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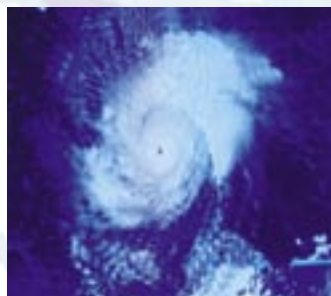
ECLAC

FOCUS

Newsletter of the Caribbean Development and Cooperation Committee (CDCC)



ECLAC IN THE CARIBBEAN:
CONFRONTING NATURAL DISASTERS



HURRICANE SEASON 2004:
A CHALLENGE TO DEVELOPMENT



JULY – DECEMBER 2004

SPECIAL ISSUE: FOCUS ON NATURAL DISASTERS IN THE CARIBBEAN 2004

CDCC

CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE

In 1975, the Economic Commission for Latin America and the Caribbean (ECLAC) – then known as ECLA – established the Caribbean Development and Cooperation Committee (CDCC) as a permanent subsidiary body at the governmental level. The ECLAC Subregional Headquarters for the Caribbean provides secretariat services to the CDCC.

The CDCC functions as an intergovernmental organization that meets annually at the technical level and every other year at the ministerial level. Its operational activities are carried out under the regular ECLAC work programme in the Caribbean, which includes economic and development planning, demography, economic surveys, the environment, international trade and trade-in-service, information for development, statistics, small island developing States, science and technology, women in development, tourism, training, and assistance with the management of national economies.

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ECLAC IN THE CARIBBEAN: CONFRONTING NATURAL DISASTERS

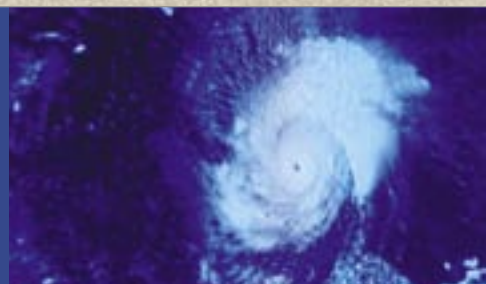
Caribbean countries are especially prone to climatic patterns that can produce hurricanes, which cause floods, landslides, beach erosion and other damage. Additionally, given its geomorphology and its location near moving tectonic plates, the Caribbean archipelago is susceptible to earthquakes, volcanoes and other equally hazardous environmental phenomena, such as tsunamis. All these hazards are particularly severe in their effects, because of the size of our respective land masses, and that of our economies. As illustrated by the 2004 hurricane season, impacts may range from traumatic to completely devastating. The experiences of Caribbean countries and territories, particularly Grenada, Jamaica, the Bahamas, the Cayman Islands, the Dominican Republic and Haiti – which have been documented by ECLAC from as early as August 2004 – provide us with tangible cases in point and bear out this threat. Furthermore, the effects of less extreme events (such as the heavy rains in Guyana early in 2005) are harsher in developing countries than in more resilient ones, even when the former occupy vast land masses.

RELIEF AND RECONSTRUCTION

In the immediate aftermath of these natural disasters, many governments were preoccupied with tending their populations and overseeing emergency care. They were aware, nonetheless, of the urgent need for external support for local efforts in providing this emergency relief; evaluating physical,

economic and social damage and mapping reconstruction plans; and mobilising the funding required for complete recovery.

Among the most devastating storms in recent memory in the Caribbean was Hurricane Ivan, which battered Grenada on 7 September 2004. Within days, Prime Minister Keith Mitchell had appealed to the Organisation of Eastern Caribbean States (OECS) for support in evaluating the damage. In response, the OECS arranged for some of their technical staff to be trained in disaster assessment by members of the ECLAC disaster assessment team. Two ECLAC officers - attached to its Subregional Headquarters for the Caribbean - also participated in an OECS mission (partially funded by USAID¹ and the UNDP²), which was dispatched to Grenada the following week to evaluate the impact of Hurricane Ivan and make recommendations for rehabilitation. The evaluation report was presented to the Government of Grenada on 24 September and then to a special meeting of donors in Washington DC, convened to assess the role of the international community in supporting emergency relief as well as longer-term reconstruction and rehabilitation efforts in Grenada. The total damage was estimated at EC\$2.4 billion (approximately US\$ 889 million), which amounts to more than twice the current value of Grenada's gross domestic product (GDP) for 2003. Eighty-nine per cent of this amount represented direct damage (effect on assets);



1 United States Agency for International Development

2 United Nations Development Programme

with the remaining 11% reflecting indirect damage (effect on domestic output of goods and services). The gravity of these figures and the scope of the report's recommendations proved to be critical in generating an immediate response from the international community in support of Grenada's rehabilitation exercise.

No sooner did the post-Ivan situation in Grenada seem to be under control than was the UNDP responding to a request from the Government of Jamaica for an assessment of the hurricane's impact in that country. Officers from both ECLAC Subregional Headquarters offices (in Mexico and the Caribbean), with support from the UNDP and the Planning Institute of Jamaica (PIOJ) completed the Jamaica evaluation in October 2004. The team's findings pointed to a reversal of Jamaica's recuperation growth trend that had started in 2002, and which had been expected to produce a third year of sustained growth (at a predicted rate of over 2.6%). The expected rate of growth for 2004 had to be reduced to 1.9%. These figures reflected some damage in Jamaica's tourism sector and a slight setback for mining exports but more serious effects in the agriculture and housing sectors (US\$137.90 and \$180.06 million, respectively). Nonetheless, the Director-General of the PIOJ stated that this damage was not as severe as that wrought by Hurricane Gilbert 14 years earlier and that the reconstruction process would be manageable.

The disaster assessment in the Dominican Republic, in the aftermath of Hurricane Jeanne, was funded by the UNDP and the Inter-American Development Bank (IDB), and conducted by the ECLAC Subregional Headquarters in Mexico, in collaboration with the Technical Secretariat of the Presidency and the National Planning Office in the



Dominican Republic. Total damage was estimated at US\$270 million – equivalent to 1.7% of the Dominican Republic GDP for 2003. The productive sector was most seriously affected (60% of total damage and losses, compared to 33% for infrastructure and 6% for the social sectors). According to the assessment report, such extensive losses in both small farming (particularly food crops and cocoa production) and commercial agriculture (mostly rice, bananas and plantains) pointed to the need for improved risk management and risk transfer strategies. At the same time, minimising risk would necessitate the development of environmental strategies - including watershed and coastal management policies - designed

to confront physical vulnerabilities by addressing the causes of, for example, landslides, sedimentation and flooding.

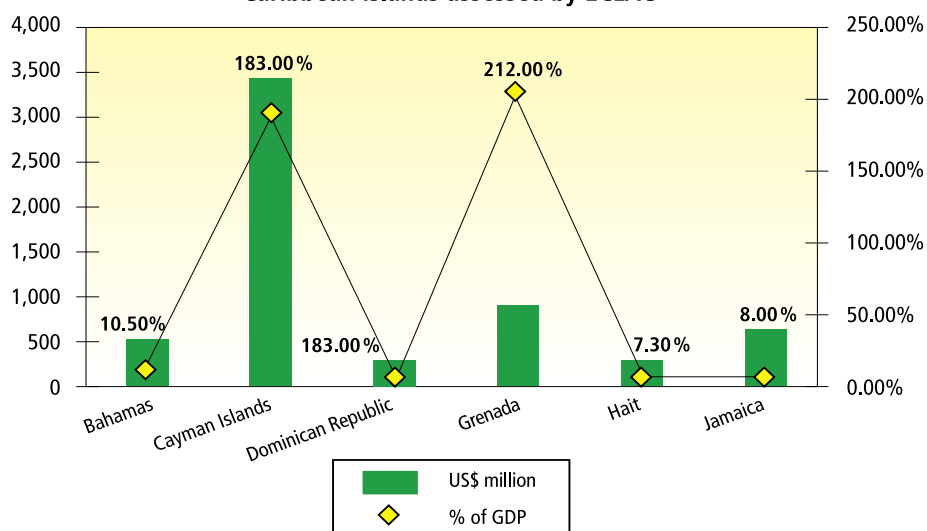
Other disaster assessment missions, which were conducted in the Bahamas, the Cayman Islands, and Haiti between October and December 2004³, uncovered extensive physical and socio-economic damage in these countries also. As was the case for Grenada, Jamaica and the Dominican Republic, they provided recommendations that aimed to not only hasten recovery and rehabilitation, but also encourage improved disaster preparedness and support stronger environmental policy-making and management.

Figure 1 and Table 1 summarize the impact of all assessed disasters.

THE ECLAC DISASTER ASSESSMENT METHODOLOGY

The technical teams assigned to these missions utilized evaluation systems developed by ECLAC over the past 30 years and crafted into a methodology for the specific assessment of disasters. This methodology was designed for the

Figure 1: Relative and absolute level of disaster damage in the Caribbean islands assessed by ECLAC



Source: ECLAC computations on the basis of official data.

3 With the support of the IDB and the UNDP

4 UNDRO, Disaster Prevention and Mitigation: Compendium of Current Knowledge. Volume 7, "Economic Aspects," United Nations, New York, 1979.

Table 1

Island State	Natural Event	Economic Impact (Million US\$)	Impact as:	
			% of GDP	Reduction in GDP
Total of ECLAC assessed damage and losses a/	Ivan, Frances and Jeanne a/	6,059	82.90	Negligible for the subregion
Bahamas	Hurricanes Frances and Jeanne	551	10.50	– 1.7%
Cayman Islands	Hurricane Ivan	3,432	183.00	– 1.9%
Dominican Republic	Tropical Storm Jeanne	296	1.70	Minimal Impact
Grenada	Hurricane Ivan	889	212.00	– 1.4%
Haiti	Hurricane Jeanne	296	7.30	Negligible
Jamaica	Hurricane Ivan	595	8.00	– 0.7%

a/ Excludes damage caused by these events in other islands or territories

Source: ECLAC computations on the basis of official data.

evaluation of disasters in developing countries where the impact of capital and human losses would likely be greater - because of weaker recovery systems that were hamstrung by small economies - than in wealthier countries. As such, even though it expanded on the disaster prevention and mitigation concepts earlier outlined by the United Nations Disaster Relief Organization (UNDRO⁴), the ECLAC methodology that was first documented in 1991 was directly based on experiences in the assessment of (man-made as well as natural⁵) disasters in Latin America and the Caribbean.

Even though still oriented towards developing countries, the methodology has since been refined from a broad template addressing mainly macroeconomic issues into a blueprint for the evaluation of damage (in terms of assets) and losses (in terms of flows) associated with disasters. This stock-flow analysis has been expanded to

show the social, gender and environmental dimensions, which were not specifically covered before. Since 1999, the ECLAC Subregional Headquarters for the Caribbean has developed the methodology even further, to make it relevant to the special needs of Small Island Developing States (SIDS), which include virtually all of the countries of the subregion. While SIDS share many characteristics with other developing countries, their small size – both physical and economic – and climatic peculiarities (such as the impact of hurricanes on coastal resources) are but two of the areas in which they differ and that therefore necessitate variation in the original assessment approach.

These considerations formed the basis for publication of the ECLAC/CDCC Disaster Assessment Training Manual for Caribbean Small Island Developing States (SIDS), which was first made available in March 2003 and subsequently revised (LC/CAR/L.12

April 2004). The manual was prepared by technical staff of the ECLAC Subregional Headquarters for the Caribbean to document the methodology developed for the post-emergency evaluation of disasters in Caribbean SIDS. It was also to function as the main teaching tool for training governments to carry out their own disaster assessments – either independently or with the support of ECLAC disaster assessment teams⁶. The information contained in this manual has since been incorporated into a Handbook for Estimating the Socio-economic and Environmental Effects of Disasters, which was published by ECLAC and the World Bank in 2003, with support from the governments of Italy and the Netherlands, and the ProVention Consortium. In 2004, training based on the systems here outlined, was provided to the technical staff of other

(continued on next page)

5 "The most common natural disasters in Latin America and the Caribbean are those caused by tropical storms and hurricanes, floods, droughts, frosts and hailstorms, earthquakes, volcanic eruptions, tsunamis and mudslides. The most frequent man-made disasters are fires, explosions and oil spills." (ECLAC Handbook for estimating the socio-economic and environmental effects of disasters, Mexico, 2003, pp.1 (LC/MEX/G.5 or LC/L.1873). This Handbook may also be consulted at the ECLAC Mexico Web page: www.eclac.cl/id.asp?id=12774; and these Web sites: http://www.worldbank.org/hazards/knowledge/other_res.htm and <http://www.proventionconsortium.org/toolkit.htm>.

6 Requests for disaster assessment support are coordinated through the ECLAC Subregional Headquarters in Mexico

7 Use of the ECLAC methodology is continuously expanding. It is now a tool promoted by the World Bank for disaster assessments throughout the world. Recent assessments done in the aftermath of the Indian Ocean disaster used this methodology, particularly in the cases of Indonesia and India. The relevant reports may be seen at the World Bank Web site (www.worldbank.org), on the respective country pages, and at the Hazard Management Unit page.

NATURAL DISASTER ASSESSMENT MISSIONS

Between 1998 and 2004, the ECLAC natural disaster assessment team participated in 13 major assessments in the subregion.

Country	Date	Report
St. Kitts and Nevis	22/12/98	Report of the Joint ECLAC/ECCB mission to assess the macroeconomic effects and the reconstruction requirements arising from the impact of Hurricane Georges on St. Kitts and Nevis (LC/CAR/R.11)
Anguilla	01/03/2000	Anguilla: An assessment of economic and other damages caused by Hurricane Lenny (LC/CAR/R.25)
Belize	November 2000	Comprehensive macroeconomic assessment of the damage caused by Hurricane Keith to Belize (LC/CAR/G.627)
Jamaica	07/12/01	Jamaica: An assessment of the economic and other damages caused by Hurricane Michelle (LC/CAR/G.672)
Jamaica	22/07/02	Jamaica – macro-socio assessment of the damage (LC/CAR/G.698)
Grenada	07/09/04	Grenada: Macro-socio-economic assessment of the damages caused by Hurricane Ivan
Jamaica	20/10/04	Assessment of the socio-economic and environmental impact of Hurricane Ivan on Jamaica (LC/CAR/L.22)
The Bahamas	16/11/04	Hurricane Frances and Jeanne in 2004 – Their impact in the Commonwealth of the Bahamas (preliminary version) (LC/CAR/L.23)
Cayman Islands	1/12/04	Assessment of the socio-economic and environmental impact of Hurricane Ivan on the Cayman Islands (LC/CAR/L.25)
Dominican Republic	03/11/04	Los efectos socioeconómicos del huracán Jeanne en la República Dominicana (LC/MEX/L.638)

National training workshops in the use of the ECLAC disaster assessment methodology have also been conducted in 10 Caribbean countries since 2000. These workshops were organized in response to requests from CDCC member governments wanting to develop their own capacity to conduct disaster assessments. Training was based on models provided in various editions of the ECLAC Disaster Assessment Training Manual for SIDS.

subregional and international organizations who participated in post-disaster assessment teams⁷.

APPLYING THE METHODOLOGY

Evaluation teams employ the ECLAC methodology to assess the medium to long-term reconstruction and rehabilitation requirements of countries struck by disasters. It provides guidelines for measuring (in monetary terms) the social, economic and environmental impact of disasters. The resulting assessments provide data and recommendations that are critical in the mobilization and deployment of resources needed for recovery. Each assessment serves as both a planning tool used to quantify losses incurred (by sector and location), and a means of identifying the financial gap to be filled through the reconstruction process.

Assessments are usually not initiated before the emergency phase is over and are intended to guide the rehabilitation and reconstruction stages of the post-disaster period. Immediately following any disaster, resources are directed towards providing the emergency relief needed to save lives and temporarily restore essential services. During the rehabilitation stage, authorities establish transitional arrangements to restore some degree of normalcy to affected areas and communities. These include temporary repairs to housing and buildings, and to physical infrastructure; as well as attention to the emotional and psychological recovery of traumatized individuals. Reconstruction activities include allocation of resources for long-term planning - towards the rearrangement of physical and environmental space, and social structures. To minimize obstruction of critical activities, and to ensure that as much data as possible are available, disaster assessment teams usually begin their evaluation near the end or following the post-disaster emergency stage.

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LAUNCH OF THE ECONOMIC SURVEY OF THE CARIBBEAN 2003-2004

The performance of the Caribbean tourism sector, the critical development role of subregional economic integration, and countries' projected recovery capacity following Hurricane Ivan, were among the dominating themes at the launch of the ECLAC Economic Survey of the Caribbean, 2003-2004, which was held on 6 October 2004.

These and other issues of contemporary economic development in the Caribbean were discussed during the media briefing session held at the ECLAC Subregional Headquarters for the Caribbean in Port of Spain to introduce the Survey. This publication examines the macroeconomic performance of Caribbean countries during 2003 and provides some preliminary projections for 2004. It analyses the economies of Caribbean Development and Cooperation Committee (CDCC) countries including, for the first time, the majority of its Non-Independent Caribbean Countries (NICCs) members.

While the Survey shows an improved growth performance (2.8% in 2003 compared with 1.0% in 2002) for the subregion as a whole, it also records significant disparities in GDP growth among countries. These range from Guyana and the British Virgin Islands, which registered economic downturns (-0.6% and -1.9%), to Antigua and Barbuda, Grenada and Suriname, where growth rates increased significantly in 2003 (5%, 5.7% and 5.6%) compared to the previous year.

The overall growth recovery was led by the services sector, in particular

tourism. Real growth in the tourism industry was 3.6% in 2003 following a decline of 7.1% in 2002. This performance is related to the strengthening of the global travel industry following the impact of events on 11 September 2001, contributing to a visitor and tourist count of 10.8 million in 2003, the highest figure recorded to date. Recovery is also attributed to aggregate growth in primary sectors such as energy (oil and gas) in Trinidad and Tobago and mineral (bauxite, alumina and gold) in Suriname, which benefited from the increase in international commodity prices.



The Survey further points to the improvement in the fiscal accounts of most countries because of a decline in government expenditures. Nonetheless, it also notes that despite this positive trend, and attempts at fiscal consolidation, the disparity among Caribbean countries remains extremely high for an area whose ultimate goal is monetary and economic union. Trinidad and Tobago, at one extreme, exhibits a fiscal surplus equivalent to 1.4% of Gross Domestic Product

(GDP). Meanwhile, at the other extreme, the deficits of Belize, Guyana and the member States of the Organisation of Eastern Caribbean States (OECS) have reached levels of 10% or greater.

Also undermining growth performance are high levels of public debt, particularly in the countries of the OECS, Belize, Guyana and Jamaica. The average public debt to GDP ratio (for the subregion) increased from 62% to 85% between 1997 and 2003, ranking the Caribbean as one of the most indebted areas in the world. Current indebtedness levels in most Caribbean countries appear to be unsustainable and also undermine the fiscal union that is critical to subregional development. The Survey therefore makes recommendations for addressing debt accumulation over the long-term.

At the launch, it was acknowledged that the impact of Hurricane Ivan in the Caribbean had affected the validity of projections and prospects for economic development, especially in Grenada, at least over the short-term. At the same time, ECLAC Economic Affairs Officer, Esteban Perez, was optimistic that if appropriately managed, certain "safety valves" could buffer economic downturn in those economies affected by the hurricane. These safety valves included the development of short-term crops in agriculture; the necessary upsurge in the construction and related industries; and restorative activities in the cruise ship and yachting sectors. Mr. Perez also noted that while the economic effects of the hurricane must be addressed in the short run, the severe social consequences of the hurricane must not be ignored. ■

THE MACROECONOMIC PATTERN OF NATURAL DISASTERS



The impact of the natural disasters that ravaged the Caribbean in 2004 underlines the vulnerability of Small Island Developing States (SIDS). The Bahamas, Grenada, Saint Lucia, St. Vincent and the Grenadines, Jamaica, the Cayman Islands, the Dominican Republic and Haiti were hit in different degrees by hurricanes. Total estimates amount to more than US\$2.2 million.

Disaster damage is classified as direct and indirect. The former refers to the damage occurring at the time of the disaster, which is inflicted on immovable stocks and assets. Indirect damage refers to the damage done to flows of goods and services, and

income; this can be defined as the sum of the value of income foregone (due to the interruption of production and distribution as a consequence of the natural disaster) and the increase in costs and expenditure to confront the damage of the disaster. In the case of the Caribbean the cost of the indirect damage far outweighed that of the direct damage (Table 1).

MACROECONOMIC IMPACT IN THE CARIBBEAN

The damage assessment studies undertaken by ECLAC and the Organisation of Eastern Caribbean States (OECS) show, once again, that hurricanes have a definite economic and, more precisely, macroeconomic pattern in terms of their impact and effects. The key factor that explains the

pattern is the seasonality of the disaster, that is, the time of year at which the disaster occurs. When occurring in the second half or latter part of the year, as has been the case in the Caribbean, the effects of disasters generally include:

- A decline in GDP growth in the year during which the disaster occurs. The decline is commensurate with the magnitude of the event;
- A quick but less profound recovery in GDP growth in the post-disaster year;
- GDP growth that, nonetheless, remains below what it would have been without the disaster;
- An increase in the budget deficit. This results from the combination of higher expenditure incurred by

Table 1
NATURAL DISASTERS IN THE CARIBBEAN (2004-2005)

Country	Event	Date	Magnitude	Direct Damage As % of GDP	Indirect Damage As % of GDP	Total Damage As % of GDP
The Bahamas	Hurricane	September	240 and 160kph	4	3	7
Grenada	Hurricane	September	145mph	213	26	239
Jamaica	Hurricane	September	180kph	5	3	8
Dominica	Earthquake	November	6.0 (Richter scale)	13	4	17
Haiti	Tropical Storm	November	...	5	3	8
Guyana	Floods	January	...	53.5	6.0	59.5

Note:

- **Direct damage** refers to the value of damage to immovable assets and stocks at the time of the disaster.
- **Indirect damage** refers to the value of income flows lost as a result of the impact of the disaster on stocks and assets.
- The earthquake in Dominica measured 6.0 on a Richter scale. In Grenada, the winds provoked by Hurricane Ivan reached 145 miles per hour (**mph**). In the case of Jamaica, the strong sustained winds reached 180 kilometres per hour (**kph**) as the hurricane passed closest to the island. In the case of the Bahamas, Hurricane Frances reached a wind force of 240 kph and Hurricane Jeanne reached 160kph.
- ... denotes "not available".

Source: ECLAC and OECS (2004)

Table 2
MACROECONOMIC PATTERNS OF NATURAL DISASTERS

Country	Period	GDP growth	Fiscal deficit as percentage of GDP	Current account deficit as percentage of GDP	Construction sector growth
Grenada	Previous year	5.7	4.9	33	29
	Disaster year a/	4.7	4.8	37	12
	Disaster year b/	-1.4	12	40	15
	After disaster year	-0.9	10
Jamaica	Previous year	2.3	5.9	12	1.2
	Disaster year a/	2.6	3.8	10	2.2
	Disaster year b/	1.9	4.2	11	3.4
	After disaster year	2.2

Note:

- a/ denotes the estimates in the disaster year under the assumption that the disaster would not have taken place.
- b/ denotes the estimates in the disaster year taking into account the effects of the disaster.

Source: ECLAC computations on the basis of official data.

the government as a result of reconstruction and recovery efforts, and lower tax revenue;

- Widening of the current account disequilibrium. This results from the decline in exports as a result of the damage from the disaster inflicted upon productive sectors, and the increase in imports to meet reconstruction and recovery needs and to replace lost production;
- A jump in the rate of growth of the construction sector in the year in which the disaster occurs. The performance of the construction sector then either levels off or remains poised for continued growth, depending on the magnitude of the disaster.

These effects are most clearly illustrated in the cases of Grenada and Jamaica (Table 2). Both of these economies witnessed a decline in GDP growth but, as expected and relative to the inflicted damage, the drop was much sharper in the case of Grenada than in Jamaica. Both economies are expected to show a recovery in 2005. The fiscal and external gaps widened in the year of the disaster due mainly to

greater than planned expenditure for rehabilitation purposes. Grenada also witnessed a significant decrease in tax revenues. In the case of Jamaica, the tax intake is not expected to be affected since the hurricane did not impact on the activities or geographical zones that generate the most tax revenue. The construction sector acted as both a buffer stock for the decline in economic activity in the year of the disaster and a linchpin for growth in the post-disaster year.

In the cases of Saint Lucia and St. Vincent and the Grenadines, the disaster affected mostly the agricultural harvest. No figures have yet been released regarding the impact on GDP growth, government finances and the external sector.

The Bahamas represents, to some extent, an exception to the macroeconomic pattern previously described: the economy registered an expansion in GDP growth in the year of the disaster. More predictable, was the increase in the budget and current account deficit experienced because of the impact of the hurricane.

MEETING RECONSTRUCTION REQUIREMENTS

Two important issues related to the macroeconomic impact of natural disasters and their aftermath, are the estimation of the *financing gap*, and the orientation and specific objectives of the reconstruction process. Both are intrinsically related. The financing gap describes the shortfall between available domestic resources and what the government needs to meet its net expenditure requirements in order to maintain a sustainable fiscal position. The financial flows needed to fill this gap are provided by multilateral organizations and the donor community. Guaranteeing the disbursement of those funds implies not only a commitment to macroeconomic stability on the part of the authorities but also a clear institutional and financial plan for the reconstruction phase.

The financing gaps for Grenada and Jamaica are shown in Tables 3 and 4. The difference is commensurate with the magnitude of the disaster. The more

continued on next page

severe the devastation wrought by the disaster the higher the expenditures; the lower the expected tax revenues the greater the financing gap. In the case of Grenada, the financing gap is expected to reach 2% of GDP for 2005 and increase thereafter to between 6% and 7% of GDP.

In the case of Jamaica, the current financing requirements are equivalent to 4.2% of GDP, taking into account the effects of the disaster. The difference between the financing needs with and without the disaster is the financing gap, which in this case is equal to 0.4% of GDP.

SPECIFIC COUNTRY FEATURES

While all natural disasters have similar economic effects each one also has its own unique features. These are determined by the type of event and its magnitude; and the affected country's legal (dependent or independent) status, the structure of its economy, and the perception of the event by its

government authorities, the public and the international community.

In the case of Grenada, the principal characteristics of the disaster were its uniform effect throughout the country, the extent of the devastation, and the social dislocation it produced. The hurricane produced damage associated only with high winds; there was no damage related to flooding or heavy rains (such as landslides). As a result, the effects were replicated throughout the island. The event did not spare any part of Grenada - affecting roughly 90% of the population - and the damage was equivalent to more than twice the value of nominal GDP (Table 1).

For Grenada - as for the rest of the Caribbean - Hurricane Ivan represented the biggest natural disaster experienced in the previous 20 years. As a result, this event became a focus of attention for the international community, which perceived the hurricane and its aftermath as a major catastrophe. The affected countries benefited from this

perception, as it engendered a positive response to requests for the aid required to begin the reconstruction process. Finally, one of the key factors leading to the widespread social dislocation in Grenada was the imbalance between the supply and demand for labour that was caused by the hurricane. The damage to the productive sectors, especially tourism, contributed to a substantial rise in unemployment. For reasons that included the scarcity of particular work skills, the newly unemployed were not being absorbed into the type of activities (such as those relating to repairs and the construction sector) that experience a boom following a natural disaster¹.

In Jamaica, the disaster did not affect the main centres of economic activity. While the damage was estimated to be equivalent to 8% of GDP, it still did not have a major impact on its rate of growth (See Tables 1 and 2). The main outcome of the disaster was the effect it would have on creditors'

Table 3

GRENADA: CENTRAL GOVERNMENT FINANCING NEEDS AFTER HURRICANE IVAN, 2004-2007 Percentage of GDP

Budget Items	2004	2005	2006	2007
Tax revenues	22.8	22.8	23.8	24.4
Total expenditure	39.3	47.0	44.5	40.8
Personal emoluments	12.6	12.6	12.6	12.6
Interest payments	6.1	6.9	6.5	6.3
Capital expenditure and net lending	12.1	19.0	17.0	13.5
Financing requirements	-14.5	-22.3	-18.2	-13.7
Identified financing	14.8	20.7	11.2	7.7
Domestic	-1.6	0.0	0.0	0.0
External loans	6.2	2.4	2.8	2.9
Committed donor support	10.3	18.2	8.4	4.8
Financing gap	-	1.7	7.0	6.0

Source: IMF (2004), Grenada donors' conference: Presentation on the macroeconomic outlook, Washington DC, November 19.

1 Females represent 65% of the labour force in tourism. Grenada has one of the highest dependency ratios in the OECS (95%).

Table 4
JAMAICA: CENTRAL GOVERNMENT OPERATIONS FOR FISCAL YEAR 2004/2005
(Pre- and post-Hurricane Ivan scenarios)

Budget items	Pre Ivan Scenario		Post Ivan Scenario	
	Million J\$	% of GDP	Million J\$	% of GDP
Revenue & Grants	174,053	30.8	174,053	30.8
Tax Revenue	156,009	27.6	156,009	27.6
Non-Tax Revenue	9,805	1.7	9,805	1.7
Bauxite Levy	2,478	0.4	2,478	0.4
Capital Revenue	2,256	0.4	2,256	0.4
Grants	3,506	0.6	3,506	0.6
Expenditure	195,419	34.6	197,689	35
Recurrent Expenditure	186,911	33.1	187,006	33.1
Programmes	28,065	5	28,160	5
Wages & Salaries	62,926	11.1	62,926	11.1
Interest	95,920	17	95,920	17
Domestic	74,270	13.1	74,270	13.1
External	21,649	3.8	21,649	3.8
Capital Expenditure	8,509	1.5	10,684	1.9
Capital Programmes	8,192	1.5	10,368	1.8
Fiscal Balance (Surplus + / Deficit -)	-21,366	-3.8	-23,636	-4.2
Primary Balance (Surplus +/- Deficit -)	74,554	13.2	72,284	12.8

Source: On the basis of information provided by the Ministry of Finance of Jamaica (2004)

perception of the country's capacity to fulfil its external obligations. Thus, the main issue was to prevent rehabilitation and recovery expenditures from altering substantially the target fiscal deficit and in particular the announced primary surplus.

The distinguishing characteristics for Dominica, aside from the environmental effects, were the endogenous-exogenous shock

dynamics. Over the past three years, following the onslaught of a fiscal crisis, Dominica has been implementing a process of economic adjustment that has not yet been able to improve the country's growth prospects. Consequently, growth is incipient and unevenly distributed among the various sectors of economic activity.

In some cases, the effects of the earthquake (the external shock) may

compound those of the adjustment programme (the internal shock), amplifying the latter's intended consequences. In others, the effects of the external shock will partly offset or run counter to those of the endogenous shock. Different scenarios are possible and complex dynamics are likely to ensue. ■

LIST OF ECLAC/CDCC PUBLICATIONS

JANUARY TO DECEMBER 2004

LISTED BY CATALOGUE NUMBER, TITLE AND PUBLICATION DATE

LC/CAR/G.773

Issues, effects and implications of the FTAA for CARICOM economies
02/01/04

LC/CAR/G.774

Report of the meeting on the FTAA: Selected issues, prospects and implications for subregional groupings
12/01/04

LC/CAR/G.775

Yachting in the Eastern Caribbean – A regional overview
09/01/04

LC/CAR/G.776

Challenges in meeting the monitoring requirements of the MDGs: An examination of selected social statistics for four Caribbean SIDS
19/01/04

LC/CAR/G.777

Report of the workshop on the development of science and technology indicators in the Caribbean
23/01/04

LC/CAR/G.778

Preliminary overview of Caribbean economies 2003-2004
09/02/04

LC/CAR/G.779

Provisional agenda of the 20th session of the CDCC
30/03/04

LC/CAR/G.779/Add.1

Provisional annotated agenda of the 20th session of the CDCC
30/03/04

LC/CAR/G.780

Revised text of the Constituent Declaration and Functions and Rules of Procedure of the CDCC
01/06/05

LC/CAR/L.1

Report of the ECLAC/CDCC Fourth Caribbean Ministerial Conference on Women: Review and Appraisal of the Beijing Platform for Action
24/03/04

LC/CAR/L.1/Rev.1

Report of the ECLAC/CDCC Fourth Caribbean Ministerial Conference on Women: Review and Appraisal of the Beijing Platform for Action
20/01/05

LC/CAR/L.2

Draft working document – Caribbean Subregional preparations for the international meeting to review the implementation of the Barbados POA for the sustainable development of SIDS
01/03/04

LC/CAR/L.3

Recent developments in the proposal for securing the international recognition of the Caribbean Sea as a special area in the context of sustainable development
03/03/04

LC/CAR/L.4

Meeting the challenges of the FTAA: Trade trends, export specialization patterns and regional integration in the Caribbean (including the case of the NICCS)
30/03/04

LC/CAR/L.5

Obstacles to implementing the Action Plan of the World Summit on the Information Society
31/03/04

LC/CAR/L.6

Status of the review of the Constituent Declaration and Rules of Procedure of the CDCC
31/03/04

LC/CAR/L.7

Challenges in the social sector confronting Caribbean SIDS
05/04/04

LC/CAR/L.8

Summary of resolutions recently adopted by organs of the United Nations which might be of special interest to member countries of ECLAC/CDCC
12/04/04

LC/CAR/L.9

Report on the implementation of the work programme for the 2002-2003 biennium
15/04/04

LC/CAR/L.10

Work programme for the 2006-2007 biennium
16/04/04

LC/CAR/L.11

The convergent/divergent economic trajectories of Puerto Rico and the United States
03/05/04

LC/CAR/L.12

Disaster assessment training manual for SIDS (CD)
05/04

LC/CAR/L.13

Youth, unemployment and the Caribbean Information Society: A challenge and an opportunity
17/05/04

LC/CAR/L.14

Survey of potentially new technologies that will impact on Caribbean development
19/05/04

LC/CAR/L.15

Report of the twentieth session of the Caribbean Development and Cooperation Committee (CDCC)
09/06/04

LC/CAR/L.16

Report of the meeting: Instruments of Trade Analysis and Negotiation - Introducing the CARIBTRADE database
21/06/04

LC/CAR/L.17

Report on workshop on disaster valuation: ECLAC's methodology and preparation of a revised training manual
10/08/04

LC/CAR/L.18

Sustainable agriculture and the development of the Amerindians in Guyana: The case of the Mabaruma/Hosororo Organic Cocoa Project
03/08/04

LC/CAR/L.19

Free Trade and the development of sustainable agriculture in the Caribbean
06/08/04

LC/CAR/L.20

Report of the meeting of agencies
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LC/CAR/L.21

Economic Survey of the Caribbean 2003-2004
13/09/04

LC/CAR/L.22

Assessment of the socio-economic and environmental impact of Hurricane Ivan on Jamaica
20/10/04

LC/CAR/L.23

Hurricanes Frances and Jeanne in 2004 – Their impact in the Commonwealth of the Bahamas (preliminary version)
09/12/04

LC/CAR/L.24

Major issues in the management of enclosed or semi-enclosed seas, with particular reference to the Caribbean Sea
18/11/04

LC/CAR/L.25

The Impact of Hurricane Ivan in the Cayman Islands
08/12/04

LC/CAR/L.26

Population Ageing in the Caribbean: Longevity and quality of life
08/12/04

ECLAC ON DISPLAY



Left to right: Anwar Mondol (FAO), Sandra John (ECLAC), Victoria Cruickshank (CAREC) and Roma Wong Sang (ILO) hold aloft the trophy for "Best Large Booth", won by the United Nations for its display at the ACURIL conference in May 2004.

ECLAC, in a joint effort with other United Nations agencies based in Trinidad and Tobago, mounted an exhibition showcasing the work of the United Nations in the Caribbean at the Hilton Trinidad and Conference Centre. The occasion was the 34th Annual Conference of the Association of Caribbean University Research and Institutional Libraries (ACURIL) held in Port of Spain from 23-29 May 2004. More than 300 librarians and information specialists from the English, Dutch, French and Spanish-speaking Caribbean attended the conference to discuss

trends and issues associated with electronic information resources.

The United Nations exhibition featured the work of the International Labour Organization (ILO), the United Nations Information Centre (UNIC), the Food and Agriculture Organization (FAO), the Pan-American Health Organization (PAHO), and the Caribbean Epidemiology Centre (CAREC). The booth was awarded the "Best Large Booth" trophy for its display of documents and on-line data sources.

FIRST CARIBBEAN SYMPOSIUM ON POPULATION AGEING



The Caribbean Symposium on Population Ageing was convened from the 8 to 10 November 2004 in Port of Spain, Trinidad and Tobago. This meeting was jointly organized by the University of the West Indies (UWI), the Pan American Health Organization (PAHO), the Division of Ageing of the Ministry of Social Development in Trinidad and Tobago, and the ECLAC Subregional Headquarters for the Caribbean. The presence of government officials from Caribbean countries, observers from the local as well as the regional non-governmental organization (NGO) community, representatives from the regional as well as international academia and officials from various United Nations Agencies and the diplomatic corps contributed to the success of this symposium.

The symposium was divided into two forums: the first day was devoted to academic research on population ageing in the Caribbean while the second and third days of the meeting provided a platform for government officials to share best practices and to identify gaps in their efforts to address population ageing in their respective countries. An expert panel - which drew on professionals from across the subregion, and internationally - provided insights on critical issues in ageing from a regional and global perspective.

BACKGROUND TO THE MEETING

The occasion of the Caribbean Symposium on Population Ageing - the first such event held at the Caribbean subregional level - provided participants with a unique opportunity to address the challenges arising out of the ageing transition, through the review of existing policies, programmes and existing academic research in this area. The meeting was timely since Caribbean countries have been experiencing and will continue to see absolute and relative increases in their elderly populations over the next decades: while persons age 60 and over constituted only about 5% of the Caribbean population in 1950 this proportion is expected to rise to approximately 20% on average for the entire Caribbean. The onset as well as the pace of this transition varies considerably among countries. Already in six Caribbean countries more than 10% of the population is over 60 years old, while it is forecasted that by 2025 Cuba and Barbados will be the first countries in the subregion with a quarter of their population belonging to this age group¹.

Many now enjoy longer life-spans as a result of continuously improved health care, sanitation and nutrition in many parts of the world, and also in the Caribbean. Living longer is insufficient: greater longevity should be accompanied by the improved quality and enjoyment of those years gained.

The United Nations System has long recognized the challenges resulting from

this silent revolution, which began with continuously dropping fertility and mortality rates in the developed world during the last century and has now taken hold in almost all developing countries². In 1982, when population ageing was still considered as mainly affecting the developed world, the United Nations convened the First World Assembly on Ageing in Vienna. Twenty years later when it reconvened in Madrid³, the international community produced the *Madrid International Plan of Action (MIPoA)*, a set of commitments made in response to challenges arising out of the changing demographic structures. Mandated by the Madrid Assembly, the Population Division of ECLAC, CELADE (Centro Latinoamericano y Caribeño de Demografía), in collaboration with the Government of Chile, convened the *Regional Intergovernmental Conference on Ageing: Towards a Regional Strategy for the Implementation in Latin America and the Caribbean of the Madrid International Plan of Action on Ageing* in Santiago, 19-21 November 2003. Coming out of this conference was a *Regional Strategy for the Implementation in Latin America and the Caribbean of the Madrid International Plan of Action (MIPoA) on Ageing*, a regional framework to guide individual countries in the Latin America and Caribbean region in their efforts to translate the Madrid Plan of Action into national policies and programmes. Pursuant to the Madrid Plan of Action and central to the Regional Strategy is the 'life-cycle approach and a long-term perspective vision to understand ageing as a process which spans each individual's entire life'. The central role

- 1 For a discussion of ageing trends in the Caribbean see: "Population Ageing – Subregional Challenges of a Global Phenomenon", FOCUS Newsletter, April – June 2004, 3-4.
- 2 ECLAC Subregional Headquarters for the Caribbean (2004), Population Ageing in the Caribbean: An inventory of policies, programmes and future challenges (LC/CAR/G.772/Corr.1), Port of Spain, Trinidad and Tobago, 11 May.
- 3 Second World Assembly on Ageing, Madrid, Spain, 8 to 12 April 2002.

of the individual and its personal responsibility for active ageing is recognized, while governments are called upon to provide a socio-economic framework that would facilitate not only increased longevity but also an improved quality of life.

AT THE MEETING

The academic symposium

On 10 November, subregional experts and researchers on ageing, as well as international scholars, participated in an academic symposium held at the ECLAC offices in Port of Spain. The main topics covered at the symposium were:

- Family and ageing: exploring social issues;
- Health of the elderly - determinants, needs and access to care and services;
- Preparing society to care for and integrate the older adult in the 21st century: formal and informal approaches.

The University of the West Indies will produce a report based on the symposium papers, which will be made publicly available early in 2005.

The government forum

Increased longevity and its attendant challenges in the Caribbean was the theme of the governmental forum. Most of the government officials present reported on having established national policies and programmes to address the specific needs of the elderly. Other government representatives stated that similar efforts had been initiated in their respective countries.

Caribbean countries seemed eager for the establishment of an administrative and legal framework to provide quality services to elderly persons in need in order to ensure that the years gained could be spent in good health and with dignity. Most government statements identified the following critical issues as priority areas for further action:

1. *Provision of economic and social security:*
 - Establishment of viable social security and welfare programmes with particular attention to contributory and non-contributory pension schemes.
2. *Health care and ageing:*
 - Provision of quality and accessible primary health care services for the elderly;
 - Awareness of gender-differences in the perception of health and well-being;
 - Promotion of preventive vs. curative health care;
 - Promotion of ageing as a lifelong process;
 - Recognition of physical and mental disabilities as a cause of domestic violence.
3. *Housing, transport and living conditions:*
 - Provision of sustainable age-friendly housing and living conditions;
 - Ensuring mobility and provision of affordable and accessible public transport.
4. *Demographic ageing and intergenerational solidarity:*
 - Impact of changing family structures on traditional care-giving arrangements;
 - Impact of ageing on the care-giver, particularly on women;
 - Impact of emigration of family members and the increased responsibility of grandparents for grandchildren;
 - Increasing social exclusion and loneliness due to changes in traditional living arrangements.
5. *Ageing and gender*
 - The specific situation of elderly men without family support in the Caribbean;
 - The gender-differences in the ageing-process and longevity and its impact on living arrangements.
7. *Public policies*
 - The need to mainstream ageing into the national development agenda;
 - The need for collaboration among various ministries and other administrative bodies at the national level along with the
8. *Academic research:*
 - The need to establish and enhance communication between academia and public administrations;
 - the need for focused research on specific aspects of ageing in the entire region as well as at the country level.

THE WAY FORWARD

The last session of the symposium considered ways of improving the quality of life for older persons, particularly since the ageing of the Caribbean population had proved irreversible. The meeting had shared best practices, identified gaps in the implementation of policies and programmes, and articulated a proposal for achieving in the Caribbean the objectives of the Madrid Plan of Action and the various subregional and regional agreements already adopted.

A Caribbean Ageing Network, comprising governments, civil society and academia, was established to guide efforts at continued cooperation and collaboration among the critical stakeholders within and outside the Caribbean. Participants felt that this network should facilitate the sharing of best practices and the development of modalities for south-south cooperation; and that it should enhance networking among governments, academia and civil society within, and beyond, the Caribbean. Members of academia present at the symposium recommended the creation of a resource centre for researchers to coordinate ongoing and planned research on ageing. It was agreed that the University of the West Indies would be the ideal institution to initiate such an effort. ■

A report on the symposium is expected to be published by April 2005.

CARIBBEAN FORUM ON THE INFORMATION SOCIETY

INTRODUCTION

The Caribbean Forum on the Information Society (CFIS) was convened in Port of Spain, Trinidad and Tobago, from 26 to 27 October 2004, by the ECLAC Subregional Headquarters for the Caribbean, as part of the subregion's preparatory process for the World Summit on the Information Society (WSIS). This stakeholder meeting was co-sponsored by the United Nations Information and Communications Technologies (UNICT) Task Force and the Internet Corporation for Assigned Names and Numbers (ICANN) At-Large. The CFIS was designed to assess experiences in the subregion at a time of burgeoning activity in the information and communications technology (ICT) sector. The Forum closely followed and sought to build on the themes addressed at the Caribbean Community (CARICOM) Third Meeting of Ministers responsible for Information and Communications Technology (ICT), (Barbados, 13 to 15 October 2004) - another significant component of the WSIS process (see Box).

Amidst major mandates and initiatives of several intergovernmental agencies, research institutions and specialized international agencies, close to 70 persons - including ICT experts; ICT policy advisors and other government representatives of CDCC member countries; and representatives of the

private and non-governmental sectors - came together in an attempt to identify stakeholder interests and to formulate common positions in support of the emerging Caribbean Information Society. The meeting took place against the background of the WSIS Declaration of Principles and discussions were informed by recommendations of the Plan of Action which prescribes action in all spheres, including policy and regulatory reform; content creation; social inclusiveness; connectivity and access; and e-government. The Forum also sought to respond to the specific mandates of



ECLAC regarding the WSIS and Internet governance and thereby support the Commission in contributing to the process. The Forum specifically sought to advance the ECLAC work programme elements that are related to the WSIS process; to gauge the current status of the Caribbean Information Society; and to identify strategies for furthering subregional ICT development, with particular attention to wealth creation and fostering of a holistic, enabling environment. The meeting was designed to achieve these goals by:

- Expanding the involvement of CDCC member countries as well

as their vital constituents in the WSIS process;

- Identifying the lessons learnt from specific ICT experiences in the CDCC member States and assessing the opportunities they provided;
- Building partnerships in support of the Caribbean Information Society; and
- Advancing proposals for effective Internet Governance.

THE FORUM

At least 11 of the 15 task items outlined in the WSIS Plan of Action were addressed by Forum participants within a framework comprised of the following themes: Internet governance; The WSIS Agenda in the Caribbean; Building a "smart" economy in Grenada; Content issues – ownership and wealth creation; Creating an enabling environment.

After two days of presentations and discussion, agreement was reached on the following:

(i) Internet Governance

Areas of fundamental concern in the Caribbean related to defining the concept of Internet governance, and identifying its social and economic aspects. It was agreed that any working definition should directly reflect the Caribbean reality and the development process.

(ii) The WSIS Agenda in the Caribbean

It was first agreed that the implications of the WSIS for the subregion were

continued on page 18

The CARICOM Third Meeting of Ministers Responsible for Information, Communication and Technology (ICT) was held in Barbados from 13 to 15 October 2004. The following is excerpted from the address delivered to the Meeting by the Officer-in-Charge of the ECLAC Subregional Headquarters for the Caribbean.

“I wish to make some remarks on how ECLAC sees its role in assisting the countries of the subregion in their preparations for the final stages of the World Summit process that will culminate in Tunis late next year.

The ECLAC Subregional Headquarters for the Caribbean can be seen as the main presence of the United Nations Secretariat in the Caribbean. The role of ECLAC’s Caribbean headquarters is exemplified by its goal to strengthen the Caribbean’s linkages with the global economy to achieve the goals set forth in the Millennium Declaration. Consequently, the secretariat is particularly well-suited to assist Caribbean countries to prepare for and to follow up on the different world summits organized by the United Nations Secretariat. Cases in point are the International Conference on Population and Development, the International Meeting to Review the Implementation of the Barbados Plan of Action (agreed upon 10 years ago on these very premises) and the World Summit on the Information Society.

The WSIS process inscribed a role for ECLAC at the LAC¹ regional conference, contained in the Bávaro Declaration, out of which ECLAC is taking forward a series of initiatives. In this regard, a major project has been signed this week between the secretariat and the European Union. One of the components is oriented to assist the countries of Latin America and the Caribbean in shaping a so-called e-LAC strategy that should be discussed at the regional preparatory meeting in Brazil, June 2004. ECLAC sees the e-LAC strategy as building on the national and regional strategies already in place. Furthermore, this document should identify opportunities for countries in the region to establish alliances among each other and with the wider international community that would strengthen and enhance the national strategies.

The ECLAC secretariat was mandated at the twentieth CDCC session in St. Croix, US Virgin Islands, earlier this year, to assist Caribbean countries in their efforts

to ensure that the WSIS process reflects adequately the specific circumstances, achievements and requirements of the countries in the subregion. Our concrete objective is therefore to assist Caribbean countries to contribute to shaping the e-LAC strategy, to have a significant presence in Rio and Tunis and to obtain tangible results to harness their development strategy from this summit process.

To this end, the secretariat continues to attach the highest priority to activities specific to ICT areas already developed like the Caribbean Digital Library. Furthermore, it is preparing a review of existing national capacities to collect statistical data on ICT use in Caribbean countries. In addition, research has been undertaken to prepare a perspective on e-strategies for the Information Society based on experiences, projects and civil society developments.

A major effort concerns an upcoming event, organized together with the United Nations ICT Task Force and the Government of Trinidad and Tobago. This expert or stakeholder meeting is called the Caribbean Forum on the Information Society, to be held in Port of Spain on October 26-27. The outputs of the Forum will feed into international events such as the Global Forum organized by the UNICT² Task Force in Berlin, this November, and regional preparatory WSIS events.

Creating an Information Society that promotes Caribbean development is a complex process that will require interaction and engagement of a number of different social actors, as the paper prepared by Dr. Gillian Marcelle rightly puts it. ECLAC is in fact not exactly such an actor. It aspires to be one of the facilitators of the process of interaction across Caribbean countries and, among them, the countries of Latin America and the wider international community. We therefore strive to establish partnerships and continuing dialogue with all stakeholders and agencies in the subregion. In the process, ECLAC will share its deliberations and documents with all stakeholders and groups in the subregion. Again, we are thankful to CARICOM for having given us this opportunity and we look forward to an exciting long year of Caribbean partnerships working toward Tunis in order to strengthen national and regional development strategies through the WSIS process.”

1 *Latin America and the Caribbean*

2 *United Nations Information and Communications Technologies*

significantly different from those for more industrialized countries. Therefore, along with the digital divide that currently characterizes the disparity in ICT development among countries, existing educational and prosperity divides should also be taken into consideration. In addition, the Forum noted that despite several common elements, there were also variations in ICT development processes among countries of the Caribbean. The WSIS Agenda for the Caribbean had to reflect these realities. In this context, the key areas of focus should be technology and network access issues; e-government programmes; wealth creation and content creation, including preservation; and representation of language and culture.

(iii) Building a "smart" economy in Grenada

The Forum affirmed its support for rehabilitation and recovery efforts in Grenada, following the devastation of Hurricane Ivan earlier in 2004, and endorsed a proposal for reconstructing Grenada into a knowledge-based society. It was envisioned that the economy could be rebuilt using ICT-based educational systems and business approaches. The application of information technologies to disaster prevention, mitigation and recovery must also be integral to the plan in order to ensure its sustainability. It was noted that the ongoing telecommunications liberalization process in the Caribbean and especially in the Eastern Caribbean could form a useful overlay in developing "smart" schools and thereby enriching the reconstruction effort.

(iv) Ownership and wealth creation

It was noted that the WSIS Plan of Action does not explicitly make reference to ownership rights, even though it treats extensively with matters pertinent to Intellectual Property Rights (IPR). This notwithstanding, ownership rights, content creation, IPR, wealth creation, and commercial leverage and

exploitation are vital considerations for subregions such as the Caribbean where content and artistic creators have historically been unrecognized and denied the rightful entitlements for their endeavours. It was agreed that the Caribbean held a vast reserve of intellectual property and culture products that could be leveraged at the global level for economic gain and social development. To take advantage of this, the subregion should digitize the vast volumes of material stored in analogue and other traditional formats in order to effectively utilize their content within the context of a contemporary information society.

There already existed many outstanding and relevant content-creation enterprises in countries such as Trinidad and Tobago and Jamaica that, with effective collaboration, could be replicated elsewhere in the



subregion. The appropriate policy and regulatory, institutional and fiscal measures should be put into place, therefore, to leverage this resource for the economic benefit of the Caribbean while ensuring its social and cultural contribution to the global Information Society.

(v) Creating an enabling environment

The Forum recognized that countries were able to make great strides in the formation of an information society once an appropriate enabling environment existed. It emphasized the need for ongoing initiatives to institute total public sector reform and implement national ICT programmes.

At the same time, flagship sectors such as tourism, finance and education, where there had been extensive ICT application, could function as valuable catalysts for more widespread implementation. There should also be full liberalization of the telecommunications sector. To achieve these objectives, collaboration among organizations at all levels was essential.

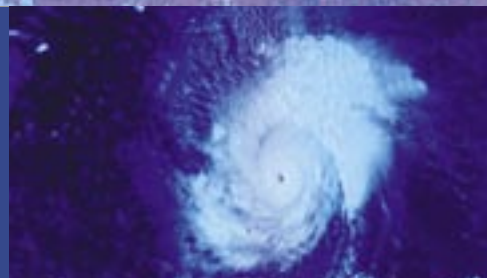
CONCLUSION

Over the last two decades, there have been numerous global initiatives and country ventures in building an information society. The Caribbean has been participating in this information revolution for many years. One of the major challenges facing the subregion in its pursuit of a well-developed information society has been to forge cohesion among varied interests to arrive at an integrated whole.

Forum participants agreed that each individual activity or experience should be assessed on its own merit, and also based on such comparative criteria as its "capacity for integration", an assessment tool that would consider elements of replication, sharing and cross-border delivery of common resources and services, and sustainability. The CFIS should be regarded as the preliminary stage in a process of identifying areas of commonality, towards the future establishment of technical cooperation programmes. The Forum recommended that there be continued dialogue on the various aspects of development that were covered and noted that if follow-up were successful, one of the ultimate results could be the design of an integrated, cohesive, subregional information society (with a corresponding information culture) – the most lasting Caribbean contribution to the WSIS. ■

To view the full report of this meeting please visit www.eclacpos.org.

HURRICANE SEASON 2004: A CHALLENGE TO DEVELOPMENT



INTRODUCTION

In terms of the loss of human life, the 2004 hurricane season alone left in its trail almost as many fatalities as those suffered over the period 1970 to 2003. Most of the losses experienced in 2004 were incurred in Hispaniola, caused by two flooding events - the first of which occurred even before the onset of the hurricane season. In May, after 10 days of heavy rain, the regions around Jimani (Dominican Republic) and Mapou (Haiti) experienced massive flooding and landslides, during which an estimated 2000 people lost their lives. The second of these events occurred in September during the passing of Hurricane Jeanne over Haiti, when severe flooding - particularly in the town of Gonaives - caused over 2500 deaths.

The 2004 hurricane season began quietly with no tropical storms or hurricanes threatening the Caribbean during June and July. This picture changed dramatically in August and September. By the end of the season, 15 tropical storms, of which nine were hurricanes (and six of those major hurricanes - category three and above¹), had passed through the region.

August saw a new record, with eight tropical cyclones reaching storm strength (tropical storm or hurricane). Of these, Hurricane Charley edged Jamaica and the Cayman Islands before moving over Cuba as a category three hurricane,

causing four deaths in Cuba and one in Jamaica.

It was September that proved to be the most damaging month, both in terms of loss of life and economic and social impact on many islands of the subregion. The month began with Hurricane Frances (a category four hurricane at that time) passing near to the Turks and Caicos Islands and over the Bahamas. Then came Ivan. From a tropical depression on 2 September, it developed into a major hurricane² on 5 September. Passing close to Tobago, the hurricane devastated Grenada before moving on and affecting Northern Venezuela and the Netherlands Antilles. It next moved westwards and edged first Jamaica - affecting the Dominican Republic as well as Haiti in the process - and then Cuba, passing over Grand Cayman.

The final hurricane affecting the region in 2004 was Jeanne, which developed into a tropical storm when passing over

the Leewards as well as the (British and United States) Virgin Islands and Puerto Rico, briefly grew into a hurricane, and then reverted to a tropical storm as it passed slowly over the Dominican Republic and Haiti. After some meandering, it passed over Abaco Island in The Bahamas. It was in Haiti that Jeanne caused the most damage in terms of human life with more than 2000 deaths recorded.

MINIMISING THE IMPACT

Since the mid-1990, the number of hurricanes affecting the region has been persistently above the long-term average for those years in which El Niño events do not occur. Some scientists attribute this increased incidence of tropical storms and hurricanes to climate change. Others link this increase to an established 20 to 30 year cycle of below and above the long-term incidence. Statistical correlation, based on observations of over a hundred years,

Table 1
2004 HURRICANE SEASON: NAMED STORMS

Name	Dates
Alex	31 July – 6 August
Bonnie	2-4, 9-12 August
Charley	9-15 August
Danielle	13-21 August
Earl	13-16 August
Frances	21-6 September
Gaston	27 August – 1 September
Hermine	29-31 August
Ivan	2-16, 22-24 September
Jeanne	13-27 September
Karl	16-24 September
Lisa	19 September – 3 October
Matthew	8-10 October
Nicole	10-11 October
Otto	30 November – 2 December

Source: National Hurricane Center (2004): <http://www.nhc.noaa.gov>

1 On the Saffir-Simpson Hurricane Scale of one to five.

2 Category three or higher

may support the latter theory, but the debate is still ongoing. For practical purposes, the outcome of the debate does not make much difference for the next two decades as both camps anticipate increased hurricane activity for that period. A policy implication of the increased incidence is that more emphasis needs to be paid to mitigation and prevention particularly with respect to the application of stricter construction standards and disaster warning systems.

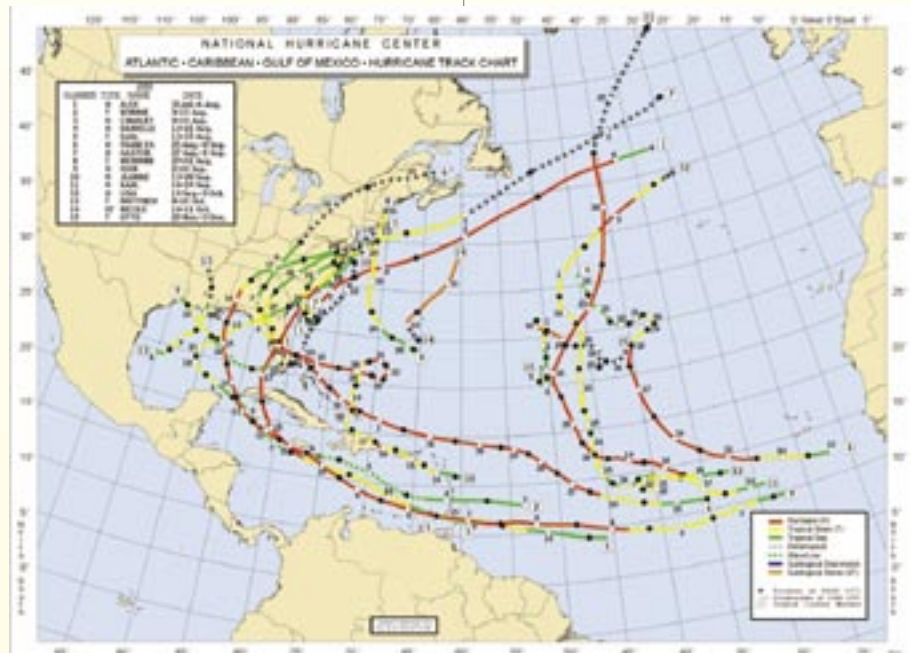
The events of the past year have reinforced the need for measures that would lessen the degree of human suffering and the number of deaths resulting from hurricanes, tropical storms and other meteorological turbulence. Hispaniola - in particular Haiti - remains especially vulnerable because of poverty, environmental degradation and persistent policy failures. Of the two countries on the island, the Dominican Republic has demonstrated greater resilience, having applied lessons learnt from the experience of Hurricane Georges in 1998, which exacted a high death toll. In 2004, the Dominican Republic issued timely warnings in advance of Hurricane Jeanne and – compared to Haiti where the warning period was seriously delayed – was able to minimise human suffering and loss of life. In Grenada, where poverty and environmental degradation were not among the major determinants of the hurricane's effects, official pre-hurricane preparations and information dissemination were less than optimal – factors that undermined the population's resilience to the effects of Hurricane Ivan.

BUILDING RESILIENCE

The subregion's vulnerability to natural disasters will intensify if poverty and inadequate human settlements, particularly along the coastal zone, proceed; and as such environmental assets as mangroves, coral reefs and sand dunes – which provide a first defence against storm surge - are continually undermined. For example, in much of the subregion, coral reefs are degraded, wetlands and mangroves have been cut down, sand dunes are used for construction, and deforestation of the

hills and mountain slopes make settlements more vulnerable to floods.

Widening insurance coverage can be a major means of confronting such vulnerability. It may have several effects. First, the payment of insurance monies enables an individual, a community or a country to reconstruct, thereby reducing the lingering effects that a disaster may have. The availability of insurance coverage may also act as an incentive for the implementation of effective prevention and mitigation policies since in much of the Caribbean the application of such measures is a direct determinant of insurance premiums.



Another effect is exemplified by the provision of hurricane insurance for the guests of a leading Caribbean hotel chain. If guests are affected by a hurricane while staying at the hotel, the chain will offer a free vacation to compensate for any perceived trauma. While such insurance is not directly related to the reconstruction of damaged infrastructure, it aims at encouraging return business and customer confidence, thereby facilitating the rehabilitation process.

Moreover, tourism and other modern sectors such as industry and finance, which are buoyed by financial liquidity and adequate insurance coverage, seem

the most resilient. In the Cayman Islands, for example, which seems to be recovering more quickly than other Caribbean countries, reconstruction is being led by these sectors. On the other hand, the most vulnerable to natural disasters are the poor. This group is concentrated in rural communities, as many are employed in the agricultural sector, but it also includes the urban poor. They lack the insurance coverage necessary to buffer the effects of a natural disaster and support rebuilding.

Infrastructural strengthening is also critical to building resilience. In each Caribbean country the electricity sector remains vulnerable because of its above-

ground power grids. While maybe not economically feasible in rural areas, there would certainly be value in shifting to underground grids in high density urban areas, or at least for such life-line facilities as emergency centres, hospitals and water-supply.

By and large, throughout the region, the construction standards applied to life-line centres, including emergency shelters, are below-par and not designed to withstand the strongest hurricanes. The examples of the Cayman Islands, where the Cable and Wireless building – designed for a category five hurricane – had to serve willy-nilly as an emergency

shelter and later as an emergency operation centre, and Grenada, where the emergency operation centre was completely destroyed, show the importance of the availability of suitably designed facilities. In general, mitigation and prevention – through the application of lessons learnt – need to be given greater emphasis in the subregion's planning and construction efforts.

FINAL OBSERVATIONS

In closing, it needs to be remarked that the landfalls of hurricanes in the United States, and in particular Florida, may affect the Caribbean subregion in two ways. Because of the magnitude of the damage in the United States it is quite likely that reinsurance rates will increase throughout the Caribbean. Also, the impact of the hurricanes within the United States could affect tourism in the Caribbean if disposable incomes in that country declined. ■

Sources of the data contained in this article include the following ECLAC/CDCC documents published in 2004:

Assessment of the socio-economic and environmental impact of Hurricane Ivan on Jamaica (LC/CAR/L.22), 20 October.

Hurricane Frances and Jean in 2004- Their impact in the Commonwealth of the Bahamas (preliminary version) (LC/CAR/L.23), 16 November.

Hurricane Ivan 2004 – Its impact on the Cayman Islands (LC/CAR/L.25), 1 December.

and

Organisation of Eastern Caribbean States (2004), Grenada: Macro-Socio-Economic Assessment of the Damages caused by Hurricane Ivan, Castries, Saint Lucia, 7 September.

CONFRONTING NATURAL DISASTERS

(continued from page 6)

National accounts are used for valuation of the overall effects of the disaster, supplemented by more specific estimates in areas such as environmental damage and gender differentials. Such data are applied in the measurement of direct damage (losses to assets – including stocks and physical infrastructure – existing at the time of the disaster); indirect damage (reduction over a fixed future period in the flow of goods and services as a result of direct damage); and secondary effects (estimation of the macroeconomic effect by comparing projected performance before and since the disaster). The information thus provided enables affected countries to quantify damaged and destroyed assets; and to define and prioritize reconstruction requirements. Officials can also then estimate the effect of the disaster on economic flows and, therefore, the country's internal capacity to shoulder reconstruction efforts as well as the extent of external financial and technical aid that will be needed.

Assessment teams work quickly to provide an initial evaluation of damage and to identify reconstruction requirements. Detailed analysis may be sacrificed for a timely report that can support immediate implementation of reconstruction activities, and for the early mobilization of resources needed to meet these expenses, particularly when external assistance is required. The multi-sectoral nature of the assessment necessitates an interdisciplinary team of experts drawn from different institutions. The team usually comprises staff of United Nations agencies; other specialist (usually regional and subregional) institutions, including regional development banks; and relevant national organizations.

DISASTER MITIGATION: THE ROLE OF ECLAC IN THE CARIBBEAN

During 2004, application of the ECLAC methodology and expertise in the assessment of natural disasters proved critical to recovery planning in at least six Caribbean countries. Nonetheless, the secretariat to the CDCC also acknowledges the need for a greater role in disaster risk reduction and resilience building in the face of acute environmental vulnerability.

Towards this end, the secretariat intends to focus on further expanding its capacity beyond the area of disaster assessment, into the realm of disaster risk reduction and natural resource management. While the details of the expansion of focus are being discussed internally and will be intrinsic to its strategic orientation it is expected that the office will begin carrying out critical analyses of actions required for reducing disaster risk in the economic and social sectors. Such analyses will be designed to inform policy development critical to reducing risks in infrastructure and physical development activities, economic production and social planning. The application of fiscal and other measures to reducing disaster risk, as well as the identification and application of appropriate technologies for this purpose are areas that are likely to benefit from this new thrust in the work of ECLAC. ■



ABSTRACTS OF SELECTED ECLAC/CDCC PUBLICATIONS

JULY TO DECEMBER 2004

Report on workshop on disaster valuation: ECLAC's methodology and preparation of a revised training manual
ECLAC. Subregional Headquarters for the Caribbean, 2004
 LC/CAR/L.17

Under ongoing ECLAC-World Bank Disaster Management Facility cooperation activities, workshops were convened in Port of Spain, from 6 to 8 July 2004 to revise and standardize the training materials used in the assessment of disasters; and to provide training in the ECLAC disaster assessment methodology. The first, two-day workshop aimed to revise existing training materials in order to broaden their relevance through the inclusion of examples, exercises and case studies reflecting the entire region and, by extension, other developing countries. Participants also assessed the possible media for reproducing these materials, such as compact disc format, Web site publication and distance learning modules. A training workshop was conducted on the third day for ECLAC/CDCC and ACS staff. Lists of participants and programmes are appended to this report.

Sustainable agriculture and the development of the Amerindians in Guyana: the case of the Mabaruma/Hosororo Organic Cocoa Project
ECLAC. Subregional Headquarters for the Caribbean, 2004
 LC/CAR/L.18

This study examines an organic cocoa project in Guyana in order to determine the prospects for development of an indigenous people in the hinterland area of Hosororo. The cultural practices of Amerindian farming communities are examined historically to glean the differences in circumstances and the nature of their agriculture. This approach facilitated an understanding of how the cocoa project can replicate and improve on the early farming systems and thereby foster the development of the Amerindians. The main objectives of the project are to expand cocoa production for export and to use the model to develop other organic agricultural crops. The project has the ability to contribute to the development of the Amerindian community as well as to overall agricultural development, provided the constraints identified in the paper are overcome.

Economic Survey of the Caribbean 2003-2004
ECLAC. Subregional Headquarters for the Caribbean, 2004
 LC/CAR/L.21

The survey examines the macroeconomic performance of Caribbean countries for 2003 and what the data availability allows for 2004. The analysis in this publication refers, as in past years, to Caribbean Community (CARICOM) economies and also, for the first time, to the majority of the Non-Independent Caribbean Countries (NICCs) that are members of the Caribbean Development and Cooperation Committee (CDCC). The document is divided into four sections. The first three address, in turn, overall performance, the 2003 economic recovery, and the macroeconomic evolution of CARICOM and the Non-independent Caribbean Countries (NICCs). The fourth section is a statistical annex consisting of statistical tables.



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Subregional Headquarters for the Caribbean

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