reservations toward the establishment of such a supranational authority. Indeed, during our deliberations we were told that only three Heads supported the proposal. Sir Shridath Ramphal bemoaned that the Heads “choked

²⁸ *Shanique Myrie v Barbados [2013] CCJ3 (OJ)*

²⁹ “*Time for Action*” – The Report of the West Indian Commission p. 466

over the Commission's central recommendation for an 'executive authority' to shepherd the region's affairs".³⁰ The communiqué issued from that Heads of Government meeting included the following statement:

"The Conference invited those countries which had a different model of Governance from that proposed in the Report to submit these models to the Secretary-General as early as possible."

Communiqués issued from subsequent Conferences of Heads of Government indicate that the deliberations on this issue remained inconclusive:

July 2009: *"Heads of Government reviewed the governance arrangements of the Community and expect to conclude their considerations on the basis of proposals to be advanced by the Secretary-General and the Task Force on Governance."*

July 2010: *"Heads of Government deliberated, at length, the critical issue of Community governance. They agreed to appoint a committee (which) with the assistance of a Technical Working Group, would conduct a review of the proposals on the table with regard to this issue. A special Meeting of Heads of Government on the issue would take place in late September, and the results of those deliberations would be presented to the Inter-Sessional Meeting in February 2011."*

July 2011: *"Heads of Government mandated the Inter-Governmental Task Force (IGTF) revising the Treaty to consider and develop amendments to strengthen the monitoring and enforcement provisions of the Treaty and include sanctions and other measures to secure compliance."*

This Commission is of the view that the issue of the governance framework must be resolved if the CSME is to be advanced and sustained. Our recommendation is for a modification of the West Indian Commission's proposal. In formulating this recommendation, we make the observation (as was acknowledged by the Heads themselves at their July 2011 meeting) that CARICOM, as a rules-based organization, is woefully short on effective sanctions to induce and secure compliance with those rules. We have not been able to find any provision for sanction of a Member State for failure to comply with the provisions of the Treaty or decisions of the Heads of Government except for that set out in Article 27(2) which states:

"Member States, whose contributions to the regular budget of the Community are in arrears for more than two years, shall not have the right to vote except on matters relating to the CSME, but may otherwise participate in the deliberations of Community Organs and Bodies. The Conference may, nevertheless, permit such Member States to vote if it is satisfied that the failure to contribute is due to conditions beyond their control."

We consider this to be a major deficiency that must be rectified. We note that even this limited power of sanction has never been invoked, although many countries (including Jamaica) have been delinquent in their contributions.

5.2 Proposal for more effective governance

In a modification of the recommendations of the West Indian Commission, we propose the following:

- (1) The CARICOM Treaty should be amended to expressly recognize the evolution of a body of Community Law emanating from the decision of the Heads of Government;

³⁰ Inaugural G. Arthur Brown Memorial Lecture, Kingston July 22, 2011

- (2) Each Member State would be required by the Treaty to give effect to the rights and obligations within its state arising from Community Law as well as the decisions of the Heads of Government requiring executive action;
- (3) Each Member State would be required to enact, where it does not already exist, a CARICOM Act through which Community Law would become part of domestic law **but that this would be subject to affirmative resolution in the Legislature rather than by Ministerial Order as suggested by the West Indian Commission.** This would give due regard to the sovereignty of individual Member States and ensure that the adoption of Community Law is approved by those who constitutionally exercise that sovereignty. [Such a provision already exists in section 5(1) of Jamaica's Caribbean Community Act].
- (4) In the event of any conflict between legislation arising from Community Law and any existing statute, that arising from Community Law would prevail.
- (5) The Instrument of Implementation pursuant to the decisions of the Heads of Government would be prepared and issued by the Secretary-General. This would be in keeping with the functions prescribed for him in Article 24(2)(b) of the Treaty to "*develop, as mandated, decisions of competent Organs of the Community into implementable proposals*". We see no need for a Commission to do this as was proposed by the West Indian Commission. We do see an important role for a group of eminent Caribbean persons which we outline further in 5.8 of this chapter.
- (6) The Treaty should be amended to authorize the Heads of Government to specify a timeframe, being not less than six months, within which legislative or executive action required by decisions of the Heads of Government should be taken before a Member State is deemed to be non-compliant. We say "not less than six months" to ensure that adequate time is allowed at the national level for public awareness and discussion of these decisions before they are brought into effect.

5.3 Compliance

We recommend that a body of sanctions for willful non-compliance or flagrant breaches be formulated and inserted in the Treaty that would include:

- Loss of the right to vote on decisions of the Conference of Heads of Government and other Organs of the Community;
- Loss of entitlement to benefits from Institutions of the Community (except in relation to disaster response, public health and security matters)
- Subject to agreement by the Board of Directors of the CDB, compliance with Treaty obligations and Community decisions would be included among the criteria for access to policy-based loans or grants beyond the value of a Member State's shareholding and special subscriptions;
- Suspension of specific privileges of the Community and/or from the Community itself;
- Widening the provisions for Member States to be authorized, after appropriate procedures, to suspend its obligations to another Member State for injurious breaches of the Treaty (currently limited to cases of dumping and prohibited subsidies).

We feel that such a framework is necessary to deal effectively with the oft-demonstrated recalcitrance of Member States and the disruption that might result from a change of administration in Member States. A new government that comes to power is sometimes disinclined to adhere to decisions to which its predecessor had been a party. In the context of a "Community of Sovereign States", a new government is entitled to reverse a decision made or commitment entered into by the outgoing government especially if it was part of the platform on which it was elected. But in taking such a decision, just like an incumbent government that opts not to follow through on a decision to which it was a

party, it must be caused to be mindful of the consequences that its decision will have and its country will face. Otherwise, CARICOM will be in danger of forever experiencing spasms dictated by the electoral cycle of Member States or the second thoughts of their leaders.

The Commission acknowledges that this proposal falls short of the certainty of a supranational arrangement to which we are not disposed but it would put more “teeth in the gum and steel in the structure” and provide a means that does not now exist for holding Member States to account. It would, hopefully, also ensure that Heads of Government seek and obtain proper advice including a proper assessment of all the implications and obligations and consult with their Cabinets and, where necessary, their Legislatures before committing themselves to decisions for which they will need support and approval within their respective legal and constitutional domains.

5.4 The Organs and Bodies of CARICOM

The principal Organs of CARICOM are:

- (a) the Conference of Heads of Government; and
- (b) the Community Council of Ministers (CCM)

These are supported by five other Organs whose work directly impacts the decisions made by the Heads of Government and the implementation of those decisions:

- Council for Finance and Planning (COFAP)
- Council for Trade and Economic Development (COTED)
- Council for Foreign and Community Relations (COFCUR)
- Council for Human and Social Development (COHSOD)
- Council for National Security and Law Enforcement (CONSLE)

The Bodies of the CARICOM are:

- Legal Affairs Committee (LAC)
- Budget Committee
- Committee of Central Bank Governors (CCBG)

We are concerned about the functioning of some of these Organs and Bodies. For some, the Secretariat has reported considerable difficulty in even convening meetings and securing attendance of designated representatives, especially COFAP and the Legal Affairs Committee.

Most of the Organs are required to meet at least twice per year. Most hardly do and, as we have already pointed out, COFAP has not met for a number of years. We were told that COFAP suffers from the fact that as many as a half of the Ministers of Finance who are required to attend are also Prime Ministers who reserve their attendance for Heads of Government meetings. Theirs has not been a perfect record either. In the 43-year history of CARICOM, there have been seventy-three regular, inter-sessional and special meetings of Heads of Government. Only six of those have had the benefit of the full attendance of the Heads, the last occasion being in 2003. Some are often represented by cabinet ministers, sometimes by civil servants and, on a few occasions, not represented at all. As a contrast, no head of government has ever been absent from a G8 Summit in its 42-year history.

It may be useful for the rules of procedure of the Organs and Bodies to be amended to specify the month(s) in which regular meetings shall be held in order to lend greater predictability to their schedules while allowing some flexibility in determining the specific dates.

The nonchalance with which the important business of CARICOM is treated by Member States is a major cause of its lack of advancement. It is a measure of their real as distinct from professed commitment to the integration process. Ultimately, it is the Heads of Government that must ensure the quality and consistency of the participation of their designated representatives at the various levels of the CARICOM structure and we have included this in our recommendations.

5.5 *The Quasi-Cabinet*

The Heads of Government established in 1999 the Quasi-Cabinet through which specific portfolios were assigned to different Heads. In addition, Prime Ministerial Subcommittees have been established to deal with specific issues such as West Indies cricket and reparations. The current portfolio assignments are:

Antigua & Barbuda:	Services
Bahamas:	Tourism
Barbados:	CSME
Belize:	Justice and Governance
Dominica:	Labour and intra-Community Movement of Skills
Grenada:	Science and Technology (including ICT)
Guyana:	Agriculture, Agricultural Diversification and Food Security
Jamaica:	External Trade Negotiations
St. Kitts & Nevis:	Human Resource Development, Health and HIV/AIDS
St. Lucia:	Sustainable Development including Environment, Water, Climate Change and Disaster Management
St. Vincent & Grenadines:	Transportation (Maritime and Aviation)
Suriname:	Community Development and Cultural Cooperation
Trinidad & Tobago:	Energy and Security

There is very little trace of the activities of these "portfolios". No documentation of initiatives or outputs was found for most of them and there is no indication that portfolio holders are required in any structured way to report on their stewardship. The Commission formed the impression that, whatever was the original intention, the actuality is little more than making sure that everyone "got something".

The concept of having individual Heads superintend issues critical to the Community is not without value but their responsibilities, *modus operandi* and expected outcomes need to be clearly defined and a structured system of reporting instituted.

5.6 *The unanimity rule*

The Treaty requires that almost all decisions of the Heads of Government be made by unanimity which effectively affords each Member State a veto power. While it was designed to induce consensus and prevent the possibility of the "tyranny of the majority", it can have and has had a debilitating effect on CARICOM's highest level of decision-making and has caused it to proceed at the pace of the slowest and most reluctant.

The issue has been under review for the last twenty years. The Commission feels that the Treaty should be amended to specify those issues to which the unanimity rule would apply (e.g. admission of new members, agreements with third countries or parties, matters that would directly impose financial obligations on a Member State) as distinct from those matters on which a simple or qualified majority (we suggest 75%) of the members would be sufficient.

5.7 CARICOM Committee of Ambassadors

The decision was taken in 2015 to establish a permanent Committee of Ambassadors as a critical link between Member States and the structures of CARICOM with the expectation that this would strengthen the implementation process and the responsiveness of Member States to the regional agenda. The hope was that the persons appointed would have direct access to their Heads of Government, Ministers and other critical state functionaries and be in a position to break logjams and secure timely decisions and actions. It is too early to assess the effectiveness of this mechanism but the Commission was distressed that Jamaica is yet to appoint its ambassador to CARICOM.

5.8 CARICOM oversight

The Commission sees the need for a body of eminent persons to assess and report publicly on CARICOM's performance, the extent to which its decisions are being implemented and their outcomes. We were influenced in making this recommendation by the demonstrated effectiveness of Jamaica's Economic Programme Oversight Committee (EPOC) which lent credibility to and helped to build public confidence in the government's economic programme. We suggest that this body should be comprised of at least three and not more than five persons of competence, experience, credibility and stature who would review CARICOM's performance and, in particular, the level of compliance of Member States and deliver their assessment to the Caribbean public at least once per year.

5.9 The MDC/LDC differentiation

The original Treaty of Chaguaramas of 1973 made a differentiation between **More Developed Countries** and **Less Developed Countries** without stating the criteria on which it was based. At that time there were wide disparities between the two groups in their level of economic development. The classification was made subject to change by a majority vote of all members. It was retained in the Revised Treaty of 2001, again without any stated rationale other than an "acknowledgement" in the preamble that "*some Member States, particularly the Less Developed Countries are entering the CSME at a disadvantage by reason of the size, structure and vulnerability of their economies*".

Articles 49, 77 and 160-166 of the Revised Treaty make provisions for special advantages to LDCs including exemption from certain obligations such as Community treatment, application of the Common External Tariff and Rules of Origin and the non-imposition of measures to protect domestic industries against competition from other Member States.

The Commission considers that this differentiation is unnecessary, given the provision in Articles 146-159 for a special Regime for **Disadvantaged Countries, Regions and Sectors** which provides substantial protection and incentives for countries experiencing difficulties, the criteria for which are clearly defined. The absurd situation exists today where the per capita GDP of some LDCs is as much as three times that of some MDCs and while that may never have been intended to be the sole criterion for special and differential treatment, it is too significant a factor to be disregarded. Further, as pointed

out in Chapter 4 (4.11), the debt-to-GDP ratio (another significant criterion for special and differential treatment) is much higher in some MDCs than in some LDCs.

From the outset, one of the architects of CARICOM, Dr. William Demas, expressed his discomfort with this differentiation:

*"This is an unfortunate terminology since all the countries of CARICOM are under-developed and have dependent economies. The difference between the so-called More Developed Countries and the so-called Less Developed Countries is only one of degree"*³¹

The Commission recommends that this differentiation be removed. However, we support the retention of the special provisions for "disadvantaged countries, regions or sectors" as well as the continuation of the CARICOM Development Fund to provide financial assistance in any country as justified by the relevant criteria set out in the Revised Treaty.

³¹ *West Indian Nationhood and Caribbean Integration: A Collection of Papers (1974)*

CHAPTER 6

Dispute settlement

6.1 *Existing inadequacies*

Any integration entity, especially one involving a “Community of Sovereign States”, must have an efficient and responsive system for the settlement of disputes that are bound to arise from time to time. The Commission is of the view that the relevant provisions in the Treaty are grossly inadequate.

The provisions in the Treaty for dispute settlement are fragmented and in many instances the processes are inconclusive:

- The Community Council is authorized to “receive and consider allegations of breaches of obligations arising under this Treaty including disputes between Organs of the Community” and (but only on the instructions of the Heads of Government) to “*issue directives to Organs and to the Secretariat aimed at ensuring the timely implementation of Community decisions*”. However, it has no power to issue directives to the Member State that may be guilty of the breach.
- COFAP and COTED are to be notified or consulted by a Member State if it intends to take or has taken action that conflicts with CARICOM’s trade regime. They may make recommendations and COTED may grant waivers from particular obligations or authorize specific action for a Member State to take including retaliatory measures but neither has any power to issue directives to a Member State.
- Article 12(8) provides that “*Notwithstanding any other provisions of this Treaty, the Conference (of Heads of Government) may consider and resolve disputes between Member States*” but there is no provision for it to issue a directive or to apply sanctions to any Member State.
- The Competition Commission has powers under Article 176 to issue orders to enterprises found guilty of anti-competitive practices, impose fines for such breaches and order payment of compensation to persons affected.

We were advised that thirty-seven complaints have been filed since 2003 under the Revised Treaty, all but one of which were referred to COTED. COTED is comprised of portfolio Ministers from across the region. It is simply not possible for it to convene with the urgency and responsiveness required to deal expeditiously with complaints especially those that require immediate action. Further, adjudication of disputes by COTED cannot escape the possibility and perception of a conflict of interest despite the provision of Article 28(4) which precludes a member of that Council from voting on a matter to which his Member State is a party.

In many instances, especially where time is of the essence, resolving disputes depends on counterpart Ministers making direct contact with each other and while that is useful and should not be discouraged, it cannot be relied on and falls short of the institutional arrangements that are necessary.

6.2 *Central Dispute Settlement Body*

We recommend the establishment of a central Dispute Settlement Body (similar to that which obtains in the WTO) to which all disputes would be reported and all complaints submitted. That body would employ the internationally recognized modes of dispute settlement:

- **Consultations:** Parties engage in direct consultations.
- **Good Offices:** Parties agree to engage a third party to try to settle the dispute.
- **Mediation:** Parties agree on a Mediator or request the Secretary-General to appoint a Mediator from an established panel.
- **Conciliation:** Appointment of a Conciliation Commission of three persons that will make recommendations (non-binding) within three months.
- **Arbitration:** Agreement by parties to submit dispute to an Arbitration Tribunal consisting of three persons, one each to be appointed by the parties and a third to be appointed by the two so selected and its decision shall be binding on the parties.

In the event of failure to reach a settlement or an agreement to proceed to arbitration, the Dispute Settlement Body should be authorized to refer the matter to a Tribunal for determination. A decision by the Tribunal would be binding and subject to judicial review by the CCJ only on Treaty interpretation and application and points of law.

The CCJ would continue to exercise on referral exclusive and compulsory jurisdiction to interpret and apply the provisions of the CARICOM Treaty and would be accessible by all persons, natural and juridical.

6.3 *Right of access to Dispute Settlement Body*

The Treaty recognizes disputes as arising only between Member States. In other words, a dispute involving individual citizens or corporate entities can only be pursued by the government of the Member State to which they belong. This means that the complainant must first convince his own government that his case ought to be taken up and then has to wait for his government to pursue the matter at its own pace and with whatever priority and zeal it attaches. For a variety of reasons, the government may not be inclined to pursue the matter which effectively renders it a part of the decision-making process rather than a party to the dispute. A similar complaint presented to another government may elicit a different response resulting in inconsistencies in the treatment of similar complaints. A government receiving a complaint may be conflicted in a situation where, for example, it may be in delicate negotiations with or seeking support on a matter from the Member State against which the complaint is to be laid.

While the traditional practice under general international law has been that it is states that are parties to international agreements and the claims of aggrieved individuals can only be espoused by the state to which they belong, this has been giving way, starting with the Treaty of Rome, to *locus standi* for natural and legal persons. This principle was adopted in the Treaty provisions establishing the Caribbean Court of Justice (Article 222) and it was this entitlement that allowed Shanique Myrie, subject to special leave of the Court, to pursue her landmark case. This entitlement, however, does not currently apply to the other dispute settlement procedures contained in the Treaty.

There is a sturdy body of scholarly work and legal opinion supporting the view that for reasons of transparency and natural justice, individuals who are adversely affected as a result of trade and economic agreements should have access in their own right to all dispute settlement processes. A noted expert on trade negotiations and dispute settlement makes the point cogently:

“Better policing of a trade agreement will occur if enforcement relies on those who are most invested with protecting their rights and benefits under the trade agreement.

“Giving private actors the right to bring cases rather than requiring them to lobby or petition their government to take action eliminates the problem of capture at the dispute resolution stage.

“A state will not choose to spend its limited attention and energy on trade problems which have little impact on the domestic economy.

“Individual involvement will also lead to increased transparency and use of the dispute resolution system. Transparency of procedures and decisions is a crucial part of building the legitimacy of any organization. As private actors use the system and become comfortable with the rules, it will build momentum and its use will increase. This promotes understanding and in the end confirms the legitimacy of the organization and its procedures.”³²

Furthermore, it is well established that in common law, individuals derive rights and obligations from international agreements when they have been enacted into domestic law as is the case with the Revised Treaty of Chaguaramas.³³

The Commission recommends that the Treaty be amended to allow CARICOM nationals and corporate entities to utilize the disputes settlement processes in their own right.

³² *“Democracy and Dispute Resolution: Individual Rights in International Trade Organizations”* – Prof. Andrea Schneider

³³ (a) *International Tin Council Case: J.H. Raynor (Mincing Lane Ltd.) v Department of Trade and Industry* (HL 1989); (b) *Treaty Implementation in Caribbean Law and Practice* – Winston Anderson (Caribbean Law Review 1998 Vol 8)

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CHAPTER 7

The role of the CARICOM Secretariat and the issue of accountability of CARICOM entities

7.1 CARICOM's nerve centre

The Secretariat is the executive arm and administrative hub of CARICOM. It coordinates the activities of the various Organs of the Community. The Commission noted that while it is often and unfairly blamed for CARICOM's slow pace of development, its powers are very limited. Much of the implementation deficit lies with national governments over which the Secretariat has no authority. It operates with an inadequate budget that has been declining in real terms since 2008, a matter that is addressed in Chapter 8.

The effectiveness of the Secretariat is also compromised by the fragmented nature of CARICOM as a body. The institutions and functional cooperation bodies are effectively beyond its authority, reporting, as they do, to their separate boards and councils that have no defined obligation to the Secretariat.

The Landell Mills Report earlier referred to made detailed recommendations for the restructuring of the Secretariat and its relationship with the various institutions and agencies to achieve greater levels of efficiency, effectiveness and accountability. It is a very comprehensive report that has obviated the need for us to delve more than we have done into the structural and operational reforms that are so urgently required. Suffice it to say, therefore, that we endorse, in large measure, the recommendations contained therein. The Commission was not able to ascertain precisely what progress has been made in implementing these recommendations submitted five years ago but a cursory review suggests that they, too, have suffered from "implementation deficit". CARICOM Heads of Government should revisit that report and lay down firm timelines and reporting requirements for the implementation of its recommendations.

We believe, also, that the powers and capacity of the Secretariat should be strengthened in the following areas:

- Providing technical support to Member States in the implementation of CARICOM decisions and fulfillment of Treaty requirements especially in the drafting of legislation, training and putting in place the institutional and administrative arrangements required;
- Monitoring the operations and effectiveness of the institutions and agencies of CARICOM;
- Surveillance of Member States' compliance and conformity with Treaty obligations and CARICOM decisions. In this regard, Member States should be required, at least until the CSME provisions are fully implemented, to submit quarterly progress reports to the Secretary-General who should provide twice yearly assessments to the Heads of Government on the performance and level of compliance of each Member State.

We urge, as well, that the Secretary-General, in keeping with the requirements of Article 27, ensure that a technical assessment including cost implications of proposals under consideration is presented to the Heads of Government prior to the taking of decisions,

7.2 Accountability

The Commission is particularly concerned that the mechanisms for accountability and performance evaluation of the several CARICOM institutions and agencies are grossly inadequate. Most are answerable to a remote board of directors comprised of representatives from Member States – in many instances, the relevant portfolio ministers – and the level of oversight provided by these boards appears to be weak.

For example, it took a *Trinidad Express* exposé of financial irregularities in the administration of IMPACS in 2011 to arouse the attention of CONSLE which ordered that an independent audit be carried out. The audit not only confirmed many of the reported allegations which led to the dismissal of the then executive director but it also startlingly revealed that no audited financial statements of IMPACS had been prepared in its five years of existence. The Commission had difficulty ascertaining whether any has been prepared since. The Commission was told that for the other CARICOM institutions and agencies independent audits are not normally carried out and such oversight as there is relies on in-house financial statements. This is patently unacceptable.

There is no clearly defined relationship between these institutions and agencies and the CARICOM Secretariat. We also found no evidence that performance evaluations are standard requirements periodically carried out.

These are issues that must be addressed urgently. We further recommend that each of these bodies should be required, where such a requirement does not now exist, to submit an annual report through the Secretary-General to the Conference of Heads of Government and that a performance evaluation be carried out in respect of each every three years. These as well as their annual audited financial statements should be made public.

The Commission was encouraged by the recent introduction in the CARICOM Secretariat of a Results-Based Management (RBM) System as a tool to determine baselines and measure outcomes against established targets. It is expected to be fully operational by February 2018. We urge that this methodology be made system-wide and utilized in the evaluation of all the Community's institutions and agencies.

7.3 A CARICOM Auditor-General

The Director of Internal Audit in the CARICOM Secretariat who operates under the direction of an Audit Committee (but only since its establishment in 2012), is, as the job title suggests, primarily concerned with auditing the internal operations of the Secretariat and performs audit functions in relation to the institutions and agencies only “as (and when) requested and approved”.

We recommend that the position of Auditor-General, be established. The Auditor-General would have responsibility for conducting annual assessments of the Secretariat and the several institutions and agencies of CARICOM. His/her remit would extend beyond purely financial audits and would address issues of operational efficiency. The Auditor-General would be independent of the Secretary-General and would operate under the direction of the Audit Committee and report directly to the Heads of Government on the financial and operational management of each entity. Such reports should be made public.

7.4 Office of Trade Negotiations (OTN)

The Office of Trade Negotiations was previously the Caribbean Regional Negotiating Machinery (CRNM) that was responsible for negotiating the Economic Partnership Agreement with the European Union on behalf of CARIFORUM. Largely because of the personalities involved at its inception, it was set up as an independent body reporting

directly to the Heads of Government. The EPA having been concluded, it has since been incorporated within the Secretariat.

Trade negotiation is a highly specialized discipline and it is important that CARICOM's capacity in this area be maintained and strengthened, especially in relation to trade in services. Following Brexit, the UK is now hastening to rebuild its trade negotiating capacity that had been scaled down since all trade negotiations were conducted at the EU level. Brexit also means that new trade arrangements will have to be negotiated with the UK hence the importance of maintaining and strengthening the capacity of the OTN. As discussed in Chapter 9, CARIFORM will need to pursue negotiations for an extension of the Cotonou agreement that expires in 2020 and there is the possibility that Canada may again place on the agenda a free trade agreement to replace the WTO waiver-dependent CARIBCAN arrangement, hence the importance of maintaining and strengthening the OTN.

It is not clear whether the Dominican Republic is interested in using CARIFORUM to negotiate any other trade arrangements as it has repeatedly displayed dissatisfaction with CARICOM's "control" of the negotiating machinery. CARICOM must, however, continue to have the technical capability to negotiate trade and investment agreements that may be necessary or advantageous.

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CHAPTER 8

Financing CARICOM

8.1 Funding mechanism

The funding of CARICOM's operations including the various institutions and agencies depends on assessed contributions by Member States and, to a worrying extent, by financial support from donor agencies that account in some instances for as much as a half of their overall budgets. The contribution by each Member State to CARICOM is based on its debt-adjusted GDP. Its contribution to the budget of each institution or agency may also be affected by its level of service utilization.

Because of the financial difficulties that most Member States have experienced, particularly over the last decade, the budgets for both the Secretariat and the several institutions and agencies have been constrained and have not kept pace with inflation. The budget for the Secretariat, in particular, has increased by less than 2% over the last three years despite it having to assume additional responsibilities.

The financing arrangement for the CARICOM Secretariat as well as the several institutions and agencies formed a critical part of our review. The Commission expended considerable effort to obtain information relating to their budgets, the assessed contributions of Member States and their level of arrears. This was done through direct contact with the Secretariat and the various institutions and agencies.

Much to our surprise, the CARICOM Secretariat refused to disclose to us the level of arrears for each Member State in respect of its contributions to the Secretariat's budget. All the institutions and agencies that were contacted obliged.

To the consternation of the Commission, the Secretariat advised us as this report was being prepared that:

"All information on the respective Member States' current assessed contributions and arrears for its Headquarters, OTN as well as the various CARICOM Institutions are considered confidential. In this light, the CARICOM Secretariat has requested that if the CARICOM Review Commission is in receipt of any of the aforementioned information, it should not be made public".

The Commission found this extremely disturbing especially in an era where transparency and the people's right to know are recognized as basic tenets of good governance and in circumstances where there is already so much cynicism about the workings of CARICOM among the Caribbean people. It stands in sharp contrast to international organizations like the United Nations where this type of information is posted and regularly updated on its website. It is linked to what the Landell Mills Report identified as the "culture of confidentiality" that pervades the operations of CARICOM and its various institutions and agencies and it urged that it be uprooted:

"It is clear that confidentiality helps maintain the silo mentality both within the Secretariat and wider in CARICOM with one hand often not knowing what the other is doing. A culture of confidentiality also facilitates the lack of accountability throughout CARICOM and makes it more difficult to break down bottlenecks to implementation.

It is essential to break down this culture of confidentiality for efficiency and effectiveness reason as this will help make the CARICOM construct fit for purpose. Moreover.....breaking down the culture of confidentiality is essential to regain public trust and support. We would therefore recommend that the culture of confidentiality be dismantled.”³⁴

One member of the Commission, Mr. Kevin O’Brien Chang, strongly disagreed with our decision, taken after much deliberation, to comply with the Secretariat’s request for confidentiality in dealing with the financial information we were able to obtain and it was agreed that his comments be included in this report:

“I wish to state on record that notwithstanding the CARICOM Secretariat’s objections, I personally was not in favour of excluding from this report the information the Commission obtained relating to the budgets, the assessed contributions of member states and their level of arrears for CARICOM and its related bodies.

CARICOM only exists by the will of the Caribbean people and has no right to withhold from Caribbean taxpayers how it is spending our taxes. Perhaps CARICOM’s greatest claim to fame is that, outside the European Union, probably no other global entity has a larger collection of stable and time tested democracies. For the CARICOM Secretariat to flatly reject the fundamental democratic principles of transparency and accountability is in my view unacceptable. It has no legal or moral authority to seek to suppress information that was freely, as it should be, sought and given. The CARICOM Secretariat’s unwillingness to make public such basic information only underscores the need for an oversight committee to make sure that CARICOM at all times acts for the benefit of the Caribbean people and not for those of a vested interest minority.”

It is a matter of great significance and concern that neither the Secretariat nor any of these CARICOM entities has ever made public its budget or audited financial statements which becomes even more important because of the fragmented nature of their arrangements. The Landell Mills Report, for example, found that the Secretariat operated as many as 77 different bank accounts (due partly to the insistence of donor partners that their contributions to various projects be kept in dedicated accounts). There can be no justification for concealing this information from the Caribbean people. This cloak of secrecy in treating with CARICOM’s financial affairs must not be allowed to continue and a new framework of transparency and accountability must be put in place.

8.2 Jamaica’s financial arrangements with CARICOM

The work of the Commission has been hampered by the “injunction” issued by the Secretariat as it has prevented us from making certain comments and recommendations on CARICOM’s financing arrangements that we consider to be important. However, we refuse to accept any such bridle in addressing the status of Jamaica’s financial relationship with CARICOM which came under special scrutiny by the Commission.

As Table 7 shows, Jamaica’s total annual contributions to the Secretariat and its institutions and agencies amount to US\$11.6 million but its arrears as at the end of 2016 total US\$47.8 million of which US\$7.3 million is owed to the Secretariat and US\$40.5 million to the various institutions and agencies. Jamaica is not the only delinquent Member State but it has the dubious distinction of having the highest level of arrears. These figures do not include Jamaica’s contribution to the CDF which is based on five-year funding cycles and to which it contributed US\$19.7 million for the first cycle (2010-2015) with a balance outstanding of US\$0.9 million for which, we have noted, provision has been

³⁴ Landells Mills Report 2012 (Page 67)

made in the Estimates of Expenditure for 2017/2018. Jamaica has so far made no commitment to the CDF's second funding cycle (2015-2020). The figures also do not include Jamaica's contributions to regional entities outside of the formal CARICOM structure through which it also engages in functional cooperation and for which a provision of US\$0.3 million has been made in the 2017/2018 Estimates of Expenditure to meet the cost of subscription.³⁵

Table 7: Jamaica's annual contributions and payment arrears to CARICOM

Organ/Institution/Agency	Annual Subscription US\$	Share	Arrears US\$ (31/12/16)
CARICOM Secretariat	4,720,087	23.15	7,257,641
Caribbean Agricultural Research & Development Institute (CARDI)	802,814	22.86	2,078,950
Caribbean Regional Fisheries Mechanism (CRFM)	217,846	22.77	€66,283
Caribbean Aviation Security & Securing Oversight System (CASSOS)	27,468	14.30	3,894
Caribbean Centre for Development Administration (CARICAD)	35,811	6.18	14,511
Caribbean Disaster & Emergency Management Agency (CDEMA)	71,321	8.10	5,747
Caribbean Examinations Council (CXC)	2,059,030	39.78	5,792,016
Caribbean Institute for Meteorology & Hydrology (CIMH)	654,710	18.12	8,350,417
Caribbean Meteorological Organization (CMO)	145,437	20.69	1,480,430
Caribbean Public Health Agency (CARPHA)	798,803	18.00	7,865,018
Caribbean Telecommunications Union (CTU)	52,508	11.60	Nil
CARICOM Competition Commission (CCC)	150,250	28.33	619,645
CARICOM Implementation Agency for Crime & Security (IMPACS)	1,571,913	23.15	12,335,323
CARICOM Regional Organization for Standards (CROSQ)	118,985	23.89	30,829
Caribbean Export Development Agency (Carib-Export)	215,804	20.23	1,274,737
TOTAL	11,642,787	23.23	47,775,442

Source: CARICOM Secretariat and respective Institutions and Agencies

The build-up of arrears by Member States has undermined the capacity of both the Secretariat and the institutions and agencies to deliver on their mandates and some have been confronted periodically with financial crises, plunging them into expensive bank overdraft and causing even the payment of salaries at times to be a challenge. This parlous situation must be addressed as a matter of urgency and underscores our call for a rationalization of these institutions and agencies to reduce costs and for the avoidance of mission creep to which CARICOM has shown itself to be prone.

Jamaica's annual subscription to CARICOM of US\$11.6 million is significant, accounting for approximately a half of its total budgetary provision for annual contributions to all regional and international organizations.

The Commission was informed that Jamaica made an arrangement in 2015 to start making its annual payments in respect of the Secretariat on a timely basis and to liquidate

³⁵ These are: (a) Caribbean Regional Technical Assistance Centre (CARTAC); (b) Caribbean Organization of Supreme Audit Institutions (CAROSAI); (c) Caribbean Tourism Organization (CTO); (d) Caribbean Energy Information System (CEIS); (e) Caribbean Postal Union (CPU); (f) Caribbean Taxonomic Network of Bio-NET International (CARINET); (g) Association of Caribbean States (ACS).

its arrears over a five-year period and we were able to confirm that that commitment is being honoured and is reflected in the provision of J\$747 million (US\$5.8 million) in the Estimates of Expenditure for 2017/2018. We urge that a similar arrangement be made with respect to the subscription and arrears due to the other institutions and agencies. Jamaica's overall level of compliance with the requirements of the Treaty and the decisions of the Heads of Government is among the highest of the Member States and it should not continue to allow that record to be tarnished by its failure to honour its financial obligations.

8.3 Reassessment of contribution formula

As mentioned earlier, the assessed contribution of each Member State is based on its debt-adjusted GDP that was last reviewed in 1995. It ignores other variables that may have changed significantly since then. International organizations such as the Commonwealth, the OAS and the United Nations apply more flexible formulae that take into account factors such as per capita income and GDP growth rate and include minimum and maximum contribution levels. The UN reviews its scale of assessment every two years. Jamaica, which accounts for just over 23% of Member States' contributions, has repeatedly sought a re-examination of this formula but it has consistently been resisted. That resistance speaks loudly to the need for review. We strongly recommend that a review be carried out at the earliest opportunity and, we suggest, routinely conducted at intervals not exceeding five years.

8.4 Source of funding for CARICOM

The issue of an appropriate mechanism for CARICOM's funding has long been a matter of concern. The West Indian Commission had put forward the idea of an automatic transfer of funds garnered from an import tax of 0.125% levied on extra-regional imports to ensure certainty of the flow of funds to sustain CARICOM's operations. We are advised that such an arrangement would probably be in violation of the WTO agreement that subsequently came into being.

The Commission is of the view that Member States' obligations to the CARICOM budget must be given greater priority at the national level than is currently the case and payments should be made on a timely basis so that the work of the various bodies can proceed on a predictable basis and without disruption.

We are not inclined to make any recommendation as to how this funding should be sourced from each Member State. Since the revenue structure of each differs, it would be difficult for us to suggest to them from which revenue envelope their obligations to CARICOM should be funded but we are firm in our view that these obligations should be faithfully honoured and that appropriate sanctions be applied for delinquency. We believe that the willingness of Member States to pay their assessed contributions on a timely basis is a real test of their commitment to the integration process.

CHAPTER 9

The CARICOM arrangement and its relation to the wider Caribbean, particularly the Dominican Republic and Cuba

9.1 CARICOM Bilateral Trade Agreements with countries in the Caribbean

CARICOM has negotiated a Free Trade Agreement (FTA) with the Dominican Republic, a partial scope trade agreement with Cuba and bilateral trade agreements with Venezuela, Colombia and Costa Rica. Although Jamaica did not formally ratify these agreements until 2014, they were applied administratively.

The following are some of the main features of these Agreements:

CARICOM – Dominican Republic

- Reciprocal duty-free treatment of most (approximately 90%) of the goods traded between CARICOM's MDCs and the Dominican Republic;
- Provision for special treatment of agricultural products during specified periods to protect the domestic farming sector;
- CARICOM LDCs enjoy duty-free access into the Dominican Republic for the specified items but without the obligation to reciprocate up to 2005. This non-reciprocity continues to be enjoyed pending a decision of the Joint Council which is expected to consider the matter at an Extraordinary Session to be held before the end of 2017.
- Framework for inclusion of provisions for trade in services; protection of intellectual property rights and government procurement;
- Reciprocal promotion and protection of investments; and
- Temporary entry of business persons.

The CARICOM trade agreement with the Dominican Republic is expected to be eclipsed by the EPA under which CARIFORUM members are obliged to extend to each other the same treatment they extend to the EU.

CARICOM – Cuba

- Reciprocal duty-free treatment for a specified list of goods traded between CARICOM MDCs and Cuba;
- CARICOM LDCs enjoy duty-free access into Cuba for the specified items but without the obligation to reciprocate;
- Framework for inclusion of provisions for trade in services and protection of intellectual property rights; and
- Reciprocal promotion and protection of investments.

CARICOM – Venezuela

- One-way duty-free access into Venezuela for a specified list of CARICOM goods; and
- Most Favoured Nation (MFN) treatment of all Venezuelan goods entering CARICOM.

CARICOM – Colombia

- Duty-free access into Colombia for a specified list of CARICOM goods;
- Duty-free access into CARICOM MDCs for a specified list of Colombian goods; and

- CARICOM LDCs enjoy duty-free access into the Colombian market for the specified items but without the obligation to reciprocate.

CARICOM – Costa Rica

- Reciprocal duty-free or preferential tariff treatment for most goods traded between CARICOM MDCs and Costa Rica, including specified products originating in free zones;
- CARICOM LDCs enjoy duty-free access into Costa Rican market for the specified items, with some exceptions, but without the obligation to reciprocate unless where the preferences are extended to third parties;
- Framework for the inclusion of trade in services and investment; and
- The temporary entry of specified categories of services providers.

Table 8 shows CARICOM and Jamaica’s trade under these CARICOM Bilateral Trade Agreements. As the table illustrates, Jamaica is making very little use of these export opportunities.

Table 8: CARICOM & Jamaica’s Trade with regional trade agreements partners (Average annual 2013-2015)

	CARICOM		JAMAICA	
	Exports US\$m	Imports US\$m	Exports US\$m	Imports US\$m
Colombia	389.2	512.2	1.0	66.1
Costa Rica	79.2	184.3	1.1	52.3
Cuba	3.3	4.9	3.9	1.9
Dominican Republic	678.3	1,326.0	2.9	52.5
Venezuela	146.7	859.1	10.1	650.5

Source: International Trade Center – COMTRADE data

Care must be exercised in interpreting merchandise trade data as a barometer of economic performance. Increased economic activity sometimes results in an adverse trade balance. For example, growth in the tourism, manufacturing or construction sectors will almost certainly require increased imports. However, these factors do not, in our view, explain Jamaica’s failure to capitalize on these export opportunities.

In 2007, CARICOM explored the possibility of negotiating a trade agreement with other countries of Central America (i.e. Panama, Nicaragua, Honduras and Guatemala). With limited enthusiasm for this agreement among CARICOM Member States because of their protectionist tendencies and weak export capacity, it was not pursued. More recently, there has been increased interest among CARICOM countries toward Central America, particularly Panama, due to the expansion of the Panama Canal. Trinidad and Tobago, a more formidable exporter and stronger domestic producer, with the approval of COTED, has concluded partial scope trade agreements with countries in Central America e.g. Panama and Guatemala. Belize also has a strong trading relationship with its neighbours in Central America.

We examined the trade performance of the six Central American countries that are parties to the Central American Free Trade Agreement (CAFTA) which provides for reciprocal duty-free trade with the USA.

Table 9: CAFTA Trade Statistics

Country (period of participation in parenthesis)	Exports to USA (% change)	Imports from USA (% change)
Costa Rica (2008 – 2015)	+5.0	-5.4
Dominican Republic (2006 – 2015)	+11.0	+59.0
El Salvador (2006 – 2015)	+30.6	+48.5
Guatemala (2006 – 2015)	+271.7	+99.0
Honduras (2006 – 2015)	+88.2	+32.1
Nicaragua (2006 – 2015)	+610.2	+69.1

Source: International Trade Center – COMTRADE data

The data suggest that some of the participating countries recorded significant improvement in their trade balance with the USA after joining CAFTA.

9.2 The Caribbean Forum of ACP States (CARIFORUM)

The preferential trading arrangements that ACP countries had secured from the European Union following the UK's entry into that body were declared to be inconsistent with the WTO regulations that subsequently came into effect in 1995. The EU was therefore required to negotiate within a specified time new reciprocal trade agreements with these countries that would conform to WTO rules. Because of variable geometry, separate agreements were negotiated with the different regions of the ACP group, the Caribbean being one such region. Since the Dominican Republic is not a part of CARICOM and Haiti and Suriname were not then part of CARICOM, a new entity – CARIFORUM – was created to negotiate and manage the implementation of the agreement between the EU and these countries. CARIFORUM is governed by a Council of Ministers with a representative from each Member State. By agreement, the Secretary-General of CARICOM is also the Secretary-General of CARIFORUM, supported by a Director-General.

The Economic Partnership Agreement with the European Union came into effect in 2008 and provides for reciprocal duty-free access for almost all goods but with duty-free EU access to CARIFORUM markets to be phased in over 25 years with items that are sensitive to the regional economies enjoying the longest period before tariff removal. Importantly, the agreement includes provisions for duty-free trade in many services.

The EU is the world's largest single market with a population of over 500 million, per capita GDP of over US\$35,000 and an annual import bill of over US\$5 trillion. Duty free and quota-free access to this vast market offers huge opportunities that CARICOM countries have largely failed to utilize. There seems to be insufficient effort on the part of both governments and the private sector to grasp these opportunities.

Under this agreement CARICOM's performance and that of Jamaica, in particular, in merchandise exports, have been dismal, with exports to the EU market declining significantly for both CARICOM (46.5%) and Jamaica (70.4%) between 2008 and 2015. The Dominican Republic, although not faring as badly, saw a marginal reduction of 3.3%.

**Table 10: Trade Performance under the EPA 2008-2015
(Dominican Republic, CARICOM & Jamaica)**

	Exports	Imports
Dominican Republic Trade with EU under EPA (2008 – 2015)	-3.3%	+32.9%
Jamaica Trade with EU under EPA (2008 – 2015)	-70.42%	-15.41%
CARICOM Trade with EU under EPA (2008 – 2015)	-46.48%	-14.62%

Source: International Trade Center – COMTRADE data

The Commission was told of technical and administrative difficulties that exporters encounter in accessing the EU market including the non-recognition of standards certification as well as difficulties encountered by service providers in obtaining visas. Although these issues have been raised with the EU including in the joint consultative institutions established under the EPA, we did not form the impression that any robust and sustained effort has been made to challenge or resolve them.

The EPA contains provisions that have significant implications for other trade agreements that CARICOM or any of its Member States may seek to negotiate. Firstly, the regional preference clause (Article 238) requires that CARIFORUM Member States afford each other trade preferences no less favourable than those enjoyed by the EU. This therefore defines the parameters of trade arrangements between CARICOM or any of its Member States and the Dominican Republic. Secondly, the Most Favourable Treatment clause (Article 19) notionally requires CARIFORUM States to extend to the EU any more favourable treatment that it may negotiate with another major trading economy (e.g. USA, Canada).

9.3 The Cotonou Agreement

The Cotonou Agreement is the framework through which the EU provides financial assistance to developing countries. Established in 2000, it replaced the successive Lome Conventions that had governed EU-ACP economic relations since 1975. It covers the period 2000 to 2020 with provision for five-yearly reviews. Funding under the Cotonou Agreement is the largest single source of external financial assistance to CARICOM countries. It is multi-dimensional and covers a wide range of activities including (a) development assistance (with emphasis on poverty reduction, human and social development and macroeconomic stabilization); (b) trade liberalization; (c) good governance (democratic practices, rule of law, human rights, civil society participation); (d) market-driven policies and private sector development. A considerable portion of the disbursements is contingent on performance against agreed targets. Most of this takes the form of grant funds provided directly to governments but a portion is set aside for investment loans to the private sector administered through the European Investment Bank (EIB).

Through the European Development Fund (EDF), the EU has provided significant support for the regional integration process and CARICOM, as a regional body, has benefitted to the tune of €568 million allocated for Regional Indicative Programmes under the 9th, 10th and 11th EDFs since 2000. Jamaica has separately been allocated €242 million for its National Indicative Programmes over the same period. It is a matter of concern that at both the regional and national levels, a substantial portion of the funds allocated has consistently not been drawn down because of slow implementation of funded projects.

The Cotonou Agreement will expire in 2020. The EU has published a Staff Working Paper setting out a preliminary framework for its future relationship with the ACP countries.

The Commission was alarmed to learn that three meetings of CARIFORUM's Council of Ministers have yielded very little effort in responding to the EU's thoughts and formulating a strategy for negotiations that are, by nature, complex and, by past experience, likely to be protracted. The Commission noted, with much surprise, the scant reference to the issue contained in the communiqué emanating from the most recent Heads of Government meeting in February 2017, void of any decision or direction. Urgent steps need to be taken if we are to ensure the preservation of the considerable benefits derived under the current agreement.

9.4 Implications of Brexit

The UK's imminent withdrawal from the EU will mean that the UK will no longer be a party to the EPA and CARIFORUM countries will therefore no longer have duty-free access to its market. It will also mean a reduction in EDF funding since the UK is the third largest contributor (after Germany and France) to this pool of funds, accounting for 15%.

Unless a new trade agreement with the UK is worked out, CARICOM exports to the UK will lose some competitive advantage to the extent that they will be subject to MFN treatment. The fact that the UK accounts for only 2.5% of CARICOM's total exports (5% in the case of Jamaica) is no cause for ambivalence, given our weak export performance and the preciousness of every dollar of export earnings.

The Conference of Heads of Government in July 2016 decided merely to "*monitor developments as the exit process unfolded*". The communiqué from the most recent meeting of CARICOM Heads in February 2017 bears no reference to Brexit. This is a matter that requires clear direction, appropriate engagement with the UK government, considerable technical work and the formulation of an effective negotiating strategy.

CARIFORUM should, at a minimum, seek an agreement that mirrors the trade and financial arrangements provided under EPA.

9.5 Caribbean Basin Initiative (CBI)

The US Caribbean Basin Initiative (CBI) was initiated in 1983 pursuant to the Caribbean Basin Economic Recovery Act (CBERA) and expanded in 2000 by the Caribbean Basin Trade Partnership Act (CBTPA). It provides seventeen Caribbean countries (including all CARICOM Member States except Suriname) with duty-free and preferential tariff access to the US market for a wide range of goods. The CBTPA which was designed to ensure that textile and apparel exports from CBERA beneficiary countries were not disadvantaged by Mexico's participation in the North American Free Trade Agreement (NAFTA) will expire in September 2020 and would require a new Act of Congress for it to be extended.

Table 11 provides data on the CARICOM's and Jamaica's export performance under the CBI over the last 10 years.

Table 11: CARICOM's and Jamaica's Exports to USA under CBI (2002-2004 v 2012-2014)*

Tariff Provision	2002-2004 (3-year Average)		2012-2014 (3-year Average)		Change (%)
	Exports US\$	% of Total	Exports US\$	% of Total	
CARICOM:					
CBERA	692.0	11.9	1,459.5	16.5	+ 110.9
CBTPA	1,268.7	21.9	1,023.0	11.6	- 19.4
Other Duty-Free	3,075.9	53.1	5,000.6	56.7	+ 62.6
GSP (Preferential Duties)	11.4	0.2	10.7	0.1	- 6.1
Full Dutiable	742.5	12.8	1,334.0	15.1	+ 79.7
Total Exports³⁶	5,790.5		8,827.1		+ 52.4
JAMAICA:					
CBERA	88.4	22.0	122.7	32.9	+ 38.8
CBTPA	91.6	22.8	0.0	0.0	- 100.0
Other Duty-Free	144.6	36.0	207.6	55.7	+ 43.6
GSP (Preferential Duties)	2.6	0.6	8.2	2.2	+ 215.4
Full Dutiable	75.0	18.6	33.8	9.1	- 54.9
Total Exports	402.2		372.4		

Source: United States Trade Commission

* 3-year averages used to avoid any abnormal occurrences that may arise in any one year

The USA is the richest market in the world and is practically on our doorsteps when compared to other major markets. More than 80% of CARICOM's exports are allowed to enter the US market duty-free or under preferential tariffs. CARICOM exports to the USA have expanded over the last 10 years an average rate of 4.8% per annum. However, Jamaica's exports have declined at an average rate of just under 1%. This again brings into sharp focus our level of competitiveness and weak export capacity.

Discussions on trade and investment issues between the US and CARICOM are conducted through a Trade and Investment Framework Agreement signed in 2013 which replaced a previous agreement signed in 1999. Both agreements established a joint US-CARICOM Council on Trade and Investment which meets annually. In 2015, the US sought and secured WTO approval to extend the CBERA arrangement to December 31st 2019. However, the trade policy stance adopted by the new US administration which is yet to enunciate its policy toward the Caribbean region is cause for concern as to whether it will be prepared to seek further waivers beyond 2019. In its "2017 Trade Policy Agenda" submitted to Congress in March 2017, it stated:

³⁶ Excludes textile and apparel exports from Haiti that benefit under the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Programme enacted in 2006. Also, Suriname, although being a member of CARICOM, is not a beneficiary under CBI.

*“Every action we take with respect to trade will be designed to increase our economic growth, promote job creation in the United States, **promote reciprocity with our trading partners**, strengthen our manufacturing base and our ability to defend ourselves and expand our agricultural and services industry exports.”*

This new policy was enunciated without any consultation with or notification to the US-CARICOM Council on Trade and Investment. A redeeming factor linked to the underutilization by Caribbean countries of the CBI facility may be that the US enjoys a 3:2 trade advantage with Caribbean beneficiary countries but that offers little comfort since the US could well conclude that its trade advantage would be even better without CBI.

The Commission took note of the passage in both Houses of the US Congress of the United States-Caribbean Strategic Engagement Act that was signed into law by President Barack Obama in December 2016. The Act carries the usual emphasis on combatting narco-trafficking but also includes energy security and US support for Caribbean countries “in efforts they are willing to undertake **with their own resources** to diversify their economies”. Although the Bill enjoyed bipartisan support, it is left to be seen what the posture of the new US administration will be in pursuing its objectives.

9.6 Caribbean-Canada Trade Agreement (CARIBCAN)

The Caribbean-Canada Trade Agreement (CARIBCAN) was instituted in 1986 to provide duty-free access to CARICOM countries for a wide range of goods but excluding textiles and apparels, footwear, luggage and handbags, lubricating oils and methanol.³⁷ As Table 12 shows, CARICOM’s and Jamaica’s exports to Canada have performed here less spectacularly than under CBI.

**Table 12: CARICOM’s and Jamaica’s Exports under CARIBCAN
(2005-2006 v 2015-2016)***

	2005-2006 (2-year average) CAN \$	2015-2016 (2-year average) CAN \$	Change %
CARICOM:			
Total Exports	893.9	1,004.7	+ 12.4
of which CARIBCAN	115.7	69.8	- 39.7
JAMAICA:			
Total Exports	405.6	223.1	- 45.0
of which CARIBCAN	14.4	20.4	+ 41.7

Source: Statistics Canada

* 2-year averages used to avoid any abnormal occurrences that may arise in any one year

Canada has wanted to replace CARIBCAN with a CARICOM-Canada Free Trade Agreement for which negotiations commenced in 2009 with the expectation that these would have been concluded by 2011. The waiver approved by the WTO in 2011 expired in 2013. Canada had warned that it would not be prepared to seek any further waiver from the WTO, the consequence of that being that in the absence of a free trade agreement, Caribbean exports would revert to MFN treatment. Seven rounds of negotiations failed to

³⁷ Haiti and Suriname were not then members of CARICOM and are still not entitled to benefit from the programme which is confined to Commonwealth Caribbean countries including Anguilla, Bermuda, British Virgin Islands, Cayman Islands and Turks & Caicos.

reach an agreement, a major sticking point being CARICOM's insistence on the inclusion of an EPA-type development assistance component that Canada firmly resisted. Citing the lack of progress, Canada unilaterally suspended the negotiations in 2015 but despite its earlier warning and the fact that it maintains a negative trade balance with beneficiary countries, it submitted an application to the WTO in March 2015 for an extension of the CARIBCAN arrangements to the end of 2023. That application was approved by the WTO in July 2015.

9.7 Expanded extra-regional trade agreements

The benefits of broadening integration or trade arrangements beyond the existing CARICOM framework must be measured in terms of the potential advantage it is likely to bring to CARICOM as a whole and Jamaica in particular. Free trade agreements often pose the risk of duty-free imports displacing local producers without the compensating benefit of expanded market opportunities that our exporters are capable of exploiting. Of importance, as well, in the foregoing of import duties in free trade agreements, is the extent to which the total revenues of CARICOM countries depend on these import duties that ranges from a low of 6% in Trinidad & Tobago and 8% in Jamaica to a high of 22% in Grenada, St. Lucia and St. Vincent & the Grenadines.

While we feel that free trade agreements should be approached with great care, the Commission views their potential benefits not just in terms of finding markets for goods we currently produce but also in finding opportunities and markets that would enable us to produce, through innovation, goods and services that we are not accustomed to producing but which could now be produced and supplied competitively because of easier market access.

The critical issue that the export performance of Jamaica and, indeed, most of CARICOM, illuminates is our weak level of competitiveness which cannot be blamed on our membership in CARICOM or, in any large measure, the non-implementation of critical CSME provisions. It has much more to do with our own internal dynamics and our failure or reluctance over a prolonged period to undertake the economic reforms and restructuring that are necessary to enable us to achieve global competitiveness in sufficient areas to place our economies in overdrive. We must face up to the fact that we will not succeed domestically, regionally or internationally without addressing those issues.

Unless CARICOM and Jamaica, in particular, achieve global competitiveness, broader trade or economic arrangements will be of limited, if any, benefit and could, in fact, have a negative effect. Yet, it is only in expanded exports to third markets that CARICOM's and Jamaica's hopes for real sustained growth are to be found and free trade agreements are an important means of expanding exports.

Where such expanded trade or economic engagements are to be embarked upon, we believe that there is value to Jamaica and CARICOM in pursuing them within the CARIFORUM framework which gives us a sturdier platform and greater leverage with which to negotiate than even CARICOM as a group would be able to exercise on its own.

We are also of the view that future trade agreements should cover both trade and investment, the latter of which, it must be noted, accounts largely for Mexico's success under NAFTA and they should place increased focus on opportunities for the export of services.

9.8 Significance of the Northern Caribbean

The future direction, shape and pace of Jamaica's regional economic relations will, in our view, be determined in large measure by:

- (a) the speed with which the CSME can be brought into full operation;
- (b) the extent to which Jamaica can achieve export-qualifying competitiveness in sufficient areas of production of goods and services that will enable it to take advantage of global market opportunities;
- (c) deepening economic relationships with the Northern Caribbean (Dominican Republic, Cuba and Haiti).

In relation to (a) we have already suggested a timeframe of not more than five years. With regard to (b), Jamaica has made commendable strides in recent years in improving its macroeconomic framework and fundamentals and both business and consumer confidence have reached an all-time high. The focus now must be on investment and increasing productivity and competitiveness. Much still remains to be done especially in improving the ease of doing business, reducing corruption, combatting crime and violence and upgrading the educational level of our workforce. In these circumstances, the CSME must become a stepping stone, not a stumbling block or nuisance, to Jamaica's advancement and Jamaica must be prepared to explore other economic relations if it turns out that the CSME is stillborn.

As regards (c), the Northern Caribbean offers prospects for enhancing growth and development throughout the wider Caribbean and in Jamaica, in particular, that should not continue to be ignored.

In his published column to which we referred in Chapter 2, Mr. David Jessop put the existing CARICOM dilemma in bold perspective:

"If full regional integration is not achievable, a more realistic approach may be to see the future as a process of slow, steady integration at a sub-regional level between comparable economies such as those in the Organization of Eastern Caribbean States (OECS); a deeper relationship with the French DOM (overseas territories); economic integration between the larger countries of the northern Caribbean and Cayman, irrespective of language or politics; and seeing Panama and eventually Havana as regional hubs of greater long-term importance than Miami, given Cuba's emerging relationship with the US.

Put another way, recognizing that CARICOM's members have made deeper integration unworkable by failing to cede sovereignty and legally binding executive authority, the greater value in future for the countries of the Caribbean may lie in developing a much wider range of market-led complementary economic relationships."³⁸

The membership of CARICOM already includes nine of the eleven independent Caribbean states (Antigua & Barbuda, Bahamas, Barbados, Dominica, Grenada, Haiti, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines and Trinidad & Tobago). The other two independent Caribbean states, Cuba and the Dominican Republic, have a combined population of 22 million that is greater than all of CARICOM including the Central American and South American states of Belize, Guyana and Suriname.

As mentioned earlier, the Dominican Republic had formally sought membership of CARICOM from as far back as 1989. Information gleaned by the Commission suggests that it may have lost interest in pursuing its application. Despite its strong relationship with and support for CARICOM, Cuba has never expressed a desire to become a member.

³⁸ "Caribbean Integration May No Longer Be Practical" – Daily Gleaner May 31, 2015

The Dominican Republic has emerged as the fastest growing economy in the Americas with annual growth rates over the last three years exceeding 7%. Unless the process of normalization of US-Cuba relations is halted or reversed, Cuba is likely (and has already started) to attract significant foreign investment flows. Incomes and the demand for goods and services are likely to rise considerably. Cuba and the Dominican Republic, roughly equal in population size at around 11 million, are less than 600 miles apart. They are likely to become a hub of growth and trade opportunities that, with the appropriate economic relationship, could be of much benefit to Jamaica which lies in between the two to the south.

In between them, as well, is Haiti with a population of 10 million that appears to recognize the potential benefits of being part of this nexus. Despite the imbroglio surrounding the denial of citizenship to persons born in the Dominican Republic of undocumented Haitian immigrants, both countries have entered into an agreement and established a Joint Commission to promote foreign investment in the twin-state island. We have already suggested that Haiti should be seen not as a burden but as a huge potential opportunity. In fact, both Digicel and Jamaica Broilers have already established a firm foothold in the Haitian market and a few other Jamaican companies are following suit. Haiti's major challenge is not so much its underdevelopment but the instability of its government, poor infrastructure and the weak capacity of its public administration, issues that are not beyond transformation as the experience of several African countries has shown.

The Northern Caribbean, therefore, constitutes a formidable potential bloc of 35 million people with strong possibilities for investment and growth that could significantly impact the economies throughout the Caribbean. It is the view of the Commission that a fully functional CSME supported by the structural and operational changes to CARICOM that we have recommended would provide the best mechanism through which these wider economic relations should be advanced.

It must be recognized that, realistically, CARICOM offers modest, if any, economic advantages to the larger countries of the Northern Caribbean. It is its above-weight political leverage that can earn its partnership and this underscores the vital importance (which we have already addressed) of improving our foreign policy coordination and optimizing our role and impact at the international and multilateral levels.

While the enlargement of CARICOM to include the Dominican Republic and Cuba is highly unlikely, other options for closer collaboration with these major Caribbean countries must be considered. The trade and economic agreements negotiated between CARICOM and these countries almost 20 years ago appear to have been driven more by diplomatic considerations than by strategic economic interests or intentions. The protectionist tendencies on the part of some CARICOM countries that stymied the Dominican Republic's quest for membership for almost 30 years must give way to a new vision of an emerging Caribbean economic region – miniscule in comparison but as inter-connected, synergized and growth-focused as the South East Asia nations.

We strongly recommend that the Heads of Government, with the appropriate technical assessment, explore the possibilities and benefits of a more comprehensive economic cooperation framework between CARICOM and the Northern Caribbean countries. Jamaica, in particular, should, in partnership with the private sector, begin to consider these broader engagements in the event that bilateral arrangements become our only or best option.

9.9 Other regional engagements

The Association of Caribbean States (ACS) was established in 1994, mainly through the efforts of CARICOM and the Central American Integration System (SICA). It comprises 25

Member States in the Caribbean Basin including all CARICOM countries and has extended associate membership to the Dutch and French dependent territories of the region. The primary purpose of the ACS is to promote consultation, cooperation and concerted action among Member States in inter-regional trade, sustainable tourism, transportation, disaster risk reduction, and the preservation and conservation of the Caribbean Sea. The ACS has proposed a preferential tariff among its Member States to promote trade.

More recently, in 2011, the Community of Latin American and Caribbean States (CELAC) was established. It grew out of and replaced the Rio Group that had existed since 1986. It comprises all the 33 sovereign states of Central and South America and the Caribbean. CELAC's focus is primarily political dialogue and cooperation among member states. It was intended to be an authentic Latin American and Caribbean organization as its membership, but for the exclusion of the USA and Canada and the inclusion of Cuba, would be identical to the OAS.

The Commission was informed that discussions are taking place between ACS and CELAC toward coordinating their activities and avoiding duplication of efforts.

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CHAPTER 10

Engaging the private sector and the people of CARICOM

10.1 Private Sector involvement

In our extensive deliberations, the Commission formed the view that a significant reason for CARICOM's failures especially with regard to the CSME has been the low level of involvement of the private sector within the region in CARICOM's planning and decision-making. We acknowledge that there has been some level of engagement through the Caribbean Association of Industry and Commerce (CAIC) and, more recently, the Caribbean Business Council but these have been sporadic and spasmodic.

The Commission feels that while regional governments must clear the way and provide the enabling framework, the success of the CSME ultimately depends more on the private sector than on CARICOM governments. We think that their input into the formulation and execution of policy decisions is of vital importance.

We were heartened by the declaration from Jamaica's private sector leaders of their intention to engage their counterparts in other Member States in an effort to advance the Single Market and Economy, noting their insistence that regional governments need to make it possible and worthwhile for them to do so.

So strongly do we feel about the importance of the private sector to CARICOM's success that we recommend that the Treaty should be appropriately amended to institutionalize their involvement.

10.2 Rekindling people support for CARICOM

At the recently concluded Twenty-Eighth Inter-Sessional Meeting of CARICOM Heads of Government in February 2017, the Chairman of CARICOM, President David Granger of Guyana, proclaimed that *"every citizen of this Community must count; every citizen of this Community has rights, and, wherever our citizens are, they have the right to be treated as Caribbean citizens"*. This is an important statement which ought to have been included in the preamble of the Revised Treaty to underscore its essentiality. But apart from it expressing the desire to enhance "people participation" through "a restructuring of the Organs and Institutions of the Caribbean Community and Common Market and redefining their functional relationships", there has yet been no clear statement or action to demonstrate a deeper role for and involvement of CARICOM's citizens.

References to the CARICOM "brand" and the *"pride we have in our citizenship, citizenry and membership"* remain largely platitudes and, as much as we have not polled public opinion about the relevance of CARICOM and what it means for their development, there is little evidence to suggest that Caribbean citizens have signed on to the integration process.

This is one of the main causes of CARICOM's dilemma, that the integration process has largely involved only the political leaders and government bureaucrats. The people of the different Member States have never really been an essential part of the process. Former Prime Minister P.J. Patterson asserted that *"we (also) share an inescapable responsibility to ensure that our people understand what we are doing, why we are doing it and what are the*

concrete consequences".³⁹ Institutions that used to bond the Caribbean people have diminished. West Indies cricket is no longer the binding agent that it was fifty years ago. The UWI that was once a melting pot for young Caribbean minds has evolved essentially into national campuses (only 8% of Mona's enrolment of over 16,000 is from other CARICOM countries).

10.3 Youth focus

The young people of the Caribbean, in particular, need to be introduced to CARICOM. Today, more than 60% of the region's population is under thirty years old. The draft **CARICOM Youth Development Action Plan 2012-2017 (CYDAP)** pointed out that *"CARICOM organisations and institutions may not survive into the future unless young people are fully involved in the process of integration and the CSME, fully knowledgeable of what they mean for them and their future, and fully capable of contributing to and grasping the opportunities offered by an integrated regional space"*.⁴⁰ Sadly, that plan which emanated from the Commission on Youth Development established by the Heads of Government in 2007 and was developed after considerable technical work and widespread consultation, is yet to be adopted by the Heads of Government although its projected implementation period is almost at an end.

The CARICOM Youth Development Action Plan needs to be put into effect along with the CARICOM Youth Ambassadors programme, another useful initiative on which very little has been done. We have already suggested that the removal of all restrictions on the free movement of people within the CSME is the most effective immediate way of stimulating public interest in and support of CARICOM. We recommend also that consideration be given to removing travel taxes on intra-regional airline tickets to encourage more interaction among CARICOM people.

We note that the Heads of Government had previously agreed on the establishment of a CARICOM Volunteer Corps but it appears that nothing ever came of that. We believe that that is an excellent concept for facilitating greater interaction among Caribbean people and would recommend that it be resuscitated focusing, in the first instance, on an exchange programme between tertiary graduates from the distanced Member States of Jamaica, Guyana, Haiti, Suriname, the Bahamas and Belize and those of the eastern Caribbean Member States who would be assigned to work for a period of six or twelve months in their particular areas of competence. It would, in our view, facilitate greater understanding and bonding among people who are supposed to be of one community but hardly know each other.

One area which CARICOM has not adequately explored is the use of social media technologies to develop radically new ways of interacting, and to leverage social media platforms to reach primarily the youth population across the region in order to engage them in the integration process. CARICOM should also strategically engage mainstream media throughout the region whose reach and influence are far greater than the formal structures of CARICOM can ever achieve. They can be an effective bridge for building CARICOM unity and advancing the integration process. To this end, we recommend that the Secretariat engage the expertise of a social media manager to develop a framework to integrate social and traditional media in order to create a more impactful and effective media campaign.

The UWI Open Campus is a virtual campus with approximately fifty physical site locations across seventeen English-speaking Caribbean countries and territories. This provides a real opportunity for CARICOM to develop collaboration with the UWI on further

³⁹ Address to CARICOM Heads of Government, Port-of-Spain, July 1992

⁴⁰ CARICOM Youth Development Action Plan 2012-2017 Page 3.

deepening and widening the integration model through the design of specific courses, and the offering of an academic Chair on CARICOM. The partnership should not be limited to research and teaching but also extend to public and community engagements on issues that link the relevance of CARICOM to the everyday experiences of the region's citizens.

Very little is known of CARICOM Day, which is observed annually on the 4th of July, the anniversary of the signing, by the founding Member States, of the original Treaty of Chaguaramas. However, there is no uniformity in its recognition. Guyana and Antigua & Barbuda, for example, celebrate it on the first Monday in the month of July, and observe it as a public holiday, which is not the case here in Jamaica. There is also a Cuba-CARICOM Day, which is recognized in December around which Summit meetings are held every three years. CARICOM Day needs to have far greater purpose and significance to the people of the region, and should be observed with activities and events (*a la* Labour Day) that help to rekindle the CARICOM project in the minds of its citizens.

APPENDICES

APPENDIX 1(A)

Key Economic Indicators

CSME

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	6,026,261	6,240,905	6,424,415	6,618,952
GDP (Rate of Growth)	4.0	0.5	2.4	1.1
GDP per capita (US\$)	3,431.8	4,656.9	7,484.2	8,814.1
Sector Share of GDP:				
<i>Agriculture</i>	7.2	5.0	3.8	4.3
<i>Mining & Quarrying</i>	7.4	10.0	17.5	16.2
<i>Manufacturing</i>	13.1	12.8	14.2	15.0
<i>Services</i>	72.2	72.1	64.5	64.6
Inflation	n/a	n/a	n/a	n/a
Unemployment Rate	...	...	...	...
Gross National Savings (% GDP)	20.3	19.9	...	...
Gross Capital Formation (% GDP)	27.0	25.0	22.0	...
Net FDI (% GDP)	5.6	6.2	6.1	3.9
Revenue (% GDP)	...	...	...	...
Recurrent Expenditure (% GDP)	...	...	...	...
Capital Expenditure (% GDP)	...	...	...	...
Fiscal Balance (% GDP)	...	...	...	...
Public Debt (% GDP)	...	...	...	...
Merchandise Exports (US\$m)	5,634.6	8,287.3	17,939.8	21,197.6
% of GDP	30.2	30.6	37.0	36.4
Merchandise Imports (US\$m)	8,451.3	11,126.6	19,398.3	28,868.3
% of GDP	43.4	41.1	40.2	40.9
Balance of Trade (US\$m)	-2,623.1	-2,839.3	-1,458.5	-2,670.7
% of GDP	-13.2	-10.5	-3.2	-4.5
Export of Goods & Services (US\$m)	10,260.4	13,756.9	25,699.8	...
% of GDP	53.7	50.8	53.4	...
Import of Goods & Services US\$m	11,073.8	14,683.4	24,057.5	...
% of GDP	57.6	54.3	50.0	...
Balance on Goods & Services (US\$m)	-813.5	-926.5	1,642.3	...
% of GDP	-3.9	-3.5	3.4	...
Current Account Balance (% GDP)	...	...	...	...
Remittances (% GDP)	...	...	...	...
Gross Reserves (weeks of imports)	...	...	...	...
% Change in Exchange Rate (viz US\$)	n/a	n/a	n/a	n/a

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center)

APPENDIX 1(B)

Key Economic Indicators

ANTIGUA & BARBUDA

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	72,215	79,854	84,416	89,068
GDP (Rate of Growth)	3.3	3.4	3.4	-0.4
GDP per capita (US\$)	7,977.7	10,259.3	14,144.3	13,227.0
Sector Share of GDP:				
<i>Agriculture</i>	3.8	3.3	1.9	2.2
<i>Mining & Quarrying</i>	1.6	1.5	1.2	0.9
<i>Manufacturing</i>	2.1	2.1	2.1	2.7
<i>Services</i>	92.4	93.1	94.8	94.1
Inflation	2.1	1.7	2.2	2.4
Unemployment Rate	8.1	8.3	...	...
Gross National Savings (% GDP)	33.2	34.5	15.1	9.7
Gross Capital Formation (% GDP)	40.8	44.5	37.6	23.7
Net FDI (% GDP)	4.5	10.1	19.7	9.2
Revenue (% GDP)	20.9	19.5	19.5	19.6
Recurrent Expenditure (% GDP)	21.6	24.1	22.0	21.7
Capital Expenditure (% GDP)	3.4	3.1	5.6	1.5
Fiscal Balance (% GDP)	-3.9	-6.5	-2.8	-3.0
Public Debt (% GDP)	100.1	127.5	113.2	92.6
Merchandise Exports (US\$m)	42.9	49.2	66.5	57.5
% of GDP	7.6	6.6	5.7	4.8
Merchandise Imports (US\$m)	319.9	340.1	562.6	475.9
% of GDP	55.7	45.7	46.9	40.1
Balance of Trade (US\$m)	-277.0	-290.9	-496.1	-418.4
% of GDP	-48.1	-39.2	-41.3	-35.2
Export of Goods & Services US\$m	438.0	470.8	573.7	542.3
% of GDP	76.1	63.2	48.3	45.7
Import of Goods & Services US\$m	484.8	514.1	816.3	693.6
% of GDP	84.4	69.1	68.3	58.4
Balance on Goods & Services US\$m	-46.8	-43.3	-242.6	-151.3
% of GDP	-8.3	-5.8	-20.0	-12.7
Current Account Balance (% GDP)	-8.2	-10.3	-22.5	-13.7
Remittances (% GDP)	2.5	2.6	1.7	1.8
Gross Reserves (weeks of imports)	5.8	8.5	8.1	12.5
% Change in Exchange Rate (viz US\$)	Fixed	Fixed	Fixed	Fixed

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(C)

Key Economic Indicators

BAHAMAS

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	286,907	309,699	342,134	372,165
GDP (Rate of Growth)	4.0	0.5	2.4	1.1
GDP per capita (US\$)	16,241.6	21,849.4	23,426.6	22,016.4
Sector Share of GDP:				
<i>Agriculture</i>	2.7	2.3	2.2	2.0
<i>Mining & Quarrying</i>	0.0	0.2	1.1	1.1
<i>Manufacturing</i>	4.9	5.3	4.1	3.9
<i>Services</i>	92.3	92.2	92.6	93.0
Inflation	1.3	1.9	2.7	1.6
Unemployment Rate	9.5	7.4	9.7	14.7
Gross National Savings (% GDP)	29.6	23.9	18.2	10.4
Gross Capital Formation (% GDP)	26.8	22.3	26.1	26.2
Net FDI (% GDP)	3.8	4.1	8.8	6.7
Revenue (% GDP)	1,916.1	16.5	18.1	
Recurrent Expenditure (% GDP)	17.7	16.2	16.5	19.1
Capital Expenditure (% GDP)	3.2	2.1	2.9	3.9
Fiscal Balance (% GDP)	-2.1	-1.8	-2.9	-4.9
Public Debt (% GDP)	...	41.7	43.0	69.3
Merchandise Exports (US\$m)	298.2	441.6	742.3	866.8
% of GDP	7.6	7.7	9.2	10.6
Merchandise Imports (US\$m)	1,474.8	1,781.0	2,745.9	3,083.3
% of GDP	38.9	31.3	34.3	37.6
Balance of Trade (US\$m)	-1,176.5	-1,339.4	-2,003.6	-2,216.5
% of GDP	-25.4	-23.6	-25.0	-27.0
Export of Goods & Services (US\$m)	1,910.4	2,559.2	3,692.7	3,483.2
% of GDP	48.2	44.2	46.1	42.5
Import of Goods & Services (US\$m)	2,296.9	2,826.7	4,153.4	4,556.0
% of GDP	58.5	49.5	41.9	55.5
Balance on Goods & Services (US\$m)	-386.5	-267.5	-460.7	-1,072.8
% of GDP	-10.3	-5.3	-5.7	-13.0
Current Account Balance (% GDP)	-0.2	-0.1	-0.1	-0.2
Remittances (% GDP)	3.0	3.9	2.4	2.5
Gross Reserves (weeks of imports)	5.2	9.6	7.3	9.3
% Change in Exchange Rate (viz US\$)	Fixed	Fixed	Fixed	Fixed

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(D)

Key Economic Indicators

BARBADOS

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	266,943	271,471	276,198	281,526
GDP (Rate of Growth)	3.1	1.7	1.5	0.3
GDP per capita (US\$)	9,816.6	11,930.8	15,885.8	15,453.8
Sector Share of GDP:				
<i>Agriculture</i>	5.6	3.9	1.7	1.7
<i>Mining & Quarrying</i>	0.6	0.6	0.2	0.2
<i>Manufacturing</i>	6.5	7.1	7.4	5.7
<i>Services</i>	87.3	88.4	90.7	92.4
Inflation	2.5	1.7	5.8	4.7
Unemployment Rate	14.5	10.0	8.7	11.3
Gross National Savings (% GDP)	13.2	11.2	8.8	1.5
Gross Capital Formation (% GDP)	17.3	19.1	17.8	13.7
Net FDI (% GDP)	0.6	1.1	7.7	11.6
Revenue (% GDP)	32.0	32.6	26.8	26.7
Recurrent Expenditure (% GDP)	28.2	30.3	22.7	33.3
Capital Expenditure (% GDP)	5.1	5.3	4.6	1.4
Fiscal Balance (% GDP)	-1.7	-3.2	-5.9	-7.9
Public Debt (% GDP)	44.9	83.6	86.6	116.4
Merchandise Exports (US\$m)	273.3	278.4	453.8	508.5
% of GDP	12.6	10.2	10.4	11.6
Merchandise Imports (US\$m)	846.4	1,067.3	1,603.7	1,651.4
% of GDP	38.7	38.9	36.8	37.8
Balance of Trade (US\$m)	-573.1	-788.9	-1,149.9	-1,143.0
% of GDP	-26.0	-28.7	-26.4	-26.2
Export of Goods & Services (US\$m)	1,224.0	1,391.5	2,087.0	2,020.1
% of GDP	56.3	50.8	47.8	46.2
Import of Goods & Services US\$m	1,244.3	1,571.8	2,289.6	2,191.6
% of GDP	56.9	57.3	52.5	50.1
Balance on Goods & Services (US\$m)	-20.3	-180.3	-202.6	-171.4
% of GDP	-0.6	-6.4	-4.7	-3.9
Current Account Balance (% GDP)	-3.6	-6.5	-8.0	-9.2
Remittances (% GDP)	3.0	3.9	2.4	2.5
Gross Reserves (weeks of imports)	10.8	21.5	16.1	15.4
% Change in Exchange Rate (viz US\$)	Fixed	Fixed	Fixed	Fixed

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(E)

Key Economic Indicators

BELIZE

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	222,311	261,944	298,525	336,682
GDP (Rate of Growth)	4.3	7.3	2.6	2.9
GDP per capita (US\$)	3,001.6	3,570.3	4,234.9	4,617.2
Sector Share of GDP:				
<i>Agriculture</i>	18.7	15.9	13.6	14.3
<i>Mining & Quarrying</i>	0.6	0.6	0.5	0.6
<i>Manufacturing</i>	12.1	9.8	12.1	12.8
<i>Services</i>	68.6	73.7	73.8	72.3
Inflation	1.6	1.9	3.1	1.1
Unemployment Rate	13.2	12.7	9.3	16.4
Gross National Savings (% GDP)	13.9	3.4	...	26.5
Gross Capital Formation (% GDP)	21.6	23.4	20.9	17.1
Net FDI (% GDP)	3.1	4.4	10.3	7.7
Revenue (% GDP)	22.5	21.6	23.9	26.6
Recurrent Expenditure (% GDP)	20.0	13.6	23.3	23.9
Capital Expenditure (% GDP)	7.0	12.5	4.7	5.7
Fiscal Balance (% GDP)	-2.6	-4.6	-2.1	-1.7
Public Debt (% GDP)	...	89.4	89.1	80.2
Merchandise Exports (US\$m)	198.7	300.7	408.3	580.1
% of GDP	30.2	32.3	32.2	37.2
Merchandise Imports (US\$m)	283.0	495.1	643.8	814.6
% of GDP	42.9	53.3	50.8	52.0
Balance of Trade (US\$m)	-84.2	-194.3	-235.4	-234.5
% of GDP	-12.7	-21.0	-18.6	-14.8
Export of Goods & Services (US\$m)	357.5	488.5	767.1	984.0
% of GDP	51.5	52.2	60.5	63.0
Import of Goods & Services US\$m	405.2	628.2	805.9	997.9
% of GDP	58.3	67.6	63.6	63.8
Balance on Goods & Services (US\$m)	-47.7	-139.7	-38.8	-13.9
% of GDP	-6.8	-15.3	-3.1	-0.7
Current Account Balance (% GDP)	-5.3	-18.3	-7.3	-3.5
Remittances (% GDP)	3.1	3.3	5.3	5.0
Gross Reserves (weeks of imports)	5.8	7.5	7.6	15.2
% Change in Exchange Rate (viz US\$)	Fixed	Fixed	Fixed	Fixed

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

Key Economic Indicators

DOMINICA

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	70,693	69,906	70,781	71,720
GDP (Rate of Growth)	2.2	-0.4	3.3	1.1
GDP per capita (US\$)	3,488.4	4,981.9	6,016.3	7,002.0
Sector Share of GDP:				
<i>Agriculture</i>	18.4	16.7	13.9	15.7
<i>Mining & Quarrying</i>	0.9	0.9	1.5	1.5
<i>Manufacturing</i>	7.5	8.3	3.9	3.2
<i>Services</i>	73.2	74.2	80.7	79.6
Inflation	1.5	1.3	2.8	1.1
Unemployment Rate	...	...	12.5	...
Gross National Savings (% GDP)	14.9	4.7	-1.2	3.9
Gross Capital Formation (% GDP)	29.3	23.5	20.1	18.4
Net FDI (% GDP)	10.0	7.2	8.6	5.0
Revenue (% GDP)	27.9	27.8	26.9	26.8
Recurrent Expenditure (% GDP)	27.4	30.2	23.6	24.5
Capital Expenditure (% GDP)	6.4	7.3	9.5	11.6
Fiscal Balance (% GDP)	-3.6	-5.0	-1.2	-6.9
Public Debt (% GDP)	69.6	110.5	81.0	74.1
Merchandise Exports (US\$m)	54.3	45.3	41.4	38.9
% of GDP	22.1	16.2	10.0	7.7
Merchandise Imports (US\$m)	112.0	117.8	176.1	187.7
% of GDP	45.6	42.2	41.9	37.4
Balance of Trade (US\$m)	-57.7	-72.4	-134.8	-148.8
% of GDP	-23.6	-26.0	-31.9	-29.7
Export of Goods & Services (US\$m)	132.8	127.3	148.1	175.9
% of GDP	53.8	45.5	35.5	35.0
Import of Goods & Services US\$m	163.1	167.3	236.7	254.3
% of GDP	66.4	59.8	56.3	50.7
Balance on Goods & Services (US\$m)	-30.3	-40.0	-88.5	-78.4
% of GDP	-12.6	-14.3	-20.8	-15.7
Current Account Balance (% GDP)	-13.2	-17.3	-20.7	-15.0
Remittances (% GDP)	5.8	5.3	5.3	4.6
Gross Reserves (weeks of imports)	7.1	10.3	12.2	16.9
% Change in Exchange Rate (viz US\$)	Fixed	Fixed	Fixed	Fixed

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(G)

Key Economic Indicators

GRENADA

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	100,983	102,123	103,606	105,495
GDP (Rate of Growth)	5.1	1.5	1.9	1.1
GDP per capita (US\$)	3,160.3	5,425.8	7,236.6	7,778.0
Sector Share of GDP:				
<i>Agriculture</i>	8.4	7.9	4.4	5.8
<i>Mining & Quarrying</i>	0.6	0.7	0.6	0.2
<i>Manufacturing</i>	6.7	6.0	3.9	3.9
<i>Services</i>	84.3	85.5	91.0	90.1
Inflation	1.7	1.9	3.9	1.5
Unemployment Rate	15.4	10.7	...	...
Gross National Savings (% GDP)	17.1	15.7	4.8	-4.8
Gross Capital Formation (% GDP)	35.8	37.4	34.4	19.7
Net FDI (% GDP)	7.7	13.3	14.8	7.0
Revenue (% GDP)	24.9	24.4	20.1	19.9
Recurrent Expenditure (% GDP)	22.7	22.4	17.6	20.2
Capital Expenditure (% GDP)	8.5	12.9	9.7	6.5
Fiscal Balance (% GDP)	-2.0	-6.7	-3.5	-4.4
Public Debt (% GDP)	55.3	92.2	102.7	102.2
Merchandise Exports (US\$m)	40.7	54.2	59.5	71.0
% of GDP	12.1	12.3	8.2	8.9
Merchandise Imports (US\$m)	159.1	210.0	324.6	319.6
% of GDP	48.8	46.4	43.5	39.1
Balance of Trade (US\$m)	-118.3	-155.8	-265.0	-248.7
% of GDP	-36.7	-32.6	-35.3	-30.3
Export of Goods & Services (US\$m)	155.6	195.9	196.0	211.1
% of GDP	47.4	43.6	26.3	26.0
Import of Goods & Services US\$m	218.3	297.0	428.9	390.9
% of GDP	66.8	65.6	57.4	47.9
Balance on Goods & Services (US\$m)	-62.8	-101.1	-232.8	-179.8
% of GDP	-19.4	-22.0	-31.1	-21.9
Current Account Balance (% GDP)	-19.6	-20.9	-29.9	-22.7
Remittances (% GDP)	13.1	9.4	3.8	3.6
Gross Reserves (weeks of imports)	9.2	12.2	12.2	16.2
% Change in Exchange Rate (viz US\$)	Fixed	Fixed	Fixed	Fixed

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(H)

Key Economic Indicators

GUYANA

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	733,649	742,637	746,137	758,355
GDP (Rate of Growth)	4.3	0.2	3.1	4.7
GDP per capita (US\$)	950.8	985.5	2,134.8	3,627.9
Sector Share of GDP:				
<i>Agriculture</i>	36.9	32.1	24.0	18.3
<i>Mining & Quarrying</i>	16.9	14.3	12.4	17.6
<i>Manufacturing</i>	10.5	7.7	7.1	6.4
<i>Services</i>	35.6	45.9	56.6	57.7
Inflation	9.0	5.4	7.2	2.7
Unemployment Rate	...	...	...	...
Gross National Savings (% GDP)	18.5	7.4	5.2	4.7
Gross Capital Formation (% GDP)	43.9	36.1	27.2	24.4
Net FDI (% GDP)	9.1	6.0	8.5	10.5
Revenue (% GDP)	33.0	31.0	24.5	22.8
Recurrent Expenditure (% GDP)	26.8	31.9	22.1	19.7
Capital Expenditure (% GDP)	13.5	12.6	13.7	9.1
Fiscal Balance (% GDP)	-3.9	-6.2	-6.3	-4.1
Public Debt (% GDP)	...	...	60.7	58.8
Merchandise Exports (US\$m)	546.6	516.6	680.7	1,194.4
% of GDP	79.8	69.6	45.2	43.2
Merchandise Imports (US\$m)	574.7	571.2	1,047.0	1,770.5
% of GDP	84.0	77.1	68.6	64.3
Balance of Trade (US\$m)	-28.1	-54.6	-366.2	-576.1
% of GDP	-4.2	-7.5	-23.4	-21.1
Export of Goods & Services (US\$m)	654.8	678.7	853.3	854.6
% of GDP	95.6	91.5	57.0	33.0
Import of Goods & Services US\$m	677.1	737.4	1,312.6	2,163.6
% of GDP	99.1	99.5	86.3	83.7
Balance on Goods & Services (US\$m)	-22.3	-58.7	-459.4	-443.6
% of GDP	-6.4	-8.0	-29.3	-28.7
Current Account Balance (% GDP)	-10.1	-10.9	-15.0	-13.2
Remittances (% GDP)	1.8	9.4	16.5	14.1
Gross Reserves (weeks of imports)	18.7	18.1	14.3	18.3
% Change in Exchange Rate (viz US\$)	-4.7	-2.1	-0.6	-0.2

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(I)

Key Economic Indicators

HAITI

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	8,112,038	8,834,448	9,557,586	10,287,323
GDP (Rate of Growth)	2.2	-0.4	3.3	1.1
GDP per capita (US\$)	416.3	397.4	586.0	760.9
Sector Share of GDP:				
<i>Agriculture</i>	...	...	...	...
<i>Mining & Quarrying</i>	...	...	...	...
<i>Manufacturing</i>	...	...	...	...
<i>Services</i>	...	...	...	...
Inflation	11.7	12.3	11.3	6.6
Unemployment Rate	...	...	...	...
Gross National Savings (% GDP)	3.8	12.0	27.6	23.5
Gross Capital Formation (% GDP)	...	...	...	...
Net FDI (% GDP)	0.3	0.3	1.3	1.9
Revenue (% GDP)	8.4	8.1	6.7	8.3
Recurrent Expenditure (% GDP)	7.5	7.2	10.6	11.9
Capital Expenditure (% GDP)	1.8	2.4	7.8	15.3
Fiscal Balance (% GDP)	-3.3	-7.3	-3.0	-5.5
Public Debt (% GDP)	...	...	31.7	26.6
Merchandise Exports (US\$m)	...	...	...	952.3
% of GDP	...	...	...	11.0
Merchandise Imports (US\$m)	...	...	...	1,241.1
% of GDP	...	...	...	38.4
Balance of Trade (US\$m)	-415.5	-664.9	-951.7	-2,392.0
% of GDP	...	...	...	-27.4
Export of Goods & Services (US\$m)	...	...	...	...
% of GDP	...	...	...	...
Import of Goods & Services US\$m	...	...	...	...
% of GDP	...	...	...	56.6
Balance on Goods & Services (US\$m)	...	...	...	...
% of GDP	...	...	...	...
Current Account Balance (% GDP)	...	...	...	...
Remittances (% GDP)	3.8	21.0	21.6	21.4
Gross Reserves (weeks of imports)	12.6	4.9	12.3	23.4
% Change in Exchange Rate (viz US\$)	-2.3	-14.1	-1.3	-1.8

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(J)

Key Economic Indicators

JAMAICA

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	2,535,107	2,633,415	2,704,171	2,762,618
GDP (Rate of Growth)	-0.5	1.3	0.2	0.1
GDP per capita (US\$)	2,937.7	3,615.6	4,630.2	5,202.5
Sector Share of GDP:				
<i>Agriculture</i>	7.9	6.1	5.8	6.6
<i>Mining & Quarrying</i>	4.8	4.1	2.9	1.3
<i>Manufacturing</i>	14.5	11.1	8.9	9.3
<i>Services</i>	72.8	78.7	82.4	82.8
Inflation	13.0	10.0	12.9	8.9
Unemployment Rate	16.0	13.9	10.9	13.9
Gross National Savings (% GDP)	22.3	18.7	13.4	11.7
Gross Capital Formation (% GDP)	28.1	26.8	25.4	21.0
Net FDI (% GDP)	2.8	5.8	6.3	2.5
Revenue (% GDP)	26.1	28.6	26.5	26.0
Recurrent Expenditure (% GDP)	27.6	41.1	30.4	27.1
Capital Expenditure (% GDP)	3.7	2.4	3.4	3.1
Fiscal Balance (% GDP)	-2.9	-4.4	-6.3	-3.4
Public Debt (% GDP)	109.0	139.8	132.3	141.7
Merchandise Exports (US\$m)	1,666.0	1,462.7	2,058.4	1,549.1
% of GDP	24.4	17.3	16.5	11.0
Merchandise Imports (US\$m)	2,720.5	3,226.0	5,509.8	5,326.0
% of GDP	39.6	37.9	44.2	37.7
Balance of Trade (US\$m)	-1,054.6	-1,763.3	-3,451.3	-3,776.9
% of GDP	-15.1	-20.7	-27.7	-26.8
Export of Goods & Services (US\$m)	3,321.3	3,443.6	4,684.6	4,238.7
% of GDP	48.6	41.4	37.8	30.1
Import of Goods & Services US\$m	3,937.1	4,798.8	7,564.3	7,356.8
% of GDP	57.2	56.4	60.8	52.1
Balance on Goods & Services (US\$m)	-615.7	-1,355.2	-2,879.7	-3,118.1
% of GDP	-8.6	-14.9	-23.0	-22.1
Current Account Balance (% GDP)	-3.9	-7.7	-13.0	-9.4
Remittances (% GDP)	10.0	13.1	16.0	15.3
Gross Reserves (weeks of imports)	9.3	17.0	15.4	18.0
% Change in Exchange Rate (viz US\$)	-3.1	-8.5	-6.8	-4.4

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(K)

Key Economic Indicators

MONTserrat

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	8,110	4,591	4,868	5,027
GDP (Rate of Growth)	-14.3	-0.4	2.6	2.4
GDP per capita (US\$)	...	...	...	...
Sector Share of GDP:				
<i>Agriculture</i>	2.6	1.3	0.9	1.4
<i>Mining & Quarrying</i>	0.6	0.1	0.9	0.8
<i>Manufacturing</i>	2.7	0.9	1.6	1.8
<i>Services</i>	94.0	97.7	96.6	96.0
Inflation	4.2	2.7	3.0	1.9
Unemployment Rate	...	...	...	...
Gross National Savings (% GDP)	53.9	26.8	2.2	-10.4
Gross Capital Formation (% GDP)	50.9	46.6	25.7	23.3
Net FDI (% GDP)	8.3	5.1	11.5	6.1
Revenue (% GDP)	25.6	28.1	25.0	25.4
Recurrent Expenditure (% GDP)	48.0	64.5	60.6	62.8
Capital Expenditure (% GDP)	13.4	39.2	19.2	25.9
Fiscal Balance (% GDP)	1.4	6.7	-5.3	-3.9
Public Debt (% GDP)	...	...	...	...
Merchandise Exports (US\$m)	9.2	2.3	2.8	2.9
% of GDP	19.0	5.8	5.0	4.8
Merchandise Imports (US\$m)	28.3	21.8	27.7	32.0
% of GDP	62.9	57.3	50.7	52.3
Balance of Trade (US\$m)	-19.0	-19.5	-24.9	-29.1
% of GDP	-43.9	-51.5	-45.6	-47.5
Export of Goods & Services (US\$m)	30.3	16.4	16.8	15.8
% of GDP	66.1	43.5	30.6	25.8
Import of Goods & Services US\$m	45.2	41.9	48.3	54.3
% of GDP	103.5	111.1	88.7	88.6
Balance on Goods & Services (US\$m)	-15.0	-25.5	-31.5	-38.5
% of GDP	-37.3	-67.6	-57.8	-62.9
Current Account Balance (% GDP)	0.1	-20.5	-24.2	-32.9
Remittances (% GDP)	...	...	...	...
Gross Reserves (weeks of imports)	...	...	...	...
% Change in Exchange Rate (viz US\$)	Fixed	Fixed	Fixed	Fixed

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(L)

Key Economic Indicators

ST. KITTS & NEVIS

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	43,899	46,960	50,446	53,649
GDP (Rate of Growth)	4.3	3.2	3.7	2.0
GDP per capita (US\$)	7,874.8	9,900.0	13,092.9	14,123.2
Sector Share of GDP:				
<i>Agriculture</i>	5.5	2.7	1.5	1.7
<i>Mining & Quarrying</i>	0.3	0.3	0.2	0.1
<i>Manufacturing</i>	9.9	9.1	7.4	11.2
<i>Services</i>	85.4	87.9	90.9	87.0
Inflation	4.2	2.1	4.8	2.0
Unemployment Rate	18.6	19.1	16.5	22.2
Gross National Savings (% GDP)	21.6	23.2	10.0	18.9
Gross Capital Formation (% GDP)	42.9	49.7	42.0	30.2
Net FDI (% GDP)	12.1	20.8	19.3	15.6
Revenue (% GDP)	29.9	29.3	28.2	33.9
Recurrent Expenditure (% GDP)	29.9	32.1	27.9	28.0
Capital Expenditure (% GDP)	5.3	8.8	5.2	5.4
Fiscal Balance (% GDP)	-4.9	-10.5	-1.5	6.6
Public Debt (% GDP)	107.3	160.3	143.7	126.1
Merchandise Exports (US\$m)	42.1	57.2	57.2	60.6
% of GDP	15.7	15.0	8.8	8.1
Merchandise Imports (US\$m)	129.1	170.7	236.2	254.8
% of GDP	48.3	45.3	35.4	33.7
Balance of Trade (US\$m)	-87.1	-113.5	-179.0	-194.2
% of GDP	-32.6	-30.3	-26.7	-25.7
Export of Goods & Services (US\$m)	135.0	163.3	218.5	272.3
% of GDP	50.3	43.3	33.4	35.7
Import of Goods & Services US\$m	194.9	248.8	339.0	375.3
% of GDP	72.8	66.0	51.0	49.6
Balance on Goods & Services (US\$m)	-60.0	-85.5	-120.5	-103.1
% of GDP	-22.5	-22.7	-17.6	-13.9
Current Account Balance (% GDP)	-21.7	-23.0	-17.8	-11.3
Remittances (% GDP)	6.6	6.2	5.4	6.5
Gross Reserves (weeks of imports)	9.5	11.1	13.2	33.9
% Change in Exchange Rate (viz US\$)	Fixed	Fixed	Fixed	Fixed

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(M)

Key Economic Indicators

ST. LUCIA

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	151,027	160,209	170,227	180,703
GDP (Rate of Growth)	2.2	1.3	2.4	-0.7
GDP per capita (US\$)	4,076.1	4,953.7	6,543.8	7,290.9
Sector Share of GDP:				
<i>Agriculture</i>	7.6	5.8	3.9	3.0
<i>Mining & Quarrying</i>	0.4	0.4	0.3	0.2
<i>Manufacturing</i>	6.0	4.8	4.8	3.4
<i>Services</i>	86.0	89.0	91.0	93.3
Inflation	2.7	1.5	3.1	3.1
Unemployment Rate	18.6	19.1	16.5	22.2
Gross National Savings (% GDP)	14.7	7.9	7.5	10.8
Gross Capital Formation (% GDP)	25.6	23.0	31.4	24.9
Net FDI (% GDP)	8.6	8.5	16.1	6.8
Revenue (% GDP)	24.9	24.4	23.4	23.6
Recurrent Expenditure (% GDP)	20.1	21.8	17.3	22.8
Capital Expenditure (% GDP)	7.1	7.3	7.4	6.5
Fiscal Balance (% GDP)	0.2	-3.4	-0.8	-4.4
Public Debt (% GDP)	40.2	56.9	65.9	78.6
Merchandise Exports (US\$m)	80.5	69.7	130.1	205.3
% of GDP	13.6	9.5	11.7	15.8
Merchandise Imports (US\$m)	287.9	311.8	508.7	566.1
% of GDP	47.6	42.9	46.3	43.4
Balance of Trade (US\$m)	-207.4	-242.1	-378.6	-360.8
% of GDP	-34.1	-33.4	-34.6	-27.7
Export of Goods & Services (US\$m)	369.7	377.6	500.5	604.2
% of GDP	61.4	51.9	45.5	46.2
Import of Goods & Services US\$m	413.9	443.6	703.4	759.5
% of GDP	68.5	61.0	64.0	58.2
Balance on Goods & Services (US\$m)	-44.2	-66.0	-203.0	-155.2
% of GDP	-7.1	-9.1	-18.2	-12.0
Current Account Balance (% GDP)	-12.4	-14.8	-22.7	-13.4
Remittances (% GDP)	4.2	3.4	2.5	2.3
Gross Reserves (weeks of imports)	7.3	10.3	9.8	14.3
% Change in Exchange Rate (viz US\$)	Fixed	Fixed	Fixed	Fixed

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(N)

Key Economic Indicators

ST. VINCENT & THE GRENADINES

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	108,001	108,191	109,025	109,336
GDP (Rate of Growth)	4.4	3.6	2.6	0.0
GDP per capita (US\$)	3,258.7	4,236.1	5,838.8	6,402.7
Sector Share of GDP:				
<i>Agriculture</i>	11.6	9.1	6.8	7.7
<i>Mining & Quarrying</i>	0.3	0.2	0.3	0.1
<i>Manufacturing</i>	7.5	6.0	5.5	5.4
<i>Services</i>	80.6	84.7	87.4	86.7
Inflation	2.1	1.2	4.8	1.7
Unemployment Rate	...	...	...	...
Gross National Savings (% GDP)	10.8	14.8	1.2	-5.5
Gross Capital Formation (% GDP)	31.9	29.2	26.9	24.1
Net FDI (% GDP)	12.9	11.0	16.2	16.9
Revenue (% GDP)	28.4	28.2	24.3	25.5
Recurrent Expenditure (% GDP)	24.5	25.6	22.5	26.0
Capital Expenditure (% GDP)	7.4	5.2	6.4	5.0
Fiscal Balance (% GDP)	-2.1	-1.7	-2.7	-3.6
Public Debt (% GDP)	53.6	71.4	73.6	71.9
Merchandise Exports (US\$m)	51.8	43.0	49.1	48.9
% of GDP	17.7	11.3	7.6	7.0
Merchandise Imports (US\$m)	148.9	166.0	272.1	310.0
% of GDP	49.8	43.0	42.1	44.3
Balance of Trade (US\$m)	-97.0	-123.0	-223.0	-261.2
% of GDP	-32.2	-31.6	-34.5	-37.3
Export of Goods & Services (US\$m)	153.3	177.5	205.5	184.3
% of GDP	51.6	46.2	32.2	26.4
Import of Goods & Services US\$m	216.4	228.9	367.6	399.5
% of GDP	73.2	61.8	56.9	57.1
Balance on Goods & Services (US\$m)	-63.1	-51.4	-162.1	-215.2
% of GDP	-20.9	-13.1	-24.7	-30.7
Current Account Balance (% GDP)	-26.1	-13.4	-25.7	-29.6
Remittances (% GDP)	5.5	5.1	4.2	4.4
Gross Reserves (weeks of imports)	7.7	12.2	10.6	13.9
% Change in Exchange Rate (viz US\$)	Fixed	Fixed	Fixed	Fixed

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(O)

Key Economic Indicators

SURINAME

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	461,159	485,637	501,617	528,363
GDP (Rate of Growth)	8.8	5.5	4.4	3.6
GDP per capita (US\$)	1,868.8	2,258.0	5,867.6	9,120.0
Sector Share of GDP:				
<i>Agriculture</i>	13.9	10.2	9.9	9.8
<i>Mining & Quarrying</i>	8.8	7.3	8.6	6.9
<i>Manufacturing</i>	12.2	17.3	24.2	21.8
<i>Services</i>	65.1	65.1	57.4	61.5
Inflation	88.6	37.8	8.4	7.0
Unemployment Rate	10.6	12.7	...	8.6
Gross National Savings (% GDP)	5.9	-3.4	...	...
Gross Capital Formation (% GDP)	18.3	21.7	41.1	...
Credit to Private Sector (% of Total Loans & Advances)				
Net FDI (% GDP)	-1.5	-7.2	-4.4	-0.2
Revenue (% GDP)	14.4	...	23.0	22.8
Recurrent Expenditure (% GDP)	...	...	20.2	21.4
Capital Expenditure (% GDP)	...	...	4.0	4.7
Fiscal Balance (% GDP)	...	...	1.1	-3.8
Public Debt (% GDP)	...	51.9	23.8	24.9
Merchandise Exports (US\$m)	381.2	583.5	1,295.9	2,398.5
% of GDP	45.6	60.8	44.2	50.0
Merchandise Imports (US\$m)	346.7	549.8	1,123.7	1,851.3
% of GDP	39.7	58.0	38.8	38.2
Balance of Trade (US\$m)	34.5	33.7	172.2	547.2
% of GDP	6.0	2.8	5.3	11.8
Export of Goods & Services (US\$m)	468.3	661.5	1,548.9	2,599.9
% of GDP	56.2	69.0	53.1	54.2
Import of Goods & Services US\$m	527.7	751.8	1,450.6	2,398.2
% of GDP	60.9	80.1	50.8	49.4
Balance on Goods & Services (US\$m)	-59.4	-90.3	98.3	201.7
% of GDP	-4.6	-10.5	2.3	4.8
Current Account Balance (% GDP)	-11.2	-16.0	3.6	3.2
Remittances (% GDP)	0.1	0.8	0.1	0.1
Gross Reserves (weeks of imports)	0.0	7.5	14.6	18.4
% Change in Exchange Rate (viz US\$)	-1.2	0.0	-0.1	-0.3

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 1(P)

Key Economic Indicators

TRINIDAD & TOBAGO

Annual Average	1995-1999	2000-2004	2005-2010	2010-2014
Population	1,260,274	1,278,558	1,309,266	1,341,437
GDP (Rate of Growth)	4.8	7.5	4.6	1.0
GDP per capita (US\$)	4,709.0	7,902.3	15,729.3	18,798.2
Sector Share of GDP:				
<i>Agriculture</i>	1.7	1.0	0.4	0.4
<i>Mining & Quarrying</i>	14.2	20.1	34.0	31.1
<i>Manufacturing</i>	16.0	17.7	19.5	20.9
<i>Services</i>	68.0	61.2	46.1	47.6
Inflation	4.2	4.2	8.5	7.2
Unemployment Rate	15.1	10.4	5.9	4.6
Gross National Savings (% GDP)	18.2	28.0	36.1	...
Gross Capital Formation (% GDP)	25.9	20.3	17.5	...
Net FDI (% GDP)	7.3	7.4	4.3	2.6
Revenue (% GDP)	25.5	23.1	31.4	31.1
Recurrent Expenditure (% GDP)	24.7	20.9	23.5	28.1
Capital Expenditure (% GDP)	2.0	1.6	5.0	4.6
Fiscal Balance (% GDP)				
Public Debt (% GDP)	63.6	51.6	30.1	37.8
Merchandise Exports (US\$m)	2,521.2	4,824.5	12,635.9	14,481.9
% of GDP	42.5	47.6	60.6	57.4
Merchandise Imports (US\$m)	2,568.1	3,879.2	7,361.7	10,308.2
% of GDP	43.0	38.5	35.7	40.6
Balance of Trade (US\$m)	-46.9	945.3	5,274.2	4,173.6
% of GDP	-0.6	9.0	24.9	16.8
Export of Goods & Services (US\$m)	3,061.5	5,490.5	13,899.9	...
% of GDP	51.5	54.2	67.1	...
Import of Goods & Services US\$m	2,819.8	4,253.8	7,693.6	...
% of GDP	47.3	42.4	37.4	...
Balance on Goods & Services (US\$m)	241.7	1,236.7	6,206.4	...
% of GDP	4.2	11.8	29.7	...
Current Account Balance (% GDP)	-6.8	6.7	22.5	5.9
Remittances (% GDP)	0.6	0.6	0.5	0.5
Gross Reserves (weeks of imports)	10.8	24.3	43.6	57.9
% Change in Exchange Rate (viz US\$)	1.3	1.5	1.4	1.4

Compiled from published data (CARICOM Secretariat, IMF, International Trade Center - COMTRADE Data)

APPENDIX 2



**SUMMARY REPORT ON THE IMPLEMENTATION
OF THE
STRATEGIC PLAN FOR THE CARIBBEAN
COMMUNITY
2015 – 2019:
REPOSITIONING CARICOM**

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LIST OF ACRONYMS

ACIS	Advance Cargo Information System
APIS	Advance Passenger Information system
BSD	Black Sigota Disease
CAP	Common Agriculture Policy
CAPE	Caribbean Advanced Proficiency Exam
CARICOM	Caribbean Community
CARREX	CARICOM Rapid Alert System for the Exchange of Information on Dangerous Goods
CCCCC	Caribbean Community Climate Change Centre
CCH	Caribbean Cooperation in Health
CCREEE	Caribbean Centre for Renewable Energy and Energy Efficiency
CCS	Caribbean Community Secretariat
CDM	Comprehensive Disaster Management
CET	Common External Tariff
CHOG	CARICOM Heads of Government
CKLN	Caribbean Learning and Knowledge Network
CMO	Caribbean Meteorological Office
COFAP	Council for Finance and Planning
COHSOD	Council for Human and Social Development
COP	Community Operational Plan
COTED	Council for Trade and Economic Development
CSME	Caribbean Single Market and Economy
CXC	Caribbean Examination Council
DRS	Debt Relief Strategy
ICT	Information and Communication Technology
IHR	International Health Regulations
IMPACS	Implementation Agency for Crime and Security
PLHIV	Persons Living with HIV and AIDS
ODL	Online Distance Learning

OECS	Organisation of the Eastern Caribbean States
PPOC	Project Portfolio Oversight Committee
RBM	Results-Based Management
SIP	Strategic Implementation Plan
WMO	World Meteorological Organization

EXECUTIVE SUMMARY

The development of the Community Strategic Plan 2015-2019 took place during a period when globally, the legacy of the 2008-2009 economic crisis was still very evident. The resources from international development partners to the Region contracted significantly, and the social and economic demands on Member States intensified while they struggled to recover from the global economic crisis. Moreover, the initial implementation period from 2015-2016 seemed grim and offered no more promises. Therefore, from the outset, the implementation of the Strategic Plan was presented with a very challenging and unfavourable environment, yet the expectation and anticipation of stakeholders for the Community's Strategic Plan was immense.

The scope and coverage of the Community Strategic Plan is enormous, covering the Economic, Social, Technological, Environmental, Community Governance, Foreign Policy Coordination and CARICOM Identity and Spirit of Community; each with their respective dynamics, demands, agenda and requiring various levels of intervention. With limited resources, vulnerable geographical location, and mounting social ills, the need for Member States to manage conflicting priorities has never been greater. It is within this context, and informed by the recommendations of the Landell Mills (2012) report, that the Heads of Government of the Community found it necessary to identify priority areas for focused intervention in order to achieve the outcomes of the Strategic Plan.

This Report aims to provide an update on the status of implementation of the Community Strategic Plan as at the end of 2016. It must be noted that at the time of publication, some progress reports were still pending, but notwithstanding, sufficient information was available to assess the general performance of the implementation period under review. This Report has been developed to facilitate the request of the Government of Jamaica to inform the on-going work of the CARICOM Review Commission, and is not intended to replace the Secretariat's Annual Performance Report which is still in development.

The methodology used for this Report is based on the structure of the Strategic Implementation Plan (SIP) which is informed by the Community Strategic Plan, and was developed to operationalize the implementation of the said Plan. It serves as a link between the Strategic Plan and the work programmes of the Secretariat and the twenty-four (24) Regional Institutions, as it details the alignment between the Strategic Plan at the highest level, and the work programme at the lower level. Using a logic model, the SIP identifies the strategic priorities, the goals, the strategies, the outcomes, the principal measures and the major activities. Again, using a logic model, the work programme identifies *inter alia*, the outputs that are aligned to the major activities, principal measures etc., through to the strategic priorities.

The measurement applied is consistent with that used for generating the quarterly and annual performance reports for the Secretariat's work programme. It involves allocating a score to all outputs aligned to a given principal measure, based on the progress made on the output indicator(s). A score for the principal measure is then calculated based on the scores achieved for the various output indicators for the respective principal measure. Scores for principal measures then determine progress using the three-level colour code system. GREEN depicts on track to achieve the principal measure, YELLOW depicts progressing with challenges, and RED depicts the possibility of not achieving the target. Therefore, the principal measures must be viewed as intermediate outcome indicators.

Seventy-six (76) principal measures have been identified across the various strategic priorities for implementation of the Community Strategic Plan over a five-year life span. Achieving these principal measures would indicate achievement of the corresponding outcome(s), and realising the desired impact of said outcomes. Notwithstanding the unfavourable environment within which implementation is situated, and the operational challenges faced during the implementation process, the Report shows that between 2015 and 2016 the general performance of the Community was good. This performance is demonstrated by some strategic priorities and strategies with majority of their principal measures on track to achieve the target, such as Building Economic, Social, and Environmental, Resilience, Community Governance, Foreign Policy Coordination and CARICOM Identity and Spirit of Community.

A total of eighteen (18) principal measures are aligned to the **Economic Resilience** strategic priority, and a number of outputs under these are on track to achieve the target. However, there are some ongoing challenges associated with the advancements of some outputs. Achievement of the principal measures under this strategic priority is of particular importance because it includes strategies such as: -

- i) Accelerate implementation and the use of the CARICOM Single Market and Economy (CSME);
- ii) Introduce measures for macroeconomic stabilization; and
- iii) Build competitiveness and unleash key economic drivers to transition to growth.

These strategies include a number of legislative and policy outputs which are critical to the CSME. Achievement of these strategies would signal progress towards the regional integration process, as well as economic growth and stabilization of the Community.

A total of nineteen (19) principal measures are aligned to the **Social Resilience** strategic priority covering critical areas such as education, health, youth and justice. All principal measures are on track to achieve

the target. This strategic priority which refers to advanced human capital development, has significant socio-economic implications for the Community as it includes: -

- i) The development of a regional education and human resource development strategy;
- ii) Implementation of the youth development action plan;
- iii) The development of a strategic plan of action for the prevention and control of non-communicable diseases; and
- iv) The reform of justice systems across the Region.

A total of fifteen (15) principal measures are aligned to the **Environmental Resilience** strategic priority. The strategy to advance disaster mitigation and management recorded all principal measures on track to achieve the target. This means that all outputs under these principal measures are being advanced, which is of particular importance taking into consideration the vulnerability and susceptibility of Member States to the effects of climate change, natural disasters and the associated cost of addressing damages.

A total of six (6) principal measures are aligned to the **Technological Resilience** strategic priority which focuses on the development of a single CARICOM Information and Communication Technology (ICT) Space. While work has been ongoing in this area, only one principal measure is on track to achieve the target, one is experiencing challenges, and four may possibly not meet the target. A Road Map for the single ICT space has been developed and recommended by COTED for the approval of the Conference of Heads of Government (CHOG) in February 2017.

A total of seven (7) principal measures are aligned to the **Strengthening Community Governance** strategic priority which has a strategy to reform Councils, Organs, Bodies and Governance arrangements to enhance decision-making, implementation, accountability and enforcement. Majority of the outputs align to these principal measures are well advanced. In this regard, a number of initiatives are on-going such as the reformation process which follows the establishment of the Change Management Office, the institutionalization of a CARICOM Results-Based Management (RBM) System, the CSME, Monitoring, Evaluation and Reporting Framework (CSME MER), and the web-based monitoring and reporting platform. Critically, the CARICOM Committee of Ambassadors was established in 2015, to serve as a nexus between the Secretariat and Member States to advance the implementation process. It is anticipated that with these initiatives in place, the reporting and the implementation rate for the period 2017-2019 will realise a significant improvement.

A total of five (5) principal measures are aligned to Strengthening the **CARICOM Identity and Spirit of Community** strategic priority. This priority is well poised to reach its targets as all principal measures are

on track. The importance of the strategy which is to enhance public education, public information, and public relations and advocacy cannot be overemphasized, as public engagement is an essential tool for promoting the work of the Community.

A total of six (6) principal measures are aligned to **Coordinating Foreign and External Economic Relations** strategic priority which is progressing steadily. All principal measures are on track to achieve the target with the strategy to deepen foreign policy coordination progressing well. Advancing this strategic priority is paramount as the Community navigates through the reconstruction of the international order as a result of Britain's exit from the European Union (Brexit), the political events in the United States, and continued decline in the levels of resources from International Development Partners.

For the period under review, there has been progress in the implementation of the Community Strategic Plan based on a collaborative relationship between the three implementing partners, i.e, the Secretariat, Member States and Regional Institutions. However, the implementation process is punctuated with a number of challenges which impede the implementation rate, and even the implementation process in some cases. While extensive work is being undertaken and progress has been recorded, there is still much room for improvement in the implementation rate in some strategic priority areas. A number of challenges have been identified as reasons for the slower rate of implementation including: -

- i) Lack of funding for the work programmes of some Regional Institutions due to non-payment of contributions by Member States;
- ii) Institutional and operational issues at the Secretariat and Regional Institutions which are being addressed by the Change Management process;
- iii) Lack of quorum at meetings of Councils, Organs and Bodies where key decisions with implications for progress are made;
- iv) Delays at Member States' level in providing feedback, input and taking the required actions; and
- v) Failure of Member States to ratify conventions in a timely manner.

The Secretariat continues to work closely with Member States and Regional Institutions towards addressing the above challenges particularly where the attention and/or action of Member States is required in order to progress.

Generally, despite the many challenges faced at institutional, national, regional and international levels, the implementation of the Community Strategic Plan has progressed between 2015 and 2016. With three years left to complete the implementation of the Strategic Plan, a number of measures and initiatives are being

employed to mitigate the effects of these challenges. While some challenges are beyond the control of the Secretariat, such as, the stagnant budget of the Secretariat and Regional Institutions, availability of donor resources, and occurrence of natural disasters, it is anticipated that a number of current operational issues and challenges will be addressed by the Change Management process, and thereby, accelerate the implementation rate for the remaining period of implementation. Importantly, the Secretariat and wider Community need to actively and urgently engage in the development and implementation of a Risk Management Programme, to mitigate and/or prevent the effects of the inherent and other risks associated with the implementation of the Strategic Plan. In this regard, in January 2017, the Secretariat Risk Management function was strengthened.

There will be new challenges emanating from the Brexit and results of the US elections, which calls for renewed vigour in advancing the integration process and for the Secretariat and the entire CARICOM architecture to work smarter and harder in order to achieve the outcomes of the Community Strategic Plan. The implications of these two events are not yet be fully known, but it is important that the Community capitalizes on any potential opportunities that may arise as a result.

STRUCTURE OF THE STRATEGIC PLAN

During the development of the Community Strategic Plan, a number of priority areas for intervention were identified through regional consultations. However, given existing and on-going resource constraints, the Conference of Heads of Government recognised the need to prioritise even further. They therefore agreed on the following high-priority strategies for focused implementation during 2015-2019:

Strategic Priorities	Goals	Strategies
Building economic resilience (ECN)– stabilisation and sustainable economic growth and development	To Engender Sustainable Growth of the Economies of Member States	ECN1 - Accelerate implementation and use of the CARICOM single market and economy (CSME)
		ECN 3 - Introduce measures for macroeconomic stabilisation
		ECN 4 - Build competitiveness and unleash key economic drivers to transition to growth
Building environmental resilience (ENV)	To reduce vulnerability to disaster risk and the effects of climate change and ensure effective management of the natural resources across Member States	ENV 1 - Advance climate adaption and mitigation
		ENV 2 - Advance disaster mitigation and management
Coordinated foreign and external economic relations (FOR)	A coordinated approach to international relations that facilitates CARICOM being a global leader in international issues and advances the development of the region	FOR 1 - Deepen foreign policy coordination to support the achieving of CARICOM’S strategic priorities and desired outcomes
Strengthen community governance (GOV)	To ensure effective and efficient governance arrangements that support good decision-making, successful implementation of the regional agenda and accountability by all actors	GOV 1 - Reform of organs, bodies and governance arrangements to enhance decision-making, implementation and accountability and enforcement
Building social resilience (SOC) – equitable human and social development	To ensure sustainable human and social development in the region with reduced levels of poverty and equitable access by vulnerable groups and significant improvement of citizen security by facilitating a safe, just and free community	SOC 1 - Advance human capital development: key skills, education, Reform and youth development
		SOC 3 - Advance initiatives for health and wellness
		SOC 4 - Enhance citizen security and justice

Strategic Priorities	Goal	Strategies
Building technological resilience (TEC)	To engender innovative, technology-driven economies and societies in the Region	TEC 1 - Develop the single CARICOM ICT space
Strengthening the CARICOM identity and spirit of community (UNY)	To refine and intensify the promotion of the 'CARICOM Identity' that binds the people of Member States together and engenders a sustained sense of belonging	UNY 1 - Enhance public education, public information, public relations and advocacy

The above mentioned strategies identified as priorities are responsive to the objectives of the Community stipulated as follows in **ARTICLE 6** of the Revised Treaty of Chaguramas Establishing the Caribbean Community including the CARICOM Single Market and Economy.

The Community shall have the following objectives:

- a) Improved standards of living and work;
- b) Full employment of labour and other factors of production;
- c) Accelerated, co-ordinated and sustained economic development and convergence;
- d) Expansion of trade and economic relations with third States;
- e) Enhanced levels of international competitiveness;
- f) Organisation for increased production and productivity;
- g) The achievement of a greater measure of economic leverage and effectiveness of Member States in dealing with third States, groups of States and entities of any description;
- h) Enhanced co-ordination of Member States' foreign and [foreign] economic policies; and
- i) Enhanced functional co-operation, including -
 - i. More efficient operation of common services and activities for the benefit of its peoples;
 - ii. Accelerated promotion of greater understanding among its peoples and the advancement of their social, cultural and technological development; and
 - iii. Intensified activities in areas such as health, education, transportation, and telecommunications.

MANAGEMENT OF THE PLAN

Fundamental to successful implementation of the Community Strategic Plan is a robust strategic management function within the Community. The function of coordinating implementation of the Strategic Plan across the Regional Architecture (viz. Secretariat, Community Institutions, Member States and other partners) is vested in the Secretariat. This is based on the understanding that each implementing partner undertakes its own operational planning in the context of the mandate given, and in alignment with the overall strategic goals and targets of the Community.

The strategic management function includes on-going scanning of the environment, forecasting, strategic planning and review, coordination of, and consultation with implementing agents, monitoring and reporting. The on-going scanning and review is important for 'rolling' the Strategic Plan each year over the planning period, as it informs the development of, and reporting on, annual work programmes for implementing the strategic priorities. It enables regular reporting on progress including mid-term and end of term evaluations.

A major achievement in the implementation of the Strategic Plan has been the complete alignment of the Secretariat's structure with its substantive work. The six strategic priorities are fully aligned to the five-year Strategic Plan, and each work programme, including that of the Regional Institutions is fully aligned to the corresponding strategic priority. The COP consolidates outputs from the work programme of the Secretariat and Regional Institutions, which is developed annually comprising all outputs being undertaken with regional implications. In addition to specifying the activities of the output owner, the COP details the actions to be taken by Member States for the completion of each output. The COP is also directly aligned to the Strategic Implementation Plan and clearly demonstrates how the outputs, through the major activities and principal measures contribute to the outcomes of the Community Strategic Plan and the UN's Sustainable Development Goals.

To track progress of the implementation of the Community Strategic Plan, monitoring and measurement mechanisms have been employed for both the Secretariat's work programme and the COP. In both instances, the performance, based on the indicators, are monitored and are reported on quarterly and annually. Monitoring and measurement are currently not automated and a Theory of Change has not been fully elaborated. This presents certain limitations, however, in order to address these limitations and to institute a more vigorous mode of monitoring, the Secretariat has, or is in the process of implementing a number of significant mechanisms that will allow for more timely, efficient and effective performance monitoring.

1) The CARICOM RBM System

The development of a CARICOM Results-Based Management (RBM) System which is funded by the Caribbean Development Bank (CDB), commenced in May 2016 and is due for completion in February 2018. Institutionalizing the RBM approach at the Secretariat will ensure that the CARICOM Work Programme and the Community Operational Plan are developed within a framework that focuses on results at every stage, thereby achieving the outcomes of the Community Strategic Plan, and realizing the desired impact in a more targeted manner. An important feature of the CARICOM RBM System is the establishment of the CARICOM RBM Leadership Group (CRLG) which comprises representation from the Secretariat, Regional Institutions and Member States. The Group works closely with the consulting firm with a view to members serving as focal points or forum for institutionalising the RBM approach in Member States and Regional Institutions. The Group is expected to coordinate RBM and Monitoring and Evaluation (M&E) system development and implementation among the wide range of stakeholders in CARICOM. It will advise on, and advocate for, improved RBM use and M&E, and adoption of RBM principles in Member States and Regional Institutions. The CRLG will be particularly important in the development of a Community Scorecard with indicators owned by all three implementing partners.

The RBM approach is particularly relevant for use in CARICOM as it is results-focused, evidence based, developmental and promotes collaboration. The institutionalization of the CARICOM RBM System will constitute a new approach to working that will require the identification of key results, baselines, targets and key indicators to inform the development of a Community Scorecard. The Scorecard will allow for more results focused reporting, which is important, given that the full impact of the Community Strategic Plan and the ensuing strategic interventions will not be realised until after the implementing period.

2) CSME Monitoring, Evaluation and Reporting Framework

The European Union (EU) funded 10th EDF CSME Monitoring, Evaluation and Reporting (CSME MER) Framework was developed by Landell Mills (2016) with the overall objective to support the beneficial integration of CARICOM into the global economy through the advancement of the CARICOM Single Market and Economy. To ensure that the objectives of the CSME MER and the wider CSME programme have been met, the monitoring, evaluation and reporting framework was developed to determine the effectiveness of the CSME, in delivering the benefits of regional economic integration to the people of the Community, particularly fostering growth, development and employment. This framework will become a sub-set of the RBM system once it is operationalized.

3) Assessment of the Community Operational Plan (COP)

The COP represents the compilation of the body of work being undertaken by the Secretariat and Regional Institutions which contribute to the achievement of the outcomes of the Community Strategic Plan and the UN's Sustainable Development Goals. The COP communicates to Member States the actions and support required of them to achieve the outputs and the indicators attendant. The Secretariat, Regional Institutions and the Committee of Ambassadors meet bi-annually to provide update on the implementation of the COP, and to articulate to the Committee of Ambassadors, challenges be faced at member states level where require attention and action are not forthcoming. The Secretariat and Regional Institutions also meet bi-annually to plan, explore opportunities for collaboration and synergies, and to report on progress.

The Secretariat conducts Quarterly and End-of-Year monitoring and evaluation exercises. These serve to assess progress towards meeting the objectives of the Community, and involves the monitoring of Programmes' activities to advise on programme implementation and to highlight where challenges are being experienced and the proposed remedial actions to resolve 'log-jams' and 'bottlenecks'. The process also seeks to examine the attendant risks, with a view to examining the extent of the potential impact and whether to apply prescribed mitigation measures. This assessment will become a sub-set of the RBM system once it is operationalized.

4) Framework for change process

The CARICOM Secretariat's Strategic Business Plan, which is aligned to the Governance strategic priority, presents a framework to monitor and evaluate the efficacy of the Change Management processes and interventions such as, the organizational restructure, business process reviews, optimization and use of technology, review of Councils, Organs and Bodies, and stakeholder engagement strategies among others. These on-going initiatives are geared towards improving programme and project outcomes and consequential implementation rate. This framework will become a sub-set of the RBM system once it is operationalized.

5) Workfront

Workfront is an online project/performance management software that allows the central management and monitoring of the work programme of the Secretariat and Regional Institutions. Deployment at the Secretariat commenced at CARICOM's Offices in Barbados and is on-going. Workfront, once fully operational, and deployed in the Regional Institutions, will enable the Secretariat and Member States to track the progress of implementation across the Community.

6) The Project Portfolio Oversight Committee

The Project Portfolio Oversight Committee (PPOC) was established to provide strategic oversight and guidance to the portfolio of projects being implemented by the Secretariat. The Committee advises on measures to address challenges to ensure that projects maintain their schedule and costs, and ultimately are able to deliver the intended outputs and outcomes.

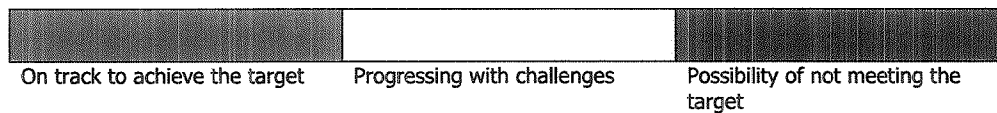
The institutionalizing of these performance monitoring mechanism will inform the implementation process for the remaining period leading towards the end of the life span of the Community Strategic Plan 2015-2019.

SUMMARY OF PROGRAMME PERFORMANCE

This Report aims to show progress made towards achievement of the principal measures as identified in the Strategic Implementation Plan 2015-2019. Achievement of the principal measures, which serve as intermediate outcome indicators, will signify progress made towards achievement of the Community outcomes. While some immediate and intermediate elements of the outcomes may be achieved by the end of 2019, full realization of the outcomes are generally not expected by 2019. It is expected, however, that achievement of the principal measures by 2019, will generate the enabling environment required to facilitate the change necessary to realise the Community outcomes post 2019.

The strategies can only be operationalised fully by Member States as the Secretariat and Regional Institutions facilitate the development of the regional public goods for the enactment and operationalization by Member States. For example, after the approval of harmonized legislation, the onus is on Member States to adopt, enact and operationalize the legislation. The process will then be monitored within the RBM framework which is being developed.

To assess progress made towards the principal measures, this Report uses a three-level colour code system to depict their status. The rating of progress made towards the principal measures compares the actual status of each principal measure at the end of 2016 against the target at the end of 2019. GREEN means on track to achieve the target at the end of 2019. YELLOW means progressing with challenges. RED means possibility of not achieving the target by 2019.



STRATEGY	OUTCOMES	PRINCIPAL MEASURE	RATING
Strategic Priority: Building Economic Resilience – Stabilisation and Sustainable Economic Growth and Development			
Accelerate Implementation and Use of the CARICOM Single Market And Economy (CSME)	<ul style="list-style-type: none"> Increased competitive production and trade of Goods and Services Increased opportunities for CARICOM Nationals to engage in cross-border economic exchange and transactions 	Fully implement the five (5) regimes of the CSM in Member States, in accordance with the agreed revised timetable	

STRATEGY	OUTCOMES	PRINCIPAL MEASURE	RATING
	<ul style="list-style-type: none"> Substantial compliance by Member States with their CSME commitments 		
	<ul style="list-style-type: none"> An enabling macro- economic environment for an effective single economic space 	Advance Macro-Economic Policy Coordination	
		Address the constraints to intra-regional trade with a view to increasing the level of intra-CARICOM trade	
	<ul style="list-style-type: none"> Improved readiness of disadvantaged countries, regions and sectors to participate in the CSME 	Technical and Financial Assistance to disadvantaged countries, regions and sectors; and other interventions to enhance cohesion among Member States	
		Promotion for increased utilization of CSME arrangements	
		Facilitate full participation by the private sector including production integration	
Introduce Measures for Macroeconomic Stabilisation	<ul style="list-style-type: none"> Stable macroeconomic environment that is capable of sustaining economic growth in Member States 	Implement the Programme of Measures for Fiscal and Debt Sustainability in Member States towards restoration of confidence in CARICOM Economies and reversal of the negative perceptions of economic management	
		Establish an integration monitoring framework to assess progress towards a stable macro-economic environment in Member States	
	<ul style="list-style-type: none"> Enhanced ability to recover from hazard impacts in the finance and economic sectors 	Improve risk management for the finance and economic sectors as a safeguard of economic development	
Build Competitiveness and Unleash Key Economic Drivers to Transition to Growth	<ul style="list-style-type: none"> Regional marketing and quality infrastructure responsive to Private/Public Sector priorities 	Advance formulation of regional policies to support production integration in target sectors (enable CSME)	
		Advance Development of Strategic Plan for the Services Sector	
	<ul style="list-style-type: none"> A robust Private Sector supported by a modernized Public Sector 	Implement the programme of action towards Private Sector stimulation and reform of the business regulatory environment	
		Institute arrangements for on-going engagement with private sector	

STRATEGY	OUTCOMES	PRINCIPAL MEASURE	RATING
	<ul style="list-style-type: none"> Increase production and enhanced management of natural resources and bio-diversity 	Advance Implementation of approved policies: the Common Agriculture Policy, Food and Nutrition Security Policy, Common Fisheries Policy	
	<ul style="list-style-type: none"> More effective and efficient transportation network connecting the Region 	Implement the programme of action outlined by the Regional Transportation Commission – short and medium term initiatives	
		Develop the framework for effective delivery of air and maritime transportation	
	<ul style="list-style-type: none"> More evidenced-based planning and monitoring of sustainable energy development in CARICOM States Increased cost-effective renewable energy (RE) and energy efficiency (EE) applications in CARICOM Member States 	Advance implementation of priority actions of the CARICOM Energy Policy	
	<ul style="list-style-type: none"> Improved access to resources for development financing by Member States 	Pursue the implementation of a resource mobilisation strategy based on improved access to both traditional and non-traditional sources to support the Community Growth Agenda as determined by the Commission on the Economy	
Strategic Priority: Building Environmental Resilience			
Advance Climate Adaptation And Mitigation	<ul style="list-style-type: none"> CARICOM Member States and the livelihood of people are more resilient to the impacts of long-term climate change and increased climate variability People and policy makers are much better informed and educated about climate change adaptation and mitigation and change their behaviour 	Periodic updating of the Regional Framework for Achieving Development Resilient to Climate Change and the Implementation Plan 2011-2021, to guarantee continued conformity with national and regional development imperatives	
		National Climate Outlook Forums established in CARICOM Member States and meeting at regular intervals with forum outputs integrated into national decision-making	
		Regional Climate Outlook strengthened and sustained	

STRATEGY	OUTCOMES	PRINCIPAL MEASURE	RATING
		Suite of operational climate services at national and regional levels integrated into the Water, Health, Energy, Disaster Risk Reduction and Agriculture and Food Security Sectors	
	<ul style="list-style-type: none"> CARICOM Member States have strengthened climate services to support climate change mitigation and adaptation 	Model policies developed (e.g. drought polices) and implemented in CARICOM Member States to manage and guide sector responses to extreme climate events	
	<ul style="list-style-type: none"> CARICOM Member States have sustainable financing for climate change adaptation and mitigation programmes 	Greater participation of CARICOM Member States in the activities of the intergovernmental Board on Climate Services	
	<ul style="list-style-type: none"> Key sectors of the Caribbean Community are able to adapt and mitigate effects of climate change 	Pursue the full operationalization of the Implementation Plan and secure complete integration of its elements into national and regional development agendas	
		Prepare Member States to be in a state of climate finance readiness	
		Support the development of a compendium of projects of Member States for action by the CCCCC and its partners, to leverage the financing to support implementation of national resilience-building initiatives	
		Promote actions to derive benefits from the international response to climate change	
Advance Disaster Mitigation And Management	<ul style="list-style-type: none"> Strengthened institutional arrangements for Comprehensive Disaster Management implementation at national and regional levels Increased and sustained knowledge management and learning for Comprehensive Disaster Management Improved effectiveness of CDM at sectoral levels 	Integrate CDM into national policies, strategies and legislation	
		Strengthen national and regional institutional capacities for effective support of CDM implementation, monitoring and evaluation	
		Enhance preparedness and capacity for effective and efficient coordination of response and recovery at the national and regional levels	
		Build an infrastructure for fact-based policy and decision making	

STRATEGY	OUTCOMES	PRINCIPAL MEASURE	RATING
		Improve integrated risk management at the sectoral level for key priority sectors	
Strategic Priority: Coordinated Foreign And External Economic Relations			
Deepen Foreign Policy Coordination to Support the Achieving of CARICOM's Strategic Priorities and Desired Outcomes	<ul style="list-style-type: none"> Established measures to coordinate the Foreign Policies of the Member States while seeking to ensure (as far as possible) the adoption of Community positions on major hemispheric and international issues 	Secure recognition, acceptance and implementation of CARICOM positions, interests and initiatives	
	<ul style="list-style-type: none"> Agreed positions of Member States on issues of interest in relevant intergovernmental organizations 	Develop strategic alliances in the changing international environment	
		Maintain and strengthen relations with traditional partners	
		Forge/ establish relations with strategic non-traditional partners	
	<ul style="list-style-type: none"> Agreed Community positions on international issues of strategic interest, supported by Third Countries and Groups of Countries Enhanced relations with IDPs on agreed cooperation initiatives and establishment of new partnerships with the potential IDPs 	Strengthen the collaboration and cooperation with third countries and groups	
<ul style="list-style-type: none"> Strengthened governance and international security through the promotion of democracy, respect for human rights and the rule of law Strengthened and mutually beneficial relations among Community Members promoted 	Mobilise resources externally to address CARICOM Priorities		
Strategic Priority: Strengthen Community Governance			
Reform of Organs, Bodies and Governance Arrangements to Enhance Decision-	<ul style="list-style-type: none"> More coordinated and effective decision- making and implementation 	Improve the efficiency of the Secretariat, Regional Institutions and all Organs and Bodies	

STRATEGY	OUTCOMES	PRINCIPAL MEASURE	RATING
Making, Implementation and Accountability and Enforcement		Introduce a performance framework for Organs and standardize reporting at meetings	
		Implement the Committee of Ambassadors	
		Improve decision-making processes through reviewing, refining and promoting decision-making protocols and strengthen the preparatory process	
		Introduce the Committee of Ambassadors as the nexus between national/Member States needs and the regional agenda	
		Formalise the current Forum of Secretary-General and Heads of Community Institutions. Forum can be expanded to include Committee of Ambassadors and Private Sector and Civil Society as needed	
		Review and Revision of the Revised Treaty of Chaguaramas to provide for amendments to the governance structures and procedures of the Community	
Strategic Priority: Building Social Resilience – Equitable Human And Social Development			
Advance Human Capital Development: Key Skills, Education, Reform and Youth Development	<ul style="list-style-type: none"> A more resilient society that embraces positive social norms and behaviours A Caribbean work force that is competent, competitive, innovative and entrepreneurial 	Develop a Regional Education and Human Resource Development 2030 Strategy to create a workforce for the 21 st Century	
		Identify and seek to address critical skill gaps required for successful implementation of regional integration initiatives and advancement of the CARICOM agenda and develop target programmes through national and regional tertiary institutions	
		Support national implementation and monitoring of action in the -CARICOM Youth Development Action Plan (CDYAP) 2012-2017 viz. Goals 1,2,3 and the other regional plans addressing human and social development	
		Address issues of Sport and cultural development in the context of education and also in fostering CARICOM identity	

STRATEGY	OUTCOMES	PRINCIPAL MEASURE	RATING
Advance Initiatives For Health And Wellness	<ul style="list-style-type: none"> Improved health status of Caribbean population including the vulnerable Improved equity and access to quality services delivered to the Caribbean population and visitors with emphasis on preventative and primary health care An enabling environment to facilitate inter-sectoral actions for improved health and wellness across the Community Individuals, families and communities taking greater responsibility for their health 	Develop and implement a broad based health strategy grounded in the Principal of population health and complying with international covenants including the International Health Regulations (IHR)	
		Explore options for developing a regional insurance system for a basic package of services based on a costing of services.	
		Advance implementation of HIV initiatives in accordance with programme of action under the CRSF	
		Further implementation of the Strategic Plan of Action for the Prevention and Control of NCDs	
		Create an enabling environment and facilitate inter-sectoral actions for improved health and wellness across the Community	
Enhance Citizen Security and Justice	Reduced corruption and crime and criminality in Member States	Strengthen anti-corruption mechanisms in Member States	
		Develop and improve mechanisms to identify and facilitate the tracing of criminal assets and strengthen the Region's capacity in investigation and enforcement methods and techniques	
		Develop training programmes for law enforcement and security officials and expansion of regional "Centres of Excellence"	
		Strengthen regional human resource and infrastructural capacity to deal with cyber security threats	
		Expand the existing Advance Passenger Information system (APIS) and establish the Advance Cargo Information System (ACIS)	
		Increase Trans-border Intelligence and Information Sharing	
		Pursue Functional Cooperative Security engagements to tackle and manage shared risks and threats	

STRATEGY	OUTCOMES	PRINCIPAL MEASURE	RATING
		Deepen crime prevention initiatives and programmes	
		Reform of Justice Systems across the Region	
Strategic Priority: Building Technological Resilience			
Develop The Single CARICOM ICT Space	<ul style="list-style-type: none"> [Decision of CARICOM Heads of Government on the Roadmap for the Establishment of the ICT Space (2015)] 	Develop the Road Map for the Single ICT Space	
		Elaborate the CARICOM Digital Agenda 2025	
	<ul style="list-style-type: none"> Better enabled government agencies and increased functional cooperation 	Continue implementation of key activities which support the Single ICT Space viz: Advance the use of C@ribNET as a research and education core	
		Broadband deployment	
		Legal and regulatory environment	
<ul style="list-style-type: none"> [To be determined by the Road Map for the Single ICT Space] 	Implement Road Map for the Single ICT Space		
Strategic Priority: Strengthening The CARICOM Identity and Spirit of Community			
Enhance Public Education, Public Information, Public Relations and Advocacy	<ul style="list-style-type: none"> [Coordinated CARICOM information outreach from Network of CCS and Community Institutions Communications Operatives] 	Establish a working group/framework for the coordination of enhanced communications among all the CARICOM Entities	
		Establish Communications network across CCS, Member States and Institutions, and partners in media	
	<ul style="list-style-type: none"> [Greater reach for message to new stakeholders through increased use of digital/social media] 	Build capacity within CCS	
		Implement Communication Strategy in accordance with agreed schedule	
		Institute the use of the 'double Cs' as the CARICOM brand for all Community Organisations (co-branding with institution	

SUMMARY OF PROGRESS MADE IN IMPLEMENTATION OF THE STRATEGIC PLAN

1. ECN 1: Accelerate implementation and use of the CARICOM Single Market and Economy

The five principal measures aligned to this priority area have advanced since 2015. To date, seventy-three per cent (73%) of the planned outputs have been advanced. A number of key achievements relating to this priority area have been completed including the drafting of model laws and regulations to make CARICOM Single Market and Economy (CSME) Member States more compatible with CSM obligations; transposition of the Common External Tariff (CET) based on HS 2017 which was approved by the 43rd COTED; approval of the Customs Bill and Regulations by the Legal Affairs Committee; installation of Information Technology (IT) hardware for the CSME Document and Work Flow Management System in each Member State; the provision of recommendations for the mitigation of unfair trade policies; capacity building for over 450 Officials and NGOs in Consumer Protection; enhancement and strengthening of the Legal framework for the CARICOM Rapid Alert System for Exchange of Information on Dangerous Consumer Goods (CARREX) Policy; implementation of the eight country programmes approved in the first cycle of the CARICOM Development Fund (CDF); and the provision of support to Member States to increase compliance with provisions of the Revised Treaty and decisions of the Council on Trade and Economic Development (COTED).

In response to the challenges affecting the implementation of the CSME programme, the Conference of Heads of Government (CHOG) has advised that the CSME should be recalibrated to accelerate the achievement of the desired outcomes and impact.

2. ECN 3: Introduce measures for macroeconomic stabilization

The two principal measures under this strategic priority area are slowly advancing. Activities have started and are progressing for forty per cent (40%) of the planned outputs so far. Although all the outputs under this priority area are incomplete, there are documented advances on the launch of the Debt Relief Strategy (DRS) for the Community and the development of proposals on the Regional Approach to Fiscal Sustainability. The outputs under this strategic priority area have been severely affected because the Council for Finance and Planning (COFAP) have not met since February 2014 to advance the programme.

3. ECN 4: Build competitiveness and unleash key economic drivers to transition to growth

The seven principal measures assessed have advanced since 2015. Advancement were made in the implementation of priority actions of the CARICOM Energy Policy; the implementation of the Common Agriculture Policy (CAP), Food and Nutrition Security Policy, and the Common Fisheries Policy. Outputs for a number of sectors were achieved. These outputs include, the Governance structure and operational arrangements for the establishment of the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE) which was approved by COTED in 2016; Draft Regional Strategic Plans for the Financial, Cultural and Health Service sectors; availability of Black Sigatoka Disease (BSD) tolerant germplasm for the production of Banana and Plantain; two Field School sessions in large scale production were conducted in Guyana and Jamaica; securing funding to finalize the Multilateral Air Services Agreement (MASA) under the Japan-CARICOM Agreement; and the implementation of a regional trade and business market intelligence system.

4. SOC 1: Advance Human Capital Development: Key Skills, Education Reform and Youth Development

The principal measures related to this priority area have demonstrated progress in implementation of key activities. The achievements recorded since 2015 include the endorsement by COHSOD of the CARICOM Open and Distance Learning (ODL) policy; an updated Health and Family Life Education Core Curriculum Guide for Caribbean teachers; the Final Draft of the CARICOM Strategic Framework for Parenting Education and Support; integration and coordination of the work of the Commission on Human Resource Development including the development of the Regional Education and Human Resource Development Strategy. In addition to these achievements, the Caribbean Examination Council (CXC) has also recorded a 15% increase in the uptake of CXC's new generation CAPE subjects that embrace 21st Century employment opportunities in both 2015 and 2016. CXC also integrated the attributes of the ideal Caribbean person in all syllabuses across the Region.

5. SOC 3: Advance Initiatives for Health and Wellness

The principal measures under this priority area recorded slow progress in implementation of some activities. The achievements recorded since 2015 include the review and update of the Caribbean Cooperation in Health (CCH IV); the completion of a Study on the Port of Spain Declaration; the provision of antiretroviral treatment for Persons Living with HIV and AIDS (PLHIV) in OECS Member States through the PANCAP Global Fund Round 9 Grant; and the development of a Regional Framework for addressing Obesity in Children.

6. SOC 4: Enhance Citizen Security and Justice

The principal measures under this priority area have recorded advances since 2015. The achievements recorded since 2015 include comprehensive training for sixty-nine judicial officers to improve administration of justice in Belize, Grenada and Jamaica; and Protocols and Standard Operating Procedures for joint crisis monitoring and management activities/initiatives for regional agencies. The Arrest Warrant Treaty is being negotiated and is currently at an advanced stage.

7. ENV 1: Advance Climate Adaption and Mitigation

The four principal measures assessed under this priority continue to progress. To date, forty-two (42%) of the planned outputs are advancing and are expected to be completed on or before the end of 2019. The completed outputs include the Region's successful negotiations for funding at the COP21, and the development of the Post COP21 Plan of Action; strengthening of the climate and weather networks in the Caribbean; and the provision of technical assistance to National Meteorological Services to develop data sharing policies in accordance with the standards of the Caribbean Meteorological Office (CMO) and the World Meteorological Organization (WMO).

8. ENV 2: Advance Disaster mitigation and management

The five principal measures assessed under this priority area have maintained a positive momentum since 2015. Currently, seventy-five (75%) of the planned outputs under this priority area are in an advanced stage. Some of the outputs which were completed include capacity building of the National Disaster Offices (Barbados, St. Kitts and Nevis, Antigua and Barbuda), and other agencies (CARICOM Disaster Relief Unit, CARICOM IMPACS and the United States Southern Command) in monitoring, evaluation and reporting on the Comprehensive Disaster Management Strategy; the development of the risk information system; and the development of multi-hazard contingency plans for regional coordination.

9. TEC 1: Develop a Single CARICOM ICT Space

One principal measure under this priority is on track to meet the target and the remaining four are progressing with challenges or may possibly not meet the target. To date, eighty per cent (80%) of the outputs have started despite the delay in securing COTED's approval of the Road Map for the single ICT space for the Community. However, in 2016, COTED ICT recommended the approval of the Road Map for the single ICT space by the Conference of Heads of Government in February 2017. Additionally, the Secretariat provided technical input to inform the future strategic direction of CKLN which was subsequently dissolved.

It must be noted that although the Road Map was developed and presented to COTED Officials in June 2015, the COTED ICT Ministers only met in September 2016 to recommend to the Heads of Government for approval. Given the projected timelines in the Road Map to complete this principal measure, the Secretariat anticipates challenges in meeting the targets under this area.

10. FOR 1: Deepen Foreign Policy coordination to support the achieving of CARICOM's Strategic Priorities and desired Outcomes

The principal measures aligned to this strategic priority area have advanced. The CARICOM Secretariat has achieved the following outputs namely; establishment of the strategic priorities within the Community for Foreign and Community Relations; agreement on the list of priority issues for engagement with Third States and Groups of Countries (SAMOA Pathway, Post 2015 development agenda, climate change and security); engagement with the United States, United Kingdom, Japan, Mexico, Chile and Nordic States in 2016; and Electoral Observer missions to Jamaica and Haiti.

11. GOV 1: Reform of Organs, Bodies and Governance Arrangements to enhance Decision-Making, Implementation and Accountability and Enforcement

The five principal measures under this strategic priority are advancing steadily. Planned outputs aligned to two principal measures have been completed as at December 2016. The outputs completed include the establishment and operationalization of the Change Management Office, the CARICOM Committee of Ambassadors and the Forum of the Secretary General and Heads of Community Institutions; development of the Secretariat Strategic Business Plan; development of rules and procedures for the Meetings of the Conference of Heads of Government; the protocol (signed by Heads of Government in February 2016) amending the Revised Treaty of Chaguaramas to incorporate the Council for National Security and Law Enforcement as an Organ of the Community, and the CARICOM Implementation Agency for Crime and Security as an Institution of the Community.

12. UNY 1: Enhance Public Education, Public Information, Public Relations and Advocacy

The five principal measures assessed are progressing as planned. One hundred percent (100%) of the outputs have started and are in progress. The achievements for 2016 include the establishment of the Government Information Service Network and Communications Working Group for Community Institutions and increased quantity and quality of audio and video content produced and distributed by Secretariat. This includes the adoption of new software and social media to enhance outreach and communication with Member States. The establishment of the Government Information Service Network will improve sharing and coordination of activities as well as the visibility of CARICOM.

CONCLUSIONS

The implementation of the Community Strategic Plan 2015-2019 is being undertaken by three implementing partners, the CARICOM Secretariat, Member States and the Regional Institutions with support from International Development Partners.

The end of 2016 marks a critical point for the implementation period which has taken place within the context of limited financial and human resource resulting from the global economic hardship and reduced donor resources.

Notwithstanding, progress in implementation was made under all Pillars of the Strategic Plan which is attributed to the work and commitment of the three implementing partners. It must be noted that at the time of this Report, some progress reports for 2016 from the Regional Institutions were still pending. However, based on information available from status updates received from Regional institutions during 2016, general trends and progress made in implementation was determined.

A number of regional public goods (model legislation and policies) were completed and in other cases advanced towards adoption by relevant Councils, Organs and Bodies of CARICOM. These regional public goods, once adopted by Member States, will accelerate the regional integration process thereby strengthening the Community's Economic, Social, Environmental and Technological resilience. Building this resilience will consequently foster a greater sense Identity and Spirit of Community, which will strategically position the Region as an equal partner in the global economic space.

Although progress was realised, the implementation rate was affected by a number of challenges. Some of these challenges include:

- i. Lack of funding for the Work Programmes of some Regional Institutions due to non-payment of contributions by Member States;
- ii. Institutional and operational issues at the Secretariat and Regional Institutions which are being addressed by the Change Management process;
- iii. Lack of quorum at meetings of Councils, Organs and Bodies where key decisions with implications for progress are made;
- iv. Delays at Member States' level in providing feedback, input and taking the required actions; and
- v. Failure of Member States to ratify conventions in a timely manner.

Thus far, a number of lessons have been learnt from the implementation process which will inform implementation moving towards 2019. As the mid-point of the Community Strategic Plan life-span approaches, the Community must engage in critical stock taking, within the context of limited resources, and ensure that a Community wide strategic planning process is adopted towards the development of a more integrated, unified and results-focused work programme for the Secretariat, Regional Institutions and Member States.

To this end, the Secretariat and Regional Institutions are in the initial stages of developing a Community Engagement and Capacity Building Strategy which will no doubt serve to improve implementation. The on-going Change Management process and development and implementation of a Results-Based Management System for CARICOM, and the introduction of a monitoring and evaluation web-based portfolio platform will, to a great extent, serve to improve the implementation rate and ensure focus on achieving the outcomes and desired impact of the Strategic Plan 2015-2019.

