

# **The case of small island developing States of the Caribbean: The challenge of building resilience**

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# **THE CASE OF SMALL ISLAND DEVELOPING STATES OF THE CARIBBEAN: THE CHALLENGE OF BUILDING RESILIENCE**

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# I. Introduction

*“Small island developing States are a special case both for environment and development. Although they continue to take the lead in the path towards sustainable development in their countries, they are increasingly constrained by the interplay of adverse factors clearly underlined in Agenda 21, the Programme of Action for the Sustainable Development of Small Island Developing States and the decisions adopted at the twenty-second special session of the General Assembly”*

Chapter VII in the Johannesburg Plan of Implementation (JPOI)

The United Nations Conference on Sustainable Development (Rio+20) called for “the convening of a third international conference on small island developing States (SIDS), recognising the importance of co-ordinated, balanced and integrated actions to address the sustainable development challenges facing small island developing states”.

This Third International Conference on Small Island Developing States is being organised in keeping with the United Nations General Assembly Resolution 67/207 and will be held in Apia, Samoa, in 2014. It will focus the world’s attention on a group of countries that remain a special case for sustainable development in view of their inherent unique and particular vulnerabilities. The Conference will be organised according to United Nations General Assembly resolution 67/207 which calls for “a concise, focused, forward-looking and action-oriented political document.” SIDS have also expressed their desire to highlight successful partnerships and areas of innovation that support their development goals. The General Assembly (GA) at the same session also adopted a decision to declare 2014 as the International Year of SIDS (IYS).

In keeping with the GA resolution, Caribbean SIDS are preparing to participate in the Third International Conference and to celebrate the IYS. At this Conference they will highlight the progress they have made but will also reiterate the existing challenges they continue to face, as well as new and emerging issues encountered in achieving sustainable development. Some of these challenges are structural such as their small size and narrow resource base which makes it difficult for them to achieve economies of scale in production.

In addition, their high dependence on a few markets and commodities subject them to negative external shocks as was experienced in the recent global economic crisis. Such shocks increase income volatility and elevate poverty rates among households. In addition, these economies are constantly subject to the impact of extreme events and the emerging climate change effects increase their vulnerability. For these reasons the level of their Gross Domestic Product (GDP) should not be used as a measure of their resilience. In this paper the major development challenges faced by Caribbean SIDS within the national, regional and global context are discussed and arguments presented as to measures that may be adopted in addressing them. The arguments are intended to stimulate thought among policy makers in the Caribbean with a view to bringing about change that will promote sustainable development.





## II. Caribbean SIDS challenges

The challenges faced by Caribbean SIDS are usually compartmentalised as economic, social and environmental for analytical convenience. However, given their cross cutting nature, this paper presents them in the following categories:

1. Small size and narrow resource base
2. Geographic position and insularity
3. Vulnerability to natural disasters
4. Environmental factors
5. Governance factors
6. Social factors

### A. Small size and narrow resource base

To date population has been the variable that has been mostly used in estimating country size [see Kuznets (1960), Chenery and Syrquin (1975), Armstrong *et al.* (1998), Liou and Ding (2002) and Rose (2006)]. Read (2001) argued that population is the best method to measure size because of availability of relevant information and ease of conceptualization, while the Commonwealth Secretariat (2007, p.22) suggested that population size is ‘intuitively appealing from an economic point of view as it reflects the size of the labour force and therefore the constraints associated with human resources and the potential number of consumers’. However, the question arises as to the mechanism that may be used to classify countries as small in size.

Small island developing States are a distinct group of developing countries facing specific social, economic and environmental vulnerabilities. At the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro, Brazil (3–14 June 1992) they were recognized as a special case both for their environment and development. This recognition was made specifically in the context of Agenda 21 (Chapter 17 G).<sup>1</sup> In classifying SIDS, the basic characteristics used are their low-lying coastal positions, their sustainable development challenges, including small but growing populations, limited resources, remoteness, susceptibility to natural disasters, vulnerability to external shocks, excessive dependence on international trade, and fragile environments. Their growth and development is also stymied by high communication, energy and transportation costs, irregular international transport volumes, disproportionately expensive public administration and infrastructure due to their small size, and little to no opportunity to create economies of scale.

The Caribbean subregion, with a population of approximately 17.4 million<sup>2</sup> in 2012 comprises many small islands some of which are archipelagic (for example, the Bahamas, the British Virgin Islands, Saint Vincent and the Grenadines, Grenada and

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<sup>1</sup> See [http://www.unohrrls.org/UserFiles/File/UN\\_SIDS\\_booklet\\_5x6-5\\_062811\\_web.pdf](http://www.unohrrls.org/UserFiles/File/UN_SIDS_booklet_5x6-5_062811_web.pdf). Accessed 25/01/2014.

<sup>2</sup> CARICOM Secretariat Statistics, 2012.

its islands, the Turks and Caicos Islands and the United States Virgin Islands) while others are twin island states (Antigua and Barbuda and Trinidad and Tobago). On a global scale they are considered small with the largest being Cuba with an area of 109,884 km<sup>2</sup> and Montserrat occupying 102 km<sup>2</sup>.

In this paper we will attempt to show that owing to their small size, Caribbean SIDS face specific constraints as compared with larger countries. These centre around trade with external partners and the potential for economic diversification and may be considered economically disadvantageous.

## 1. Dependence on a narrow range of primary products

In general, the small size of Caribbean SIDS is reinforced by their narrow export base which is built on resource endowments with low levels of processing (table 1). Given their limited technological capacity, they have been unable to diversify exports or to participate in global value chains. Size does not allow them to reap economies of scale and as a result, production and logistical costs are high. Additionally, they sustain high infrastructural and administrative costs and rely heavily on technologies which are often inappropriate for their size.

**TABLE 1**  
**THE TEN TOP PRIMARY PRODUCTS PRODUCED BY CARIBBEAN COUNTRIES, 2011 <sup>a</sup>**

Commodity Description	Quantity (kg)	Value (dollars)
Raw cane sugar, not containing added flavouring or colouring matter, for retail sale in packages not more than 10kg	290 402 515	165 752 328
Aluminium ores and concentrates, other than calcined bauxite	6 750 393 000	193 775 836
Aluminium oxide (alumina), other than artificial corundum	1 940 518 000	578 019 471
Petroleum oils and oils obtained from bituminous minerals, crude, other than those imported under the processing agreement	1 085 132 435	1 684 845 747
Motor spirit (gasoline)	511 554 744	488 916 880
Kerosene type jet fuel	615 106 601	578 368 805
Gas oils (other than diesel oil)	1 473 954 920	1 239 989 392
Bunker 'c' grade fuel oil	200 701 090	143 739 510
Other petroleum oils and oils obtained from bituminous minerals, and preparations N.E.S. <sup>b</sup>	2 188 232 501	1 274 694 810
Liquefied propane	174 188 576	137 401 713

Source: CARICOM Secretariat Statistics, 2012.

<sup>a</sup> Data do not include Suriname.

<sup>b</sup> Not elsewhere specified.

## 2. Small domestic markets and high dependence on export markets

Domestic markets in Caribbean SIDS are generally small because the size and the narrow resource base do not support the entry of a large number of firms producing a similar product thereby reducing competition and creating monopolies. In addition to this there is also a high dependence on a limited range of exports and in turn on economic conditions in the rest of the world and a large import bill that requires servicing by relatively large sums of foreign exchange (Briguglio, 1993; table 2). Table 2 demonstrates that the value of total exports from CARICOM countries has declined from a high of US\$ 24,749,472,000 in 2008 to US\$ 21,234,187,000 in 2011. Caribbean SIDS are also limited in their ability to control prices owing to the relatively small volume of trade in relation to the world markets. This degree of openness increases their vulnerability to negative external price shocks.

## 3. Import-substitution

Owing to their small size the dependence of Caribbean SIDS on a narrow range of products and limited efforts to promote economic diversification has resulted in a reliance on imports. Table 2 shows that although there is a slight decline in the value of imports between 2008 and 2011, so does the value of exports so that the balance of trade shows an overall decrease between 2008 and 2011. Also, the small size of domestic markets in Caribbean SIDS severely limits import substitution possibilities (Worrell, 1992, p. 9-10). Where import-substitution policies have been adopted, the results tended to be a protected economic environment that produced inferior quality products offered at prices higher than import prices and therefore were not considered competitive.

In this regard, Caribbean SIDS may well benefit from capitalising on creative and cultural industries that are unique in nature and that may be diversified enough to render them marketable internationally especially into new geographic locations. These countries can also benefit from “value added” in investing in downstream industries. For example, the main focus in these islands is expected to continue to be tourism. Nevertheless, the production of wood and non-wood forest products could play an increasingly important role in import substitution (e.g. lumber for artisanal furniture production or wood energy). This will contribute to economic diversification and may well support import substitution.

**TABLE 2**  
**VALUE OF TOTAL EXPORTS, IMPORTS AND BALANCE OF TRADE IN**  
**CARICOM COUNTRIES**  
(000 Dollars)

	Total exports	Total imports	Balance of trade
2008	24 749 472	25 348 565	-599 093
2009	13 884 417	18 857 050	-4 972 633
2010	16 397 037	18 997 362	-2 600 325
2011	21 234 187	24 370 476	-3 136 289

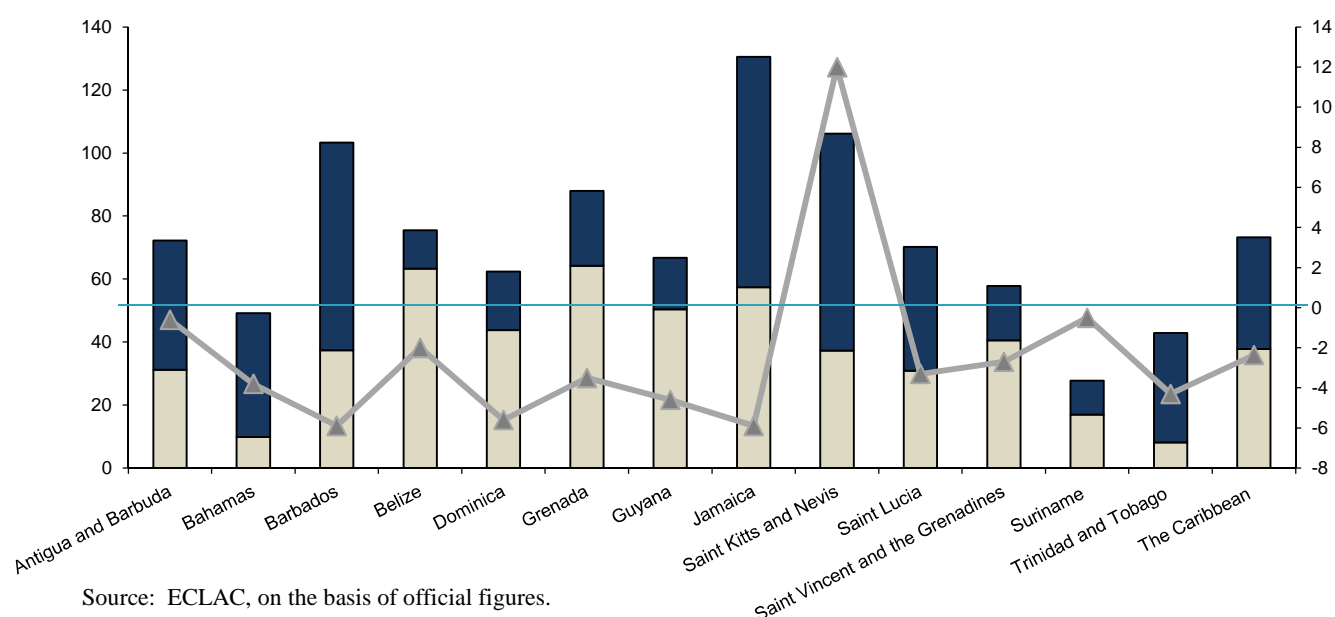
Source: CARICOM Secretariat Statistics Department.

#### 4. High public debt and high fiscal and current account deficits

At the regional preparatory meeting for the Third International Conference on SIDS that was held in Jamaica in 2013, Caribbean SIDS requested increased flexibility with respect to the Debt Sustainability Framework and the eligibility for debt relief. In this regard, they called for expansion of concessionary financing to small, indebted, middle income countries, such as Caribbean SIDS, to mitigate the significant sustainable development challenges that have been exacerbated by the ongoing crisis and which have been measured using GDP.

This call was made within the context of the high and unsustainable public debt burdens in some countries (over 65 per cent GDP) and large fiscal and current account deficits (figure 1). For example, countries, such as Antigua and Barbuda and Jamaica, have turned to the International Monetary Fund (IMF) as a means of halting the expansion of the current account deficit and providing short term financing for balance of payments support.

**FIGURE 1**  
**CARIBBEAN PUBLIC DEBT AND FISCAL BALANCE**  
(Percentage GDP)



Source: ECLAC, on the basis of official figures.

External Debt Domestic Debt Fiscal Balance

However, this international financial support brings with it conditionalities that are not always in the national interest. For example, reduction in government expenditure is sometimes required and the immediate way of achieving this is through reduction in the size of the public sector. This in turn, may well result in an increase in crime and ultimately the tourism sector which in many Caribbean SIDS is the mainstay of their economies. It may also reduce access to financing for development and retard the flow of foreign direct investment. Additionally, six Caribbean SIDS, namely Barbados, Jamaica, Belize, Grenada, Saint Vincent and the Grenadines and Suriname have seen their international credit rating downgraded since 2009. How then do these countries return to a strong economic footing?

Programmes of fiscal consolidation must continue in order to reduce the debt burden where it exists and contain public spending. Fiscal consolidation programmes must be carefully crafted so as not to erode the gains made with the Millennium Development Goals (MDGs). For example, countries that have done well due to elevated commodity prices must be cautious and use the windfall revenue gains to diversify production and to buffer future external shocks, since commodity booms are temporary. Such diversification could also fuel regional competition which is essential to encouraging new activities in all sectors. At the same time, public spending must be rationalized for greater efficiency in service delivery. Furthermore, the matter of middle income status may well be addressed through the development of creative models in concessionary financing. Such models could examine alternative methods of assessing the needs of Caribbean SIDS and in the allocation of resources in promoting sustainable development.

## 5. Middle-income status

At the Caribbean regional preparatory meeting much concern was expressed at the overall decline in Official Development Assistance (ODA) to the Caribbean due mainly to the classification of most countries in the region as middle, upper-middle, or high income countries despite their small size (table 3). Such classification has rendered them ineligible for concessionary and development financing that could support implementation of sustainable development. Furthermore, the Caribbean has continued to lament the use of GDP as an effective measure of overall development since it fails to reflect comprehensively the development challenges faced by SIDS, particularly those resulting from their economic, social and environmental vulnerabilities.

**TABLE 3**  
**CLASSIFICATION OF CARICOM COUNTRIES BY INCOME**  
(Dollars)

Country	GDP	GDP/capita	GNI /capita	Income status <sup>a</sup>
Antigua and Barbuda	1 134 159 259	12 733	12 480	High
Bahamas	8 149 004 000	21 908	20 600	High
Barbados	4 224 850 000	1 4917	15 080	High
Cuba	68 233 900 000 <sup>b</sup>	6 051 <sup>b</sup>	5 890	Upper-middle
Dominica	479 688 889	6 692	6 440	Upper-middle
Dominican Republic	59 047 202 158	5 746	5 470	Upper-middle
Grenada	766 510 727	7 267	7 220	Upper-middle
Guyana	2 850 572 407	3 584	3 410	Lower-middle
Jamaica	14755 051 129	6 440	5 120	Upper-middle
Saint Kitts and Nevis	767,000,000	14 314	13 610	High
Saint Lucia	1 238 640 741	6 848	6 890	Upper-middle
Saint Vincent and the Grenadines	712 588 889	6 515	6 400	Upper-middle
Suriname	5 012 121 214	9 376	8 680	Upper-middle
Trinidad and Tobago	23 320 256 743	17 437	14 710	High

Source: World Bank, 2013.

<sup>a</sup> Lower-middle income: \$1,036 to \$4,085; upper-middle income: \$4,086 to \$12,615; high income: \$12,616 or more.

<sup>b</sup> Data for 2011.

In discussing the vulnerability of SIDS, it is important to make a clear distinction between vulnerability and economic performance. Indeed, many Caribbean SIDS have performed creditably in terms of economic parameters over the past two decades, to the extent that most are now categorized as middle-income economies. Such classification is based on relatively strong growth of the services economy, and strong performance in developing public infrastructure and social services. Vulnerability however relates more to the level of risk which SIDS countries face in sustaining such developments, as well as the capacity to mitigate external threats, and to recover from shocks whether these are economic, natural or social. It is important to note that the economic growth in Caribbean SIDS was based on concessional assistance and a trade regime that was non

reciprocal. However, the world has changed and the new trade environment threatens the gains made unless the region pursues structural transformation. It is precisely for this that Caribbean SIDS continue to need support and although much progress has been made in building resilience they continue to be vulnerable, a factor that should be taken into account in assessing their economic and social progress over the medium to long term.

Additionally, per capita income remains the principal criterion used in allocating funds for development cooperation. Combining this standard with the MDGs, which have dominated the cooperation agenda since the year 2000, has meant that resources are now channelled toward lower-income countries to the neglect of the middle-income group. As a result, Caribbean SIDS, a predominantly middle-income region, has seen a decline in its share of ODA inflows, both as a percentage of gross national income (GNI) and in comparison with other developing regions. This decline began to increase in the 2000s (ECLAC 2012). This trend reflects, on one hand, the decision to concentrate international cooperation funds on combating poverty and its most immediate effects, and thus to give priority to lower-income countries despite the fact that 70 per cent of the world's poor live in middle-income countries. On the other hand, the channelling of funds to lower-income countries reflects the assumption that, as countries increase their per capita incomes, they will have more resources and tools for combating poverty and for financing their own development. Consequently, middle-income countries would supposedly need less support from the international cooperation system. Some authors have referred to this process as "graduation".

There are two major problems with this approach to allocating development funds. First, overcoming poverty is both a cause and an effect of development. It is a multifaceted process that not only involves improving living standards but also requires attention to a great variety of structural gaps that limit and retard inclusive growth of the kind that can address poverty and inequality issues. Second, this approach assumes that the lower-middle and upper-middle-income countries fall into relatively homogeneous categories. Yet in fact they are very different in terms of poverty rates, social inclusion, and production, institutional and financial capacity. If Caribbean SIDS are to sustain growth then "graduation" based on GDP is not a realistic indicator of development and limits their access to ODA which they need to sustain their economies. This was clearly stated by Nickolas Steele, Minister for Foreign Affairs and International Business of Grenada when he reiterated the call made in Agenda 21 for a more holistic and comprehensive set of indicators for classifying States.<sup>3</sup> He said:

*"Grenada endorses support for low-income and fragile economies. Moreover, it is clear that several of the SIDS newly promoted to middle-income status, continue to struggle with high debt burdens which are worsened by climate change and high fossil fuel import bills. Many SIDS struggle with low productivity and low levels of competitiveness; they struggle with severe financial constraints and, in some cases, they struggle with limited prospects for immediate growth. The point is this: Per capita income as a sole measure without the context of climate-vulnerability does more harm than good."*

Furthermore, given their narrow resource bases and minimal success at economic diversification, it is important for Caribbean SIDS to capitalise on the emerging new environment of trade and global markets which threaten hard won gains and limit transformation to better resilience. Access to financial resources will enable these countries to build on the gains and transform their economies. Financial institutions therefore need to utilise a more holistic indicator of development (rather than GDP) and/or utilise progress made in achievement of the Millennium Development Goals where social indicators are used, in determining eligibility for development assistance.

## **6. The brain drain and the brain gain**

The "brain drain" refers to the significant increase in migration of highly skilled and higher educated Caribbean people to more developed countries (Johnson, 2008). The push factors are to receive higher incomes, to capitalize on better career developmental opportunities and to gain a greater degree of freedom (Grubel and Scott 1977). The perception is that as Caribbean nationals emigrate to large countries opportunities will be more available.

The implication is that this "drain" creates a shortage of skilled persons in the source country who can contribute to Caribbean development. The developed (receiving) country gains extra skills and resources from this migration as it continues to become wealthier. On the other hand, the developing (source) country loses highly skilled manpower and human capital and inevitably becomes poorer.

The dilemma is that as the country invests in education and higher education becomes more available to a higher percentage of the population this also becomes an incentive for persons to migrate (Johnson, 2008). The United States of America has always been the primary beneficiary of highly skilled migrants from the Caribbean (Sanders 2007). In a recent survey Suriname had the highest percentage of secondary and tertiary educated persons entering the United States of America at 89.9 per cent, Guyana was second at 85.9 per cent, Jamaica third at 82.5 per cent, Haiti at 81.6 per cent, Saint Kitts and Nevis at

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<sup>3</sup> <http://www.unmultimedia.org/radio/english/2013/10/unilateral-graduation-of-sids-to-middle-income-status-premature-grenada/>

71.6 per cent and Antigua and Barbuda at 70 per cent (Sanders 2007). According to Bellemare (2011) an increase in education spending reduces the proportion of skilled migrants outside the country of origin. This should be supported by appropriate public policy education geared towards improving access to educational opportunity which may result in reducing the brain drain. Bellemare (2011) also found that an increase in GDP per capita has a positive effect on skilled emigration rates in Caribbean SIDS. However, this needs to complement improvements in access to education.

It may be argued that when highly skilled citizens leave their home countries, they are sending a message to their governments to do better. However, if those with the education and intellect to create change in the government leave, then what is expected to happen to the source country? How can we expect that the country will suddenly find alternate resources and human capital to do the work that needs to get done? But is emigration really so bad for Caribbean SIDS?

On the positive side, migrants have become a source of remittances. Jamaica gains the most from remittances sent from emigrants working in developed countries. In 2003, remittances in Jamaica represented nearly 18 per cent of its Gross National Product (GNP). Remittances in Guyana accounted for 8.1 per cent of GNP, 5.3 per cent in Grenada and 4.5 per cent in Barbados (Sanders 2007). A study by the Inter-American Development Bank (IDB) found that in 2002, remittances to the Latin America and the Caribbean amounted to \$32 billion. Additionally, in the Caribbean, remittances increase significantly in the aftermath of macroeconomic or natural disasters (Kapur and McHale 2005). This is significant for the millions of persons living in the disaster prone Caribbean without sufficient home owners insurance. These people depend on the remittances from their relatives and friends abroad to repair damage following floods, hurricanes, volcanoes and earthquakes.

Another argument suggests that even when the migrants do not return home, the knowledge they acquire often does. Those who argue from this standpoint sometimes posit that some source countries may even be better off if the highly skilled migrants never come back (Hart 2006). This is because in the developed countries, they can learn specialized skills and acquire expertise and training that they would have probably foregone had they remained in the home country. As communication channels improve, it has become easier for these migrants to share their newly acquired knowledge with those at home. The “brain drain” then becomes a sort of legitimate export industry (Sanders 2007). As a result, it may be more of a mutual gain than a “brain drain” as the increase in knowledge and technology will eventually diffuse to the source countries.

To address the “brain drain” source countries need to work on improving conditions that will provide greater incentives for highly skilled workers labourers to remain at home. These may include better human rights, wages, more modern health and education facilities as well as creating a more suitable environment for businesses. Furthermore, diaspora of source countries, especially those in the Caribbean, are expanding rapidly in the receiving countries and include many highly skilled migrants. Governments in source countries should capitalize on this by encouraging linkages and partner relationships between the diaspora and institutions in the source countries. Such programmes would help members of the diaspora become more socially and economically connected to their countries of origin and could possibly serve as an incentive for them to return home.

## **7. Statistical systems**

An ongoing challenge faced by Caribbean SIDS is in the acquisition, storage, analysis and dissemination of basic data that are relevant to development planning. The subregion continues to make decisions based on existing data which inevitably are not available in time series, have great gaps and are still aggregated. How is it possible to develop strategies and make important decisions in a data-scarce environment? What really is the problem? One may argue that relevant data are not routinely available and that it is difficult for small statistical departments to keep abreast of data needs. However, it is clear that economic data are routinely collected by Central Banks; population census data are collected every 10 years; data on the environment by the United Nations, regional organisations as well as line Ministries. The problem is sometimes caused by policies that govern sharing of data. One is inclined to ask why this arises. If policymakers are to utilise data in informing development priorities and plans towards economic transformation, then why is there limited access to data that are being generated by national and regional entities?

In this regard, the importance of strengthened national statistical and information systems, including data collection and management and analytical capabilities for decision-making, monitoring and evaluation was highlighted by Caribbean SIDS at the Kingston regional preparatory meeting. The call for the support of the international community in this regard was also renewed.

The capacities of research agencies in the collection and processing of data, as well as the generation and analysis of statistical indicators need to be strengthened. Continued dialogue with development partners and utilisation of appropriate indicators to accurately assess national needs and priorities with a view to enhancing development assistance will reap benefits to the subregion. Such analyses are important in responding to crises.

## **B. Geographic position and insularity**

In general, Caribbean SIDS are small, archipelagic and insular and these physical factors impact on ease of transport and communication and therefore international trade.

It is to be expected that transport costs associated with international trade tend to be relatively high per unit of export in small Caribbean SIDS as compared to other countries. This arises as a result of the separation of the islands by the sea thereby constraining them to use air and sea transport for trading. Furthermore, small economies such as those of Caribbean SIDS tend to require relatively miniscule and fragmented cargoes, leading to high per unit costs of transport. On the other hand, land transport facilitates domestic trade mainly in continental SIDS and this reduces the options available for the movement of goods and services. Moreover, the small size of Caribbean SIDS tend to present access challenges to major sea and air transport routes, and the limited capacities preclude them taking advantage of modern and technologically advanced and efficient modes of transport. This in itself may be a barrier to expanding international trade.

Geographic position from the main commercial centres may also be responsible for long delays and unreliability in transport services resulting in uncertainties in the provision of supplies. These disadvantages are more intense for Caribbean SIDS that are archipelagic and dispersed over a wide area as compared with those that form part of continental land masses. Furthermore, irregular and infrequent transport facilities may cause delayed responses to changes in demand (unless stockpiling occurs) and this results in increased costs of production with respect to sourcing capital for operations and wages.

Furthermore, Caribbean SIDS are operating in an environment that is being impacted by global transport patterns and ease of communication is not totally controlled by them. What then could Caribbean SIDS do? They have attempted to address these challenges through the promotion of intra-regional trade which will require strengthening of regional coordination among Caribbean countries. As such implementation of the CARICOM Single Market and the Economy (CSME) is necessary to pursue the sustainable development agenda and the forging of new relationships with new development partners. This approach will complement the need for developing mechanisms for boosting international trade in light of the narrow range of products that are available to be traded.

Support for the main regional air transport machinery is required if they are to exist in the global economy. This has become a major challenge to Caribbean SIDS since the main inter-island airline, the Leeward Islands Air Transport (LIAT) with over 57 years of operations has had to overcome many survival challenges such as competition from foreign and regional carriers, cost overruns, labour disputes and challenges in efficiency of service mostly with an old fleet of aircraft. It should be noted that no other airline provides the daily intra-regional service that LIAT offers. The airline is presently engaged in significantly improving its daily services to some 21 destinations with a new fleet of ten modern and more spacious aircraft at a cost of US\$ 107 million that includes a US\$ 65 million loan from the Caribbean Development Bank.<sup>4</sup> It is pertinent to question when will CARICOM member states provide practical support for LIAT? To date, the Governments of Antigua and Barbuda, Barbados, Saint Vincent and the Grenadines and more recently Dominica are shareholders in the airline. When will other Caribbean governments commit to LIAT as they continue to benefit from the intra-regional services that it offers? It may well benefit the subregion to lobby additional national and regional partners to support restructuring of the operations of LIAT with a view to rendering it more viable.

## **C. Vulnerability to natural disasters and external shocks**

Many Caribbean SIDS experience natural disasters caused by hurricanes, localised flooding events and landslides, earthquakes and volcanic eruptions (table 4). The impact of a natural disaster such as a hurricane on a small island economy is expected to be relatively large in terms of damage per unit of area and costs per capita, due to the small size of the country. Natural disasters negatively impact on infrastructure, cause considerable losses in the agricultural sector, the disruption of internal and external communication services and sometimes result in injury or death to human populations. Caribbean SIDS are therefore not immune from these natural events and focus largely on adaptation and building resilience. These are events that are unpredictable but wreak tremendous damage. The paradox here is the investment of funds in adaptation and building resilience and also in recovery when they would have been “graduated” and therefore no longer eligible for ODA. How can they access financial resources to do all that is necessary to reduce risk? One way is in operationalising the SIDS Technical Assistance Programme (SIDS/TAP) whereby technical assistance programme could be pursued.

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<sup>4</sup> <http://www.trinidadexpress.com/news/Keeping-faith-with--regions-travellers-246711801.html>

**TABLE 4**  
**IMPACT OF HURRICANE IVAN ON LIVING CONDITIONS OF**  
**FOUR CARIBBEAN COUNTRIES**

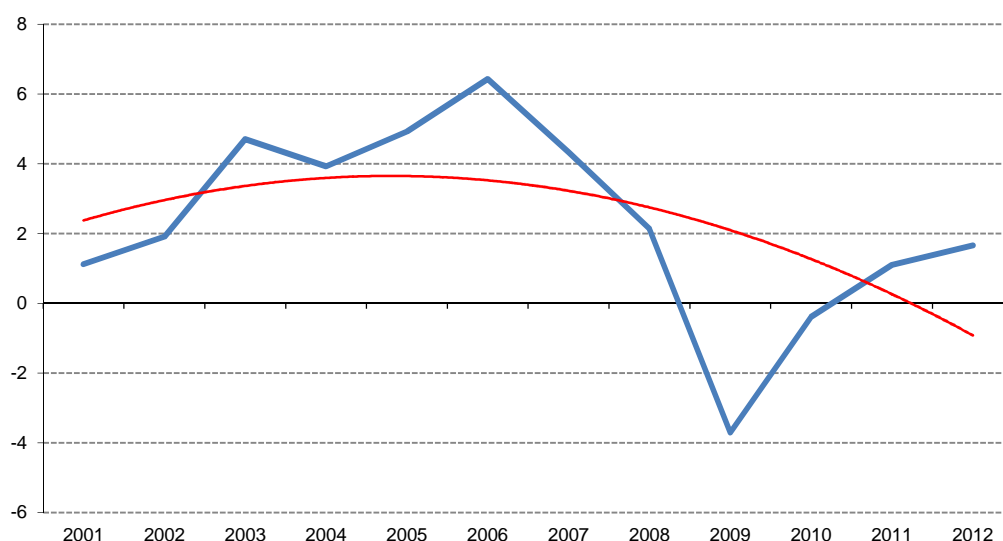
Country	Total population	Affected population	Percentage population	Absolute number of deaths	Number of dwelling places damaged	Percentage housing stock
Cayman Islands	42 397	35 189	83	2	13 535	83
Grenada	102 632	81 553	79	28	28 000	89
Jamaica	2 620 000	369 685	14	17	102 000	14
Haiti	7 929 048	297 926	4	3 000	49 882	3.8

Source: Kambon, 2009.

The openness of Caribbean economies and their reliance on FDI as a source of foreign exchange inflows and for investment renders them vulnerable to external shocks. A recent example was the recession of 2009 in which the economic challenges faced by the United States of America and Europe negatively impacted Caribbean economic growth by way of a decline in export earnings, remittances and FDI inflows. Associated with this were increased unemployment and a rising debt burden as governments were forced to seek alternative sources of financing. Ironically the middle-income status of Caribbean SIDS debarred them from accessing concessionary financing at a time of greatest need. Figure 2 reveals the volatility of GDP growth over time. What can Caribbean SIDS do to stabilise this growth? It may be argued that diversifying their economies and penetrating new markets with a wider range of products may be a solution. However, in order to do this, strategic planning is required and this would necessitate a paradigm shift with new thinking that would inform planning with the requisite building of capacities to achieve this end.

The need to capitalise on gains in building resilience through restructuring will require financial support. This may be partially achieved through capitalization of the Caribbean Sustainability Fund<sup>5</sup> and the Green Climate Fund.<sup>6</sup> Aid for Trade<sup>7</sup> is another facility that Caribbean SIDS should be able to access easily once the proper mechanisms are available to them. However the challenge here for Caribbean SIDS is in accessing these funds which are sometimes not available as promised and also in the ability of the countries to prepare the necessary proposals for accessing the funds.

**FIGURE 2**  
**VARIABILITY OF GROWTH RATES IN CARIBBEAN SIDS**  
(Percentage)



Source: ECLAC, on the basis of official figures.

<sup>5</sup> [http://www.pnuma.org/sids\\_ing/documents/National%20Reports/Regional%20Sustainability%20Fund%20\\_last%20version\\_.pdf](http://www.pnuma.org/sids_ing/documents/National%20Reports/Regional%20Sustainability%20Fund%20_last%20version_.pdf).

<sup>6</sup> [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/green\\_climate\\_fund/items/5869.php](http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/5869.php).

<sup>7</sup> <http://ec.europa.eu/trade/policy/countries-and-regions/development/aid-for-trade/>.



## D. Environmental factors

As is well known, national statistics do not normally reflect environmental degradation and damage and resource depletion as valuation of environmental resources is not a regular activity in Caribbean SIDS. So using GNP statistics as indicators of growth and development may paint a positive picture, whereas in reality a country may well be undergoing a process of long-term unsustainability arising from destruction of environmental resources.

### 1. Climate change and sustainable energy

Climate change is one of the greatest challenges experienced by Caribbean SIDS more so because of the vulnerability of island and coastal states to the adverse effects of sea level rise and to the impacts of natural disasters. Although these small islands contribute less than 1 per cent to total greenhouse gas emissions (GHG) they are the first to be negatively impacted by global warming. The challenge posed by climate change to the tourism industry which in most Caribbean states is the principal contributor to employment, foreign exchange and economic growth, was of particular concern. For example, it has been estimated that the potential economic costs of climate change as a percentage of GDP to Caribbean SIDS could be on average 14 per cent per year by 2025, and 39 per cent of GDP by 2050 (Benjamin 2010). Moore et al. (2013) estimate that by 2050 the visitor expenditure as a result of the impact of climate change on the tourism sector which, for many countries is the main foreign exchange earner could well decline from US\$ 25 billion to US\$ 15 billion. As a response to financing climate change much attention was given to capitalization of the Caribbean Sustainability Fund<sup>8</sup> and the Green Climate Fund. Of particular importance is the establishment of the Climate Technology Centre and Network to enhance technology cooperation and transfer to developing countries.

Addressing the impacts of climate change and realising savings in the energy sector will require improvements in energy efficiency and the employment of renewable energy technologies. Caribbean SIDS, in an attempt to reduce the high costs associated with imported energy explored the viability of pursuing renewable energy, sustainable energy, energy efficiency and cleaner energy policies/strategies. For example, Aruba, Barbados and Jamaica set specific energy targets. The Aruba energy policy sets a target of increasing renewable energy in the total energy mix from 13 per cent in 2010 to at least 60 per cent by 2033.<sup>9</sup> Barbados proposes to increase the use of renewable energy from 15 per cent to 30 per cent<sup>10</sup> and has successfully implemented solar water heaters in homes. Jamaica set a target to reduce its greenhouse gases (GHG) emissions by 5 per cent below 1990 levels.<sup>11</sup> This country diversified its energy mix through its commitment to the development and use of renewable energy sources. Guyana focused on hydro power, wind and biofuels where Suriname sought to utilise mineral oil, hydro power, biomass and solar energy. Jamaica also explored wind, biofuels and solar water heating (government buildings), Dominica harnessed hydro power and Saint Lucia is pursuing strategies to increase energy efficiency. However, these developments are capital intensive and with the middle income status of many of these islands, the question arises as to the sources of financial assistance.

Caribbean SIDS welcome the initiative of the United Nations Secretary General and the draft Barbados Declaration on “Achieving Sustainable Energy for All”. However there is need for the conduct of an assessment and identification of renewable energy technologies as well as fostering energy efficiency and conservation, and the provision of special funding, technical assistance and capacity building in the support of utilisation of such technologies. Additionally, there is a school of thought in the Caribbean that the subregion should be compensated for the damage that they have, and are expected to suffer, from the impacts of climate change. This is within the context of their minimal contribution to global warming in terms of overall carbon emissions as compared with developed countries but their marked negative impact.

The areas of energy efficiency and renewable energy are becoming increasingly important to Caribbean SIDS in terms of reducing their carbon footprint. The International Renewable Energy Agency (IRENA) as well as the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) are actively supporting programmes in energy efficiency and renewable energy but to a limited extent. It is necessary to scale up the level of financial support to Caribbean SIDS especially in the building of technical capacity to promote energy efficiency and develop the renewable energy potential in the subregion.

Importantly, the establishment of the Climate Technology Centre and Network to enhance technology cooperation and transfer to developing countries is necessary. Of immediate importance is the enhancing of SIDS-SIDS and South-South cooperation, the latter already evident in the Brazil-CARICOM agreement. Also, collaboration with the Caribbean diaspora could well facilitate the introduction of new technologies that are applicable to Caribbean SIDS. The establishment of a dedicated

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<sup>8</sup> [http://www.pnuma.org/sids\\_ing/documents/National%20Reports/Regional%20Sustainability%20Fund%20\\_last%20version\\_.pdf](http://www.pnuma.org/sids_ing/documents/National%20Reports/Regional%20Sustainability%20Fund%20_last%20version_.pdf).

<sup>9</sup> ECLAC 2013. Draft energy policy for Aruba.

<sup>10</sup> <http://www.reegle.info/policy-and-regulatory-overviews/BB>.

<sup>11</sup> <http://www.psoj.org/files/Draft%20Energy%20Policy.pdf>.

technology transfer facilitation mechanism and financing strategy with the support of United Nations Agencies, Funds and Programmes to ensure that environmentally sound and appropriate technologies are developed in SIDS is an immediate requirement. This proposal is in keeping with ongoing Rio+20 follow-up processes in support of sustainable development project implementation

## **2. Sustainable agriculture**

Food and nutrition security continue to remain a challenge for Caribbean SIDS. This is within the context of quantity and quality and considering the impacts of rising sea levels that may result in salt water intrusion into agriculture lands and underground aquifers. Also, the apparent shift in interest by young graduates from the agriculture sector who seek higher wages in seemingly more productive industrial sectors have de-emphasised the importance of agriculture in Caribbean SIDS. This has resulted in the increased allocation of scarce agricultural lands for infrastructural development thereby reducing agricultural productivity, raising the food import bill and threatening food and nutrition security. This concern was articulated in the Kingston outcome document<sup>12</sup> that emphasised the importance of revitalizing sustainable agriculture and rural development in Caribbean SIDS within the context of efforts to eradicate poverty through increased employment and promotion of food and nutrition security. The challenge though, is to devise mechanisms to attract young professionals to become involved in the sector.

Sustaining the agriculture sector in terms of increased productivity and adapting to the impacts of climate change requires investment in science, technology and innovation. Research into climate-resilient and disease-resistant crop varieties is needed to sustain the agriculture sector and to improve productivity. This would serve to promote effective and efficient sustainable development in the subregion, in accordance with national interests and priorities. However, this will require the creation of an enabling environment to support the transition to a society where local produce will be increasingly consumed. Additionally, increased incentives to young entrepreneurs to enter the agriculture field should be provided. Programmes to build awareness of the importance of the agriculture sector should be introduced at the primary school level so that young people would be better informed of the contributions that they may be able to make to this sector. Furthermore, it would be important to mainstream agricultural considerations into the development planning process.

## **E. Governance factors**

The Kingston outcome document calls for more effective institutional systems, the need to address fragmented management systems for stronger enabling legislation, and for comprehensive attention to the regularisation of standards. It is important to address governance in its political, economic and social dimensions.

### **1. Institutional strengthening**

Institutional strengthening includes improvements in infrastructure, technical hardware and human resource capacity. If institutions are to be efficient and productive, it is necessary for them to be on the forefront of modern developments. This would require well-equipped infrastructure as well as appropriate staffing and was one of the themes of the Rio+20<sup>13</sup> meeting that was held in Brazil in 2012. However, because of their small economies Caribbean SIDS are constrained in keeping abreast of modern technology as the cost is prohibitive and when technological infrastructure exists the basic facilities to support it are not available and the human resource capacity to operate and maintain it is limited. Also, in cases where staff benefit from training opportunities they seem to be transferred to other responsibilities and the expertise they have acquired is no longer available to the department. It is important for Caribbean SIDS to plan for technological development in accessing resources for infrastructural and technological development as well as investing in human resource capacity that is sustainable. Their common shared vision and commitment to collective action and a post-2015 development agenda should include an institutional framework that takes into account the particular concerns and priorities of SIDS. Such a framework could well contribute to narrowing of the implementation deficit and should be supported by international support.

At the international level, an area of concern to Caribbean SIDS is the abolishment of the Commission for Sustainable Development and its replacement by the High Level Political Forum (HLPF). The question arises as to the importance of SIDS issues to the HLPF and to the facilitating of discussions on pertinent matters as well as the representation of SIDS in the post-2015 development agenda.

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<sup>12</sup> Kingston Outcome of the Caribbean Regional Preparatory Meeting for the Third International Conference on Small Island Developing States". The Kingston Outcome represented the Caribbean regional position at the Inter-regional Preparatory Meeting that was held in Barbados from 26-28 August 2013.

<sup>13</sup> [http://www.un.org/en/sustainablefuture/pdf/rio20%20concludes\\_press%20release.pdf](http://www.un.org/en/sustainablefuture/pdf/rio20%20concludes_press%20release.pdf).

## 2. Intra-regional movement of skills

Within the context of the CSME the free movement of skills initiative originated in the 1989 Grand Anse Declaration; but the original concept has been modified over the years in order to facilitate the implementation of this mandate. This entails the right to seek employment in any CARICOM Member State and the elimination of the need for work permits and permits of stay. Article 45 of the revised Treaty of Chaguaramas therefore states that:

“Member States commit themselves to the goal of the free movement of their nationals within the Community.”

Furthermore, in Article II, Respect for Fundamental Human Rights and Freedoms, of the Charter of Civil Society, the following is included as one of the fundamental human rights and freedoms:

“Freedom of movement within the Caribbean Community, subject to such exceptions and qualifications as may be authorised by national law and which are reasonably justifiable in a free and democratic society.”

Notwithstanding the above, the Conference decided to implement free movement of skills in a phased approach, but the ultimate goal is free movement for all. This is expected to bring about economic transformation at the national and regional levels and to create more efficient labour markets through increased competition. However despite this proclamation, difficulties with the movement of skills intra-regionally remain. This may well be as a result of competition for jobs at the national level and a feeling of insecurity about the eligibility of non-nationals for national employment. It is therefore absolutely necessary for countries to create regional awareness of the benefits to the subregion of fully operationalising the CSME.

## 3. Citizen security

High rates of unemployment, particularly among women and youth typical of small countries, as well as the migration of skilled labour and the resulting brain drain, undermine the efforts of Caribbean SIDS to achieve sustainable development. This situation is one of the drivers of the illegal drug trade which may be linked to the increase in crime and violence<sup>14</sup> that are negatively impacting the gains in social and economic growth made by Caribbean SIDS.

Drug trafficking and related violence are on the rise throughout the Caribbean subregion. Persistent issues such as poverty, corruption, and political and economic instability recurrently plague these small island-nations and threaten the security of citizens. Furthermore, numerous Caribbean governments also lack the necessary funds needed to properly address security issues involved in combating drug trafficking, as some islands are still without a designated police force or coastguard service to properly monitor and ward off the danger especially within maritime borders. Moreover, these governments usually do not have adequate funds for the creation or maintenance of rehabilitation clinics for drug abusers.

This is particularly alarming for women and children who are battling drug addictions as their needs are often far different from those presented by males, and frequently involve sexual trauma in addition to their other addictions.<sup>15</sup> Female drug users are dramatically increasing in Central America and in the Caribbean, where the International Narcotics Control Board (INCR) annual report has advised CARICOM governments “to ensure that, in efforts to combat drug abuse, adequate programmes are in place to ensure that special attention is given to female drug abusers”.<sup>16</sup> On the bright side, however, islands such as Barbados and Trinidad and Tobago are engaged in preventative programs that target youth who are particularly vulnerable to the temptations of the drug world through school lectures and training programs at all levels of education. Within a regional and international context transnational crime including the transshipment of illicit substances through the Caribbean subregion as well as human trafficking are on the increase and threaten citizen security. Increased support for programmes geared towards security for citizens and to address crime and violence especially involving our youth is necessary.

Citizen security is becoming increasingly important in the Caribbean subregion. This is indeed related to the economic and social situations in these countries and while some programmes to address these challenges are being implemented, it is important to source financing to support expansion of these programmes especially in areas such as youth entrepreneurship and gender equality so as to stem the increasing incidence of crime and violence especially among young people.

In this regard, it is important to evaluate and redesign existing social safety net programmes. This may enhance skills while avoiding the development of dependency syndromes through monitoring and evaluation of such programmes.

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<sup>14</sup> <http://www.cicad.oas.org/oid/pubs/CaribbeanPrisons2012.pdf>.

<sup>15</sup> <http://www.coha.org/the-caricom-blueprint-for-illicit-drug-trafficking/>.

<sup>16</sup> <http://www.coha.org/the-caricom-blueprint-for-illicit-drug-trafficking/>.

## 4. Partnerships

The modality resolution<sup>17</sup> adopted during the 67th session of the General Assembly called for the “strengthening of collaborative partnerships between SIDS and the international community” as one of the important ways and means to address new and emerging challenges and opportunities for the sustainable development of SIDS. Public-private partnerships (PPPs) are co-operative alliances between the public and private sectors that utilise the expertise and information of each partner to efficiently meet clearly defined public needs. These needs may be met through the allocation of resources, risks, and rewards.

Caribbean SIDS have expressed the desire to see partnerships focusing more on long-term institution building. They have stressed that South-South and SIDS-SIDS cooperation are not substitutes for, but rather complements to, North-South cooperation. In this regard, and at the international level Caribbean SIDS have formed partnerships to implement the Caribbean Biological Corridor, the regional centre for creating capacities for assessing risks and vulnerabilities of the region, Petrocaribe, *SIDS DOCK*, and the Partnership Initiative for Sustainable Land Management.

However, the formation of partnerships at the national level in Caribbean SIDS has met with limited success. Apart from the establishment of a social compact with the private sector and the government of Barbados in pursuance of the green economy initiative, there is not much more to report. PPPs have not been successful in the subregion because of their structure and mode of implementation as governments took on most of the risks and the quality of output could sometimes have been questioned. As such Kurt Cristo<sup>18</sup> of the IADB advocates the identification and definition of those key elements of what constitutes a “good” PPP, and to explore the implications of these elements in the design of PPPs that are relevant to the needs of Caribbean SIDS taking into consideration the special circumstances of these countries. The lack of private-sector response, despite lower interest rates and excess liquidity, underlines the need for greater private- and public-sector partnerships, as ways of reducing risks and making public activity more market-sensitive

In order to address this challenge support from the international community in the establishment of a SIDS Partnerships Support Framework is necessary. It is also recommended that the existing partnership-related database, knowledge-sharing systems such as the United Nations Sustainable Development Knowledge Platform and SIDSnet can be further strengthened and optimized in support of SIDS. The establishment of an information and communication technology platform may well support this endeavour.

## F. Social factors

The continuing need for social integration policies to reduce inequalities and promote access to basic social services including education and health care continue to challenge Caribbean SIDS. Poverty and HIV/AIDS remain areas of concern while new and emerging issues such as non-communicable diseases, disability and the impact of ageing populations on productivity have surfaced.

### 1. Poverty

Over the last two decades, growth in per capita GDP contributed to the decline in extreme poverty or indigence, particularly in Jamaica, Trinidad and Tobago and the Eastern Caribbean. In relatively few countries are significant proportions of the population living beneath the indigence line, although exceptions to this would include Belize and Guyana (ECLAC, 2013a). However, Belize registered the largest increase in poverty from 34 per cent to 41 per cent between 2002 and 2009. This was associated with the fall-out from the crisis and the constraint of high debt that limited the ability of government to undertake social spending.

In Caribbean SIDS, some of the direct causes of poverty are unemployment, underemployment and inadequate incomes. The twin challenges facing all Caribbean economies are to raise growth and productivity and so provide a greater number of high quality jobs —higher skilled and better paid— in order to raise living standards and reduce poverty. This in turn expands the fiscal space for strengthening social protection systems which further reduce poverty.

One may posit that economic diversification especially in economies of scale and improved trade competitiveness can act as catalysts for reducing poverty and inequality. This will be determined by the extent to which Caribbean SIDS can restructure to produce exports that use domestic capital intensively. Upgrading to produce these types of exports, including cultural products and services, as well as education services can help both to increase the sophistication of the regions exports

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<sup>17</sup> A/C.2/67/L.40.

<sup>18</sup> <http://blogs.iadb.org/caribbean-dev-trends/2014/01/17/kurt-kisto-public-private-partnerships-can-add-sustainable-value-to-caribbean-development/>.

and to provide high quality jobs at home. This is key to increasing the availability of decent work to reduce poverty and inequality.

## **2. Non-communicable diseases**

The incidence of non-communicable diseases especially among persons in the 60 and over age group in Caribbean SIDS is relatively high. Also, rates of mortality due to non-communicable diseases among persons over 60 are over one third greater than the corresponding rates for either Latin America or those in developing countries. This is mainly due to higher mortality caused by heart disease and diabetes (ECLAC, 2013a). Addressing this situation places a significant burden on economic resources especially in small economies. One may argue that focus should be placed on creating proper eating and exercise regimes among youth so that the incidence among older persons in populations where life expectancy is increasing may be reduced. However, this is a long term solution and in the short to medium term more attention needs to be placed on creating awareness of changing lifestyles with a view to ameliorating the impacts of non-communicable diseases.

Support for implementation of the Strategic Plan of Action for the Prevention and Control of Non-Communicable diseases for countries of the Caribbean Community 2011-2015 will help in creating such awareness. The plan covers risk factor reduction, screening and treatment, health information systems, health promotion, advocacy and communications. The introduction of evidence-based guidelines supported by training of primary health care personnel, and shared tertiary treatment services will be welcomed as is the plans to introduce annual reporting on non-communicable diseases by the end of 2014.

## **3. Persons living with disabilities**

About 5 per cent of persons in Caribbean SIDS have some type of disability which has limited their participation in 'all aspects of social, economic and cultural life'. Economic activity among such persons is also much lower than among persons without disabilities and in some countries persons of working age with disabilities are little more than half as likely as those without disabilities to be employed. Rates of economic activity among persons with disabilities were highest in Antigua and Barbuda and the Cayman Islands, and lower in Barbados, Grenada, Trinidad and Tobago and Saint Vincent and the Grenadines (ECLAC 2013a). Although governments support employment, self-employment and sheltered employment are promoted in certain countries, and where reasonable adaptations that contribute to physical accessibility of the workplace exist, there is clearly scope for increased employment of persons with disability in both the public and the private sectors (ECLAC, 2013a). Although small size and economies may limit the number of such persons who may be engaged it is important to make every attempt to provide suitable employment opportunities for them. For example, the President of the Republic of Trinidad and Tobago has appointed a person with a disability to the Senate and has called on employers to provide increased opportunities for employment of such persons in the public and private sectors. Additionally, since 2008 Barbados had disabled persons in the senate and the President of the Senate in that country is disabled.

## **4. Education**

The existing model of education in schools throughout the Caribbean has not kept abreast of the evolving needs of societies. This model still focuses on traditional curricula and has, only to a limited extent, included the technology-oriented needs of young people. The result is that young secondary school graduates are unprepared for the labour force and in many cases are unemployed and as a result turn to crime as a means of sustaining livelihoods. It is imperative that national authorities diversify the curricula and increase the availability of opportunities to pursue courses in technology subjects with a view to meeting the needs of a wider section of the young community. However, there is a social stigma attached to youth who pursue programmes in technology applications as these are traditionally perceived to be of lesser importance than the traditional curricula. So how can governments in small countries rationalise this situation? This may be achieved through a two-pronged approach. Firstly to educate parents as well as young people as to the opportunities for employment in technology-oriented courses; secondly, provide the institutions that would allow for such training (for example as are offered at the University of Trinidad and Tobago, the University of Technology in Jamaica and community colleges in Barbados and Belize); and thirdly to make salaries in the technical sectors competitive with those in the traditional sectors so as to encourage young people to pursue education in technology programmes as they will be assured of adequate remuneration.

## **5. Ageing**

Population ageing is a global phenomenon. Higher income countries are generally at a more advanced stage in the process; however many middle and lower income countries with smaller economies are now starting to experience an increasing rate of population ageing. Perhaps the most significant demographic challenge facing the Caribbean is the ageing of the population. In the coming decades there will be larger numbers of older persons and they will form a larger proportion of the total population. Between 2015 and 2050 the number of persons aged over 65 will increase from 4 million to 9.5 million (or

from 9 per cent of the population to 19 per cent). Almost all Caribbean countries and territories will see more rapid population ageing starting to take place over the next two decades and beyond (ECLAC 2013a).

The implications of this rapid population ageing in the Caribbean are that systems of health care, social security and social care are relatively weak and inadequate to meet the needs of the current generation of older persons. If future generations of older persons are to enjoy an acceptable standard of living and quality of life, these systems will need significant strengthening. Changes will also be needed in the workplace, civil society and the family. How can these changes be facilitated?

In addition to the ICPD Programme, international cooperation on the issue of population ageing and policies for older persons has been advanced through the agreement of the Madrid International Plan of Action on Ageing (2002)<sup>19</sup> and at a regional level, the Brasilia Declaration (2007)<sup>20</sup> and the San Jose Charter (2012).<sup>21</sup> These agreements have sought to place emphasis not just on the needs of older persons, but also on the contribution that older persons make to society, and on the rights of older persons. Their rights, for example to economic security, health and social care, place an obligation on the rest of society to ensure that these rights are realised. Such an approach could result in elimination of all forms of discrimination and increased participation and integration into the development process, of vulnerable groups, particularly young people, older persons and persons with disabilities.

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<sup>19</sup> <http://undesadspd.org/Ageing/Resources/MadridInternationalPlanofActiononAgeing.aspx>.

<sup>20</sup> [https://www.un.org/ageing/documents/regional\\_review/Declaracion\\_Brasilia.pdf](https://www.un.org/ageing/documents/regional_review/Declaracion_Brasilia.pdf)

<sup>21</sup> [http://www.eclac.cl/celade/noticias/paginas/9/44929/CR\\_Carta\\_ENG.pdf](http://www.eclac.cl/celade/noticias/paginas/9/44929/CR_Carta_ENG.pdf).

### III. The way forward for Caribbean SIDS

Looking forward, this paper endorses the words of Ambassador Lois Michele Young of Belize, who stated that small island developing States (SIDS),<sup>22</sup> cannot overcome their challenges by themselves and stressed the need for innovation in exploring new financial mechanisms that can move the process along and enable achievement of sustainable development. She warned that in the absence of cooperation and assistance from the international community, the success of SIDS would remain but an illusion. She stated:

*“We need clear and practical measures for securing progress in sustainable development. We need to better inform development policy decisions at all levels. The implementation of these key policies in our economic frameworks will contribute to increased mobilization of resources and higher levels of economic growth. The costs of shifting towards a sustainable future are real, real costs. Helping create the appropriate enabling environment to generate and direct capital flows —official development assistance (ODA), domestically-available public finance, other sources— to the projects where they can deliver the largest transformational impact, is a critically important task for the public sector. No less important is the need to ensure that the public funds that are available to support national transitions to sustainable development are used to leverage and catalyze larger pools of private finance.”*

To achieve this Caribbean states require mechanisms and strategies to strengthen the implementation framework for the SIDS agenda. Such actions should take into account the countries’ national circumstances, as well as regional perspectives. Mainstreaming sustainable development across ministries at the national level and grafting of the SIDS agenda to the post-2015 agenda are also important. In order to realise this Caribbean SIDS need to define their needs and focus on realistic achievements in the post-2015 agenda and to determine what space they can occupy in the new reform structure.

This is indeed a call to action by the international community on behalf of Caribbean SIDS!

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<sup>22</sup> <http://www.unmultimedia.org/radio/english/2013/10/we-are-faced-with-challenges-in-all-three-dimensions-of-sustainable-development-economic-social-and-environment-sids/>.





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