

Subject to the provisions of this Treaty, each Member State shall, with respect to any rights covered by this Treaty, accord to another Member State treatment no less favourable than that accorded to:

- (a) a third Member State; or*
- (b) third States.*

ARTICLE 9

General Undertaking on Implementation

Member States shall take all appropriate measures, whether general or particular, to ensure the carrying out of obligations arising out of this Treaty or resulting from decisions taken by the Organs and Bodies of the Community. They shall facilitate the achievement of the objectives of the Community. They shall abstain from any measures which could jeopardise the attainment of the objectives of this Treaty.

CHAPTER TWO

INSTITUTIONAL ARRANGEMENTS

ARTICLE 10

Organs of the Community

1. *The principal Organs of the Community are:*
 - (a) the Conference of Heads of Government; and*
 - (b) the Community Council of Ministers which shall be the second highest organ.*
2. *In the performance of their functions, the principal Organs shall be assisted by the following Organs:*
 - (a) the Council for Finance and Planning;*
 - (b) the Council for Trade and Economic Development;*
 - (c) the Council for Foreign and Community Relations, and*
 - (d) the Council for Human and Social Development.*

ARTICLE 11

Composition of the Conference

1. *The Conference of Heads of Government shall consist of the Heads of Government of the Member States.*
2. *Any Head of Government may designate a Minister or other person to represent him or her at any Meeting of the Conference.*

ARTICLE 12

Functions and Powers of the Conference

1. *The Conference shall be the supreme Organ of the Community.*
2. *The Conference shall determine and provide policy direction for the Community.*
3. *Save as otherwise provided in this Treaty, the Conference shall be the final authority for the conclusion of treaties on behalf of the Community and for entering into relationships between*

the Community and international organisations and States.

4. *The Conference may take decisions for the purpose of establishing the financial arrangements necessary to defray the expenses of the Community and shall be the final authority on questions arising in relation to the financial affairs of the Community.*

5. *Subject to the relevant provisions of this Treaty, the Conference shall exercise such powers as may be conferred on it by or under any instrument elaborated by or under the auspices of the Community.*

6. *The Conference may establish such Organs or Bodies as it considers necessary for the achievement of the objectives of the Community.*

7. *The Conference may issue policy directives of a general or special character to other Organs and Bodies of the Community concerning the policies to be pursued for the achievement of the objectives of the Community and effect shall be given to such directives.*

8. *Notwithstanding any other provision of this Treaty, the Conference may consider and resolve disputes between Member States.*

9. *The Conference may consult with entities within the Caribbean Region or with other organisations and for this purpose may establish such machinery as it considers necessary.*

10. *Subject to the provisions of this Chapter, the Conference shall regulate its own procedure and may decide to admit at its deliberations as observers representatives of non-Member States of the Community and other entities.*

11. *The Bureau, consisting of the current Chairman and the immediately outgoing and incoming Chairmen of the Conference, shall perform the following functions:*

- (a) initiating proposals for development and approval by the Ministerial Councils as it considers necessary;*
- (b) updating the consensus of the Member States on issues falling to be determined by the Conference;*
- (c) facilitating implementation of Community decisions, both at the regional and local levels, in an expeditious and informed manner;*
- (d) providing guidance to the Secretariat on policy issues.*

ARTICLE 13

The Community Council of Ministers

1. *The Community Council shall consist of Ministers responsible for Community Affairs and any other Minister designated by the Member States in their absolute discretion.*

2. *The Community Council shall, in accordance with the policy directions established by the Conference, have primary responsibility for the development of Community strategic planning and co-ordination in the areas of economic integration, functional co-operation and external relations.*

3. *In pursuance of paragraph 2, the Community Council shall:*

- (a) approve the programmes of the Community on the basis, inter alia, of*

proposals emanating from other Community Organs;

- (b) subject to paragraph 5 of Article 20, amend proposals developed by the Ministerial Councils or request them to develop proposals for the achievement of Community objectives,*

and have responsibility for promoting and monitoring the implementation of Community decisions in the Member States.

4. Without prejudice to the generality of the foregoing provisions, the Community Council shall:

- (a) subject to paragraph 4 of Article 12, examine and approve the Community budget;*
- (b) mobilise and allocate resources for the implementation of Community plans and programmes;*
- (c) establish, subject to the provisions of Article 26, a system of regional and national consultations in order to enhance the decision-making and implementation processes of the Community;*
- (d) promote, enhance, monitor and evaluate regional and national implementation processes and, to this end, establish a regional technical assistance service;*
- (e) function as a preparatory body for meetings of the Conference;*
- (f) ensure the efficient operation and orderly development of the CSME, particularly by seeking to resolve problems arising out of its functioning, taking into account the work and decisions of COTED;*
- (g) receive and consider allegations of breaches of obligations arising under this Treaty, including disputes between Organs of the Community;*
- (h) on the instructions of the Conference, issue directives to Organs and to the Secretariat aimed at ensuring the timely implementation of Community decisions;*
- (i) undertake any additional functions remitted to it by the Conference, arising under this Treaty.*

ARTICLE 14

The Council for Finance and Planning

1. The Council for Finance and Planning shall consist of Ministers designated by the Member States. Each Member State shall be entitled to designate alternates to represent it on COFAP.

2. Subject to the relevant provisions of Article 12, COFAP shall have primary responsibility for economic policy co-ordination and financial and monetary integration of Member

States and, without prejudice to the generality of the foregoing, shall:

- (a) establish and promote measures for the co-ordination and convergence of national macro-economic policies of the Member States and for the execution of a harmonised policy on foreign investment;*
- (b) promote and facilitate the adoption of measures for fiscal and monetary co-operation among the Member States, including the establishment of mechanisms for payment arrangements;*
- (c) recommend measures to achieve and maintain fiscal discipline by the Governments of the Member States;*
- (d) pending the establishment of a monetary union in the Community, recommend arrangements for the free convertibility of the currencies of the Member States on a reciprocal basis;*
- (e) promote the establishment and integration of capital markets in the Community, and*
- (f) undertake any additional functions remitted to it by the Conference arising under this Treaty.*

3. Under the direction of COFAP, the Committee of Central Bank Governors shall assist in the performance of the functions mentioned in paragraph 2 of this Article.

ARTICLE 15 **The Council for Trade and** **Economic Development**

1. The Council for Trade and Economic Development shall consist of Ministers designated by the Member States. Each Member State shall be entitled to designate alternates to represent it on COTED.

2. Subject to the provisions of Article 12, COTED shall be responsible for the promotion of trade and economic development of the Community. In particular, COTED shall:

- (a) promote the development and oversee the operation of the CSME;*
- (b) evaluate, promote and establish measures to enhance production, quality control and marketing of industrial and agricultural commodities so as to ensure their international competitiveness;*
- (c) establish and promote measures to accelerate structural diversification of industrial and agricultural production on a sustainable and regionally-integrated basis;*
- (d) determine and promote measures for the accelerated development and marketing of services;*
- (e) promote and develop policies and programmes to facilitate the transportation of people and goods;*
- (f) promote measures for the development of energy and natural resources on*

a sustainable basis;

- (g) establish and promote measures for the accelerated development of science and technology;*
- (h) promote and develop policies for the protection of and preservation of the environment and for sustainable development;*
- (i) promote and develop, in collaboration with the Council for Foreign and Community Relations, co-ordinated policies for the enhancement of external economic and trade relations of the Community, and*
- (j) undertake any additional functions remitted to it by the Conference, arising under this Treaty.*

ARTICLE 16

The Council for Foreign and Community Relations

1. *The Council for Foreign and Community Relations shall consist of Ministers Responsible for the Foreign Affairs of Member States. Each Member State shall be entitled to designate an alternate to represent it on COFCOR.*

2. *Subject to the provisions of Article 12, COFCOR shall be responsible for determining relations between the Community and international organisations and Third States.*

3. *Without prejudice to the generality of paragraph 2, COFCOR shall:*

- (a) promote the development of friendly and mutually beneficial relations among the Member States;*
- (b) establish measures to co-ordinate the foreign policies of the Member States of the Community, including proposals for joint representation, and seek to ensure, as far as practicable, the adoption of Community positions on major hemispheric and international issues;*
- (c) co-ordinate the positions of the Member States in inter-governmental organisations in whose activities such States participate;*
- (d) collaborate with COTED in promoting and developing co-ordinated policies for the enhancement of external economic and trade relations of the Community;*
- (e) co-ordinate, in close consultation with the Member States, Community policy on international issues with the policies of States in the wider Caribbean Region in order to arrive at common positions in relation to Third States, groups of States and relevant inter-governmental organisations, and*
- (f) undertake any additional functions remitted to it by the Conference, arising under this Treaty.*

4. *Only Member States possessing the necessary competence with respect to the matters under consideration from time to time may take part in the deliberations of COFCOR.*

ARTICLE 17

The Council for Human and Social Development

1. *The Council for Human and Social Development shall consist of Ministers designated by the Member States. Each Member State shall be entitled to designate alternates to represent it on COHSOD.*

2. *Subject to the provisions of Article 12, COHSOD shall be responsible for the promotion of human and social development in the Community. In particular, COHSOD shall:*

- (a) promote the improvement of health, including the development and organisation of efficient and affordable health services in the Community;*
- (b) promote the development of education through the efficient organisation of educational and training facilities in the Community, including elementary and advanced vocational training and technical facilities;*
- (c) promote and develop co-ordinated policies and programmes to improve the living and working conditions of workers and take appropriate measures to facilitate the organisation and development of harmonious labour and industrial relations in the Community;*
- (d) establish policies and programmes to promote the development of youth and women in the Community with a view to encouraging and enhancing their participation in social, cultural, political and economic activities;*
- (e) promote and establish programmes for the development of culture and sports in the Community;*
- (f) promote the development of special focus programmes supportive of the establishment and maintenance of a healthy human environment in the Community, and*
- (g) undertake any additional functions remitted to it by the Conference, arising under this Treaty.*

3. *Without prejudice to the requirements of any other provision of this Treaty, COHSOD shall promote co-operation among the Member States in the areas set out in the schedule hereto in furtherance of the objectives set out in Article 5.*

ARTICLE 18 **Bodies of the Community**

1. *There are hereby established as Bodies of the Community:*

- (a) the Legal Affairs Committee; and*
- (b) the Budget Committee.*

2. *The Council of Central Bank Governors shall be redesignated the "Committee of Central Bank Governors" and recognised as a Body of the Community.*

3. *The Organs of the Community may establish, as they deem necessary, other Bodies of the Community.*

ARTICLE 19 **Composition and Functions of**

Bodies of the Community

1. The Legal Affairs Committee shall consist of the Ministers responsible for Legal Affairs or Attorneys-General of the Member States, or both, and shall be responsible for providing the Organs and Bodies, either on request or on its own initiative, with advice on treaties, international legal issues, the harmonisation of laws of the Community and other legal matters.

2. The Budget Committee shall consist of senior officials of the Member States who shall perform their functions in a professional capacity. It shall examine the draft budget and work programme of the Community prepared by the Secretariat and submit recommendations to the Community Council.

3. The Committee of Central Bank Governors shall consist of the Governors or Heads of the Central Banks of the Member States or their nominees. The Committee shall make recommendations to COFAP on matters relating to monetary co-operation, payments arrangements, free movement of capital, integration of capital markets, monetary union and any other related matters referred to it by the Organs of the Community.

4. The procedures of Bodies shall be regulated, mutatis mutandis, by the relevant provisions of Articles 27 and 29.

ARTICLE 20 Co-operation by Community Organs

1. Community Organs shall co-operate with each other for the achievement of Community objectives.

2. The Bureau and the Community Council may initiate proposals for development by the Ministerial Councils within their respective areas of competence.

3. Where a Community Organ proposes to develop a proposal which is likely to impact importantly on activities within the sphere of competence of another Community Organ, the first-mentioned Community Organ shall transmit such proposal to other interested Community Organs for their consideration and reaction before reaching a final decision on the proposal.

4. Proposals approved by the Ministerial Councils shall be transmitted to the Community Council for prioritisation and resource allocation for their implementation.

5. Proposals approved by the Ministerial Councils and transmitted to the Community Council for prioritisation and resource allocation for implementation may be returned by the Community Council to the originating Organ for modification. The Community Council may modify the proposal to the extent and in the manner agreed with the originating Organ.

6. The Secretariat shall monitor the development and implementation of proposals for the achievement of Community objectives and keep the Community Council informed accordingly.

ARTICLE 21 Institutions of the Community

The following entities established by or under the auspices of the Community shall be recognised as Institutions of the Community:

- *Caribbean Disaster Emergency Response Agency (CDERA);*
- *Caribbean Meteorological Institute (CMI);*
- *Caribbean Meteorological Organisation (CMO);*
- *Caribbean Environmental Health Institute (CEHI);*
- *Caribbean Agricultural Research and Development Institute (CARDI);*
- *Caribbean Regional Centre for the Education and Training of Animal Health and Veterinary Public Health Assistants (REPAHA);*
- *Assembly of Caribbean Community Parliamentarians (ACCP);*
- *Caribbean Centre For Developmental Administration (CARICAD);*
- *Caribbean Food and Nutrition Institute (CFNI),*

and such other entities as may be designated by the Conference.

ARTICLE 22 **Associate Institutions of the Community**

The following entities with which the Community enjoys important functional relationships which contribute to the achievement of the objectives of the Community shall be recognised as Associate Institutions of the Community:

- *Caribbean Development Bank (CDB);*
- *University of Guyana (UG);*
- *University of the West Indies (UWI);*
- *Caribbean Law Institute / Caribbean Law Institute Centre (CLI/CLIC);*
- *the Secretariat of the Organisation of Eastern Caribbean States;*

and such other entities as may be designated by the Conference.

ARTICLE 23 **The Secretariat**

1. *The Secretariat shall be the principal administrative organ of the Community. The headquarters of the Community shall be located in Georgetown, Guyana.*

2. *The Secretariat shall comprise a Secretary-General and such other staff as the Community may require. In the recruitment of such staff, consideration shall be given to securing the highest standards of efficiency, competence and integrity, bearing in mind the principle of equitable geographical distribution.*

3. *The Secretary-General shall, in addition to the powers conferred by or under the Treaty, be the Chief Executive Officer of the Community and shall act in that capacity at all meetings of Community Organs and Bodies. He shall make an annual report to the Conference on the work of*

the Community.

4. *In the performance of their duties the Secretary-General and staff shall neither seek nor receive instructions from any Government of the Member States or from any other authority external to the Community. They shall refrain from any action which might reflect adversely on their position as officials of the Community and shall be responsible only to the Community.*

5. *Member States undertake to respect the exclusively international character of the responsibilities of the Secretary-General and staff and shall not seek to influence them in the discharge of their responsibilities.*

6. *The Conference shall approve the Staff Regulations governing the operations of the Secretariat.*

7. *The Community Council shall approve the financial regulations governing the operations of the Secretariat.*

8. *The Secretary-General shall establish Staff Rules for the operation of the Secretariat.*

ARTICLE 24 **The Secretary-General**

1. *The Secretary-General shall be appointed by the Conference, on the recommendation of the Community Council, for a term not exceeding five years and may be reappointed by the Conference.*

2. *The Secretary-General shall be the Chief Executive Officer of the Community and shall, subject to the determinations of competent Organs of the Community and in accordance with the financial and other regulations, perform the following functions:*

- (a) represent the Community;*
- (b) develop, as mandated, decisions of competent Organs of the Community into implementable proposals;*
- (c) identify and mobilise, as required, external resources to implement decisions at the regional level and undertake studies and develop decisions on relevant issues into implementable proposals;*
- (d) implement, as mandated, decisions at the regional level for the achievement of Community objectives;*
- (e) implement, with the consent of the Member State concerned, Community decisions which do not require legislative or administrative action by national authorities;*
- (f) monitor and report on, as mandated, implementation of Community decisions;*
- (g) initiate or develop proposals for consideration and decision by competent Organs in order to achieve Community objectives, and*
- (h) such other functions assigned by the Conference or other competent Organs.*

ARTICLE 25 **Functions of the Secretariat**

In addition to any functions which may be assigned to it by Organs of the Community, the Secretariat shall:

- (a) service meetings of the Organs and Bodies of the Community and take appropriate follow up action on determinations issuing from such meetings;*
- (b) initiate, organise and conduct studies on issues for the achievement of the objectives of the Community;*
- (c) provide, on request, services to the Member States of the Community on matters relating to the achievement of its objectives;*
- (d) collect, store and disseminate to the Member States of the Community information relevant for the achievement of its objectives;*
- (e) assist Community Organs in the development and implementation of proposals and programmes for the achievement of objectives of the Community;*
- (f) co-ordinate in relation to the Community the activities of donor agencies, international, regional and national institutions for the achievement of objectives of the Community;*
- (g) prepare the draft budget of the Community for examination by the Budget Committee;*
- (h) provide, on request, technical assistance to national authorities to facilitate implementation of Community decisions;*
- (i) conduct, as mandated, fact-finding assignments in the Member States, and*
- (j) initiate or develop proposals for consideration and decision by competent Organs in order to achieve Community objectives.*

ARTICLE 26

The Consultative Process

1. *In order to enhance the decision-making process in the Community, the Community Council, assisted by the Secretary-General, shall, in collaboration with competent authorities of the Member States, establish and maintain an efficient system of consultations at the national and regional levels.*

2. *The system of consultations shall be structured to ensure that determinations of Community Organs and the Legal Affairs Committee are adequately informed by relevant information inputs and are reinforced by consultations undertaken at successively lower levels of the decision-making process.*

ARTICLE 27

Common Voting Procedures in Community Organs and Bodies

1. *Subject to paragraph 2 of this Article, each Member State represented on Community Organs and Bodies shall have one vote. A simple majority of Member States shall constitute a*

quorum.

2. *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.*

3. *Decisions on procedural issues in Community Organs shall be reached by a simple majority of Member States.*

4. *Subject to the agreement of the Conference, a Member State may opt out of obligations arising from the decisions of competent Organs provided that the fundamental objectives of the Community, as laid down in the Treaty, are not prejudiced thereby.*

5. *Prior to taking decisions on any issue falling to be determined by Community Organs, the Secretariat shall bring to the attention of the meeting the financial implications of such decisions and any other matters which may be relevant.*

6. *Recommendations of Community Organs shall be made by a two-thirds majority of Member States and shall not be legally binding. Member States omitting to comply with recommendations shall inform the Secretariat in writing within six months stating the reasons for their non-compliance.*

7. *Subject to the relevant provisions of this Treaty, Community Organs and Bodies shall establish their rules of procedure.*

ARTICLE 28 **Voting in the Conference**

1. *Save as otherwise provided in this Treaty and subject to paragraph 2 of this Article and the relevant provisions of Article 27, the Conference shall take decisions by an affirmative vote of all its members and such decisions shall be binding.*

2. *For the purpose of this Article abstentions shall not be construed as impairing the validity of decisions of the Conference provided that the Member States constituting three-quarters of the membership of the Community, vote in favour of such decisions.*

3. *Omission by a Member State to participate in the vote shall be deemed an abstention within the meaning of paragraph 2 of this Article.*

4. *Parties to a dispute or against which sanctions are being considered shall not have the right to vote on the issue falling to be determined.*

ARTICLE 29 **Voting in the Community Council and Ministerial Councils**

1. *Save as otherwise provided in this Treaty and subject to the provisions of this Article and Article 27, the Ministerial Councils shall take decisions by a qualified majority vote and such decisions shall be binding.*

2. *For the purposes of paragraph 1 of this Article a qualified majority vote means an affirmative vote of the Member States comprising no less than three-quarters of the membership of the Community.*

3. *Where issues have been determined to be of critical importance to the national well-being of a Member State, in accordance with paragraph 4 of this Article, such decisions shall be reached by an affirmative vote of all Member States.*

4. *Decisions that an issue is of critical importance to the national well-being of a Member State shall be reached by a two-thirds majority of the Member States.*

5. *For the purposes of paragraph 3 of this Article abstentions shall not be construed as impairing the validity of decisions required to be reached by unanimity provided that Member States constituting not less than three-quarters of the membership of the Community vote in favour of such decisions.*

CHAPTER THREE

ESTABLISHMENT, SERVICES, CAPITAL AND MOVEMENT OF COMMUNITY NATIONALS

ARTICLE 30

Scope of Application

1. *Save as otherwise provided in this Article and Article 31, the provisions of this Chapter shall apply to the right of establishment, the right to provide services and the right to move capital in the Community.*

2. *Activities in a Member State involving the exercise of governmental authority shall, in so far as that Member State is concerned, be excluded from the operation of this Chapter.*

3. *For the purposes of this Chapter, "activities involving the exercise of governmental authority" means activities conducted neither on a commercial basis nor in competition with one or more economic enterprises, and includes:*

- (a) activities conducted by a central bank or monetary authority or any other public entity, in pursuit of monetary or exchange rate policies;*
- (b) activities forming part of a statutory system of social security or public retirement plans;*
- (c) activities forming part of a system of national security or for the establishment or maintenance of public order; and*
- (d) other activities conducted by a public entity for the account of or with the guarantee or using financial resources of the government.*

ARTICLE 31

Treatment of Monopolies

1. *The Member States may determine that the public interest requires the exclusion or restriction of the right of establishment in any industry or in a particular sector of an industry.*

2. *Where such a determination has been made:*