THIRD SUMMIT OF HEADS OF STATE AND/OR GOVERNMENT OF THE STATES, COUNTRIES AND TERRITORIES OF THE ASSOCIATION OF CARIBBEAN STATES

Margarita Island, Nueva Esparta State, Venezuela
December 11-12, 2001

DECLARATION OF MARGARITA: THE CONSOLIDATION OF THE GREATER CARIBBEAN

The Heads of State and/or Government of the States, Countries and Territories of the Association of Caribbean States (ACS), meeting in Margarita Island, Nueva Esparta State, Bolivarian Republic of Venezuela, on December 11-12, 2001;
Committed to the principles and objectives enshrined in the Convention Establishing the ACS;

Recalling our commitment to the Declaration of Principles and its Plan of Action resulting from the historic First Summit of Heads of State and/or Government of the ACS, held in Port of Spain, Trinidad and Tobago, on August 17-18, 1995, and the priorities identified for promoting regional integration, functional co-operation and co-ordination among the Member States and Associate Members of the ACS;

Considering the Declaration of Santo Domingo and Plan of Action emanating from the Second Summit of Heads of State and/or Government of the ACS, held in Santo Domingo de Guzmán, Dominican Republic, on April 16-17, 1999; and

Determined to strengthen the ACS as a body for consultation, concerted action and co-operation and recognising the importance of promoting conditions aimed at consolidating a Caribbean identity that would further strengthen our historical, political, economic, trade, social and cultural links:

1. We pledge to establish the region of the Greater Caribbean as a Zone of Co-operation, in recognition of the common geographic space shared by our States, Countries and Territories, and the common interests and objectives derived therefrom. The Greater Caribbean Zone of Co-operation will consist

initially of joint actions in the priority areas of the ACS, namely, Trade, Sustainable Tourism, Transport and Natural Disasters.

2. We express our firm conviction that democracy, economic and social development and respect for and promotion of human rights and fundamental freedoms are interdependent and mutually reinforcing.

3. We reiterate respect for the principles of sovereignty, territorial integrity and non-intervention, as well as the right of each people to build its own political system in peace, stability and justice. We therefore strenuously reject any type of intervention in the internal affairs of States and the extra-territorial application of internal laws and unilateral and conditional measures for co-operation. In this context, we reiterate our appeal to the Government of the United States of America to end the application of the Helms-Burton Law, in conformity with the pertinent resolutions approved within the United Nations General Assembly.

4. We condemn terrorism and we confirm our commitment to combat it in all its forms and expressions, wherever it occurs and by whomever it is committed, and we are unequivocally committed to preventing and eliminating this scourge, as well as to consolidating mechanisms and instruments for international and regional co-operation in order to confront it, in accordance with the objectives and principles contained in the international instruments on this subject.

5. We also observe with concern the growing threat of transnational organised crime and we express our commitment to fight it in all its forms, and especially, to prevent, suppress and eliminate the trade of persons, the illicit traffic of migrants by land, sea and air; and the illicit trade and manufacture of firearms, components and ammunition.

6. We recognise the worldwide nature of the drug problem and its related crimes and the need for all forms of bilateral and multilateral co-operation mechanisms. We reiterate the principle of shared responsibility and of an integrated, balanced approach to the problem, in accordance with international law, and, in particular, with full respect for the sovereignty and territorial integrity of States, non-interference in internal affairs and respect for human rights and fundamental freedoms.

7. We highlight the importance of alternative development and its sustainability, which would permit legal socio-economic alternatives and opportunities to generate income, improvement of the quality of life, environmental protection and the promotion of cultural values.

8. We agree that the principle of shared responsibility must be applied in the fight against the illicit traffic of small and light firearms, drug trafficking and money laundering. In this respect, we affirm our commitment to prevent, combat and eliminate this illicit trade at the national, regional and global levels, including measures to ensure international co-operation and assistance.

9. We support the strengthening of co-operation mechanisms to exchange information among legal and judicial institutions, and we recognize the importance of ratifying the Inter American Convention against the Manufacture and Illicit Traffic in Firearms, Ammunition, Explosives and other related materials. In this context, we support the implementation of a Plan of Action of the UN Conference on the Illicit Traffic in Small and Light Firearms, in all its aspects, held in New York in July 2001, and we congratulate Colombia for its work in chairing the event.

10. In order to combat the problem of corruption whose scope is transnational, we are in favour of promoting co-operation among Member States and Associate Members, as well as among national institutions responsible for enforcing the law in each country to eradicate corruption where it exists. In this regard, we value the contribution of the Inter-American Convention against Corruption and, as such, we support the negotiation of a United Nations Convention against Corruption, to be conducted from January 2002.

11. We agree that among the fundamental causes of poverty and under-development is the unequal distribution of wealth and knowledge prevailing in the world. In this respect, we support all co-ordinated and determined efforts to create an environment leading to sustainable economic and social development aimed at combating poverty and inequality and therefore pledge to achieve economic growth with social equity and to combat poverty, as fundamental conditions for deepening democracy, political stability and the legitimacy of our Governments.

12. We reaffirm the principles of solidarity, consultation, co-operation and concerted action to be the best way forward for the region to benefit from the opportunities and to meet the challenges of globalisation. We also recognise that the cultural heritage of the Greater Caribbean is a powerful unifying force and we affirm the importance of protecting and promoting the expressions of our cultural identity.

13. We confirm our commitment to an international trade system based on rules that favour special and differential treatment for developing countries,

particularly within the World Trade Organization (WTO) and the Free Trade Area of the Americas (FTAA). For this, we must work towards concerted positions, including civil society in the decision making process. We therefore ratify the principles agreed to by our Ministers and Senior Officials responsible for trade negotiations at the meeting held on September 5, 2001, in Port of Spain, Trinidad and Tobago, on Special and Differential Treatment for Small Economies in the framework of the FTAA, which is attached to this Declaration. We support the proposal for the creation of a Regional Development Fund within the FTAA process.

14. We recognise the importance of the agreement of the 4th WTO Ministerial Meeting to place the needs and interests of developing countries at the core of the WTO Work Programme, adopted at Doha. We also express our greatest interest and support for the multilateral trade negotiations launched at Doha to take into account in an adequate, effective and binding manner, the principle of special and differential treatment for developing countries, so as to respond to their economic and social development needs.

15. We consider of particular interest for developing countries the creation of a working group to examine the inter-relation of trade, debt and finance, with a view to supporting a lasting solution to the problem of the external debt of developing countries, and of another group to study the links between trade and the transfer of technology, with the aim of presenting the relevant recommendations to increase the flows of technology towards developing countries. Similarly, we welcome the agreement reached in relation to the Declaration on the TRIPS Agreement and to Public Health, particularly due to the recognition of the right of Members to apply measures to solve the serious public health problems that afflict many developing countries, especially those resulting from HIV/AIDS, tubercolisis, malaria and other epidemics.

16. We reiterate the need to work jointly to consolidate a broad economic space for trade and investment, and we encourage the reduction of obstacles to trade in the Greater Caribbean. In this respect, we will continue to promote integration and co-operation measures that would strengthen intra-regional trade and investment.

17. We consider the institutionalisation of the Business Forum of the Greater Caribbean as an essential mechanism to promote trade and investment in the region. As such, we congratulate Venezuela and Mexico for organising the 1st and 2nd Business Fora of the Greater Caribbean and we offer our support to the efforts of Costa Rica and Cuba to host the 3rd and 4th Fora in the years 2002 and 2003 respectively.

18. We endorse the implementation of the Integrated Information System of the Greater Caribbean and we instruct the integration and co-operation Secretariats and entities of the region to execute this project.

19. We recognise the Energy Co-operation Programme for Central American and Caribbean Countries, better known as the San José Agreement, as a unique instrument of collaboration, which over twenty years of operation, has meant significant support for economic and social development in the region.

20. In addition, we appreciate the efforts being made by Venezuela to co-operate with a group of countries of the region, through the Caracas Energy Agreement, in order to contribute to the economic and social progress of the beneficiary countries of this agreement.

21. We underline the importance of the International Conference on Financing for Development which, under the auspices of the United Nations, will take place in Monterrey, Mexico, on March 18-22, 2002. We recognize that this key multilateral forum represents an ideal opportunity to reach consensus in the international community, to respond to the urgent need to reactivate international financing to promote development and the reduction of inequalities among countries. We also reaffirm our commitment to promoting active participation in preparatory efforts and during the very development of the Conference, so as to foster qualitative and quantitative participation in it.

22. We welcome the recent support offered to the region by the member countries of the Caribbean Development Bank, with negotiations being held for the signing of a new Cycle of Replenishment of Resources for the Special Development Fund, through pledges to finance social projects and projects to combat poverty in its beneficiary countries. We also appreciate the efforts made by the Bank regarding negotiations to expedite Haiti's admission as a borrowing member country.

23. Taking into account the importance of tourism for the economic development of the Greater Caribbean, we urge the early ratification and implementation of the Convention for the Establishment of the Sustainable Tourism Zone of the Caribbean, signed at this Third Summit of Heads of State and/or Government of the ACS.

24. Recognising the Caribbean Sea as the common patrimony of the region, and an invaluable asset for which we give special priority to its

preservation, we urge our countries to take fully into account the elements of the Resolution "Promoting an Integrated Management Approach to the Caribbean Sea Area in the context of Sustainable Development" (A/RES/55/203), approved by the 55th Session of the UN General Assembly, and to continue taking steps for the Caribbean Sea to be recognised by the international community as a Special Area in the context of Sustainable Development.

25. We support the conclusions of the Regional Preparatory Conference of Latin America and the Caribbean World Summit on Sustainable Development held on October 23 to 24, 2001, in Rio de Janeiro, Brazil, as contained in the Rio de Janeiro Platform for Action, and also take note of the Regional Roundtable for Latin America and the Caribbean held in Bridgetown, Barbados, on June 18 to 20, 2001, in the context of the preparations for the Earth Summit, "Rio + 10", to be held in Johannesburg, South Africa, in 2002.

26. We support the conclusions of the Ministers of the Environment of Central America and the Caribbean, meeting in Panama City, Panama, on October 26-27, 2001, who, in their final declaration, expressed the urgent necessity of forging a new culture of water in our societies, which, based on the best traditions of our peoples, incorporates new values and realities to guarantee the conservation, rational use, economic valuation and the understanding and acceptance by all the population that water is a finite and vulnerable resource, indispensable to all living beings and necessary for sustainable human development.

27. We recognise the need for urgent action to minimise the negative impacts of climate change, including sea level rise and the increase in the frequency and intensity of natural disasters. In this regard, we urge all countries which have not already done so, taking into consideration the principle of common but differentiated responsibilities, to sign and ratify the relevant international treaties, in particular the United Nations Framework Convention on Climate Change and the Kyoto Protocol of this Convention.

28. We urge those Member States and Associate Members that have not yet signed and/or ratified the Convention for the Protection of the Marine Environment of the Wider Caribbean Region, known as the Cartagena Convention, and its Protocols, to do so as soon as possible and to take all necessary steps to ensure national implementation of their provisions at the earliest opportunity.

29. We reiterate our strenuous and total rejection of the continued use of the Caribbean Sea for the shipment and trans-shipment of nuclear materials and toxic waste, given the threat that any accidental or deliberately induced spill of these materials would represent to the life and ecosystems of the region.

30. We reaffirm the importance of the Agreement between Member States and Associate Members of the Association of Caribbean States for Regional Co-operation on Natural Disasters, and we urge its early ratification and implementation. We also reaffirm the importance of international co-operation in Natural Disaster prevention, by promoting scientific and technical activities that would strengthen the capabilities of Member States and Associate Members to address the reasons for vulnerability, to confront disasters and reduce their negative impact, by means of continuous human resource training and instruction.

31. We are in favour of recognising the need, in those countries where the situation does not exist, for national Disaster Management Organizations (DMOs) to operate independently, and as such, to be assigned autonomous budgets, so that they might be responsible for emergency response and relief, as well as the implementation of plans and programmes for prevention, mitigation and reduction.

32. Taking into consideration the importance of risk management, which implies intensifying all actions towards risk as a process, we pledge to include it as a platform that would guide investment within the social and economic development programmes of our countries.

33. We recommend that Member States and Associate Members consider the possibility of creating National Post-Disaster Funds that would respond to financing needs in the areas of rehabilitation, reconstruction and mitigation of risk of disasters.

34. We recognise the importance of effective air and maritime transport, with a view to implementing the programme "Uniting the Caribbean by Air and Sea". These kinds of transportation are essential for the development of regional trade and tourism and the general self-sustainability of the region. In this context, we urge the continuation of negotiations leading to the conclusion of the Air Transport Agreement among the Member States and Associate Members of the ACS who so wish, as well as the development and implementation of a port and maritime database for the benefit of the public and private sectors.

35. We welcome the commencement programmes of academic activities, in the area of maritime transport, for the countries of the Greater Caribbean, by the Maritime University of the Caribbean, headquartered in Vargas State, Venezuela, whose academic fields and levels contribute to human resource development in the countries of the Greater Caribbean, as well as the creation of a Regional Coordinating Centre to utilise all existing potential in the different Member States and Associate Members.

36. We acknowledge the indisputable fact that the eradication of diseases is vital to our social well-being and economic prosperity and are concerned about the formidable threat posed by the HIV/AIDS pandemic to the sustainable economic development and social stability of our countries. We recall, moreover, the Declaration of Commitments emanating from the Special Session of the UN General Assembly on HIV/AIDS of June 2001, which highlights, inter alia, *"encouraging and supporting local and national organisations to expand and strengthen regional partnerships, coalitions and networks"* in the fight against HIV/AIDS. We therefore strengthen our collective commitment to the eradication of this pandemic.

37. In this context, we support a basic public education programme for the population in general; international co-operation to promote access by all, without discrimination, to pharmaceutical products, raw materials or fundamental medical technology, for prevention, cure or relief; and the promotion of programmes for the control of sexually transmitted diseases, applying treatments with a syndromic approach, particularly in countries with fewer economic resources.

38. Recalling that the first European Union/Latin America and the Caribbean Summit (EU/LAC), held in June 1999, defined a strategic association, aimed at developing political, economic and cultural relations between the two regions, we recognize that the Second EU/LAC Summit, to be held in Madrid, Spain, in May 2002, will be an opportune occasion to consolidate the aforementioned association and to promote participatory and equitable dialogue between the countries of the Greater Caribbean and the EU/LAC.

39. We express the need to increase the resources of the Special Fund of the ACS, as a mechanism for the implementation of projects in the priority areas of the Association. In this regard, we appreciate the efforts of Venezuela in conducting the negotiations leading to the creation of a Protocol of Co-operation, through which the ACS will have access to the resources of the OPEC Fund for International Development, as well as the initiation of negotiations with the United Nations Industrial Development Organization (UNIDO) for the signing of a co-operation agreement with the

ACS. We also welcome the conclusion of the Co-operation Agreement with the International Organization of the Francophonie to strengthen the French language capabilities of the ACS Secretariat and of the Greater Caribbean.

40. We recognize the importance of making commitments to increase links and strengthen relations with other regional and international co-operation agencies, dedicated to financing resources and providing technical assistance, in accordance with the strategic needs of the region.

41. We recognise and value the significant contribution that civil society is making to the strengthening and development of the ACS and therefore we urge the continuation of its important contribution to the consolidation of the Greater Caribbean Zone of Co-operation.

42. We look forward to achieving universality of membership as provided for in the Convention Establishing the Association of Caribbean States and we urge those eligible Countries and Territories to take the necessary steps to become Associate Members.

43. We reiterate the importance of the political dialogue of the Heads of State and/or Government of the ACS in order to strengthen the ACS as an important forum for co-operation, consultation and concerted action.

44. We express our deep gratitude to the President of the Bolivarian Republic of Venezuela, His Excellency Hugo Chávez Frías, and to the Venezuelan Government and people, for their warm welcome and generous hospitality throughout this Third Summit.

In order to comply with the principles and objectives outlined in this Declaration, we agree to approve the attached Plan of Action and instruct the Ministerial Council, in accordance with Article VIII of the Convention Establishing the Association of Caribbean States, to follow up and evaluate its implementation at its next Ordinary Meeting and to formulate policies and guidelines to guarantee its execution in the shortest time possible.

PLAN OF ACTION

The tasks contained in the following Plan of Action of the Association of Caribbean States (ACS) shall be completed within a two-year period and shall be the basis of the Work Programme and Programme Budget of the Association for the years 2002 and 2003. The Secretariat shall present regular reports and recommendations on the implementation of this Plan of Action to the Ministerial Council and its subsidiary organs, which will decide on action to be taken and possible modifications to be made, taking into account changes in circumstances.

Actions aimed at guaranteeing and mobilizing resources that would contribute to the implementation of projects in the areas of Sustainable Tourism, Trade, Transport and Natural Disasters, shall be articulated with the Council of National Representatives of the Special Fund, which, given its nature, is the body responsible for coordinating all these activities, in order to carry out necessary follow-up and control of projects, as well mobilizing the resources necessary to ensure the execution of said projects.

1. SUSTAINABLE TOURISM

As a result of the process of rationalisation and prioritisation, the actions of the Special Committee on Sustainable Tourism will be aimed at accomplishing the following objectives:

1.1 Signing, ratification and implementation of the Convention Establishing the Sustainable Tourism Zone of the Caribbean (STZC) by all Member States and Associate Members.

1.2 Full establishment and operationalisation of the mechanism provided for in the guidelines governing the identification, approval, categorization and incorporation of the destinations that constitute the STZC, to guarantee and/or ensure that they satisfy the criteria of Sustainable Tourism.

1.3 Establishment of a mechanism for the provision of technical and other assistance to Member States and Associate Members for the upgrading of standards, practices, and monitoring and regulatory instruments to meet the requirements of the established criterion for categorisation and incorporation of the STZC, such as the Certificate of Tourism Sustainability which emphasises the following aspects:

- Economic Sustainability: which will result in the profitability of enterprises and therefore the creation of new jobs;

- Environmental Sustainability: which will seek the protection of biological diversity and its valuation;

- Social and Cultural Sustainability: which will promote greater benefit for local communities with due respect for and preservation of traditional values, the respective identities and conservation of cultural resources.

1.4 Obtaining financing for and initiating the implementation of the projects on: Inventory of the existing legal framework in the regional sphere, with regard to the twelve strategies defined in the Immediate Plan of Action; Study of the potential demand for tourism activity; Inventory of potential suppliers; and Study on potential multi-destination routes in the Caribbean.

1.5 Encourage the establishment of a Regional Tourist Security Network in the countries of the Greater Caribbean. We therefore welcome the convening of the First Congress on Tourist Security, which will be organized by the Police General Command of Nueva Esparta State, Venezuela, during the last quarter of 2002.

1.6 Continuation of efforts and actions necessary to have the Caribbean Sea declared a Special Area in the context of Sustainable Development.

1.7 Obtaining financing for and initiating the implementation of the Coastal Ecosystems Project.

1.8 Obtaining financing for and initiating the implementation of a Language Training Project.

1.9 Development and initial implementation of an action plan for cooperation in air transport for Sustainable Tourism. The first step will be the organization in 2002 of a forum for Senior Airline Executives and the Highest Level Civil Aviation and Tourism Authorities of Member States and Associate Members.

1.10 Co-ordination with the Caribbean Environmental Programme of the United Nations Environment Programme (CEP/UNEP) to encourage Member States and Associate Members of the ACS to sign and/or ratify the Convention for the Protection of the Marine Environment of the

Wider Caribbean Region, known as the Cartagena Convention and its Protocols:

- Regarding Protected Areas of Wild Fauna and Flora (SPAW)
- Regarding Land Based Sources of Marine Pollution. (LBS)

1.11 Co-ordination with the other regional fora, in particular the Ministers of the Environment of Latin America and the Caribbean, to promote further the integration of sustainable development into all activities.

1.12 Support for the marketing initiatives adopted by regional organizations, Member States and Associate Members in response to the terrorist acts of September 11, 2001 and their subsequent effects, with the objective of developing and diversifying non-traditional markets. As a result, it is recommended that service charges imposed by the tour operators and wholesalers not be adopted and that in their place, systems of co-operation and information be established to guarantee minimum price regimes that are in the best interests of the tourism industry.

1.13 Identification of mechanisms to involve Civil Society in the discussions and recommendations on the development of sustainable tourism in the Greater Caribbean region.

1.14 Encouraging Member States and Associate Members to maintain programmes of formal education, training and public awareness on sustainable tourism, which involve exchanges with universities and other academic institutions to permit the cultural development of the Greater Caribbean, while preserving the identity of the peoples.

1.15 Evaluation, if necessary, of the inclusion of other indicators of tourism sustainability in the STZC, such as those established by the human development and poverty indices of the United Nations.

1.16 Development of joint co-operation programmes for the creation of micro-enterprises, environmental management, transfer of technology, as well as other actions which contribute to the sustainability of tourism. Promotion of the implementation of special fiscal measures in favour of enterprises affected by natural disasters and other events that threaten the economic stability of the region.

1.17 Reinforcing the image of the Greater Caribbean as a peaceful, safe and tranquil destination in all spheres, by carrying out campaigns of

institutional promotion to stimulate, among other things, the development of multi-destination and intra-Caribbean programmes, as well as to attract Caribbean immigrant communities in the developed countries of America and Europe, so that they can return home and consolidate their national identity.

2. DEVELOPMENT OF TRADE AND EXTERNAL ECONOMIC RELATIONS

In the context of the Development of Trade and External Economic Relations, the following goals must be met:

2.1 Approval and execution of a programme for the gradual reduction and elimination of obstacles to trade, for the promotion of investment and to consolidate an enhanced economic space for trade and investment.

2.2 Development and implementation of the Integrated Information System of the Greater Caribbean, including the establishment of an Electronic Communication Network for Trade Information.

2.3 Annual convening of the Business Forum of the Greater Caribbean. The 3rd Business Forum of the Greater Caribbean will be held in Costa Rica in 2002, and the 4th Forum in Cuba in 2003.

2.4 Continuing to hold Forums of Trade Promotion Organisations. These may or may not take place concurrently with the Business Forums.

2.5 Convergence of positions of Member States and Associate Members in international negotiations with respect to the treatment of small economies in international agreements, particularly with respect to the World Trade Organisation (WTO) and the Free Trade Agreement of the Americas (FTAA), based on the principles set out in the Annex to the Declaration of Margarita.

2.6 Establishment and development of a Training Programme in Trade Negotiations, in coordination with and to complement those of other regional institutions.

3. TRANSPORT

The programme "Uniting the Caribbean by Air and Sea" will be implemented through actions in air and maritime transport, which might contribute, in an

effective manner, to the expansion of intra-Caribbean trade and investment, multi-destination tourism, as well as functional cooperation in general among the Member States and Associate Members of the ACS. To this end, the following actions will be undertaken:

3.1 Completion of the negotiation and initiation of the implementation of the Air Transport Agreement among Member States and Associate Members of the Association of Caribbean States who so wish.

3.2 Obtaining financing for and initiating the implementation of the project "Creation of an up-to-date, user friendly, Internet-based system for obtaining and disseminating a database on Maritime Transport and Port Activity".

3.3 Preparation of a project for the formation of a Coordinating Centre for Scientific and Technical Research, human resource training and consultancies for ACS Member States and Associate Members.

3.4 Signing and implementation, as the case may be, of the co-operation agreements between the ACS Secretariat and the Caribbean Shipping Association (CSA), TRAINMAR AMERICAS, the Maritime University of the Caribbean (UMC) of Venezuela, and the Caribbean Maritime Institute (CMI) of Jamaica.

4. NATURAL DISASTERS

Activities in the area of Natural Disasters will be based on the Agreement between Member States and Associate Members of the Association of Caribbean States for Regional Co-operation on Natural Disasters. In this respect, the following will be undertaken:

4.1 Ratification and implementation of the Agreement by all Member States and Associate Members.

4.2 Continuing with the implementation of the projects related to: "Strengthening of the response capability of the national disaster response systems"; "Use of the existing information centres for antecedents and information on the activities in the priority areas identified by the Special Committee on Natural Disasters"; "Development of technical co-operation exchanges for emergency relief to strengthen Disaster Management Organisations (DMOs)"; and obtaining the

necessary financing, when required by the Special Committee on Natural Disasters.

4.3 Implementation of the project "Updating of Wind and Earthquake Codes of ACS countries and their placement on the Internet and/or CD-Rom".

4.4 Preparation and implementation of the project "Promotion of the Human Resource Training Programmes existing in the Greater Caribbean Region in order to strengthen national DMOs".

4.4 Preparation of regional programmes and projects, based on horizontal co-operation, aimed at strengthening national DMOs.

4.5 Preparation of a programme to promote and strengthen the exchange of information and experiences in the area of natural disasters, among the DMOs of Member States and Associate Members.

4.7 Development of a programme to promote and strengthen co-operation between existing sub-regional DMOs, such as CDERA and CEPREDENAC.

4.8 Realisation of a study on the possibility of creating mechanisms that identify sources of reimbursable and non-reimbursable financing, as well as the requirements for effective management vis-à-vis the international organisations, so that Member States and Associate Members of the ACS that are affected by disasters can direct the resources to the areas of rehabilitation and reconstruction.

5. SPECIAL FUND

As the executing agency of the ACS for international co-operation, the Special Fund, with the support and co-operation of Members States and Associate Members, will continue to seek new international co-operation resources for the execution of the projects outlined in this Plan of Action.

In this context, the following actions will be carried out:

5.1 Strengthening of existing mechanisms of articulation and co-ordination, aimed at managing and fostering international co-operation in the ACS.

5.2 Establishment of a network of international co-operation focal points of Member States and Associate Members, with a view to strengthening co-ordination in the implementation of regional projects in the Greater

Caribbean, through the use of new information technologies, as a mechanism of communication among these focal points.

5.3 Study, preparation and implementation of resource mobilization mechanisms of the private sector of the Greater Caribbean, in order to encourage and facilitate the participation of this sector in ACS projects.

5.4 Obtaining technical assistance aimed at the institutional strengthening of the Secretariat for managing co-operation projects.

5.5 Preparation of a matrix that would systematize all potential sources of co-operation for the ACS and the creation of a strategy so that, following a structured work plan and established priorities, the financing needed for the region might be sought.

In the execution of the present Plan of Action, the ACS Secretariat will continue to pay particular attention to:

- The identification of a wide range of sources for financing the co-operation activities which have been approved by the ACS;
- The development of political and co-operation relations with the Member States, Associate Members and Observers Countries of the ACS;
- The development of inter-institutional co-operation with special emphasis on inter-Secretariat co-operation with the Founding Observers of the ACS;
- The dissemination of information on the ACS to the general public; and
- The promotion of the region of the Greater Caribbean as a Zone of Co-operation.

SPECIAL AND DIFFERENTIAL TREATMENT FOR SMALL ECONOMIES IN THE CONTEXT OF THE FREE TRADE AREA OF THE AMERICAS (FTAA)

I. Preamble

The Presidents and Leaders of Government have recognized that the process of establishing the FTAA is a complex task, especially in light of the differences that exist in terms of size and development of the economies of the hemisphere.

It has also been acknowledged that participation from small economies is imperative for the success of the FTAA. A hemispheric economic space cannot exist without participation from small economies. Heads of State and Government, as well as Ministers responsible for trade negotiations have expressed the urgent need to ensure effective participation from small economies, for their own benefit and also for the success of the entire process. During the 6th Ministerial Meeting convened in Buenos Aires, Argentina, the Ministers indicated the following:

> *We reaffirm our commitment embodied in previous Ministerial Declarations to take into account, in designing the FTAA, the differences in the levels of development and size of the economies in our Hemisphere to create opportunities for the full participation of the SMALLER economies and to increase their level of development. We recognise the broad differences in the levels of development and size of the economies in our Hemisphere and will remain cognizant of these differences in our negotiations so as to ensure that they receive the treatment they require to ensure the full participation of all members in the construction and benefits of the FTAA.*[1].

In addition, the Trade Negotiations Committee was instructed to formulate by November 1, 2001, with support from the Consultation Group on Small Economies and the Tripartite Committee, guidelines or directives on ways of applying the treatment of the differences in the levels of development and size of economies.

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[1] Attached to this document there is a selection of paragraphs pertaining to this matter.

Special and differential treatment is a principle that has been incorporated into the framework of the World Trade Organization (WTO). WTO provisions on this issue constitute the basis for the establishment of the same provisions within the FTAA. The FTAA will be a more profound agreement with greater coverage. Consequently, special and differential treatment in the FTAA may extend what is included in the WTO, in coverage, range and character.
This document focuses on special and differential treatment that responds to differences brought about by the size of economies.

Defining those countries that may be considered as small economies is a decision of a political nature. Nevertheless, we understand that all CARICOM and Central American countries, in addition to several South American countries may be considered as small economies. The key question therefore is to determine the treatment that will be given to these small economies.

II. Principles of special and differential treatment for small economies

1. Special and differential treatment can in no case be less than that contemplated in WTO rules.
2. These measures must be flexibly implemented in such a manner that countries can determine the rhythm and nature of the adjustment process in different topics and sectors.
3. The determination of special and differential treatment must be considered in each negotiating group.
4. For certain subjects, it could be necessary for differential treatment to be granted by productive sectors based on a case-by-case analysis.
5. Once differential treatment is defined, its duration will be determined, depending on the analysis done in each case.
6. In some negotiating groups, many categories of countries might be needed for applying special and differential treatment. These categories would be unique for all subjects.
7. The FTAA needs to have a Hemispheric Cooperation Plan. Sources of cooperation must therefore be identified, and there must be support from the Tripartite Committee.
8. Special and differential treatment must promote, among other things, the enhancement of competitiveness.
9. Special and differential treatment must be specific and enforceable and go beyond "best endeavours" measures.

III. Type of Measures

The following list of measures is not exhaustive but one which is open to further additions:

1. Provisions aimed at increasing trade opportunities (access to technology, information networks, etc.).
2. Flexibility in the application of norms.
3. Lower levels of requirements in certain disciplines.
4. Longer implementation periods.
5. Exceptions to commitments in certain areas.
6. Enabling small economies to use dispute settlement access mechanisms.
7. Technical assistance and training before and during negotiations, and also during the implementation stage.
8. Mechanisms for dealing with balance of payments problems.
9. Special safeguards which address the peculiar needs of small economies.

IV. Adjustment mechanism

To explore the establishment of a financing fund to facilitate de adjustment of small economies.

V. Defining small economies

The Meeting agreed that there is a need to continue working on the definition of small economies, using as a reference quantitative and qualitative criteria.

Selected Paragraphs on
Special and Differential Treatment for Small Economies in the Context of the Free Trade Area of the Americas (FTAA)

Sixth Meeting of Ministers of Trade of the Hemisphere
Ministerial Declaration
Buenos Aires, Argentina
April 7, 2001

6. *We reiterate the importance of cooperation to enable the strengthening of the productive capacity and competitiveness of these economies. Similarly, in the light of general principles which we approved in the San Jose Ministerial Declaration, we reaffirm the need for technical assistance as well as specific provisions to meet the needs of those countries with different levels of development and size of economies, including the special needs of the SMALLER economies, to enhance their capacity to derive maximum benefits from their participation in the FTAA.*

13. *We also instruct the Trade Negotiations Committee to continue its consideration of the treatment of the differences in the levels of development and size of the economies in the Hemisphere, including the SMALLER economies, and to provide, in this respect, ongoing guidance to the Negotiating Groups in their consideration of specific proposals submitted by the countries and groups of countries on each one of the substantive negotiating areas.*

14. *With the support of the Consultative Group on SMALLER economies and the Tripartite Committee, the Trade Negotiations Committee should formulate, no later than 1 November 2001, guidelines or directives on ways of applying the treatment of the differences in the levels of development and size of economies.*

20. *In this regard, we welcome the approval of the Multilateral Investment Fund (MIF) Technical Cooperation Project - which comes under the authority of the Inter-American development Bank – which will contribute towards facilitating the implementation of customs measures, taking into account the differences in the levels of development and the size of the economies, including the SMALLER economies.*

26. *In this connection, we instruct the Committee of Government Representatives on the Participation of Civil Society, to foster a process of increasing and sustained communication with civil society, to ensure that civil*

society has a clear perception of the development of the FTAA negotiating process. To this end, we instruct the Committee to establish a list of options for the consideration and decision of the Trade Negotiations Committee at its next meeting, which could include dissemination programmes in SMALLER economies, which could be funded by the Tripartite Committee or other international sources of funding.

Consultative Group on SMALLER economies

32. *We have received the report of the Consultative Group on SMALLER economies and are grateful for its recommendations on activities and work to be completed in the future work of the Group with the aim of successfully treating the differences in the level of development and size of the economies of the Hemisphere. We recall that considerations related to differences in the levels of development and size of the economies of the Hemisphere must be taken into account within the context of each Negotiating Group. We instruct the TNC to consider ways to improve the flow of information between the Negotiating Groups and the CGSE on issues arising relevant to the interests and concerns of SMALLER economies so that the CGSE can adequately fulfil its mandate. We appreciate the considerable progress made in developing a database containing the technical assistance needs and sources of technical assistance for SMALLER economies, and are grateful for the further efforts made to enhance the system.*

Instructions to the Negotiating Groups
General Instructions

4. *We reiterate to the Negotiating Groups the obligation to consider proposals, which ensure the treatment of the differences in the levels of development and size of the economies in the Hemisphere, in particular, the situation of the SMALLER economies, through consideration of the proposals submitted by the countries or groups of countries.*

Third Summit of the Americas

Quebec City Declaration
April 20-22, 2001

*We instruct our Ministers to ensure that the negotiations of the FTAA Agreement are concluded no later than January 2005, to ensure its entry into force as soon as possible, and no later than December 2005. * This will be a key element for generating economic growth and prosperity in the Hemisphere, and will contribute to the achievement of the wider objectives of the Summit. The Agreement should be balanced, comprehensive, and in keeping with the rules and disciplines of the World Trade Organisation (WTO), and must constitute a single undertaking. We consider it of tremendous importance that in its design, the Agreement should take due consideration of the differences in size and the levels of development of the economies of the participating countries.*

For the Government of
Antigua and Barbuda

For the Government
of the Commonwealth of the
Bahamas

For the Government of Barbados

For the Government of Belize

For the Government of the
Republic of Colombia

For the Government of the
Republic of Costa Rica

For the Government of the
Republic of Cuba

For the Government of the
Commonwealth of Dominica

For the Government of the
Dominican Republic

For the Government of the
Republic of El Salvador

For the Government of
Grenada

For the Government of the
Republic of Guatemala

For the Government of the
Cooperative Republic of Guyana

For the Government of the
Republic of Haiti

For the Government of the
Republic of Honduras

For the Government of
Jamaica

For the Government of the
Republic of Nicaragua

For the Government of the
Republic of Panama

For the Government of
St. Kitts and Nevis

For the Government of
St. Lucia

For the Government of
St. Vincent and the Grenadines

For the Government of the
Republic of Suriname

For the Government of the
Republic of Trinidad and Tobago

For the Government of the
United Mexican States

For the Government of the Bolivarian
Republic of Venezuela

For the Kingdom of the Netherlands on behalf of the Netherlands Antilles

For the Kingdom of the Netherlands on behalf of Aruba

For the Government of the French Republic (in respect of Guadeloupe, Guiana and Martinique)