



UNITED NATIONS



Economic Commission for Latin America and the Caribbean
Subregional Headquarters for the Caribbean

Expert group meeting to review draft of a
study to develop a framework for
Caribbean medium-term development
6 July 2015
Port of Spain, Trinidad and Tobago

LIMITED
LC/CAR/L.474
21 September 2015
ORIGINAL: ENGLISH

**REPORT OF THE EXPERT GROUP MEETING TO REVIEW DRAFT
OF A STUDY TO DEVELOP A FRAMEWORK FOR
CARIBBEAN MEDIUM-TERM DEVELOPMENT**

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A. ATTENDANCE AND ORGANIZATION OF WORK

1. Place and date

1. The Economic Commission for Latin America and the Caribbean (ECLAC) subregional headquarters for the Caribbean convened an expert group meeting to discuss a proposed framework for Caribbean medium-term development. The meeting was held at the ECLAC office in Port of Spain, Trinidad and Tobago on 6 July 2015.

2. Attendance

2. Regional experts participated remotely, via teleconference and WebEx conferencing technology. The meeting saw representation from the Ministry of Finance of Barbados, UWI Consulting and the University of Technology of Jamaica. The international development consultant and former Deputy Secretary-General for Economic Affairs and Development of the Commonwealth Secretariat also participated. The consultants who prepared the paper joined the ECLAC staff at the office of the subregional headquarters.

3. Agenda

1. Opening.
2. Overview of the methodology, highlighting main issues, key findings and conclusions.
3. Review of the terms of reference.
4. Issues of financing for development, including a strategy for the Addis Ababa Conference.
5. Gaps in addressing financing for development issues.
6. Overall assessment by ECLAC and the way forward.

B. OUTLINE OF PROCEEDINGS

1. Opening of the meeting

3. Welcome remarks were made by the Coordinator of the Economic Development Unit of the ECLAC subregional headquarters for the Caribbean. He informed the meeting that one of the main objectives of this project was to support ECLAC Member States in their preparation for participation in several major international conferences and development dialogues during this year, including for example, the upcoming International Conference on Financing for Development in Addis Ababa. To guide the discussions, he proposed that the meeting consider the following issues: the region's development vision, targeted to meet the needs of the people; the optimum development strategy to deliver better living standards in the Member States; the degree to which the Caribbean has been effective in financing its development; and the approach required to better integrate economic, sociopolitical and environmental dimensions into the development strategy. He encouraged participants to contribute fully to the discussions, with a view to improving the document.

2. Presentation of document

4. The authors of the study provided a brief overview of the document, which included an outline of the objective of the project, the international and regional contexts, and the background to the creation of the development framework. In discussing the project's objective, the consultant in development economics, explained the document's focus on identifying the enablers of sustainable development. He also highlighted the importance of the reorganization of institutional infrastructure, noting that the way in which societies are organized ought to allow them to deal with crises. He indicated that this project and the proposed framework for development aimed to assist the Caribbean in addressing these and similar issues.

5. Examining the international context, the consultant in development economics pointed out that the project sought to review the extent to which the issues of financing for development and Caribbean small island developing States (SIDS) have been addressed within the context of the various international fora and arrangements. He noted that the project's examination of the Samoa Pathway Outcome Document from the Third International Conference on Small Island Developing States in 2014 found that while attempts were made to address some pertinent issues, there were still gaps from a Caribbean perspective. Regarding the regional context, in addition to differences in geographic and population size and economic structures, he also outlined several development challenges that the Caribbean subregion must confront. These included, among others, slow growth; high debt burdens; poverty and inequality; high unemployment and underemployment; and vulnerability to the impact of climate change and natural disasters. Also examined in the discussion was the subregion's weak export competitiveness; the decrease of Overseas Development Assistance; the pervasive impact of high levels of violent and organised crime; and the prevalence of non-communicable diseases.

6. In presenting the background to the medium-term framework for development, a classification of Caribbean SIDS by types of economies was suggested. The framework offered a series of recommendations for Caribbean SIDS including the rebuilding of export capacity and the development to capacity to adjust to changing market requirements. The consultant in development economics added that the framework also suggests high priority areas for intervention in the restructuring of Caribbean SIDS' economies, namely a diversified industrial base, diversification of exports, export sectors and markets, and the reorganization of established firms to face new realities.

7. He also explained that the framework prescribed certain requirements and enablers to facilitate the achievement of its objectives and among these were the enhancement of human capital, mobilization of domestic finance; building sustainable infrastructure; the development of an alternative renewable energy supply; private sector promotion; and regional transportation and communications.

8. In outlining the framework the consultant in development economics identified and discussed several challenges and resource gaps. These included the need for debt relief; the establishment of a liquidity support and stabilisation fund to support Member States; a catastrophe fund in the case of disasters; and support for combating narco-trafficking in the Caribbean subregion.

9. The financial consultant presented a financing strategy for dealing with the aforementioned challenges and resources gaps. He also presented an estimation of the total financing required, as well as a breakdown of the funding required for each strategic outcome proposed under the framework.

3. Discussion

10. The Deputy Chief a.i. of ECLAC provided the meeting with the context within which the terms of reference would have been developed. He stated that the project grew out of ECLAC's desire to

support Caribbean SIDS with a strategy for engagement as they navigate various international processes, including, for example, the International Conference on Financing for Development in Addis Ababa and the upcoming United Nations Conference on Climate Change in Paris. He explained that the research sought to provide Caribbean policymakers with a coherent framework for identifying priorities and needs as well as corresponding financing needs.

11. The meeting's discussion of the document was structured around three main themes: the study's treatment and adherence to the terms of reference provided by ECLAC; its management of the issue of financing for development and the identification of financing gaps; and finally, the study's proposed strategy for the upcoming International Conference in Addis Ababa.

12. The Deputy Chief a.i. of ECLAC commented that the framework focused heavily on "what ought to be done" without providing specific plans of action or actionable goals. He stated that there would be more value-added to the document if the framework embraced a strategy that signalled how the challenges identified could be addressed. He noted that there was no discussion about the required institutional infrastructure or incentives needed to motivate the implementation of the framework. He further argued that the document does not identify which agency will be responsible for initiating the processes required to facilitate the success of the framework. The Professor of Development Finance from the University of the West Indies agreed that the framework lacked specificity. He emphasized the need for specific recommendations that provided clear direction. He noted that although there is a distinction between different types of producers in the region, the framework takes a "one size fits all" approach, which could not be applied to most small island States in the Caribbean. He commented that certain sections of the framework would have benefitted from a more extensive literature review, confirming that there was a substantial amount of documentation available on areas such as private sector development as well as institutional infrastructure.

13. The Adjunct Professor and Researcher from the University of Technology in Jamaica commended the authors for their effort, in the context of a challenging data environment. Emphasizing this difficulty, he questioned, as regards to the scope of the study considered, whether there was data available to respond to the questions posed in the terms of reference. Commenting on the findings of the research, he posited that the analysis can be bolstered by data collected from Caribbean businesses and firms, given that, within the region, they are important sources of financing for development. He indicated that although the availability of such data is limited, efforts are being made to collect firm level data in some countries such as Jamaica.

14. The international development consultant observed that there was not much room for the Caribbean to devise a strategy for the Addis Ababa conference, since the conference outcome document and agenda had already been decided. He noted that the document's authors did not address the issue of financing for development in the context of the Addis Ababa conference. He also noted that no organic links between the document's three sections were discerned, which he believed were necessary to connect development priorities with main challenges and the resources required to treat with them.

15. The Deputy Executive Director of UWI Consulting recommended that a description of the contextual situation should be included in the framework, a redefinition of the problems and identification of solutions. He advised against a fixation on economic growth and advocated instead focusing on equity, redistribution of income and the promotion of higher living standards. He raised the issue of the inclusion and participation of the younger generation in the preparation of these types of documents, explaining that they will be responsible for the cost and implementation of these proposed strategies and development plans.

16. The authors of the document acknowledged and expressed their appreciation for the comments and recommendations provided by the meeting's participants. They concurred that there was a need to better craft the arguments and examples used in the document, with a view to moving from generalizations to specifics.

4. Overall assessment and the way forward

17. The Deputy Chief a.i. acknowledged that the scope of work of this assignment is not easy and that ECLAC was fully aware of the issues regarding the availability and acquisition of data. In that regard, he reaffirmed that ECLAC will not place limits or boundaries on the authors in the redrafting of the document. He urged meeting participants to share any relevant information with ECLAC and the authors in order to improve the document. He concurred that the document felt generic due to its perceived "one size fits all" approach and encouraged the authors to develop, or at least refer, to country differences. In responding to the Deputy Executive Director of UWI Consulting, he pointed out that ECLAC had recently developed a proposal for debt relief for Caribbean SIDS. He added that the issue of debt relief and ECLAC's proposal may be raised by the ECLAC Executive Secretary at the third International Conference on Financing for Development Conference in Addis Ababa. He also mentioned that the Commonwealth has developed a similar proposal and recommended that the authors consider incorporating these new developments into the framework. He reminded the authors that the framework should also respond to the emerging regional initiatives, which included engagement of Caribbean Member States with organizations like the Union of South American Nations (UNASUR), the Community of Latin American and Caribbean States (CELAC) and the Bolivarian Alliance for the Peoples of Our Americas (ALBA).

5. Closure of the meeting

18. The Deputy Chief a.i. thanked the consultants and meeting participants for their continued willingness to collaborate with ECLAC as it seeks to respond to the needs of its Member States.

Annex I

LIST OF PARTICIPANTS

Earl Boodoo, Financial Consultant. E-mail: etboodo@gmail.com

Ralph Henry, Consultant in Development Economics, Kairi Consultants Ltd. E-mail: ralph.henry@gmail.com

Ronnie Griffith, Senior , Ministry of Finance and Economic Affairs, Barbados.E-mail: griffithro@gob.bb

Vanus James, Adjunct Professor and Researcher, Universtity of Technology, Jamaica. E-mail: vanus.james@gmail.com

Claremont Kirton, Deputy Executive Director, UWI Consulting, Jamaica. E-mail: claremontkirton@gmail.com

Ransford Smith, International Development Consultant and former Deputy Secretary-General for Economic Affairs and Development of the Commonwealth Secretariat. E-mail: ransford.smith@yahoo.com

David Tennant, Professor of Development Finance, the University of the West Indies, Jamaica. E-mail: david.tennant@uwimona.edu.jm

**Economic Commission for Latin America and the Caribbean
Subregional headquarters for the Caribbean**

Dillon Alleyne, Deputy Chief a.i., ECLAC subregional headquarters for the Caribbean. E-mail: dillon.alleyne@eclac.org

Sheldon Mclean, Coordinator, Economic Development Unit. E-mail: sheldon.mclean@eclac.org

Michael Hendrickson, Economic Affairs Officer, Economic Development Unit. E-mail: michael.hendrickson@eclac.org

Michael Milligan, Associate Economic Affairs Officer, Economic Development Unit. E-mail: michael.milligan@eclac.org

Machel Pantin, Research Assistant, Economic Development Unit. E-mail: machel.pantin@eclac.org

Nyasha Skerrette, Research Assistant, Economic Development Unit. E-mail: nyasha.skerrette@eclac.org

Lindy-Ann Edwards-Alleyne, Staff Assistant, Economic Development Unit. E-mail: lindyann.edwards-alleyne@eclac.org