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CDCC**

**ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
Subregional Headquarters for the Caribbean
CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE**

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**ADDRESS MADE BY DR LEN ISHMAEL, DIRECTOR,
AT THE OPENING OF THE CDCC NINETEENTH SESSION**

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Introduction

Excellencies, distinguished delegates, and colleagues, it gives me great pleasure to welcome you to the Nineteenth Session of the Caribbean Development and Cooperation Committee. Delegates from 18 countries are assembled here this morning¹, and to you I extend, on behalf of myself and the staff of the Subregional Headquarters of the United Nations Economic Commission for Latin America and the Caribbean, our sincere appreciation for the continuing commitment to Caribbean Development and Cooperation Committee (CDCC) which brings you here today.

Permit me a moment to extend a particularly warm welcome to colleagues from our own Headquarters in Santiago: Mr Reynaldo Bajraj, Deputy Executive Secretary of ECLAC, Ms Miriam Krawczyk, Chief of Programming Planning and Operations, and Mr Daniel Blanchard, Secretary of the Commission and Director of the Population Division (CELADE). Allow me to also use this opportunity to recognize and introduce to you three new members of staff: Dr Esteban Perez, Economic Affairs Officer with expertise in trade, who joined the Secretariat in December of last year from our office in Mexico; he has in no small way already started to contribute to the work of this office and we are delighted to have him with us. The other officer is Mr Serge Poulard, who has been assigned to this office from Celade at ECLAC Headquarters to provide technical support to member States in the round of 2000 censuses. Mr Poulard is no stranger to this region having provided much the same type of support to Caricom and the subregion in the round of censuses taken one decade ago. He will return to his substantive post at Celade at the conclusion of his support to the subregion. It is good to have him here. The third new member of staff is Ms Veera Deokiesingh, Secretary to the Sustainable Development Unit. She has provided a lot of support to this meeting. On our collective behalf, I wish to welcome these colleagues to the family of CDCC on the occasion of this their first CDCC meeting.

The agenda over the next two days is a particularly full one as we attempt to review our accomplishments over the last biennium, engage in discussions relating to implementation of the current biennium's programme of work, and, looking into the future, discuss the work of this office over the biennium 2004-2005. This we do in preparation for the meeting of the Commission in Brazil in May this year, and the various rounds of United Nation committee meetings which will ratify the 2004-2005 work programme and the resources devoted to its implementation.

We have also allocated time within the agenda to speak to issues of critical importance to the continued development of this subregion: the upcoming Monterrey Conference on Financing for Development, slated to convene next week in Mexico; the Rio + 10 review of the sustainable development objectives outlined in the seminal Earth Summit to convene in Johannesburg in August later this year; the upcoming review of SIDS +10 in the year 2004, and the process to move the designation of the Caribbean Sea as a Special Area, are among some of the issues with which we

¹ Participant member States: Antigua and Barbuda, Aruba, Barbados, British Virgin Islands, Cuba, Dominica, Dominican Republic, Haiti, Jamaica, Montserrat, Netherlands Antilles, Puerto Rico, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago and the United States Virgin Islands.

continue to be preoccupied.

As we reflect on the past, it would be fair to say that the biennium 2000 – 2001 was one of particular challenge and trauma for this subregion. It was with some finality that the sobering reality of the end of the era of preferential access to European markets hit home. The production of bananas in the Windward Islands for example, hit an all time low, with the predictable social and economic effects on producing countries. This could not have come at a worse time regionally. With few exceptions, economic performance in the year 2000 was not half as robust as had obtained previously, but this paled in comparison with the dismal performance of many regional economies in the following year. Well in advance of the events of September 11, tourism dependent economies were suffering from extremely soft markets. September 11th provided the final blow, prompting an unprecedented major Tourism summit at the level of the Heads of State, to speak to the ongoing crisis in that sector. The reality of new banana trade protocols, coupled with the devastating effects of extremely poor performance of tourism, spelt a time of real trauma for several islands as one after the other hotels closed, or in some cases, went into receivership. Recovery is still some time away.

Attempts by member States to diversify economically into the offshore financial services sector, some perhaps in advance of the ability to provide for the comprehensive regulation of the industry, invoked the now infamous "black list" circulated by the OECD. The manufacturing sector in member States such as Jamaica continued to hemorrhage with the loss of thousands of jobs for a number of reasons, including the migration of those jobs to lower-wage Mexico in the wake of NAFTA. Movement towards a single market and economy continued to make tenuous progress within Caricom, while the OECS thrust towards the free movement of labour among its members was characterized by the troubling yet understandable hesitancy of some of its members.

The consultation and negotiations with respect to the WTO, the EU and the FTAA, presented special challenges to the subregion at all levels – human resources and the lack of a regional strategy to inform such deliberations being among some of the major impediments. On the global front, the inexorable advancement of the doctrine of competitiveness within the framework of globalization and trade liberalization stumbled for the first time with "on-the-street" demands from thousands - that the faceless spectre of the market be infused with sensibilities which safeguard the rights of the world's people to equity, justice and work, as people took violent possession of the streets in Seattle, Quebec City and Genoa, prompting at the same time reservations articulated by developing countries regarding the ability of globalization to spread the world's wealth among those most poor. And while protectionist interventions continue to be viewed negatively, the world's biggest economy - that of the USA - a few days ago proclaimed its intention to protect the jobs of thousands of its steel workers by the raising of stiff tariffs.

This ladies and gentlemen, was the canvass against which member States sought to meet the challenges of development and within which the Secretariat provided support.

PART 1

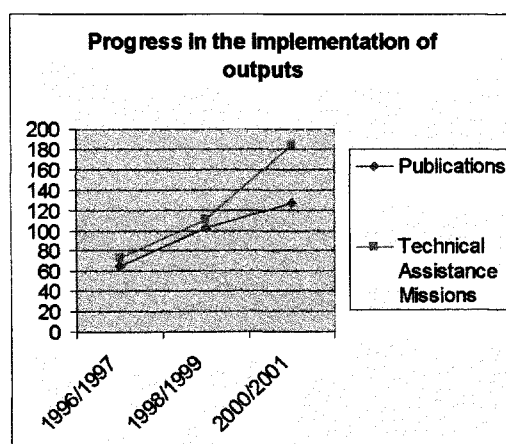
Biennium – 2000-2001

Allow me to share with you some of the aspects of work implemented in support of subregional goals and objectives over the last biennium. This will be discussed in greater detail under the appropriate agenda item and is contained in Document (Implementation of the ECLAC/CDCC Work Programme for the 2000-2001 biennium, LC/CAR/G.638)

Some Major Accomplishments

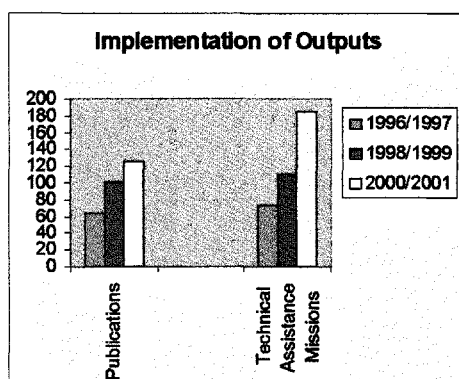
A comparative analysis of the status of some key indicators over the last three bienniums shows an increase in output across major categories: technical assistance missions undertaken, publications and rate of work programme implementation. During the biennium 1996- 1997, 60 publications were produced, this increased by 57 per cent to 94 in the following biennium and to 126 in the last biennium, an increase of over 100 per cent over the last four years.

| Publications each biennium | 1996/97 | 1998/99 | 2000/01 | Missions each biennium | 1996/97 | 1998/99 | 2000/01 |
|--|---------|---------|---------|---|---------|---------|---------|
| | 60 | 94 | 126 | | 73 | 110 | 184 |
| % growth per biennium | | 56.92 | 23.53 | % growth per biennium | | 50.68 | 67.27 |
| Growth over the period 1996 - 1997 and 2000 - 2001 | | | 93.85 | Growth over the period 1996 -1997 and 2000 - 2001 | | | 152.05 |



By the same token, the rate of work programme activities implemented moved from 80 per cent in 1996-1997, to 81 per cent in 1998 – 1999, and to 93 per cent in the last biennium, the latter translating into an effective rate of 100 per cent given the fact that the few outputs not implemented related to CCST activities for which ECLAC support had been curtailed in the previous biennium, and one activity under a UNFPA project which was discontinued by UNFPA as a result of a change in focus of that organization. This rate of implementation, together with the high level of productivity in all other areas is an achievement of which we are truly proud, a performance which, in no small way, increased the level of visibility and relevance of this organization to member States.

| | Publications | Technical Assistance Missions |
|-----------|--------------|-------------------------------|
| 1996/1997 | 65 | 73 |
| 1998/1999 | 102 | 110 |
| 2000/2001 | 126 | 184 |



One of the major activities with which we were preoccupied over the last two years was the process of review of the Constituent Declaration of CDCC, now in its final stages, resulting in a document much more reflective of the global and regional realities within which the CDCC functionally operates. This process has been documented and the proposed revised Constituent Declaration has been circulated and will be tabled for discussion in greater detail later on during this meeting.

Assistance to member States

The Secretariat assisted member States in meeting developmental challenges by supporting them in several key areas, not only through work programme activities but also in each case tailoring a portfolio of technical assistance to meet their individual needs. Assistance was provided via activities aimed at capacity building, strategic policy formulation, economic diversification, negotiations and cooperation and integration at the subregional and national levels.

Capacity Building

Key among the attempts to assist with capacity building at a number of levels, were two major new initiatives based on external sources of funding secured from the Dutch government in the areas of social and trade statistics. Lack of access to data has been one of the issues which continue to bedevil this subregion in all aspects of developmental work and policy formulation. For too long social policy formulation has been alarmingly disconnected from data of a type which lends itself to rigorous analysis on which to ground policy. The lack of this functionality has impacted negatively on the ability of this organization, for example, to engage in social policy analysis and policy recommendations for Caribbean countries, commensurate with the approach which has been undertaken for Latin American member States. This was one of the big institutional challenges which we were committed to redressing, which we did, by initiating a project in 2000 to create a major regional data base of all types of social statistics. Later on during this meeting major findings of this exciting new initiative will be presented.

The situation which obtains in the area of social data is mirrored in the area of statistics pertaining to trade in a way which is truly regrettable, given the importance of trade and changes to trade protocols to the region. In response to the real challenges implicit in getting access to trade data on which to base sound policy, this office mounted a major initiative by way of a project aimed at creating a regional data base on trade statistics, and the creation of databases at the national level with provision for training. This process is currently on-going.

Another major initiative introduced during the last biennium, in an effort to build both regional and national capacity, was in the area of natural disasters. Over thirty years ago, ECLAC pioneered a methodology to assess the short, medium and long term macro economic impacts of natural disasters on national economies. This methodology has been in widespread use, most recently in assessing the socio economic impacts on the economy of Venezuela in the aftermath of the tragic coastal landslides of 2000, and in Mexico, El Salvador and several Central American countries in the aftermath of drought, floods, hurricanes, earthquakes and other natural phenomena.

The methodological approach to formulating the manual was one which was oriented towards the peculiarities of geography, natural resources and productive capacities of Latin American countries. Given the regularity of natural disasters such as hurricanes in this subregion, it was clear that there was need to refine the methodology so that it could be adaptable to the realities of small islands. There was also the need to ensure that staff in this office were trained in the use of the methodology so that assessments could be undertaken from this office, and that capacity be built within the islands themselves in the use of this methodology, to jumpstart the process of recovery even in advance of the arrival of outside teams.

It is with much satisfaction that I now report the existence of a trained team in this office who have now conducted assessments in Anguilla, in the wake of Hurricane Lenny, in St Kitts and Nevis after Hurricane Georges, in Belize in the wake of Hurricane Keith in December 2000, and in Jamaica in the wake of Hurricane Iris in October 2001. Even more important is the capacity building which we have spearheaded, first with a regional programme of training of key professionals in the use of the methodology in July 2000, then with the provision of training at the national levels, starting in the British Virgin Islands with the training of 24 persons in July 2000, and in Belize with the training of 59 persons in June 2001 - an effort which greatly assisted that country in undertaking its own

assessment in the wake of Hurricane Iris in November last year. We are in the process of responding to a request from the Government of Jamaica to provide training to a number of public and private sector officials in the use and application of the methodology and in the deployment of assessment teams.

Economic Diversification

Several initiatives were launched in the last biennium in an attempt to assist countries with their attempts at economic diversification. Studies on the potential of both the informatics and offshore services financial sectors for example were undertaken for five countries in the OECS. A project with the objective of building greater understanding and awareness of the potential for contribution of the yachting sector to the economies of some member States, with the goal of articulating policy for the management of the sector at both the national and subregional levels, was initiated with assistance from the Dutch Government in the British Virgin Islands, St Marteen, St Lucia, Antigua and Barbuda and Trinidad and Tobago. Already the project is yielding some surprising results. Despite the lack of investment made by regional governments in the sector, yachting contributes more to GDP in several if not all of the countries studied than cruise tourism. On another front, assistance was provided to the Government of Montserrat in the formulation of a tourism policy to guide the recovery process in that sector and to assist in jump-starting the economy.

Strategic Policy Formulation

Assisting countries to cope with the variables of change led to an initiative to provide support to the Island Administration of Nevis in the preparation of their National Strategic Integrated Development Plan which was completed in July last year, as part of a major new area of support to member States in the area of Physical Planning. This initiative led to the formulation of a new Physical Planning and Development Act for St Lucia, which was adopted by Cabinet and the House in November 2001. As part of a package of assistance to the Government of St Lucia, analyses on the new institutional arrangements required to effect implementation of the new Act were initiated resulting in the establishment of a new Ministry of Planning. This office also drafted regulations to implement the new Act, as well as an institutional assessment of the framework required to operationalize the new Act. Training is currently being provided to the Physical Planning staff to assist them in the discharging of their responsibilities under the new Act. A review of planning legislation was undertaken for St Kitts, and a web-based forum for support to Caribbean Planners, the CPN, was launched during the same period, providing support to professional planners in the region.

Technical assistance was provided to the Government of St Kitts and Nevis in the articulation of a policy on returning nationals, as that country sought to formulate an incentive-based framework for attracting overseas nationals and retirees to return home and contribute to development there. Technical assistance was also provided over several months to the Government of Belize in the formulation of their 20-year Human Development Agenda, one of the first in the subregion.

Negotiations & Trade

Assistance was provided to the Netherlands Antilles for example, in undertaking a study which provided that country with information critical to understanding the obstacles, both internal

and external in the process of increasing their share of trade with Caricom neighbours. Also, in this area, strategic assistance was provided to the Government of Belize by way of a confidential brief to assist the country's delegation in their bilateral negotiations with Mexico.

Technical assistance was also provided to the Permanent Representatives to the United Nations and the OAS, including five briefs to the Permanent Representatives to the United Nations as they sought to negotiate the text of the United Nations Report on Financing for Development, and two to the Permanent Representatives to the OAS on the issue of vulnerability as they took up the issue of hemispheric security in the context of the special vulnerabilities of the smaller economies. Several briefs were prepared in support of the work of the FTAA consultative committee on smaller economies, and a special workshop on the FTAA, competitiveness, competition policy and standards was packaged and taken through the OECS providing information to both public and private sector groups.

Support to Regional Institutions & Agencies

The office provided support to the Eastern Caribbean Court of Justice, in the review of family laws in the region and the execution of a research programme to facilitate modernization of the legal framework dealing with that aspect of law; support was given to initiatives of the ACS, Caricom, the OECS Secretariat, UNESCO and UNFPA and UNDP among others. Major support was provided to Caricom in preparation for the 2000 round of censuses, and technical support was provided to a number of member States in the analysis of the data coming out of the census.

PART 2

The New Biennium – 2002-2003

We approach the implementation of work programme activities and the delivery of technical assistance to member States in this biennium with the same objective which characterized the work of this organizations previously, namely to use resources strategically in support of the needs of member States.

During this period the region will be faced with the need to negotiate on several fronts: with the EU within the post Cotonou framework of regional economic partnerships, within the WTO in the context of post Doha negotiations, and continuing with similar processes within the FTAA. Some members of CDCC will continue to pursue the movement towards the CSME and the OECS free movement of labour. Each of these initiatives will be accompanied by their own challenges. It is our intention to provide assistance within our sphere of competencies to the region. For example, we recently collaborated with the RNM in the production of a report dealing with the issue of Special and Differential Treatment – an issue critical to continuing negotiation for smaller economies within the FTAA, and are about to embark on an initiative to provide technical assistance to the RNM in a number of areas including an analysis of the implication for CARICOM of bilateral discussions on free trade between Trinidad and Tobago and Costa Rica.

The Secretariat has initiated plans for a meeting on services in support of pending

negotiations in that sector, and has prepared a background study on special and differential treatment for Caribbean economies in support of this initiative. Support will be given to member States at the regional level in preparation for negotiations with the EU, and the Secretariat will continue to provide assistance at the hemispheric level via technical support to the FTAA committee on smaller economies and directly to member States, as well as support to Caricom and RNM initiatives. Along these lines the Secretariat has recently completed a brief sent to all Prime Ministers and delegations of member States to assist them with their deliberations as they move to the Monterrey meeting on Financing for Development next week.

The issues of social security reform, fiscal policy reform, the FTAA and the CSM are among some of the issues with which the Secretariat will be occupied during this period. These will be complemented by the delivery of technical assistance to member states, as for example the undertaking of a study to assist the government of Puerto Rico with their desire to explore possible trading arrangements with Caricom.

One of the first outputs of the Social Statistical Database Project was completed last week: this office has produced, as a pilot, a Compendium of Social Statistics for training purposes, the first in a series leading to the production of a fully fledged panorama of social statistics for the region. Later on in the year the database will be instrumental in the construction of a social vulnerability index. This is pioneering work which has generated a great deal of excitement both here and abroad. Internationally, while work has been undertaken on the construction of both economic and environmental vulnerability indices, construction of a social vulnerability index has not yet been attempted. It is the third and missing pillar of the sustainability development construct and is of relevance to all SIDS as they continue to provide scientific proof of their vulnerabilities to the international community. Indeed at a recently concluded meeting of AOSIS in Singapore, requests were made by Pacific SIDS to ensure that the work pioneered here will be transferred to their region. It is within this context that the Singapore Declaration of the Alliance of Small Island States Inter-Regional Preparatory meeting for Johannesburg 2002, called for "international support for the development of a social vulnerability index".

In keeping with our role as the Secretariat for SIDS in the region, we continue to devote efforts to issues of strategic relevance to SIDS. Having introduced the training of personnel in the use of the ECLAC methodological approach to macro-economic and social assessments of natural disasters, and refined that approach to include the natural, economic and social environments of SIDS, we are now in the process of developing training materials specific to the needs of SIDS. The next training programme is slated for delivery in Jamaica in April. It is useful to note that SIDS in other regions have requested that this office transmit those aspects of the methodology geared specifically to the needs of SIDS to their regions as well. Such interregional cooperation through the umbrella of AOSIS can play a vital role in expanding alliances and cooperation well beyond the shores of CDCC member states to include other SIDS around the world.

We have been concerned for quite some time with the lack of public awareness of the importance of the SIDS POA to this region. As a result, the Secretariat has just initiated work on the elaboration of a major public awareness campaign to popularize the SIDS POA to the people of this subregion. It is expected that by engaging in this type of campaign the SIDS POA will become familiar and well known, translating into the types of support required to keep the flame of the POA alive.

We are in the process of providing technical assistance to the Government of St Kitts and Nevis as they seek assistance in supporting an initiative to engage in some type of divestment from sugar – a decision which will result in painful dislocation for an important section of the labour force, with social, economic and political repercussions. The decision to divest from sugar raises questions relating to land use and land tenure, the absorption capacity of the labour market, and the need for a social safety net to cushion the shock of transition. Consultations have already taken place by this office with major stakeholders. Support will be provided in four major areas: i) in the undertaking of an agricultural census of every worker involved in sugar with a view to understanding the skills levels, levels of education, income and household composition of potentially displaced workers; ii) in undertaking a labour market survey to identify opportunities within the labour market to absorb some displaced workers; iii) in the articulation of elements of a social safety net, involving among other things training programmes which will assist the government to deal effectively with the economic social and political fallout of such a decision; and iv) in the area of land reform.

A hallmark of our work in this biennium is in the area of training. A new initiative based on requests from several member States to engage in training in the area of protocol, particularly in the context of the Treaty of Chaguaramas, and the movement towards the Caricom SME has been launched. The elaboration of the workshop has already been done, and we look forward to mounting these workshops soon.

In the spirit and intent of CDCC as a forum for integration, and following on the series started with the publication "Barbados as a Model SIDS", we have started work on the elaboration of case studies in Cuba both in terms of their approach to environmental management and their social programmes, to share with other member States.

Conclusion

Allow me in closing to share with you a few concerns. The first is, of course, the fact that resources devoted to offices such as these are dwindling. Over the years, we have lost posts as well as other resources through system wide cuts. This is also true of this biennium in which resources have been lost in several areas. The articulation of your support for the work of this organization within the context of the United Nations forums, within which decisions are made regarding resource allocation, will in some measure be taken into consideration when such decisions are being made. However, given the undeniable reality of diminishing resources, it is incumbent on member States to ensure that our work programme truly reflects the needs of the subregion, and that careful consideration be given to the process of priority setting. For this, we look to your for your guidance.

Despite these realities we are firm in our resolve to commit our fullest support to this subregion as we seek every day to assist member States in meeting the challenges of development, with every confidence.