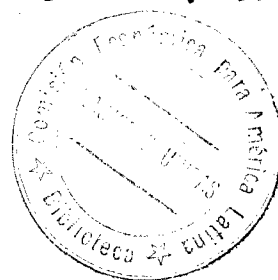


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ECONOMIC COMMISSION FOR LATIN AMERICA
Office for the Caribbean

ECLA AND THE CARIBBEAN :

Some Aspects of
the Situation and Prospects
of the
Office for the Caribbean

P R E F A C E

Five years ago, on 1 December 1966, ECLA established its Office for the Caribbean in Port of Spain, Trinidad-Tobago. This seems an appropriate period for review of the Office's performance so far, an assessment of its present policies and priorities, and a forward look on future orientation.

By any criteria applied, the first five years of the Office's operations have been remarkable. Bearing in mind the many difficulties faced, not the least of which was the extremely limited resources made available, considerable success has been achieved. This success can be attributed mainly to the dedicated efforts of the staff.

This brief note attempts to assess critically the Office's work during the first five years, and to determine what its future role should be, given the peculiar needs of the countries it serves in the Caribbean sub-region. Its modest objective is to highlight some of the major problems and suggest a perspective programme of work for the Office to assist in their solution. In this regard, it should be emphasized that no attempt has been made to provide a definitive policy document for ECLA Office for the Caribbean; this is a prerogative of the Commission as a whole.

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C O N T E N T S

| | <u>Paragraphs</u> |
|---------------------------------------|-------------------|
| Introduction | 1 - 3 |
| Policy Guidelines and Priorities | 4 - 12 |
| Nature of Operations in the Caribbean | 13 - 18 |
| Activities: 1967-1971 | 19 - 32 |
| Current Work and Resources | 33 - 41 |
| Next Steps: A Critical Assessment | 42 - 59 |

Annexes

- I - Origins of the Office for the Caribbean
- II - Decisions, Santiago, October 1966
- III - Some extra-CARIFTA Economic Relations
- IV - Report on Office by Joint Inspection Unit
- V - Report on Office by Administrative Management Survey Team

INTRODUCTION

The ECLA Office for the Caribbean was formally established in December 1966 at Port of Spain, Trinidad-Tobago. Its broad terms of reference were "to extend the work of the Commission in the Caribbean". ^{1/} A full appreciation of the range of functions implicit in this statement would require: (a) an examination of the terms of reference of the Commission and the various redefinitions that have been made from time to time; and (b) consideration of the range of subjects covered by the work of the Commission.

2. The activities of the Commission have been summarized generally as: ^{2/}

- (i) conducting original research on the principal problems of the economic and social development of Latin America;
- (ii) utilizing the results of such research in the formulation of elements of policy and strategy for development;
- (iii) transference of this knowledge to persons who have an influence in the formulation of the corresponding policies at the national, regional and international levels;
- (iv) organization of the necessary mechanisms for their operation.

Therefore, in addition to research and enquiry into the social and economic conditions and their evolution, there is the other aspect of ECLA's work described as 'operational'. This includes recommendations on development policies, technical advice to governments, advisory assistance with the actual implementation of policies, the organization of training courses and seminars, meetings, conferences etc.

3. These various activities are pursued over very many substantive subjects encompassed by the following broad headings: ^{3/} economic development and research, natural resources and energy, transport,

^{1/} For a brief outline of the origins of the Office, see Annex I.

^{2/} See Executive Secretary's Circular Memorandum "General Guidelines for Orientation of Work Programme" dated 10 December 1969.

^{3/} See also Executive Secretary's Circular Memorandum of 10 December 1969.

agricultural economics, social affairs, industrial development, trade policy, export promotion, statistics, and public administration. The basic approach has been to concentrate on substantive subjects as appropriate to the circumstances of the region, with emphasis on practical problems, within the framework of the political structures and the decision-making processes in the countries covered by the Commission.

POLICY GUIDELINES AND PRIORITIES

4. Inevitably, the first step in outlining the work programme of the Office for the Caribbean was to establish definite priorities in accordance with available manpower resources. The approach was to find an answer to the fundamental question i.e. what is likely to be the most important function of the sub-regional Office? Efforts have been made to define and review these functions during discussions with the Executive Secretary of the Commission. Instructions given by the Executive Secretary during periodic visits to the Office were therefore regarded as interpretations of ECLA policy in so far as it affects the Office for the Caribbean.

5. The first such discussion was held in Santiago on 18 October 1966 when a few firm decisions were reached. ^{4/} Further, during his visit to Port of Spain in late 1966, the then Executive Secretary inter alia issued the following statement:

"Our study [of the Caribbean] will try to make a contribution by examining possibilities of co-operation between the countries of the Caribbean and improvement of trade and economic relations between these countries and the Latin American nations." ^{5/}

^{4/} See Annex II.

^{5/} Press statement reported 6 December 1966.

The view, that some form of integration among the islands of the Caribbean was absolutely necessary for the region to make a bid on the Latin American front, was consistent with the findings of the Seminar on Political and Economic Relations of the Caribbean Region and Latin America conducted by the University of the West Indies in March 1967.

6. This was elaborated and modified by his successor in the light of current developments. On the occasion of the official visit to Port of Spain in May 1967, the Office's role was outlined as follows:

"The most important role will be promoting the integration of the Caribbean itself, and promoting the integration of the Caribbean area with other areas of Latin America. There will be other tasks in the promotion of better financing; of industry, probably the promotion of technological research; of training, of studies to understand better income distribution, studies to improve agriculture, studies to understand the past development and probable future development of the Caribbean islands, the same way as has been done for other countries of Latin America."

7. The observation was also made that:

"There has to be working together towards the goals which will be not only the integration of the whole of Latin America and the integration of the Caribbean; but also of getting together to present only one front to the industrialized countries mostly in matters of trade, to get better treatment for exports of primary products, to get the opportunity of exporting manufactures. That is why the integration of the Caribbean is so important. The Caribbean would do best to present itself as a unit to join the rest of Latin America, so all together can fight for the common interests."

8. The Executive Secretary again emphasized the importance of these functions in November 1968, and undertook to explore the possibility of securing additional resources to enable the Office to pursue the integration programme more effectively.

9. In October 1970, the geographical coverage of the Office was defined thus:

"In defining the geographical scope of the Office's functions, the main criterion will be that of membership in CARIFTA. This means that priority is to be given to: (a) all countries who are presently CARIFTA members; and (b) countries examining accession to CARIFTA. In cases where Governments make specific requests for assistance in considering the possibility of relationships to CARIFTA countries, the Office, within the limits of its resources, should respond. Bilateral requests from non-CARIFTA members in the area, would be regarded as requests to the Office

of the Executive Secretary, and would be handled from Santiago with assistance from Port of Spain." 6/

10. Another aspect clearly emerging from these various discussions was that though promotion of integration was the primary objective, it was also important that the Caribbean should be included in studies of a region-wide scope conducted by the Commission. The decision was therefore taken that the approach to the latter should be gradual, commencing with the Annual Economic Survey and the Statistical Bulletin, the range expanding as necessary data became available. However, on major policy questions every effort should be made from the outset to ensure that conditions prevailing in the Caribbean countries are included along with the rest of Latin America, particularly on trade, where their position was unique in the region.

11. Quite apart from the subject fields, consideration was given to the actual situation in the Caribbean, as there is no other sub-region in the world where fragmentation has been carried to such an extent. There are English, Spanish and French-speaking independent countries; there are French and Dutch overseas territories; there are associated English and American States; and there are even small islands within which sovereignty is still exercised by the related metropolitan power. It was recognized that it would be unrealistic to attempt to handle them all in the initial stage; therefore the approach should be first to meet the needs of the newly-independent countries, and expand as resources permitted, taking into account the economic and cultural patterns.

12. This priority in the Office's programme of work derived from the considerations

- (a) that establishment of the Office resulted from the direct initiative of the Prime Ministers of the newly-independent countries at the level of the UN Secretary-General;

6/ Comparison can be made with the coverage stipulated in 1966 which is shown at Annex II. Belize has been added since its accession to CARIFTA and there has been response to specific requests from the Dominican Republic and the Bahamas. Both the latter are considering the possibilities for association with CARIFTA.

- (b) that these countries had not been covered by the work of the Commission over the previous eighteen years; and
- (c) the limited staff and other resources that were made available to the Office.

NATURE OF OPERATIONS IN THE CARIBBEAN

13. Because of the peculiar financial circumstances at the time of its establishment, the Office has continually had to seek and depend heavily on a variety of extra-budgetary sources for financing. During the first two years the only provision made by the United Nations was for two professional posts within the Commission, ^{7/} supplemented by two posts of Regional Advisers provided by UN/OTC. ^{8/} To facilitate early establishment of the Office, the Government of Trinidad and Tobago offered the usual host facilities for such offices. In addition, the Government agreed to make a cash contribution towards local expenditures for purchase of office furniture and equipment, and employment of some secretarial and clerical staff.

14. The subsequent build-up of the Office resulted in a greater number of advisory personnel than research personnel, the advisory personnel being on one-year contracts which are renewable. This had two major implications:

- (i) a permanent staff nucleus for the Office was never satisfactorily established and this gave the Office a somewhat temporary character;
- (ii) greater emphasis had to be placed on advisory and consultative services than on research because of the type of personnel made available, and the procedures governing activities of such personnel.

These two characteristics are still very evident in the functioning of the Office.

^{7/} One P5 post and one P4 post.

^{8/} LAT-003-ZA, Regional Economic Adviser; and LAT-430-119-RP, Regional Adviser Rural and Community Development.

15. Efforts to strengthen the Office by locating permanent UN staff at Port of Spain took the form of recalling two ECLA staff members who had been on secondment to UNDP, and the transfer from New York headquarters of one permanent UN staff member to a new post allocated to the Office. Attempts to strengthen the technical capacity of the Office through the establishment of posts in the UN Regular Budget have so far been unsuccessful. ^{9/} Instead, recourse has been increasingly made to the provision of regional advisory staff, more latterly from UNCTAD ^{10/} and to personnel on short term assignment. ^{11/} More recently it has been possible to carry out some essential priority work only because short term missions of consultants were arranged on a bilateral assistance basis to the Commission. ^{12/}

16. It should be noted too that for four out of the five years of its existence, the Office had no research assistants at all; this essential supporting service was finally made possible by the combination of some savings at headquarters and a specific donation by one of the area Governments. Also, it is important to appreciate that the administrative servicing of the Office has never been adequate to support the technical programme. ^{13/} Technical staff therefore had to be involved with routine data collection and with administrative details to a far greater extent than is normal or desirable. Moreover, much time is taken up at very frequent intervals with technical assistance recruitment procedures.

17. While therefore the policies and priorities for the Office demanded a heavy programme of technical work, the resources have never been

^{9/} For example, the resources approved by ECLA Resolution 288 XIII were never provided to the Office.

^{10/} LAT-540-190-TA, Regional Adviser on Maritime Transport; and LAT-203-G, Regional Adviser in Trade Policy and Integration.

^{11/} Regional Adviser Public Administration, 4 months; and Regional Adviser Tax Legislation, LAT-173-A, three months with various extensions.

^{12/} Consultant on Port Construction and Planning, and Consultant on Port Operations and Management.

^{13/} Reference may be made to the report of the Joint Inspection Unit, and the report of the Administrative Management Survey team, at Appendices IV and V respectively.

commensurate with those responsibilities, being (a) inadequate, and (b) mainly of a temporary nature. A direct contrast can be drawn with the resources that were allocated to undertake work with similar priorities in Central America in the 1950's.

18. It is against this background that the performance of ECLA in the Caribbean, 1967-71, and the present situation and the future prospects have to be assessed.

ACTIVITIES : 1967-1971

19. Consistent with the priorities that were defined, work has been oriented towards assisting the Governments of the sub-region in matters of economic and social development, and in negotiations on trade liberalization and closer economic co-operation. Particularly active assistance was rendered in the negotiations leading to -

- (i) the establishment of the Caribbean Free Trade Area Association (CARIFTA);
- (ii) the creation within CARIFTA of an East Caribbean Common Market (ECCM) made up of the West Indies Associated States; and
- (iii) establishment of the Caribbean Development Bank.

Assistance has also been provided in organizing and setting up the Regional Secretariat servicing the trade agreement, in the operation of the Free Trade Association and the Agricultural Marketing Protocol, as well as on matters pertaining to tax legislation and regulations, and in social development as with the establishment of Youth Camps.

20. The amount and nature of resources allocated to the Office, and the timing when different types of expertise were made available, have in large measure determined the range and balance of activities. ^{14/} Much of the work performed has been in the form of technical and advisory services to States in the sub-region. The subjects covered include economic co-operation, economic planning, rural and community

^{14/} The comment of the Administrative Management Survey team, that projects carried out are decided on a pragmatic basis depending on the manpower resources available, is relevant.

development, intra-regional shipping, modernization of customs nomenclature, and formulation of common external tariff, trade policy, fiscal incentives to industry and the preparation of drafts for the related legislative instruments.

21. In addition, the Office collects information required as a basis for continuing analyses of the economic situation in the sub-region in support of the major topics of region-wide scope in ECLA's work programme. ^{15/} There are also the subjects of research authorised by the Commission which are necessary for an understanding of the situation in the sub-region, and to facilitate the formulation of suitable approaches to problems and solutions.

22. Beyond this, there has been a substantial body of work conducted in support of and in conjunction with other United Nations and Inter-American bodies. At the request of the Governments, and with the assistance of experts provided by the United Nations, the UN Industrial Development Organization (UNIDO), and ECLA Headquarters, studies have been conducted and others initiated on the analysis and harmonization of incentives to industry, ^{16/} and on regional industrialization, with emphasis on the possibilities for promoting industry in the less developed territories in the sub-region. ^{17/} More recently an Inventory of physical infrastructure projects in the transport sector was prepared in accordance with an agreement between ECLA and the IDB. ^{18/}

23. There have also been a series of training projects through workshops and seminars, conducted in collaboration with other UN bodies or exclusively by this Office. Mention can be made of:

^{15/} The sections of the Annual Economic Survey for those countries in the sub-region are prepared in the Office. Since 1967 Trinidad-Tobago and Jamaica were covered. The coverage was extended to include Barbados and Guyana in 1968, and the West Indies Associated States in 1971.

In addition, material was prepared on the trade situation of the English-speaking countries for inclusion in the documentation prepared by the Trade Policy Division.

^{16/} E/CN.12/845.

^{17/} UNIDO and ECLA Reports issued July 1969.

^{18/} ECLA/POS 71/9.

- (i) Regional Training Workshop on Community Development and Local Government (Trinidad - March 1968); 19/
- (ii) Workshop on Harmonization of Fiscal Incentives to Industry in conjunction with the UN Fiscal Division and SIECA (Trinidad - September 1969); 20/
- (iii) Caribbean Regional Workshop on Integrated Rural Development (Jamaica - October 1969); 21/
- (iv) Trade Promotion Course (Port of Spain - April 1970) in conjunction with the UNCTAD/GATT International Trade Centre;
- (v) Seminar on Central Services to Local Authorities in conjunction with the UN Division of Public Administration and the IULA (Guyana - March 1971); 22/
- (vi) Co-sponsorship of the Training of Trainers Course (Trinidad - August 1970); and
- (vii) Active participation in the sub-regional Seminar on Techniques and Procedures of United Nations Technical Assistance in the Caribbean (Barbados - November 1971), organized and conducted by UNITAR.

24. While the foregoing summary gives some indication of the scope of activities, it is no less important to understand the emphasis at various points in time. The chronological aspect of the Office's activities is relevant in this context. In response to the effort to promote economic co-operation in the sub-region, the governments embarked on a series of intensive inter-governmental negotiations in 1967. These negotiations concerned the creation of a Free Trade Area, and the establishment of a Regional Development Bank. The Office was requested to assist in these negotiations, and its staff played an active role throughout the various stages. 23/ In this regard, its role was more than advisory, and could

19/ E/CN.12/847.

20/ E/CN.12/844.

21/ E/CN.12/846.

22/ E/CN.12/881.

23/ Reference can be made to the reports on these meetings submitted to the Executive Secretary.

be likened to that of a delegation which had a particular point of view, with the difference that the perspective was regional rather than national.

25. It should be borne in mind that these negotiations commenced within a few months of the establishment of the Office, and were undertaken without the elaborated research studies that usually precede inter-governmental negotiations towards regional co-operation programmes. ^{24/} The Office's activities at that time could therefore be said to have immediate objectives i.e. seeking broad agreement of Governments on the limited aspects of trade liberalization and development finance. By the end of 1967, Governments had taken a firm decision to set up the Bank and create a free trade area along with a secretariat. The problems encountered in finalizing the Bank Charter and deciding on the site resulted in some delay in establishing the Bank, but by the beginning of 1968 serious work was begun in initiating the Free Trade Area, and organizing the Commonwealth Caribbean Regional Secretariat. These developments introduced a second phase in the Office's activities.

26. The period 1968-1969 witnessed a shift in emphasis of activities. The Office continued to give active assistance in the negotiations on CARIFTA, the implementation of the Agricultural Marketing Protocol, the creation within CARIFTA of the ECCM, and the establishment of the Caribbean Development Bank, but greater attention was given to the organization and operations of the Regional Secretariat. The Secretariat soon assumed control of the more immediate functions in relation to the regulation of the Free Trade Area and the subsequent negotiations leading to the establishment of the Bank. This enabled the Office to give more emphasis to medium-term problems relating to the economic co-operation programme, and also to identify and initiate work on "gaps" in the programme which were not receiving attention either by Governments or the other regional institutions.

27. By the end of 1969, most of the institutional problems preparatory to the establishment of CARIFTA, ECCM, the Bank and the Regional Secretariat were satisfactorily resolved, and since 1970 the Office's

^{24/} The contrast can be made with the development of work at the Mexico Office and with other sub-regional schemes at a similar stage.

activities moved into a new phase. ECLA Caribbean was then able to concentrate more on examination of some longer range problems associated with the integration programme in the Caribbean. Two aspects immediately became important - putting the provisions of the trade agreement into operation, and formulating the next steps for the integration process. In short, attention had to be given at the same time to short term priorities and long term strategy.

28. The short term problems relate mainly to the operational aspects of the agreements and the adjustments that are usually necessary during the various stages of implementation. Prominent among these were the handling of CARIFTA goods e.g. achieving greater uniformity in matters of customs treatment and regulations affecting imports; removing the impediments to the free flow of trade e.g. establishment of better shipping services; ^{25/} adaptations in civil service organizational structures to meet the needs of regional collaboration. ^{26/} These aspects have been reflected in the main activities of the Regional Advisers in 1970 and 1971, and will continue to occupy their attention for some further period.

29. Among the longer-term activities are those relating to the actual form harmonization of fiscal incentives would take, and how the programme will be administered; the "rationalization" of agriculture in terms of the comparative advantages of different States in the production of different commodities and the possibilities for some degree of specialization; formulation of some criteria for integration industries and the location of industries. These and other similar problems have to be viewed against the background of numerous islands scattered throughout the Caribbean, at different levels of development, and having varying constitutional and governmental forms.

^{25/} See for example ECLA/POS 70/1 - "Draft Report on Feasibility Studies for Inter-Island and Feeder Shipping Services in the CARIFTA Area" by Regional Adviser Maritime Transport.

^{26/} See reports by Regional Adviser in Public Administration sent on short-term mission from Santiago.

30. Above all, there are the inherited structural problems faced by most of the economies and the problems that arise in their efforts to diversify production, and critical problems that derive from traditional and other relationships with metropolitan countries and changing external conditions. On these problems, area Governments have increasingly sought the Office's assistance.

31. The remarkable success with which the limited semi-permanent staff has so far managed to carry out the responsibilities entrusted to the Office, has been documented in various UN reports and by the Joint Inspection Unit and the Administrative Management Survey team. Inevitably, staff members have been continually called upon not only to make additional effort, but also to contribute knowledge on subjects outside their particular fields of specialization.

32. This very marked success which accompanied the work of the ECLA Caribbean has been dependent on the complete acceptability of its programme and its personnel by area Governments. Without the latter, the former could not have been achieved, as it is possible to get to the root of issues only by knowing and understanding how the Governments are thinking. Consequently, the Office has been specially privileged to have been placed in a position to act as catalyst in the formulation of a wide range of policies.

CURRENT WORK AND RESOURCES

33. It is necessary to bear in mind that based on continuing directives of the Executive Secretary, the main thrust of the Office's activities is to promote integration in the Caribbean sub-region. In carrying out this primary function the Office collaborates with, and assists the governments individually and collectively; and even where assistance is provided to countries directly, this main objective is borne in mind. It is in terms of this objective that the present commitments and the future of ECLA's activities in the Caribbean must be viewed.

34. The commitments that presently devolve on the Office fall into five main groups deriving from:

- (i) previous work and the requirement for assistance with implementation of recommendations that have been accepted by the governments;
- (ii) recommendations made on which negotiations are proceeding where the active participation of the Office is a prime requirement;
- (iii) the examination of some specific problems and formulation of solutions;
- (iv) collaboration with other bodies in carrying out training schemes and other projects;
- (v) collaboration with ECLA's substantive divisions on work affecting the whole Latin American region.

The following indicates the range and magnitude of these activities, but is not exhaustive.

35. In group (i) the main priority is to assist the ECCM governments with putting the common external tariff, (based on the Brussels Tariff Nomenclature) into operation. The governments have already decided that the common tariff should come into effect on 1 April 1972. The body of proposals ^{27/} for the tariff worked out by the Regional Adviser on Trade Policy and Integration, was supplemented by -

- (a) individual country studies of the revenue effects and recommendations to be implemented on introduction of the common tariff; ^{28/} and
- (b) a general study of trade policy questions. ^{29/}

Already it has been necessary to do a considerable amount of work on trade classifications for statistical purposes, because the countries formerly used various single classifications both for customs and statistical purposes, i.e. national classifications or, SITC(0), or SITC(R). ^{30/}

^{27/} ECLA/POS 69/9 and ECLA/POS 70/8.

^{28/} See reports of Regional Adviser Trade Policy and Integration.

^{29/} ECLA/POS 69/12 and ECLA/POS 71/11.

^{30/} ECLA/POS 71/6.

36. Group (ii) commitments include the harmonization of fiscal incentives, ^{31/} the preparation of a common external tariff for all CARIFTA, ^{32/} and arriving at an agreed approach to industrial integration. The negotiations on these subjects are in various stages of advancement, both in terms of the number of points on which agreement is yet to be reached, and the number of countries that have not fully accepted particular principles.

37. Many problems of transport fall within group (iii) including, for example, the establishment and operation of machinery for consultation with the Shipping Conference, the reorganization of the intra-regional shipping service, ^{33/} and preparation of inter-governmental agreements affecting transport. In this category, too, falls various aspects of monetary policy and control of financial institutions, and preparatory studies related to various articles of the ECCM agreement that are not yet in operation. ^{34/}

38. As regards collaboration with other UN bodies in carrying out training and other projects, (group iv) there are immediately the Trade Promotion Course (ECLA/ITC, January-February 1972), the Training Programme for Local Government Officers (in conjunction with the UN Division of Administration and IULA) tentatively scheduled for Guyana in June 1972, and the second phase of the IDB infrastructure inventory project.

39. The group (v) commitments include, in addition to continuing work for the Annual Economic Survey and the Statistical Bulletin, collaboration with the Latin American Economic Projections Centre, the Trade Policy Division, and the Social Affairs Division. Beyond these, there are the new tasks associated with country programming, and perhaps more important the evaluations for the Second Development Decade.

^{31/} ECLA/POS 70/16.

^{32/} ECLA/POS 70/3.

^{33/} ECLA/POS 71/14.

^{34/} ECLA/POS 70/13, ECLA/POS 70/14, ECLA/POS 70/15, ECLA/POS 71/8, and ECLA/POS 71/15.

40. These commitments which are already in the 'pipe-line', must be matched against the available resources. The unavoidable separation of three of the Office's staff members from UN service creates serious difficulties; and even if these officers are immediately replaced, there will be problems in fulfilling present commitments. The immediate problems deriving from this will be in maintaining the continuity of work on the subjects, if the rate of progress with the integration programme is not to be retarded. Moreover, until suitable replacements start work, the task of providing some continuity will devolve on the three remaining technical staff members who have some knowledge of the developments in the subjects, in addition to their own work.

41. A more encouraging aspect may be that a permanent nucleus of staff for the Office has, for the first time, been accepted by the United Nations. ^{35/} It is comprised of the staffing proposals made by the AMS team. However, it is important to bear in mind that the proposals were made in terms of the nature and volume of work of 1971, and as such postulate a basically static situation.

NEXT STEPS - A CRITICAL ASSESSMENT

42. It is very clear that efforts must now be devoted to putting CARIFTA and the ECCM on a firm operational basis. Until this is done the English-speaking Caribbean countries cannot present themselves as an entity to join the rest of Latin America, as was envisaged in the policy guidelines. Even within the Caribbean itself, the further progress of integration is dependent on this.

43. There are many factors presently militating against effective integration, some external to the sub-region, others internal to the sub-region. Two important examples external to the sub-region may be cited - (a) entry of the United Kingdom into the EEC, and (b) the current monetary situation. Regarding the former, the solutions so far proposed by the UK and the Six for meeting the disruption of the Caribbean economies that would result from rapid change of the traditional trading

^{35/} General Assembly document A/8406.

arrangements, is that the West Indies Associated States be offered Associated Status under Part IV of the Treaty of Rome, while the independent countries should negotiate some form of Association with the Community under Article 238, perhaps of the Yaoundé type. At the risk of over-simplifying the case, it may be stated that one implication of a Yaoundé type association would be to give countries of the enlarged EEC free trade area treatment in the Associated States along with other CARIFTA countries. The impact this would have on CARIFTA is obvious. ^{36/}

44. To take the second example, the effect of the international monetary situation has been to induce a change in the alignment of exchange rates among CARIFTA countries. Guyana has devalued to retain parity with the US dollar, while Barbados and the Associated States, Jamaica and Trinidad-Tobago have retained the parity with Sterling. While these adjustments were necessary in terms of global trading relationships, it is evident that the subsequent realignment of prices within CARIFTA will result in greater disadvantage to the less developed countries.

45. Inside CARIFTA, there is the major obstacle to further progress in integration that the increases in trade have so far accrued to the larger and more advanced parties to the Agreement. So keenly is this felt by the less developed members, that already thought is being given to various modifications that may be made to the CARIFTA Agreement with a view to enhancing the position of the LDC's. The need to achieve a better balance of benefits places great priority on finalising and implementing the various steps that are being designed to give some measure of advantage to the LDC's. The structure of industrial incentives is one such instrument, the machinery for implementing the Agricultural Marketing Protocol another, and so also is the scheme for location of industry which is presently under discussion.

46. Another limiting factor on the pace of development in CARIFTA which should not be overlooked, is the speed at which the ECCM itself progresses. In addition to the adoption of a uniform tariff which will

^{36/} This subject continues to be considered in collaboration with the CARIFTA and the ECCM Secretariats in the effort to find a single solution that would accommodate the external trading interests of all the CARIFTA member countries.

shortly come into operation, the ECCM Agreement requires that the Associated States, among themselves, will progressively harmonize development, investment and industrial policies. Other common policies are to be formulated and adopted in the monetary, fiscal, transport and agriculture fields. ^{37/}

47. It is in the area of financial and development institutions and mechanisms that some of the serious weaknesses of the ECCM countries are most apparent. In banking for example, each State has one or two branches of metropolitan banks. The branches of each banking chain together operate as an integrated enterprise, moving funds from one State to the next, or in and out of the sub-region, as the policies of their head offices dictate. Such monetary movements are seldom made with reference to the particular needs and policies of the individual State. The Governments have therefore sought the assistance of ECLA and the Caribbean Development Bank in their efforts to formulate and introduce some banking legislation with the highest degree of uniformity that the circumstances will allow.

48. Similarly, the ECCM countries suffer the disadvantage of not having the institutional machinery for the promotion of private sector development. While it is true that they cannot accommodate the range of financial and developmental institutions that exist in the larger countries of CARIFTA, it is even more true that they suffer gravely from total absence of such institutions, both in terms of their CARIFTA relations and in their dealings with foreign investors.

49. Aside from this assessment of factors retarding the progress of the integration movement, there is conclusive evidence to support the view that the effective operation of CARIFTA is a prior condition for the geographical expansion of the integration process in the Caribbean. It is a qualification that has been explicitly stated both at the level of Heads of Governments and at the level of the Ministerial Councils. It explains, too, the difficulty being experienced as a result of Colombia's application to join the Caribbean Development Bank and the similarly stated interest by Venezuela. While the Governments are

^{37/} It is to be observed that ECCM countries have so far been unwilling to agree to additional measures for deepening the process of co-operation in CARIFTA, unless they themselves have already adopted these within the ECCM.

aiming at the widening of the integration process, they are conscious that they are not yet able to absorb the "shock" that larger partners would bring. ^{38/}

50. However, significant progress is being made by the CARIFTA countries in establishing working contacts with other Caribbean countries, particularly the Dominican Republic and to a lesser extent Haiti, and also on the South American continent with Colombia, Venezuela and Brazil. ^{39/}

51. It follows therefore that over the period 1972-1974 the main areas of work would include:

- (i) improvement and enlargement of the free trade system;
- (ii) integrated industrial development;
- (iii) fiscal and monetary aspects;
- (iv) agricultural integration;
- (v) economic infrastructure;
- (vi) social aspects of development;
- (vii) tourism development;
- (viii) improvement and co-ordination of statistics.

52. Improvement and enlargement of the free trade system. In the light of what has been outlined above, close attention must be given to measures for achieving a better distribution of benefits among the participating countries. In this regard it should be borne in mind that full phasing operations are not yet completed, and also that about forty percent of the goods traded in the area do not as yet meet the origin criteria for purposes of free trade area treatment. The list of processes that is to supplement the origin criteria is still to be prepared. In addition, there is the task of negotiating the CARIFTA common external tariff, and beyond that the formulation of the range of policies to third countries.

^{38/} The twelve CARIFTA countries stretching from Belize (British Honduras) to Guyana make up a market of $4\frac{1}{2}$ million persons. This is to be compared with the Dominican Republic, 4 million, and Haiti's 4.6 million population.

^{39/} Reference can be made to the last section of document E/CN.12/886 (ECLA/POS 70/21.Rev.1). The relevant text is attached as Annex III for ease of reference.

53. Integrated industrial development. Final agreement is not yet reached upon the approach to regional industrial integration. After a clear definition of the regime has been formulated and accepted, there will be need for devising a definitive plan of action for facilitating implementation. In this regard, the preliminary work already done by ECLA and UNIDO must be followed by in-depth studies of a more precise nature.

54. Fiscal and Monetary Aspects. The first step is the harmonization of tax measures particularly as they affect investments. Some proposals have been made regarding the avoidance of double taxation within the CARIFTA, but detailed work needs to be done on the domestic taxes which affect or are likely to affect intra-regional trade. It will be necessary also to examine the possible fiscal obstacles to free movement of capital and labour among the countries of the area.

55. Agricultural integration. The main problem here is the traditional orientation of agriculture to the metropolitan markets on a monoculture basis. While there is an obvious need to maintain and increase export earnings, it is also essential for these countries to reduce the high degree of dependence on one or two crops and on just one or two markets. There is already some movement towards diversification, but without a rational approach which gives due attention to the benefits of specialization and complementation, the effort would be duplicative. It is necessary to study too, the possibilities for these mainly agricultural countries with few natural resources, to produce raw materials for industrial purposes. Moreover, no examination has so far been made of the more far-reaching economic aspects with a view to ascertaining new prospects for agricultural integration, or identifying possible impediments to the integration process.

56. Economic infrastructure. The movement towards economic integration cannot be confined to the liberalization of trade alone. The activities of the programme must include the co-ordination of efforts and plans in regard to transport, and some minimum but basically uniform level of port facilities and installations. The inadequacy or absence of many essential infrastructure requirements places the ECCM countries in a

disadvantageous position for development, whether it be in agriculture, industry or tourism, and studies into these aspects will need to be initiated.

57. Social aspects of development. So far no detailed studies have been done, the resources having been limited to the efforts of a single Regional Adviser. ^{40/} With the sharp reduction in emigration, abnormally high rates of unemployment have become evident; nevertheless the sub-region continues to experience a high outflow of trained personnel. It should not be necessary to point out that, given the social pressures that are increasingly evident, urgent attention needs to be given to these matters. Particular attention would need to be paid to the social aspects of agriculture, and to land tenure.

58. Tourism Development. Resource endowment in the Caribbean indicates that one of the best prospects for growth is development of the potential in tourism; this is particularly applicable in the case of the less developed countries. Although the promotional aspects of tourism are fairly well recognised and considerable progress has been made in providing physical facilities, there is a clear and urgent need for research into its economic and social aspects, including the formulation of an area policy. The local value added is relatively small mainly because the developmental aspects of this sector have been neglected. In-depth studies are needed to establish ways to improve the benefit to the local economy, particularly through backward linkage, and to minimise the undesirable social effects that usually accompany the growth of tourism.

59. Improvement and co-ordination of statistics. The analysis of most of the Caribbean economies is seriously hampered by an absence of data and incomparability of relevant statistics. The programme of work must therefore include the co-ordination and improvement of statistics throughout the CARIFTA area. This is a continuous task which must be undertaken in collaboration with the governments themselves and various other regional bodies.

^{40/} ECLA/POS 69/4, ECLA/POS 70/4, ECLA/POS 70/7, and reports of the Regional Adviser Rural and Community Development.

ORIGINS OF OFFICE

In deciding on the orientation and future of the ECLA Office for the Caribbean, account has to be taken of its origins.

The idea of an office was first initiated by the Prime Ministers of Trinidad & Tobago and Jamaica who in discussions with the UN Secretary-General requested that a 'special commission' should be established to deal with problems of the Caribbean area. After detailed examination of this request the UN view was that (a) the Regional Economic Commission would be the most suitable vehicle for meeting the request, and (b) a special commission was not feasible as the Regional Economic Commissions had been established on a continental basis. It would be difficult, they felt, to get the necessary General Assembly approval for establishment of a commission that restricted its scope only to the Caribbean area.

An important consideration that affected establishment of the office was the financial crisis that faced the United Nations in 1965 and 1966 arising mainly over peace-keeping expenditures, and the need to maintain a "standstill budget". There were therefore no new resources for properly establishing an office in the Caribbean. However, the Executive Secretary of ECLA (Dr. José Antonio Mayobre) and the Deputy Executive Secretary (Mr. Manuel Balboa) in conjunction with the Government of Trinidad and Tobago, examined various possibilities for extending the work of the Commission to the Caribbean. The Government of Trinidad and Tobago had indicated an interest in offering host facilities. The final decision was that the main projects of ECLA's Economic Development and Research Division would be expanded to take in the newly independent countries. To assist this process two professional officers would be located at Port of Spain whose main functions would be data collection.

By the time this decision was implemented, the situation had changed. Two more Caribbean countries had joined the membership of the UN; and the range of support required by the Governments extended beyond mere inclusion in already established ECLA projects. The Executive Secretary therefore decided that the ECLA staff at Port of Spain should straightway be established as a sub-regional office, with functions to assist the Governments as they request, to the fullest extent.

In the course of discussions between ECLA and the governments, it became clear that the Prime Ministers placed very high priority on suitable selection of staff for conducting ECLA's activities in the Caribbean area. It was the Governments' view that the two members of staff designated primary responsibility for the Office should be nationals of countries in the Caribbean area; and that they should be selected in consultation with the Heads of Governments. Two Government officials were released on secondment to ECLA. The important consideration was that success or failure would depend very much on gaining the confidence of Governments on an intimate working basis.

ECLA was then accorded a unique role by the area Governments, in contrast to other UN bodies active in the Caribbean. It is the desire of the Governments that ECLA should act as the catalyst to the processes of co-operation and development in the sub-region. With this end in view, the ECLA was specially accorded participating status in Ministerial and Heads of Governments Conferences; a privilege that has been denied to all the other UN bodies operating offices in the Caribbean. This step was taken because the Governments consider that ECLA should at all stages be aware of their new policies, and the range of considerations taken into account in forming such policies.

Summary of Decisions reached in Santiago
18 October 1966

FUNCTIONS OF THE OFFICE

Immediate Objectives

- i. Integrate sub-region with the overall work of the Commission.
- ii. Preparation of country notes for incorporation in the annual economic survey.
- iii. Trade relations and preparations for UNCTAD: incorporate Caribbean area with less-developed Latin American countries.
- iv. Initiate discussions with area governments on their experience in the field of overall planning.
- v. Establish immediate contact with other area Offices (e.g. the British Ministry for Overseas Development etc.)

Longer-term Objectives

- i. Promote economic and social development within the countries.
- ii. Promote co-operation between the countries in the sub-region.
- iii. Initiate contact between Caribbean countries and Continental Latin American countries.

GEOGRAPHICAL COVERAGE

- i. Initial attention to Barbados, Guyana, Jamaica, Trinidad-Tobago, the Leeward and Windward Islands, Surinam, Curacao and Aruba.
- ii. Do not devote attention to Belize since the Mexico Office already covers this country.
- iii. Take no action on Guadeloupe and Martinique at this stage; it would be necessary to speak first with Ambassador Lisette.
- iv. Take no action regarding the American territories i.e. Puerto Rico, American Virgin Islands, etc. pending further decisions.

STATUS OF THE OFFICE

- i. Official name "ECLA Office for the Caribbean".
- ii. Co-operate with UNDP, but maintain an independent status.
- iii. Establish direct contacts with area governments and not through UNDP.

SOME EXTRA-CARIFTA ECONOMIC RELATIONS

Extract from document E/CN.12/886 (ECLA/POS 70/21 Rev.1)

Some Wider Regional Aspects

In the broader context, one could say that many serious problems being faced by CARIFTA derive from the small size of individual member countries and the limited size of the total market of the Association. Even if full integration were achieved among all its members and the specific economic and social problems were solved, still CARIFTA could hardly be expected to be in a position to undertake major investment programmes of industrialization and industrial production for exports, which call for large plants in fields like heavy industry, petrochemicals, mechanical industries, pulp and paper. Areas of activity that are possible of achievement only on a large scale would remain outside the scope of CARIFTA. Such further steps would require a widening of participation to include more countries, or that the CARIFTA group enter into negotiations with other countries or groups of countries, in a process of convergence. Such arrangements would provide new avenues for trade and for possible agreements on complementation which could be a basis for further advancement.

There are already evidences of the development of contacts of various types between the CARIFTA countries and other countries of the Latin American region. As regards widening of CARIFTA membership, it should be noted that formal negotiations for the accession of Belize (British Honduras) are completed. It should be noted too, that studies are in progress regarding the possibilities for developing trade relationships between the Dominican Republic and the CARIFTA countries, perhaps through formal association in the group.

The initiatives for developing closer contacts between CARIFTA members and other countries of the Latin American region are, however, not limited to negotiations and enquiry at the CARIFTA level. In some cases Governments have (i) bilaterally established joint working arrangements, (ii) had direct discussions with private sector interests, and (iii) encouraged co-operation between private sector interests.

A joint Venezuela-Trinidad and Tobago Commission has been established to explore the avenues for co-operation between these two countries. Among other things it is already agreed that there should be a detailed study on the subject of fishing in the waters of the two countries with a view to ensuring rational exploitation of the resources in constructive and co-ordinated effort. Scientific investigation and management of these resources and the possibility of joint investment by the nationals of both countries in fishing enterprises have also been under discussion. In September 1970 Agreements reached between Venezuela and Trinidad & Tobago relating to cultural exchanges, agricultural technology, and fishing, were signed.

In the second category there is the decision by the Governments of the four Windward Islands ^{1/} that a plant for the manufacture of corrugated cartons for packaging bananas should be established. To meet the purpose a company is being established in St. Lucia, capitalized jointly by the four Governments and Papelera Industrial S.A. of Venezuela. The scope of operations will include the packaging requirements of the Windward Islands in particular and the CARIFTA area in general; and the feasibility is being examined for a range of ancillary industries with the plants allocated to various islands.

In the third category, there is for example the merger agreement approved and put into operation between COLTEJER, the largest Colombian textile manufacturer and ARIGUANABO, largest Jamaican and CARIFTA textile producer. COLTEJER has bought a substantial amount of ARIGUANABO equity, and has been given a place in the Board of Directors of the Jamaican firm. The intentions both of ARIGUANABO and COLTEJER are to establish some degree of vertical integration, between the two plants. These mechanisms immediately provide through Colombia and Jamaica a linkage between the CARIFTA group and the Andean Group.

The first priority for CARIFTA countries inevitably must be to get the integration process operating more smoothly and effectively, and to consolidate the gains that have been made in promoting co-operation. Nevertheless, it is not premature for the countries of the region to give thought to aspects of the process of convergence in the Latin American region.

^{1/} Dominica, Grenada, St. Lucia, St. Vincent.

REPORT OF THE JOINT INSPECTION UNIT

On the activities of the Economic Commission
for Latin America

Extract from document E/4935 dated 2 November 1970
(paragraphs 84-92)

Office for the Caribbean

The main function of the Office which is located in Port of Spain, Trinidad and Tobago is to assist Governments in solving the economic and social problems which arise in Caribbean countries in connection with economic integration and development. In addition, the Office collects data on the Caribbean countries, analyses them and provides the secretariat of ECLA with the studies and material needed in the preparation of projects relating to the Caribbean area. The most important fields of activity for this Office are industry, tourism, agriculture, trade and transport. Until the end of 1968, the average number of professional staff at the Office was three, including one regional adviser. This was subsequently increased to five professional staff members, plus four regional advisers. In reality the office is still in the process of establishment. It needs more staff who could be employed in research and in rendering advisory services and technical assistance to the States of the sub-region.

Since it was founded in December 1966, the ECLA Office for the Caribbean has done a substantial amount of work and has taken the initiative in a series of negotiations on trade liberalization questions, including the consolidation of trade agreements, which were subsequently signed and which entered into force in mid-1968. The Office has also taken an active part in setting up the secretariat for the free trade area. It rendered particularly active assistance in the negotiations on the establishment of the Caribbean Free Trade Association (CARIFTA), to which all English-speaking countries in the area now belong. The Office also participated in the creation,

within CARIFTA, of an Eastern Caribbean Common Market made up of the West Indies Associated States. It has taken an active part in the inter-governmental discussions and negotiations on the creation of a Caribbean development bank. It has done a considerable amount of work in the form of advisory services and technical assistance to States of the sub-region in matters of economic co-operation. The Office prepares the passages dealing with its area for the Economic Survey of Latin America.

The Office maintains close contact and continuous liaison with the secretariat of ECLA and receives from it the necessary guidance and help to carry out its work programme. Nevertheless, communications between the Office and the secretariat of ECLA could be improved. The main channel of communication is the office of the Executive Secretary. On individual questions, however, direct consultations take place between the Caribbean Office and the competent divisions of the secretariat. There can be no objection to such direct contacts if they are properly co-ordinated by the office of the Executive Secretary, but in practice cases occur in which secretariat divisions address directly to the Office requests for work or information that are not in keeping with its capabilities or with the priorities of its own programme.

The Office maintains direct contacts with the Mexico and Washington offices of ECLA. In the case of the Washington Office, this involves essentially the receipt of material from that Office of interest to the Office for the Caribbean. The Mexico Office of ECLA gives the Office for the Caribbean direct assistance, both by carrying out specific research projects and by sending out advisers. For example, an industrial adviser was sent from Mexico to prepare and evaluate an industrial project which was subsequently carried out jointly by UNIDO and ECLA. A consultant was sent to assist in the negotiations on the establishment of a Caribbean development bank, and an expert was sent to join the group of experts studying problems of harmonizing incentives to industry and to participate in the Commonwealth Caribbean Regional Workshop on Harmonization of Fiscal Incentives to Industries. The Office maintains direct contact with

the United Nations Information Centre and the representative of WHO/PAHO.

Since, through CARIFTA, it is drawn into actual participation in various kinds of sub-regional studies and activities, it is somewhat awkward for the Office not to participate, in any shape or form, in the execution of UNDP sub-regional projects. The Office is often completely uninformed about the activities of experts in Caribbean countries. This state of affairs makes it impossible for it to render any useful contribution to the co-ordination of the technical and other assistance reaching Caribbean countries through the United Nations. Furthermore, although the Office of Technical Co-operation at Headquarters has issued instructions that copies of all expert reports should be sent to the ECLA Office at Port of Spain, these instructions are not always followed in practice and the office fails to receive many extremely important reports by experts.

We were glad to learn that working relations between the Caribbean Office and the UNDP office in Port of Spain are much more satisfactory since the arrival of the new Resident Representative. However, there seems to be room for further improvement, particularly in relation to Special Fund projects carried out in the Caribbean area. Consultations between UNDP and this dynamic Office, especially on Special Fund projects with a sub-regional content will, we feel sure, be mutually beneficial.

The Office's relations with the inter-American organizations are intermittent and informal. The main dealings are with the Organization of American States and the Inter-American Development Bank, both of which have representatives at Port of Spain.

Closer working relations are maintained with various inter-governmental organizations, such as the secretariat of CARIFTA, the secretariat of the Eastern Caribbean Common Market and the Council of Ministers and secretariat of the West Indies Associated States. In recognition of the part played by ECLA in relations with the inter-governmental organizations, it has permanent official repre-

sentative status in the Conference of Heads of State, the Conference of Ministers and other subsidiary organs of these conferences. This enables the Office to keep well informed of the activities of Governments in matters of co-operation and to co-ordinate its work with them.

Our examination of the Caribbean Office shows that it is an active body which is helping to forge sub-regional co-operation in various fields. The Office has good experts and has the advantage of having established a good rapport with the governments of the countries concerned. The nature and pace of its activities are such that it needs to be strengthened. At present, its administrative setup is not equal to the magnitude of the tasks performed by it and we hope that such strengthening will be possible, even on an ad hoc and temporary basis, by redeployment of the Commission's professional staff rather than by creating extra posts.

R E P O R T
OF
ADMINISTRATIVE MANAGEMENT SURVEY
ON
OFFICE FOR THE CARIBBEAN

OFFICE FOR THE CARIBBEAN

a) Staffing Tables

| | | I | | | | | II | III | |
|-------|-----------------------------------|-------------------------------|------------|------------|------------|--------------|--------------|----------------|--------------|
| | | <u>Professional and Above</u> | | | | | <u>Sub</u> | <u>General</u> | |
| | | <u>D-1</u> | <u>P-5</u> | <u>P-4</u> | <u>P-3</u> | <u>P-2/1</u> | <u>Total</u> | <u>Service</u> | <u>Total</u> |
| (i) | 1970 Authorization | | | | | | | | |
| | Established | | 1 | | 3 | | 4 | | 4 |
| | Provisional | | | | 2 | | 2 | 1 | 3 |
| <hr/> | | | | | | | | | |
| | | | 1 | | 5 | | 6 | 1 | 7 |
| (ii) | 1970 Actual Post Utilization | | 2 | | 2 | 1 | 5 | 1 | 6 |
| (iii) | Recommended by AMS for 1971 | | 2 | 1 | 2 | 1 | 6 | 6 | 12 |
| <hr/> | | | | | | | | | |
| (iv) | Difference between (iii) and (iv) | | | 1 | | | 1 | 5 | 6 |

b) Functions and Work Programme

The ECLA Office for the Caribbean has three main functions:

- (i) Collection of information and preparation of basic studies, as a part of the projects carried out by ECLA Headquarters in Santiago for the whole region.
- (ii) Advisory services to individual Governments to solve specific projects, including in particular the strengthening of National Planning Machinery.
- (iii) Assistance to regional (non-UN) organizations and institutions with a view to promoting economic integration.

In practice, the sub-regional Office appears to give priority attention to its third function. This is due to the relative importance given, in the work programme, to projects requested by (and implemented in co-operation with) CARIFTA and the East Caribbean Common Market (ECCM). In fact, the professional staff in the Office devote more than two thirds of their time to "integration" projects.

The planning of the work programme is to a large extent conditioned by the great number of requests received from Governments, particularly for assistance directed to economic integration. In practice, this means that other than provision of manpower resources required to fulfil the minimum needs resulting from functions (i) and (ii) above, which requests should be acted upon during a calendar year are decided pragmatically, i.e. priorities appear to be largely established on the basis of the manpower resources available to carry them out as opposed to some overall objective that ECLA would like to achieve. While provision is made in the work programme for ad hoc requests expected from Government, e.g. project number 03-7 "Consultations and Advisory Services to CARIFTA, WISA, ECCM, RDA and Member Governments", there are also cases of specific projects not included in the work programme being initiated on short notice because savings become available in the OTC allocation. For example, a Regional Adviser in Tax Laws was recruited (on a 6-month contract) to assist governments, in the preparation of legislation regarding fiscal and budgetary reforms, fiscal incentives to industries, banking and insurance.

The above-mentioned lack of clarity in what the objectives or role of the sub-regional office should be results in approval being given to an ambitious work programme by ECLA Headquarters which is not revised in accordance with a recognized set of priorities when it is finally determined that necessary manpower resources will not be available or ad hoc requests from countries exceed the manpower provision made for this purpose. For example: the 1970 work programme formulated in early 1969 was not revised or reviewed by ECLA Headquarters from the standpoint of reallocation of resources when the approved manpower resources were finally established. Consequently, the pragmatic selection of projects by the Sub-Regional Office as indicated earlier resulted in specific approved projects being cancelled in a de facto fashion such as projects 06-6 (Co-ordinated Agricultural Development); 01-1 (Social Aspects of Development); and 05-0 (Industrial Economics and Small Scale Industry). In addition, the fact that two of these projects, namely: 05-0 and 06-6, were rated "A", or of high priority, and other projects rated "B", or of medium priority, were acted upon further illustrates that priorities are not related to some overall objective or role for the Office of the Caribbean.

c) Organization, Staffing and Manpower Deployment

While the sub-regional Office for the Caribbean in practice is operated as a single unit, (i.e. the lines of authority and responsibility have not been clearly established below the level of the Chief), the main functions or areas of work into which the staff are deployed is reflected on the present organization chart shown in Sub-Section (h) below.

An examination of the present organization chart will show that in addition to the 1970 Actual Post Utilization of the regular establishment contained in the Staffing Tables in Sub-Section (a) above, i.e., 5 professional and 1 General Service posts, the Office has 15 additional posts financed from extrabudgetary resources. These include:

- (i) Five OTC Regional Advisers,
- (ii) Nine General Service posts financed from a contribution from the Trinidad and Tobago Government, and
- (iii) One General Service post financed from the IDB Trust Fund.

Furthermore, three full-time General Service posts are provided against temporary assistance funds. This means that the Office for the Caribbean had a total of 24 staff on board at the time of the AMS survey.

While normally, the relatively small size of a sub-regional office would not justify its fragmentation into units or sections etc., an Office containing 24 staff members on board does require some grouping of activities to allow for a greater delegation of authority and responsibility as well as closer supervision of staff. This can be done by delineating more clearly the substantive activities and those of a supporting nature. In addition to the Office of the Chief, three separate reporting units could be established:

- (i) A Programme Section, which would contain all the Economic Affairs Officers and their needed research and programme assistants.
- (ii) An Administrative Section, which would contain all general service staff performing administrative or clerical activities, including accounts, library, telephone exchange, documents reproduction, etc. This would also include establishment of a secretarial pool containing all secretaries and typists except for the one assigned to the Office of the Chief.

- (iii) Regional Advisory Missions which would contain all the Regional Advisers each of whom would report directly to the Chief.

The above suggestion is shown in chart form on the proposed organization chart in Sub-Section (h) below. The staff deployment and utilization are discussed in Sub-Section (e).

d) Relations with Other Bodies and Units

The senior officers, Office of the Caribbean are of the opinion that the office should have a fourth role, that of co-ordinating all technical assistance activities carried out in the sub-region by the UN and specialized agencies irrespective of the source of financing of the projects (UN Regular, UNDP, etc.). However, in addition to the various institutional problems concerning relationships with other agencies that would require resolution, the lack of clarity in the objectives or role of the sub-regional office coupled with the substantial increase in professional manpower which would be required makes it doubtful if the Office could play this role for some time in the future. Furthermore, as indicated in Section III of this Report, the role of sub-regional offices needs to be rationalized with the overall role and goals of the Commission.

e) Management Practices and Manpower Utilization

As shown in the Staffing Tables in Sub-Section (a) above, the 1970 Authorized Establishment contained 4 established professional posts and 2 provisional posts at the P-3 level. The latter 2 posts had not been filled pending completion of the AMS survey. However, a P-5 post of Senior Economic Affairs Officer was transferred in from the Mexico Office so that the actual post utilization for 1970 amounted to 5 Professional posts and 1 General Service post for a total of six regular posts.

The AMS, after a careful review of the approved work programme and functions of the sub-regional Office considers that the 1970 Authorized Establishment of 6 Professional posts, including the 2 provisional posts, are required, and that the 1970 Actual Post Utilization should be increased by one for this purpose. However, the anomaly, as can be seen on the present organization chart in Sub-Section (h), of a P-3 Economic Affairs Officer acting as the Deputy Chief when there is an established, and encumbered, post of P-5 Senior Economic Affairs Officer, needs to be corrected.

The work programme for 1971 suggests the eventual need for a Social Affairs Officer, and for this reason, the P-5 post (Senior Economic Affairs Officer) could be transferred to another Office in exchange for a P-3 post (Social Affairs Officer) to not only meet this need but also correct the anomaly pointed out in the preceeding paragraph. It is also suggested, that the additional post suggested above be established at the P-4 level and become the post established for the Deputy Chief to provide recognition for the added responsibilities this entails over the P-3 posts.

It is recognized, however, that it may take some time to arrange for the appropriate exchange of the P-5 post for one at the P-3 level. For this reason, the AMS recommended establishment for 1971 in the professional category, as shown in Sub-Section (a) above and deployed as shown in the proposed organization chart in Sub-Section (h) below, still includes provision for the P-5 (Senior Economic Affairs Officer).

It should also be pointed out that while the draft programme of work and priorities 1969/1971 approved by the Commission at its 13th Session represents a requirement of 84 man-months of professional services for 1971, i.e. approximately 7 Professionals instead of the 6 suggested above, some of the projects fall mainly within the spheres of other organizations of the UN family. Until such time as a specific agreement between ECLA and the organizations concerned (FAO and UNIDO) has been reached concerning the initiation of joint programmes in the sub-region, a seventh Professional post does not appear to be needed. Furthermore, the decision of UN Headquarters to assign to the Caribbean sub-region one of the four multi-disciplinary teams to be organized, hopefully in the near future, is another factor to be considered before the establishment is increased beyond the six Professional posts suggested above.

Insofar as the General Service posts are concerned, the AMS suggests that the 1970 Actual Post Utilization, see Sub-Section (a), be increased from one to six to form the basis of the 1971 Authorized Establishment. Three of the five additional posts, however, are intended to regularize the conditions of service of two research assistants and one stenographer, currently paid out of temporary assistance funds. The AMS is satisfied that the workload of the Office requires this action and that the morale of the three employees concerned will be improved immeasurably.

In fact, the research assistance needs of the Office are such, that AMS believes that an additional research assistant is required, over and above the two presently employed under temporary assistance, to allow internationally recruited officers to concentrate on duties of a professional nature and to reduce the excessive amounts of overtime (average of $57\frac{1}{2}$ hours per month for the 75% of the staff involved) which they must work under present circumstances.

The remaining General Service post, i.e. the fifth, suggested as an additional need is a Programme Assistant. The workload involved in programme co-ordination and technical assistance presently occupying the full time of one Professional, along with some administrative matters, and engages the attention of other Professionals requires the full time services of an additional post for this purpose if the substantive programme is to be carried out.

The deployment of the suggested 1971 authorized establishment, along with posts financed from extrabudgetary sources, is shown on the proposed organization chart in Sub-Section (h) below.

f) Conclusions

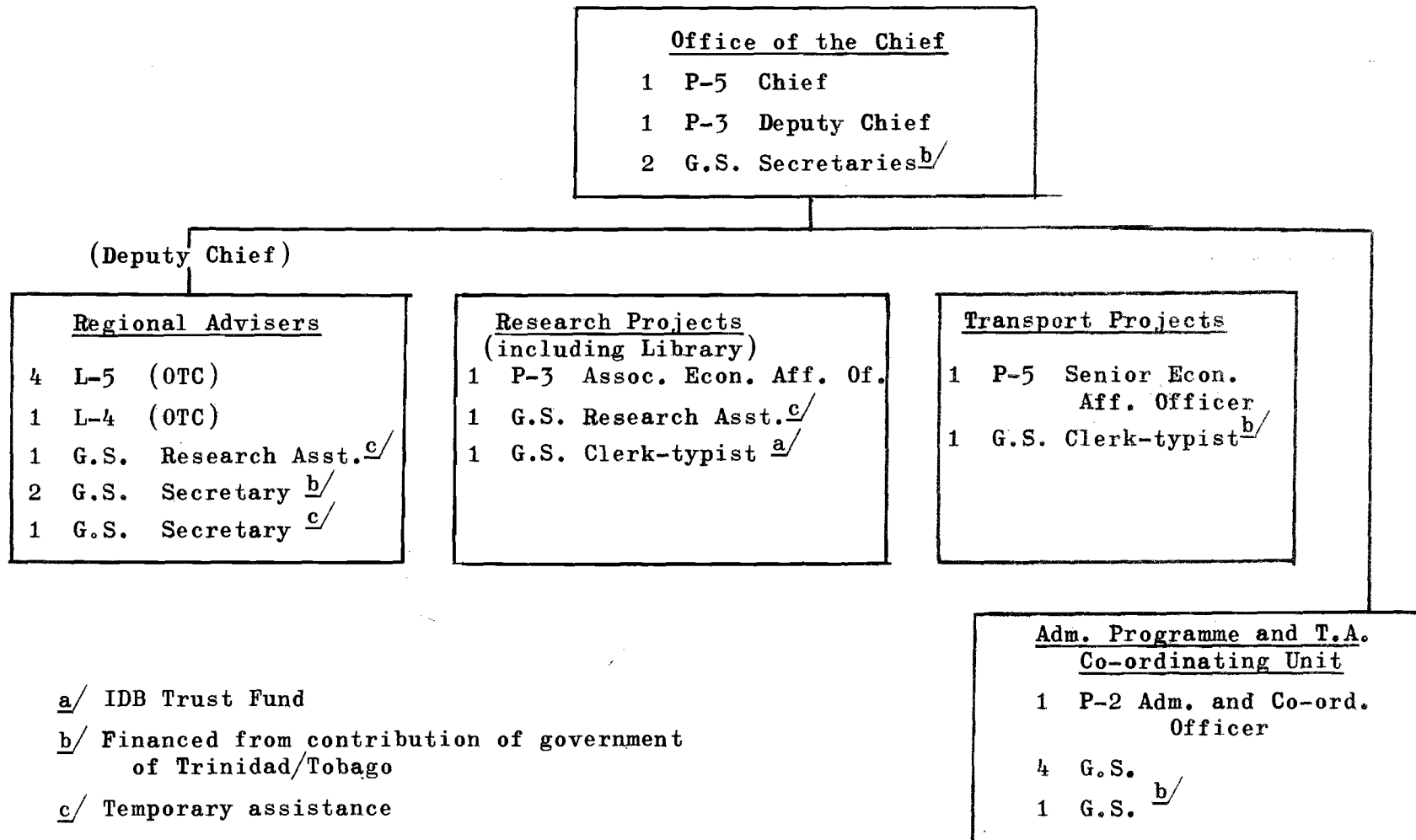
It can be concluded from the brief summary of findings and suggestions above that the basic aims and objectives of the Office of the Caribbean, including the role it is expected to play in ECLA, need clarification and a series of priorities related thereto for the development of work programmes and allocation of scarce manpower resources. This can be done with the co-operation, and leadership, of the proposed new Programming Office recommended earlier in this Report.

The Office of the Caribbean could be re-organized into three separate reporting Units to permit a greater delegation of authority and responsibility of Chief's Office. In addition to the Chief's Office, the three Units could be:

- (i) A Programme Section - which would contain all Economic Affairs Officers and their needed research and programme assistants.

SUB-REGIONAL OFFICE FOR THE CARIBBEAN
Actual Post Utilization (October 1970)

(h) Organization and Staffing Charts
 (i) Present Organization

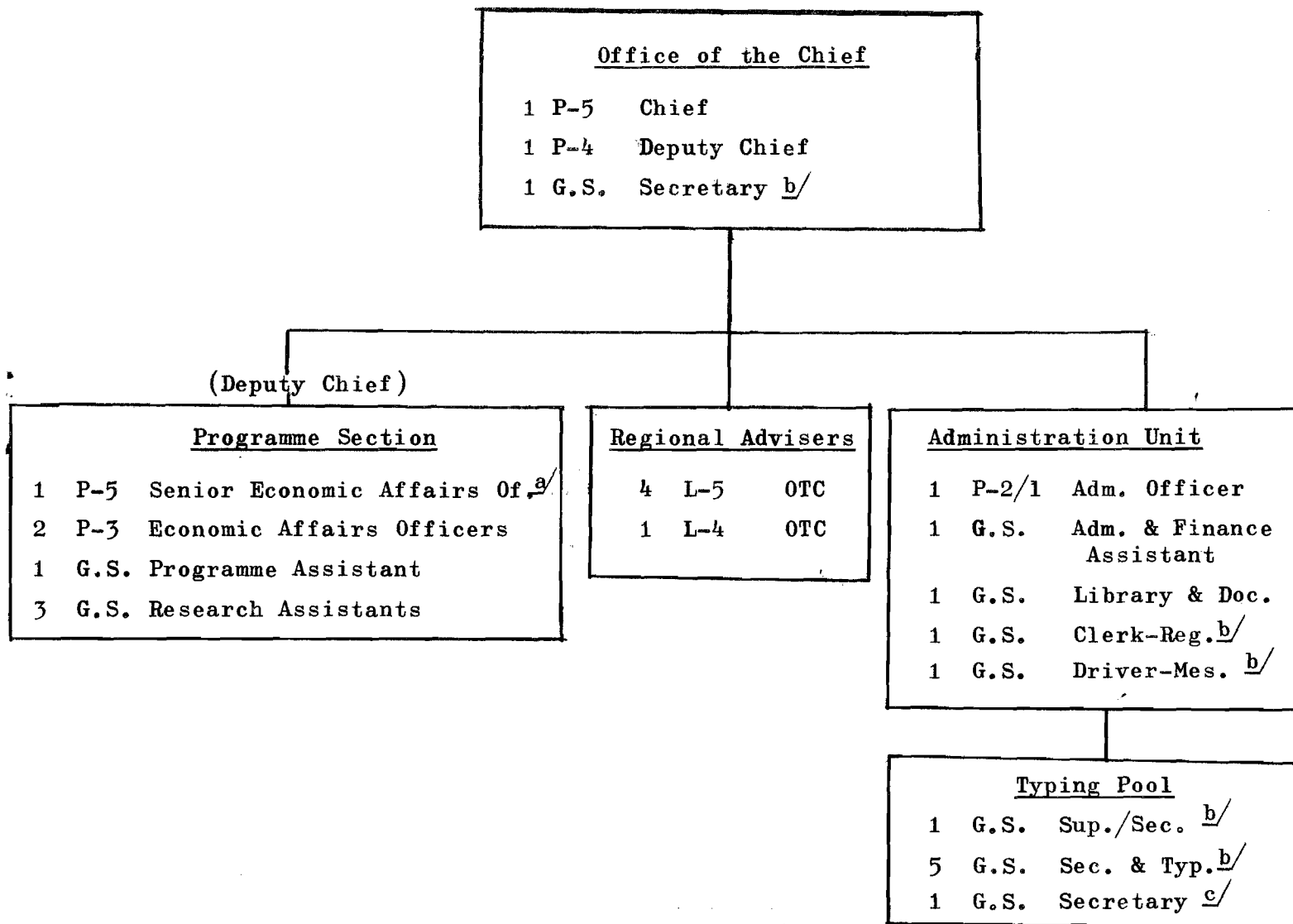


(h) Organization and Staffing Charts

(ii) Proposed Organization

SUB-REGIONAL OFFICE FOR THE CARIBBEAN

Proposed Staffing (AMS 1971)



| | <u>P-5</u> | <u>P-4</u> | <u>P-3</u> | <u>P-2/1</u> | <u>Sub-Total</u> | <u>G.S.</u> | <u>Total Reg.</u> | <u>XB0s & TA</u> | <u>Grand Total</u> |
|------------------------------|------------|------------|------------|--------------|------------------|-------------|-------------------|----------------------|--------------------|
| 1970 Actual Post Utilization | 2 | - | 2 | 1 | 5 | 1 | 6 | 18 | 24 |
| AMS Recommendation - 1971 | 2 | 1 | 2 | 1 | 6 | 6 | 12 | 15 | 27 |

a/ to be replaced by a post of Social Affairs Officer (P-3) as soon as practicable.

b/ financed from contribution of government of Trinidad/Tobago.

c/ IDB Trust Fund.

