

FINAL DECLARATION OF THE OCT – 2006 MINISTERIAL CONFERENCE CONTAINING THE POLITICAL RESOLUTIONS OF THE REPRESENTATIVES OF THE OVERSEAS COUNTRIES AND TERRITORIES (OCTS) ON THEIR DISCUSSIONS WITH RESPECT TO THE IMPLEMENTATION OF THE OCT-DECISION (2001/822/EC)

POLITICAL RESOLUTIONS

Nuuk, 6 September 2006

The UNDERSIGNED REPRESENTATIVES of the Governments of the Overseas Countries and Territories of the European Union (hereinafter "OCTs"),

IN CONSIDERATION OF:

- I. Part I, article 3, sub 1s, and Part IV of the Treaty establishing the European Community (hereinafter "the EC-Treaty"), with special reference to article 182 which states that the objective of the EU-OCT association is to promote the economic and social development of the countries and territories, and the establishment of close relationships between them and the Community as a whole. In accordance with the principles expressed in the pre-ambule of the EC Treaty, the EU-OCT association must enable in the first place the promotion of the interests and prosperity of the inhabitants of these countries and territories, in order to lead them to the economic, social and cultural development they expect.
- II. The Decision of the European Council of Ministers of November 27, 2001 regulating the provisions on the association of the Overseas Countries and Territories of the European Community (2001/822/EC) (hereinafter "the OCT-Decision").
- III. The Joint-Position Paper dated December 4, 2003 of France, the Netherlands, the United Kingdom, Denmark, the OCTs and OCTA on the future status of the OCTs within the European Union.
- IV. The Response of the European Commission ("the Commission") dated July 15, 2004 to the Joint Position Paper of December 4, 2003.
- V. The OCT-2005 Ministerial Declaration of Brussels, Belgium, of 6 December 2005, consisting the resolutions of the representatives of the overseas countries and territories ("OCTs") on their discussions with respect to the OCT Association ("OCTA") and the implementation of the OCT Decision (2001/822/EC).
- VI. The Report of the President of the Executive Committee dated 6 September 2006 of the work done by the Executive Committee during the year 2006 up to this Ministerial Conference.
- VII. The consultation between the Undersigned and their respective delegations at the OCT 2006 Ministerial Conference on 6 September 2006 in Nuuk.

RESOLVE AS FOLLOWS:

GENERAL POLICY

1. The OCTs recognise that their small size, remoteness, and inability to benefit from economies of scale constrain their economies and accentuate their vulnerability to natural disasters and economic change; and that globalisation tends to exacerbate their structural competitive disadvantage. The OCTs therefore confirm their commitment to improve cooperation with other similar countries and territories to obtain special recognition internationally that accommodates their specific needs and their particular position in the world economy.
2. Climate change is a major threat to all of the OCTs and their respective economies. The OCTs therefore call on all governments, as a matter of urgency, to encourage their citizens to make the changes in lifestyle and energy consumption that are necessary for sustainable existence throughout the regions.
3. The OCTs would like to affirm their continuing willingness to subscribe to international regulatory standards and their keenness to be involved in the creation of these, particularly in the area of financial services and where such standards are necessary for deterring tax fraud, money laundering, terrorism activities and any other criminal practices. However, the OCTs do not support measures which are selective in their application and fail to observe the principle of a level playing field, thus accruing unfair advantage to EU Member States and key competitor jurisdictions.
4. In conformity with the provisions of the Charter of the United Nations, the OCTs call on the Commission to support all OCTs and, in particular, the Falkland Islands, in freely determining their political future. OCTs especially urge the Commission in its negotiations and relations with countries and regional bodies in Latin America, to ensure that this absolute right is not compromised.

OVERSEAS ASSOCIATION DECISION AND RELATIONSHIP WITH THE EUROPEAN UNION

10th EDF

5. The OCTs welcome the approval of the 10th EDF, and the amount of 286 Million Euros dedicated to their territories, which constitutes a significant increase in support. The OCTs consider that the 10th EDF demonstrates that the EU has taken into consideration the specific challenges that face OCTs and their need for financial assistance in order to promote their economic and social development and regional integration. The OCTs wish, in close cooperation with the Commission and Member States, to make this 10th EDF as fruitful as possible in pursuing the objectives set out by the Overseas Association Decision. To this end, the OCTs:
 - (i) propose to create a new dynamic partnership between OCTs and the EU, based on strengthening the OCTs' membership of the "European family", through increased political dialogue, greater participation in the definition of EU strategies and the recognition that OCTs are the EU privileged partners in their respective regions;
 - (ii) call on the EU to adopt tailored and transparent eligibility criteria for accessing funding from the 10th EDF. In addition to GDP and other existing criteria for qualifying for territorial allocations, new criteria, inter alia, the level of socio economic development, the small insular economies, cost of transport, multi-island territories, isolation, vulnerability, should be taken into account to allow OCTs to pursue their internal development objectives and the objectives fixed by the Overseas Association Decision;
 - (iii) recognizing that good governance is important within and across their borders, consider that, by virtue of their relationship with their respective member states, good

governance is already addressed. The OCTs consider that linking access to EDF funding is undesirable and would merely further complicate an already cumbersome process.

- (iv) the 10th EDF be programmed and implemented in both a territorial and regional perspective, in all the fields covered by the Association Decision and that no OCT be worse off under EDF 10 than they currently are.
- (v) call upon the EU to provide fixed, transparent and simplified procedures for the draw-down of funds. These procedures should be agreed with all EU stakeholders prior to the programming phase and should be developed to suit the relatively smaller amounts involved in funding allocations to OCTs bearing in mind the institutional and administrative capabilities and capacities of the OCTs. Within this framework, the OCTs call on the EU to give a real meaning to the concept of a Single Programming Document ("SPD") irrespective of the number of sectors covered, by reducing the number of documents currently required for the implementation of, and access to, territorial allowances to a single document coupled with a financing agreement. In order to prevent any delay in the 10th EDF programming process, the OCTs urge the Commission to notify them by the end of 2006 of the guidelines for writing this single document, with detailed and clear description of the EU internal procedures of approval of the SPD.
- (vi) propose that the regional envelope of the 10th EDF be divided into distinct sub-envelopes based on the geographical regions: Caribbean and Pacific areas and the isolated OCTs. The sub-envelope for the isolated OCTs should be allocated to individual isolated OCTs for their territorial development in the sector of their choice. A regional envelope for joint sectoral projects from territories across regions should be created.
- (vii) propose to give a greater emphasis to EU support for OCTA, increasing the Technical Cooperation Fund allocated to OCTA, and involving OCTA in the implementation process of these funds, especially regarding the selection of consultants/experts in charge of the OCTA collective projects.
- (viii) call on the EU to strengthen technical assistance for the OCTs, affording, on request of each OCT, the possibility to make studies or benchmarking for the benefit of all or some of the OCTs.
- (ix) call on the EU to continue to provide the specific and special treatment for the least developed OCTs.
- (x) call on the EU to both synchronise the EDF programming cycles for the OCTs, structural funds of the Outermost Regions and the EDF of ACP-countries and to consult the OCTs on the process of regional programming, in order to promote and facilitate functional regional cooperation.

Environment

6. The OCTs call on the EU to adopt a strategy for protecting and enhancing the environment in the OCTs by 2011. This would take the form of a trilateral environmental action plan, broken down by objectives and implementation mechanisms at OCT, Member State and EU level. The strategy would take particular account of the impact of climate change on the OCTs and set out an EU-OCT vision for the oceans and seas.
7. The OCTs call on the EU to support OCT policies on environment and biodiversity and to support OCTs in their desire to ensure that environmental projects supported by the EU in the OCTs make sufficient provision for the territories' specific richness and fragility.

8. The OCTs represent a potentially rich subject for global research because of the unique and concentrated biodiversity, the wide variety of their ecosystems and their extreme vulnerability to climate change. The OCTs reiterate that they would like to be involved in the preliminary phase of consultation on relevant environmental negotiations and EU policy definition.
9. The OCTs urge the EU to assist them to participate at international conferences such as those held by the United Nations. The involvement of OCTs in the exchange of knowledge and ideas in the international fora should create a better foundation for global cooperation and coherent actions on combating climate change.
10. The OCTs call the EU to give greater attention of the consequences of a continuing environmental deterioration. The rise of the sea level, the catastrophic floods due to the weather have already largely contributed to migrations. The OCTs believe that the Commission must recognise and define the risks which threaten OCTs citizens, endanger their economies and their local livelihood. The OCTs call for urgent attention to be given to those who could be gradually uprooted by the climatic change and to reinforce the cooperation with the EU to prevent the extreme and intolerable situations of "environmental refugees". The OCTs encourage the European Union to be at the forefront of international efforts to combat climate change and to provide effective and reliable measures to avoid a "climatic catastrophe "
11. Considering the importance of fishery activities and marine resources for the OCTs, especially highly migratory species and straddling stocks, the OCTs call on the EU to take the specific interests of OCTs into account when negotiating any fishing agreements.

Trade

12. OCTs recall that they are fundamentally concerned that any Economic Partnership Agreements ("EPAs") agreed should enhance, rather than damage, the economies of OCTs. ACP countries would also benefit from OCTs' particular expertise in areas where OCTs are market leaders. Such a step would be positive in encouraging better regional economic integration which some OCTs are actively pursuing. For these reasons, the OCTs regret the Commission's reluctance to allow OCTs to participate as observers in EPA negotiations, even though the EU Treaty does not apply to them; they call on the Commission to enable the OCTs to have greater input into EPA negotiations in each region and to provide greater assistance to OCTs to build their capacity to integrate and trade regionally and internationally.
13. In the framework of economic and trade cooperation, the preferential access of OCTs' products to the European market encourages their exports and contributes to their sustainable development. In the context of the EPA negotiations, the Commission's willingness to adapt OCT-EU trade regime and rules of origin will impact on OCTs' legislative framework and business opportunities. The OCTs thus call on the Commission to inform them adequately about the revision process; to involve them in the definition of new trade regime and rules of origin; to take into account OCTs' economic vulnerability and limited production capacities; and to ensure that documentation requirements are clear and simple to administer. In order to contribute proactively to this revision, OCTs support the memorandum on rules of origin (appended), which develops their common proposals and suggestions.
14. The OCTs welcome the study launched by the Commission on their behalf in July 2006 to examine the impact of regional integration and EPAs on OCTs. They fully expect this study to take into account every possible consequence of EPAs for the OCTs' trade regime, whether or not OCTs take part in a free trade area linked to the EU by an EPA. The OCTs recall that, as OCTs do not belong to the EU customs area, the Commission cannot make commitments in the EPA negotiations that affect, whether directly or indirectly, the OCTs competences without previous consultation.
15. The additional financial resources provided by transshipment operations have proven in the past to be able to contribute significantly to the implementation of a policy of sustainable

development in OCTs. The OCTs therefore reiterate that the transshipment facility must continue to be implemented.

Horizontal Community Programmes & Budget lines

16. OCTs are technically eligible for Community programmes under the OCT Decision, but there has been a lack of transparency and information about access to these programmes. OCTs thus welcome the "draft summary note on OCT access to budget lines and Community programmes" provided by the Commission on 25 November 2005. The OCTs urge the Commission and the Member States to develop tailored participation criteria for the OCTs. The OCTs stress the added value that such territories, as a result of their geographical structure and cultural composition, can bring to the accomplishment of the EU programmes objectives.
17. The OCTs urge the Commission and the Member States to improve their participation in the development of Community environmental and other programmes, which represent an opportunity for OCTs to bring an added value to the EU.
18. The OCTs encourage the Commission, in conjunction with the Member States, to inform their own services and programme controllers of the status of OCTs and their entitlement to access to Community programmes and to continue to provide practical and up to date information about the available programmes and how OCTs can access these. As an urgent first step, OCTs urge the Commission to prepare a detailed *vade mecum* ("handbook") to assist OCTs in accessing the programmes.

General EU

19. The OCTs call on the EU to assist with developing arrangements for pre and post disaster intervention and management and to share initiatives and best practices in emergency planning. The OCTs also request that the EU sets out clearly what the procedures are for OCTs to access emergency funding in the event of a natural disaster.
20. The OCTs call on the EU to recognise the high impact that relatively small amounts of aid can have on the sustainable development of OCTs.
21. OCTs are especially vulnerable by virtue of factors such as their small size, dis-economies of scale, remoteness and limited resources. This vulnerability gives rise to increased susceptibility in the case of
 - natural events and disasters which can lead to the economic and social collapse of a territory
 - globalisation which exacerbates their structural competitive disadvantage and their inherent dis-economies of scale.

The OCTs call on the Commission to recognise this vulnerability and establish a formal vulnerability index for the OCTs to consider when assessing eligibility for the future community financial instrument for the OCTs.

22. The OCTs emphasise the importance of being consulted when the Commission is preparing documents or engaging in discussions which may lead to measures affecting OCTs. They also call for the Commission to provide positive recognition when OCTs take measures to comply with agreed international commitments for exchange of information and the regulation and supervision of financial services.

23. The OCTs call on the Commission and the Member States to inform the OCTs of Agendas and Sessions of the Joint Parliamentary Assembly pursuant to Article 8 of the Overseas Association Decision.

24. The OCTs believe that the Commission should recognise the possibility that an individual OCT or a group of OCTs may negotiate individual protocols or partnership agreements with the EU.. Given the development of EPAs, these individual arrangements become even more necessary for OCTs that cannot be classified in a region, namely Greenland, St Helena, Falkland Islands, Saint Pierre et Miquelon and the Pitcairn Islands.

25. The OCTs encourage the Executive Committee to:
 - (i) continue to seek ways to cooperate with the Commission and other EU institutions in order to implement effectively the provisions of the OCT Decision in keeping with the objectives as stated in the current article 182 of the EC Treaty and with the resolutions set out above, including enhancing the role of the OCTA Chairman in driving forward the OCT Programme, in particular at the appropriate political level of the EU Institutions.
 - (ii) develop effective working relationships with other relevant international, multi-lateral and regional organisations and institutions; seek to enhance development cooperation with other small island developing states and with institutions dealing with small and micro economies.
 - (iii) implement the remainder of the Small Island Micro Economies Conference recommendations and, in particular, encourage and where appropriate organise conferences and workshops to increase the exchange of information and experience between members of OCTA.
 - (iv) obtain the necessary financial resources from the Regional funds to hire appropriate capacity to assist OCTA and its members to develop their respective programmes and fund applications and to assist in negotiating these with the Commission.
 - (v) develop a full strategic plan for the year 2007 – 2011 for ensuring the effective mobilisation of funds and development of programmes for the 10th EDF and prepare the future association framework between the OCTs and the EU.