

STATUTE OF THE SMALL STATES NETWORK FOR ECONOMIC DEVELOPMENT

1. NAME

The name of the organisation is the Small States Network for Economic Development (SSNED).

2. LEGAL AND OFFICIAL REPRESENTATION

The Network will be registered as an independent legal entity in Malta. It will be legally and officially represented by the Chair of the Board of Trustees, or in his/her absence by the Vice-Chair of the Board or in the latter's absence by a member of the Board appointed by the Board itself.

3. REGISTERED OFFICE

The location of the Network Secretariat will be determined by the Government of Malta. The Network will be registered at the location of the Secretariat.

4. DEFINITIONS

The following definitions will be utilised in this statute:

- (a) "Network" means the Small States Network for Economic Development.
- (b) "The Board" means the Board of Trustees established by the terms of this statute.
- (c) "Secretariat" means the Permanent Secretariat of the Network established by the terms of this statute.
- (d) "Director General" means the person appointed to lead the Permanent Secretariat by the terms of this statute.
- (e) "Member" means a sovereign state member of the Network.
- (f) "Associate Member" means a small non-sovereign jurisdiction member of the Network.
- (g) "Small states" means the members of the Small States Forum (SSF), and other small states with a population of 1.5 million or less.
- (h) "Small non-sovereign jurisdictions" refers to those jurisdictions that are not sovereign small states and that have a population of 1.5 million or less.

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- (i) “Founding members” means the following small states: Malta, as the progenitor of the Network proposal, and Barbados, Mauritius, St. Kitts & Nevis, Samoa, and Vanuatu, as states that have served as Chair of the Small States Forum as of the inception of SSNED.
 - (j) “Partners” means states and organisations that are not eligible or do not wish to become Members, but who extend their support to the Network.
 - (k) “Chair” means the chairperson of the Board of Trustees, appointed in accordance with the terms of this statute.

5. MISSION

The mission of the Network is to facilitate the exchange of “best practices” among small states, to promote the increased integration of the concerns and interests of small states into the policies and programmes of the international community, and to undertake or support such related actions as will further these goals and the sustainable development of SSNED Members.

6. OBJECTIVES

The objectives of the Network will be to:

- (a) act as a clearing house to share expertise and technologies specific to small states, which would provide countries with just-in-time services on specific policy and institutional development. Provision of such services should involve the sharing of best practice and should preferably involve the utilisation of expertise from small states, including through twinning arrangements.
- (b) promote appropriate training opportunities utilising the considerable experience and expertise available in small states.
- (c) build an inventory of experts to enable small states to share their expertise in order to help other small states in their development initiatives, and to promote competitiveness and resilience building.
- (d) provide a continuous channel of communication among small states and between small states and the World Bank and other development institutions.
- (e) act as permanent structure to support the World Bank-sponsored Small States Forum.
- (f) reinforce the voices of small states, not only in the international arena generally but also within multilateral and bilateral organisations that support their development efforts.
- (g) discuss issues and seek solutions on matters of interest to small states, by identifying, disseminating and utilising existing and new research.

7. MEMBERSHIP AND PARTNERSHIP IN THE NETWORK

- (a) The Network will be composed of Members, Associate Members, and Partners.
- (b) The Network will have six Founding Members, as approved during the 2006 meeting of the Small States Forum.
- (c) All small states that were invited to participate in the Small States Forum held in Singapore in September 2006 are considered to be Members of the Network. (The list is shown as Addendum A.) Membership will be signified by a formal communication sent to the Network from an appropriate government representative.
- (d) Other sovereign small states with a population of 1.5 million or less are eligible to join the Network as Members, subject to agreement of the majority of the Founding Members.
- (e) In special circumstances, sovereign states with a population of more than 1.5 million which share common interests with small states may be allowed to join the Network as Members, subject to agreement of a majority of the Founding Members.
- (f) Small non-sovereign jurisdictions may join as non-voting associate members, subject to agreement of the majority of the Founding Members.
- (g) A Member, Associate Member, or Partner that joins the Network undertakes to accept the terms of this statute, including the Network's mission and objectives. The designated representative for each Member, Associate Member, or Partner will be notified in writing to the Network.
- (h) There is no financial obligation to join the Network as Member, including as a Founding Member, Associate Member, or Partner.
- (i) Any Member, Associate Member, or Partner may withdraw from the Network. Withdrawal requires formal notification to the Board, signed by a designated representative of the respective Member, Associate Member, or Partner.
- (j) Any sovereign state or organisation can become a Partner of the Network, provided that (i) it is accepted as such by the Board of Trustees, and (ii) it materially or morally supports the Network.

8. BOARD OF TRUSTEES

- (a) The Network will have a Board of Trustees.
- (b) The Board will be composed of:
 - (i) One representative from each of the six Founding Members of the Network.
 - (ii) One representative from each of the following four regional groups (provided that the group has nominated such): (a) Africa, (b) Caribbean and the Americas (c) Indian Ocean, Asia, and Europe, and (d) Pacific region, elected on a rotational basis for a term of two years by the member countries belonging to the respective group, which term can be renewed for a further period of two years.
 - (iii) Representatives of the following Partners:
 - one representative of the World Bank
 - one representative of the Commonwealth Secretariat
 - up to three additional representatives, each representing a donor country or organisation that is a Partner, for a term of two years, which term can be renewed for further periods of two years, selected by the majority of the six Founding Members, on a rotational basis.
- (c) The Chair and the Vice-Chair of the Board will be elected by the Board itself, for a period of two years, from among the representatives defined in 8 (b) (i) and (ii), on a rotating regional basis.
- (d) The Board will have overall responsibility for the Network's strategy, policy and for financial control, including but not limited to work plans, budgets, reports, and assignment of independent evaluations both of the Network itself and its individual activities. The Board will also oversee the activities of the Secretariat.
- (e) The Board will meet at least once a year. Notification of meetings shall be made by the Chair.
- (f) The Board will draw up its rules of procedures, which will be in writing and guided by the principle of transparency, by a process of consensus. These procedures will in all cases—particularly with respect to financial management and procurement—conform to internationally recognised best practices.

9. PERMANENT SECRETARIAT

- (a) The Network will in time establish a Permanent Secretariat, in order to:
 - run the Network on a day-to-day basis
 - provide documentation for the deliberations of the Board
 - execute all decisions of the Board
 - prepare an annual report of the activities of the Network
 - receive, manage, and disburse funds contributed to the Network

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- maintain comprehensive records of financial transactions
 - perform other tasks as directed by the Board.
- (b) The Secretariat will be led by a Director General, appointed by the Board for a period of three years, renewable once for a period of three years.
- (c) The size of the Secretariat will be determined by the Board, which will also be responsible for the appointment of its staff.

10. TRANSITIONAL PERIOD

The Network will be constituted upon ratification of the statute by Founding Members. Following ratification, there will be a transitional period during which the Network will register as an independent legal entity, and establish its operating procedures and a Secretariat. During this transitional period, the duration of which will be determined by the Network's Board of Trustees through a process of consensus, the administrative, fiduciary, and implementing functions of the Network will be assumed by a reputable, audited entity of Malta whose financial management and fiduciary capacity, practice, and record have been assessed as acceptable by the World Bank. The latter will be the recipient of record of grants to be made by the permanent Partners of the Network during the transitional period. When the Board has determined that the SSNED legal entity has been registered and the Secretariat has been composed and established a track record, the administrative, fiduciary, legal, and implementing functions of the Network will be handled as determined by the Board, and exercised through its Secretariat. The governance arrangements outlined herein will apply during this transitional period.

11. POOLED FUNDS

- (a) A multi-donor pooled fund, with the main functions of providing grant resources for projects and the administration of the Network will be set up, with the assistance of the World Bank.
- (b) The management of the pooled fund will initially be undertaken by the reputable audited entity per Article 10 above, and passed to the Network Secretariat as warranted by its capacity and in line with the applicable fiduciary requirements of fund donors and internationally recognised best practices, as determined by the Board.
- (c) Members of the Network will be invited to propose projects to the Network Board of Trustees that could be financed from the pooled fund in accordance with procedures and criteria to be adopted by the Board.

12. FINANCIAL MANAGEMENT

The Secretariat will keep proper financial records, which will be audited by a reputable auditing firm at the end of each fiscal year.

13. AMENDMENTS TO STATUTE

Changes to this statute can only be affected during a meeting of the Board of Trustees, following a resolution adopted by at least two-thirds of the Members of the Board of Trustees, at least four of whom shall be Founding Members.

14. DISSOLUTION

- (a) The Network shall be dissolved upon adoption of a resolution passed by two-thirds of the Board of Trustees.
- (b) Before deciding upon dissolution, the Board of Trustees will determine the disposition of any remaining assets of the Network and take steps to ensure an orderly wind-down, including managing any outstanding commitments of the pooled fund.

Addendum A

Small States invited to the 2006 Small States Forum

Antigua and Barbuda
Bahamas, Commonwealth of
Bahrain
Barbados
Belize
Bhutan
Botswana
Brunei Darussalam
Cape Verde
Comoros
Cyprus
Djibouti
Dominica
Estonia
Equatorial Guinea
Fiji
Gabon, The
Gambia, The
Grenada
Guinea-Bissau
Guyana
Jamaica
Kiribati
Lesotho
Maldives
Malta
Marshall Islands
Mauritius
Micronesia, Federated States of
Namibia, Republic of
Palau
Qatar
Samoa
Sao Tome & Principe
Seychelles
Solomon Islands
St. Lucia
St. Kitts & Nevis
St. Vincent & Grenadines
Suriname
Swaziland
Timor Leste
Tonga
Trinidad & Tobago
Vanuatu