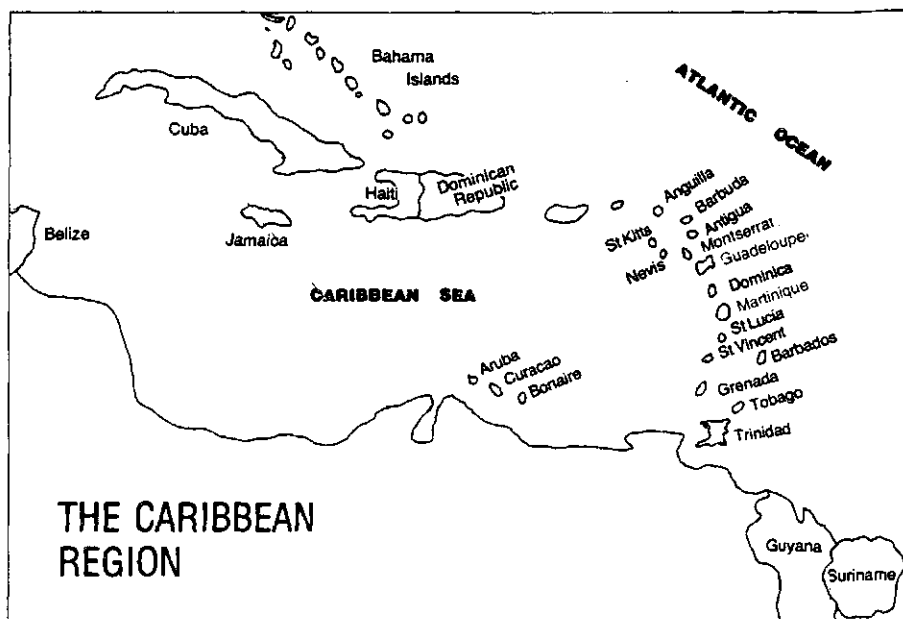


CARIBBEAN
DEVELOPMENT
 AND
CO-OPERATION
COMMITTEE



GENERAL

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ECONOMIC COMMISSION FOR LATIN AMERICA
 Subregional Office for the Caribbean
 CARIBBEAN DEVELOPMENT AND CO-OPERATION COMMITTEE



REPORT OF THE THIRD MEETING OF
 CARIBBEAN HEADS OF PLANNING
 (28 April-2 May 1983,
 Port-of-Spain, Trinidad and Tobago)



UNITED NATIONS

ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean

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CHAPTER I

ORGANIZATION OF THE MEETING

1. The Third Meeting of Heads of Planning of Caribbean Countries organized jointly by the Economic Commission for Latin America (ECLA) Subregional Office for the Caribbean and the Institute for Social and Economic Planning of Latin America (ILPES), was held at the Holiday Inn, Port-of-Spain, Trinidad and Tobago from 28 April to 2 May 1983.

Attendance^{1/}

2. Representatives of the following member countries of the Caribbean Development and Co-operation Committee (CDCC) attended the meeting: Barbados, Cuba, Grenada, Jamaica, Saint Lucia, Suriname, Trinidad and Tobago. Representatives from the associate member states - Netherlands Antilles and St. Kitts-Nevis - also participated.

3. Representatives of the following intergovernmental organizations and bodies attended the meeting: Caribbean Community Secretariat (CARICOM), Inter-Agency Resident Mission (IARM), Organization of Eastern Caribbean States (OECS), United Nations Development Programme (UNDP) and the United Nations Department for Technical Co-operation for Development (UNDTCD).

Election of Officers

4. The following officers were elected:

Chairman:	Frank Thompson	(Trinidad and Tobago)
Vice-Chairmen:	Joan Antonius	(Suriname)
	Harcourt Williams	(Barbados)
Rapporteur:	Terrence Moore	(Grenada)

^{1/} The full list of participants appears in Annex I.

Adoption of the Agenda

5. The following agenda was approved:
 1. Election of Officers
 2. Opening Statements
 3. Fourth Meeting of Ministers and Heads of Planning of Latin America, Buenos Aires, Argentina, 9-19 May 1983:
 - (a) State of Planning in Latin America
 - (b) Evaluation of ILPES paper "Planning and Development in the Caribbean Area - Background and Prospects".
 4. Report and Evaluation of CDCC Work Programme in Planning:
 - (a) Training Activities
 - (b) Agricultural Planning
 - (c) Physical and Regional Planning
 - (d) Energy Planning
 - (e) Manpower Planning
 - (f) Transportation Planning
 5. Discussion of new issues requested by Governments:
 - (a) Economic Planning and Social Policies
 - (b) National Planning with special emphasis on very small states
 6. Other Matters
 7. Consideration and Evaluation of the Report.

Opening Statements

6. The Chairman thanked the meeting for according the honour of the post of Chairman to his country, and to himself. He hoped that the

meeting would be fruitful and help to advance solutions to the pressing problems of the region. He then introduced the keynote speakers, Mr. John Spence, Director, ECLA Subregional Office for the Caribbean, Mr. Eduardo García D'Acuña, Director of Research of ILPES and Mr. Frank Barsotti, Permanent Secretary in the Ministry of Finance and Planning of Trinidad and Tobago. Copies of the statements are annexed to the report.

CHAPTER II

FOURTH MEETING OF MINISTERS AND
HEADS OF PLANNING OF LATIN AMERICA

7. Mr. Eduardo García D'Acuña, Director of Research, Latin American Institute of Economic and Social Planning (ILPES), informed the meeting of the organizational arrangements and issues that would be discussed at the Fourth Meeting of Ministers and Heads of Planning of Latin America to be held in Buenos Aires, Argentina from 9 to 10 May 1983.

8. Following from the Third Conference of Planners held in Guatemala in 1980 the main item on the agenda for the Fourth Meeting is a continuation of the examination of the state of planning in Latin America and the Caribbean. In respect of national planning experiences, three specific items have been agreed upon for discussion:

- i. The relationship between economic policy and planning - namely the problems of establishing internal consistency between the two;
- ii. Regional experiences in participative planning where national experiences with popular involvement in the planning process can be discerned; and
- iii. Environment problems and the use of non-renewable resources.

9. The Technical Committee of the Institute is to evaluate the work programme for the next biennium and consider its implementation. Broad participation of all Latin American and Caribbean countries is expected.

10. With respect to documentation for the meeting, the Institute had prepared two basic documents, one general paper, entitled "Planning and Economic and Social Policy in Latin America and the Caribbean, Summary and Conclusions", and the other devoted specifically to the Caribbean entitled "Planning and Development in the Caribbean - Background and Prospects".

11. Early distribution of these documents has been sought to ensure the availability of comments and inputs from the governments. The representative of ILPES expressed the Institute's desire to have reactions from delegates at this Third Meeting in order to obtain a Caribbean position with respect to these documents.

State of Planning in Latin America

12. The representative of ILPES made a general presentation on the state of planning in Latin America on the basis of the abridged document being submitted to the meeting. This comprises the summary and conclusions of the main document which has already been forwarded to all governments.

13. He stressed ILPES' conviction that, in spite of the different methodologies, size of countries and development strategies, there were enough common elements as regards the conceptual framework and basic goals and objectives of planning to justify a discussion at the regional level.

14. The basic document re-assesses the role of planning in development in the light of the situation of the region in the 1970's. This period experienced a weakening of planning in the region, as a consequence of frustrations and so-called failures of the strategies proposed in the previous decade, and there was a resurgence of the neo-liberal thesis of the market being the main or only mechanism to allocate resources and set the direction of development efforts.

15. The first years of the present decade show a movement back towards planning as a necessary tool in the light of some classical and even orthodox arguments, such as the failure of the market to assign resources in an adequate way, especially when costs and benefits have scale effects. An example of this is the case of the interaction between environmental effects and production and consumption process. It was also recognized that the market was unable to deal adequately with uncertainty and risk, and it was often necessary for an external agent, such as the state, to act. The free market had also failed to provide adequate social responses to the use of the social surplus as had been pointed out in the past few years by Dr. R. Prebisch in his analysis of the crisis of peripheral capitalism.

16. The document explores the development strategies and planning modalities being used in the region and draws a typology of three broad models - two involving the market in strategies for mixed-economies and the other the socialist experience, namely that of Cuba. The first two are distinguished by the degree of involvement of the State. In the first case, planning has an indicative or orienting nature, where the State has a subsidiary or corrective role, and the market is seen as the primary agent of economic development. In the other, the State has more than a corrective role and controls a significant amount of resources through publicly owned and administered enterprises; however, a harmonious integration with the private sector is envisaged.

17. An approximate ranking of countries has been made in these categories, bearing in mind that the classification is not rigid but rather shows changes in emphasis and, thus, a country can move from one to the other at different stages.

18. The document summarizes planning activities carried out by the countries in the 1980-1982 period. Due to resources and information constraints, only six countries - Brazil, Costa Rica, Mexico, Trinidad and Tobago, Uruguay and Venezuela - have been given specific considerations.

19. The document also analyses the economic policies of the countries in the region for the 1980-1981 period. ILPES was of the view that planning in the past had only a weak linkage with economic policy instruments and there was now a need for renewed emphasis on their interaction.

20. Recent economic policy has been a reaction to short-run, conjunctural changes and the unfavourable international situation. Examples of this are exchange rate fluctuations and foreign indebtedness, which grew rapidly in the 1976-1980 period as a result of the high liquidity and low interest rates of the financial markets at the time. The changes experienced since 1980 have forced a redefinition of economic policy in exchange rates, monetary and fiscal matters. An acknowledgement of this situation leads to one of the main conclusions of the document, that is the vulnerability of the planning process to the external sector. In other words, the policies adopted by the developed

industrialized countries can and have recently changed the rules of the game for the more advanced developing nations. This has entailed the frustration of development plans drawn at the end of the 1970's, when, in what hindsight shows was a simplistic assumption, linear projections of internationally favourable tendencies were assumed.

21. This leads to the conclusion that medium and long-term plans based on rigid assumptions of the external framework are non-realistic exercises. As a result there is the need for a continuous objective and realistic evaluation of the international situation which, with enough anticipation, might forewarn of dangers ahead, although it is recognized that it is becoming increasingly difficult to make accurate projections and predictions. ILPES intends to offer the region an alert service on the international situation which will provide the countries with alternative scenarios for their planning exercises.

22. Other recommendations contained in the document deal with the need for countries with strong public sectors to emphasise planning methods that enhance their operative capacity and ensure greater efficiency. This is of greater relevance the larger the state sector and its impact on the economy.

23. Several delegations made general remarks on the document and on the state of planning in their respective countries. They pointed out that the document had been received by them only hours before the meeting. It was nevertheless evident that the situation of several Caribbean countries had not been reflected in the general overview of the state of planning in Latin America and the Caribbean, especially with regard to planning activities in the 1970's.

24. The representative of ILPES indicated that lack of mention of several countries was not to be taken as an indication that no planning activities were being implemented by those countries, and that given additional information some omissions would be corrected. He also stated that the specific case of the Caribbean was dealt with in a separate document devoted to the subregion.

25. Several delegations, in outlining the state of planning in their countries, mentioned common problems such as the internal and external constraints faced by their planning processes, the high dependency on external factors and the evolution of the international economy both in terms of commodity prices and the close ties between national planning efforts in the Caribbean. It was generally agreed that the need for external funding was of significant influence on the contents of the plan.

26. It was pointed out by the delegation of Trinidad and Tobago that the report erroneously referred to high deficits in public expenditures from 1975 on, while for the five-year period 1975-1980 this was only true in 1979. Moreover the five-year report of the National Advisory Council was a report on its own activities and was not intended to substitute for a national plan. That delegation also referred to the opening statement of the Permanent Secretary in the Ministry of Finance and Planning which had indicated a significant level of sectoral planning for the period in Trinidad and Tobago. It was also noted that a new National Development Plan was almost complete.

27. The delegation of Suriname indicated that its development strategy aimed at creating a more self-reliant economy through increasing its economic independence, generating productive employment and favouring a regional balance of economic activities in its territory. This strategy entails the drastic reallocation of resources to nationally controlled resource-based investments. The diversification of the economy and employment, the latter both qualitatively and quantitatively, is emphasized as well as the strengthening of a nationally controlled primary sector. In this sense investment becomes crucial to permit adequate sectoral and physical planning of economic activities. The influence on planning and plan implementation that derives from dependence on external financing was critical in the case of Suriname. The delegate recalled the treaty signed with the Netherlands in 1975, whereby that country was to provide 2.7 billion Suriname Guilders over a 10-15 year period. In spite of expenditures under this programme averaging 120 million per year, the development objectives of the Government of Suriname had not been attained and the aid was seen as favouring an increase in dependence and unbalanced development.

After 1980 it became obvious to the Government of Suriname that the Government of the Netherlands did not endorse the country's strategy and in 1982 no new projects were approved. The situation deteriorated further and starting in 1983 all Dutch aid had been suspended. It was under these circumstances that Suriname sought joint projects with nations from the Third World especially in the Caribbean and Latin America.

28. This delegation endorsed the four reasons given by the representative of ILPES to justify planning and suggested a fifth that should be made explicit, i.e. planning as a set of activities, projects and measures for achieving development activities.

29. The delegate from St. Kitts-Nevis stated that his country would be publishing a plan in 1983. He emphasized that, given their present lack of infrastructure, small newly independent island states such as those of the OECS depended heavily on foreign development aid. As a result, there was a need for ILPES to give special consideration to these states taking into account such factors as monoculture, fluctuating commodity prices, as well as the added difficulty faced by small nations with limited markets in creating an industrial sector as an alternative to primary agricultural production.

30. The delegate of Barbados referred to the recent medium-term plan which covered the four-year period April 1979-March 1983. A four-year plan for the period April 1983 to March 1987 was in an advanced state of preparation. The plan objectives of the previous plan were summarized as maximization of output, diversification of the production structure, reduction of inflation, increased employment, improvement of the balance of payments and improvement of the present distribution of income. The 1979-1983 plan contemplated investment of 562 million Barbados dollars and an annual growth averaging 4 percent per annum in the period with manufacturing and tourism as the leading sectors. Although the economic recession did not permit all the targets to be met, it is expected that 70 percent of the plan was achieved. Growth rates were respectively of 5 percent in 1979 and 7 percent in 1980 followed by decreases in growth of -2.6 percent in 1981 and -5.0 percent in 1982.

31. The delegation of Grenada indicated that the process launched in that country emphasized self-reliance as a strategy whose objectives could be summarized as raising standards of living and reducing economic dependence on the external sector by diversification of the productive sector. It was intended to increase the thrust of the state and co-operative sectors in some priority areas such as agriculture, fishing, tourism and manufacturing. Grenada was at present experiencing some constraints of its planning process due to lack of comprehensive data and information systems and of technical and managerial resources as well as financial constraints. These affected the efficient management of state enterprises and limited the internal capacity of generating surpluses, thus aggravating the dependency on external resources and limiting the extent and direction of planned action.

32. The delegation of Saint Lucia indicated that a national development plan was to be published this year with long, medium and short-term considerations. In the face of lack of available resources and financial assistance for development, the Government of Saint Lucia hoped to ensure that whatever resources were generated internally would be so allocated as to make an impact on development.

33. The representative of ILPES recognized that many of the external constraints described by delegations were peculiar to small-island economies and also relevant to the larger countries in the region. By way of example, he cited the present debt problems of Brazil and Mexico and their relationship to the international situation.

34. It was agreed that because time had overtaken events the proposed ILPES questionnaire on the state of planning in the Caribbean should be merged with a discussion of the ILPES paper "Planning and Development in the Caribbean Area - Background and Prospects". The latter paper was introduced by the Director of Research of ILPES who, after highlighting the various studies on planning experiences documented in the work of Caribbean writers, asked that emphasis be given to the lines of action suggested in the concluding chapter. In particular reference was made to the need for flexibility in macro planning to take account of country differences, and sectoral plans in such areas as energy and social planning which would serve to spread the fruits of enhanced economic activity more widely through the society. The importance of participative planning was also stressed.

35. Since the experiences of all Caribbean countries were not fully reflected in the paper, some countries agreed either to prepare sections on their experience for inclusion in the review, or to give a clearer picture of their case in suggested revisions. The meeting debated at length the proper role of models and econometric techniques in the planning exercise of Caribbean countries where in many cases the data base was weak and the view emerged that techniques used should be kept in proper perspective.

36. The meeting addressed the question whether in light of the forthcoming Buenos Aires meeting of Ministers and Heads of Planning ILPES required a mandate from this meeting to guide the work programme of the proposed subregional office of ILPES. Some delegations argued that because of the late receipt of the paper they were unable to give definite comments at this time and suggested that the Director of Research of ILPES assist by highlighting the critical sections of the document which might be pertinent to the work of ILPES on the Caribbean project. It was felt that while this could easily be done it would be better for the points of view which might emerge from discussions during the rest of this meeting to condition the proposals finally made. The meeting agreed that the question should remain open for subsequent comment.

Evaluation of ILPES Paper "Planning and Development
in the Caribbean Area - Background and Prospects"

37. The representative of ILPES presented a proposal for the establishment of a Caribbean Office of ILPES. The text of the proposal is contained in Annex III. He requested that the Meeting consider the proposal and provide a clear mandate preferably to the Fourth Meeting of Ministers of Planning of Latin America.

38. In the ensuing discussions delegations expressed satisfaction for the ILPES proposal. It was proposed that there should be a strong Caribbean input into the establishment, direction, personnel and co-ordination of such an ILPES activity. The CDCC work programme and organization in planning should be integrally related to the proposed ILPES activity from its inception. Final approval of the project should await the next meeting of CDCC by which time a definite project would

be clearly defined. In this regard ILPES was being requested to submit a complete project proposal including financial arrangements to that meeting. The view was also stated that initial financing should be undertaken by ILPES to demonstrate its commitment. The consensus emerged that the ILPES Caribbean Office should be located in Trinidad and Tobago in the ECLA/CDCC Office to maximize the benefits which could accrue from the expertise, information and organizational facilities of that Office.

39. Observations were also made regarding the need for the proposed work programme of ILPES, to address the specific and particular circumstances of Caribbean countries. Suggestions were also made to include air and maritime transport links, and an evaluation of non-traditional markets in the section on planning and economic policies in the foreign sector.

40. In response to the question regarding the financial implications for the region, the representative of ILPES indicated that it was too early to be specific, but ILPES was committed to the project and hoped that contributions would be forthcoming from participating countries. He assured delegates that the ILPES project would be a part of the ECLA/CDCC system of activities and it would be located where the delegations proposed, provided the necessary support services were available.

CHAPTER III

REPORT AND EVALUATION OF THE WORK PROGRAMME OF THE CARIBBEAN DEVELOPMENT AND CO-OPERATION COMMITTEE (CDCC)

41. The Secretariat gave a brief presentation outlining the background and mandate of the CDCC Work Programme in Planning. Reference was made to the resolution adopted at the Second Meeting of Planners and the discussion of the Fifth Ministerial Meeting of CDCC. It was recalled that six subject areas had been isolated for priority treatment: Agriculture, Energy, Physical and Regional Planning, the Transport Sector, Manpower Planning, and Training in the methodology and techniques of Development Planning.

42. The Ministers had mandated that ad hoc working groups which might comprise governmental specialists as well as consultants from the Universities, and International Agencies as appointed, should be convened for each subject area. The meeting was informed that reports of the working groups had been circulated to all CDCC countries and that progress reports on the work programme in planning had been presented to the Sixth and Seventh Sessions of CDCC.

Training

43. It was noted that activities had been mandated in the area of training as follows:

a) Survey of Training needs
in the Eastern Caribbean

44. A survey of training needs in the OECS was carried out by Dr. George Reid in March and April 1981. The Secretariat gave a brief outline of the structure and contents of the report.

45. The report concluded that there was no coherent programme to upgrade the skills of local planning personnel in OECS countries. It was therefore proposed that the creation of such a programme should be undertaken as a first priority. As a first step, persons responsible for administering programmes for the training of public officials would need to be made aware of the various alternatives available for training of planners.

46. It was also proposed that before any new training courses were arranged, a workshop should be convened by ECLA to include representatives of planning agencies and training units of OECS member states, the OECS Secretariat, and international agencies currently providing training facilities in the region. The purpose of the workshop would be to assist each country to use the training opportunities which were currently available to formulate a training programme for the development of its manpower capabilities in the area of planning.

b) Training Course for Public Officials in Grenada

47. It was noted that the first training course for public officials under the CDCC planning programme was held in Grenada from 19-27 September 1981. The course also included participants from Saint Lucia and Suriname and provided a useful pilot effort for future initiatives.

c) Training Course for Planners in Jamaica

48. The Meeting was informed that the course scheduled for Jamaica had not yet been implemented and had been postponed at the request of that government.

49. In concluding his presentation the representative of the Secretariat asked delegations to indicate which aspects of training for planners they considered important.

50. The Meeting was also asked to approve the convening of an ad hoc group to assist governments to prepare a coherent and integrated programme in training for planning personnel.

51. The representative of ILPES informed the Meeting that ILPES training courses would in future reflect a shift in orientation. It was felt that in the past the course had been too long and technical. Focus would now be placed on a workshop oriented to the discussion of specific issues such as:

- Current problems and their relationship to the external sector
- Alternative Development Strategies

- Role of the state in Planning and Development.

The course as planned would be for 2.5 months and it was hoped to conduct a workshop for the English-speaking Caribbean.

52. Discussions started with the delegation of the Netherlands Antilles informing the meeting of the initiative being taken for the conduct of a regional workshop on planning, being developed with assistance from ECLA, and scheduled for the first quarter of 1984. That exercise was to be preceded by a national workshop during the last quarter of 1983. The subjects to be covered included: physical and regional economic planning, the use of quantitative planning techniques in small states, the preparation of statistical series, and the tasks of data collection. A co-sponsor was still to be found and negotiation with the appropriate funding agency should soon begin. A further step envisaged was the development of a system for exchange of tutors, students and planning officials. There should be about twenty participants from outside the Netherlands Antilles, with the workshop having a duration of seven days and also utilizing lecturers from outside the Netherlands Antilles. The delegation was desirous of having the reaction of the other Caribbean countries.

53. The delegation of Suriname indicated that its training needs were mainly in the areas of project design and preparation, the training of mid-level personnel in techniques for the comprehensive planning of the state sector, and training in demographic techniques including population forecasting.

54. The delegation of St. Kitts-Nevis informed the Meeting that, in collaboration with OECS, they had been conducting a series of workshops which covered a wide range of subjects including budget and budget planning. In addition, there had been training for statistical personnel within the UNDP project at the OECS. The present requirement was for national workshops to train low-level personnel, especially those people who have to compile basic data for planning. The training of low-level planners was an urgent need. That effort should be supplemented by assistance with demographic trends.

55. The delegation of Trinidad and Tobago explained that national training activities were conducted by the Central Training Unit and covered a wide range of subjects including project design and preparation. The courses conducted by the Central Training Unit were at various levels, and intended for nationals. There were, however, courses by other agencies e.g. courses in different aspects of statistical work conducted by the Central Statistical Office in which other islands participated. Examples quoted were mid-level training courses for clerical people moving to the administrative grades in which only nationals participated, and project evaluation courses that are held annually for academically qualified personnel.

56. The delegate of Saint Lucia indicated that they have been carrying out training programmes for middle and top-level people and the present need was for training of low-level personnel.

57. The observation was made that ECLA could beneficially undertake the role of assisting with the co-ordination of training courses of various countries with the view to making them open to the benefit of the entire Caribbean area. In this context the definition of junior-level, mid-level and top-level was stipulated as: junior-level personnel were those without university training who performed operational, statistical and other data collection and computation functions; middle-level personnel being graduates with training in planning; and upper-level being those persons with decision-making functions in the system (whether or not university trained).

58. The representative of CARICOM drew attention to the critical need for training to be so oriented as to result in the development of fully integrated planning teams, if planning is to proceed as a coherent exercise. In particular there was need for specialists in the real sector and specialists in the monetary sector to work with and complement the efforts of the planners. This view was endorsed by the representative of ILPES who pointed out that for planning to be effective there was need for a team of specialists that could act together.

Agricultural Planning

59. The Secretariat in introducing this item, drew attention to the fact that the Ad Hoc Working Group on Agriculture had not yet met. The wider framework for agricultural planning established on the basis of the recommendation of the First Meeting of Planners was reflected in the work being undertaken by the Secretariat. After noting that Caribbean economies remained outward looking, chronically short on foreign exchange, with poor agricultural management systems and low levels of agricultural productivity, attention focused on the theme "Production of Food for Consumption and Export: the need to achieve the optimum" which had been selected to form the first subject for evaluation by the Ad Hoc Working Group of Agricultural Planners.

60. The Secretariat presented and analysed a range of data on domestic and export food production and food import and export as well as a number of empirical propositions on the share of domestic agricultural production and food balances.

61. It was argued that in planning the agricultural sector cognizance had to be taken of the efficiency of allocating resources between the main competing sectors. It was recognised that the success of this depended on the extent to which factors of production were indeed mobile between large and small farms and between export and domestic oriented farm production.

62. In the extended discussion which ensued, it was suggested by the delegation of Grenada that in addition to increasing agricultural production and levels of productivity, marketing problems should be added to the list of critical considerations for the 1980's. It also emerged that structural transformation in agriculture was not an overnight occurrence and that the unemployment which it generated would require other policies such as labour retraining as part of an overall package. It was pointed out by the delegation of Suriname that the dichotomy traditional/modern if added to large/small and export/domestic could throw light on some of the problems at hand. It was also highlighted that a mere change in ownership structure did not guarantee increased production and productivity.

63. The delegate from Suriname considered that emphasis should also be given to a third category of farming i.e. the modern commercial sector.

64. In conclusion, it was argued that the forthcoming paper would seek to highlight the main issues and point to the problems which had to be planned for, since the transformation of the agricultural sector was indeed a very complex matter.

Physical and Regional Planning

65. In presenting this agenda item, the Secretariat recalled the specific mandate of the Second Meeting of Caribbean Heads of Planning which directed the working group to focus on "the relationship between planning for the environment and other aspects of planning, taking into account the importance of the Marine Environment to CDCC member states and also the importance of planning in coastal area development".

66. He informed the Meeting that the Ad Hoc Working Group had met in Grenada from 16-17 September 1981, and had selected a project from the Caribbean Environmental Action Plan entitled "Development of environmental impact analysis of major development projects and plans in order to incorporate the dimension of the environment and national resources in the planning and implementation of Socio-Economic Development Programmes". The ad hoc group had emphasized the importance of the training component but cautioned that this should take into account the needs and constraints of small Caribbean islands.

67. These proposals had been presented to the Second Meeting of the Monitoring Committee of the Caribbean Environmental Action Programme which met in Cartagena, Colombia from 17-19 March 1983. In view of the fact that Environmental Impact Assessments were given high priority, it was agreed that a training course in this discipline was desirable for Caribbean Planners. The course which would be sponsored by United Nations Environment Programme (UNEP) would receive assistance from the Secretariat and was scheduled for late 1983. It would focus in the first instance on the countries of the Commonwealth Caribbean.

68. In closing its presentation, the Secretariat expressed thanks to the Government of Cuba for conducting a seminar on physical regional planning which had been open to participation by all CDCC countries. Summaries of the papers presented to the seminar were available to interested delegations.

69. In the ensuing discussion some delegations expressed the view that the focus on environmental impact assessment was too narrow and that other elements of physical and regional planning needed to be emphasized particularly the institutional relationships between national and physical planning.

70. The delegate of the Netherlands Antilles emphasized that training had to have a focus and that the objective of planning was implementation. After some of the physical planning initiatives being conducted in his country had been outlined, a slide presentation was made of activities being carried out on the island of Curacao, to interested physical planners.

71. The delegate of Trinidad and Tobago stressed the importance of integrating physical and regional planning into the overall national plan. Environmental factors needed to be considered before the projects came into being and not after. Moreover, physical plans needed to take account of the views of the communities upon which they would impact the most so that popular participation of affected persons needed to be built into the planning process. The subject of zoning and the difficulties of implementing zoning regulations in some countries was also discussed.

72. The delegate of Suriname outlined the activities of that country in the field of physical and regional planning, emphasizing the link between overall national planning, regional plans and local population. She indicated that land use planning which optimized the use of the available land was also important.

73. The delegate of Grenada informed the Meeting that physical planning was now an integral part of the budget/plan and that neither state enterprises nor private individuals could commence construction

without the approval of the Physical Planning Unit and the Land Development Control Authority, which were under the overall policy guidance of the Ministry of Planning.

74. The delegate of St. Kitts-Nevis expressed a similar programme to that of Grenada and requested assistance in formulating a proper land use policy.

75. The representative of ILPES outlined some of the activities carried out by that organization in the field of physical and regional planning. He indicated that considerable expertise had been accumulated on the topic which allowed effective training. Reference was made to a nine-week training course for government personnel in physical and regional planning.

Energy Planning

76. The Meeting was informed that the Ad Hoc Working Group on Energy had not yet met. This group had been mandated to prepare a methodology suitable to compiling energy balance sheets for member countries and for the collection of relevant data. Seeing that the CARICOM Secretariat had a well advanced programme of work on these matters, action was not hastened in order to minimise duplication of effort. It had subsequently been ascertained that certain countries had not derived benefits from falling oil prices. Data on the structure of petroleum prices obtaining in the region had therefore been collected on the OECS country experience by an energy specialist based in Grenada and the OECS energy officer. It was expected that this could form an input into the CARICOM regional energy plan. A paper entitled "An evaluation of the Price Structure of refined Energy Petroleum products in CDCC countries" (CDCC/PWG:E/83/3) had been prepared and included in the conference documentation. It was hoped to use this as the basis of the work of the forthcoming ad hoc group.

77. The representative of ILPES reported that, with the assistance of the Centre of Economic Projection of ECLA, work was being conducted on energy demand with Costa Rica being used as a case study; he suggested that Caribbean countries which were net oil importers might consider requesting a similar project.

78. The delegation of Trinidad and Tobago, with the assistance of OLADE, had made considerable progress in compiling energy balance sheets but there were data gaps on the consumption side.

79. The danger of duplication of effort in these exercises was mentioned and participants were urged to take care to avoid the use of irreconcilable methodologies since this could lead to non-comparable results. The relationship between the Secretariats of OLADE and OECS was raised and it was pointed out that discussions between the two bodies were being conducted. The OECS Secretariat was also in close touch with the energy sections at the CDB and ECLA offices.

Manpower Planning

80. The consultant in presenting his paper entitled "The basic situation of manpower planning in Caribbean countries" (CDCC/PWG:T/81/1), pointed out that the report dealt primarily with the Commonwealth Caribbean and Suriname since these were the countries surveyed. Where allusions were made to other states such as Cuba and the Dominican Republic information had been collected from secondary sources.

81. Manpower planning needed to take cognizance of the basic characteristics of the Caribbean countries which had such common features as small-size, open, and dependent economies. Common population characteristics of note were also high birth rates, a young population and high rates of emigration.

82. Close proximity to the industrial centres to the north as well as local incentive legislation tended to attract labour intensive industries to the region, and while this was a palliative for employment it did not significantly upgrade the skills or technological capacities of Caribbean people.

83. High rates of emigration could impact significantly on individual countries. Whereas the net benefits of interregional migration might be positive for the region, the loss of skilled personnel to the developed countries had been significant.

84. Despite the differences in economic models pursued, the basic problems to be faced by all countries remained the same and amounted to a lack of suitable organizational structures and a lack of co-ordination and complementarity between the outputs of the various national data collecting institutions. National insurance data and work permit applications were cited as rich sources of information for manpower planners and these were usually not accessible to them. Moreover with slight modifications data collected by these organizations would provide disproportionate benefits to the manpower planner.

85. Emphasis was placed on the importance of continually upgrading the skills of the population at all levels, in view of the flexibility necessary in a labour force required to produce for a rapidly changing international market. This would require training at all ages in the labour force and not only those entering the labour market for the first time.

86. Brief mention was made of the various conceptual approaches to manpower planning such as the rate of return and social demand method and the conclusion was reached that whatever the merits of each method there was need for a close match between curriculum development, the supply of skills and domestic demands. Moreover, the system would need to be adaptable enough to minimize the time lags between the two.

87. The delegate from Barbados indicated that, since the survey, Barbados had created a Manpower Planning Unit in the Ministry of Labour and linkages with the Ministry of Education and the Industrial Development Corporation had been established. The country was currently in the process of developing a Manpower Plan.

88. In response to a reference to the level of skills of migrants going to Suriname the delegate from Suriname indicated that much of the migration to that country from within the region was un-skilled and competed with local workers.

89. The delegation of Trinidad and Tobago indicated that while manpower planning tended to be carried out it was project oriented. Examples were given of the training and manpower development schemes employed for recently completed projects.

90. The representative of CARICOM referred to the dilemma faced by manpower planning in the absence of a national plan or clearly defined national goals and objectives. He reiterated the problems faced by open economies in the Caribbean having to compete with high technology problems. At the same time the productivity of labour had to be increased and it would be necessary to examine to what extent low productivity had been conditioned by social factors.

91. The representative of ILPES commented on the relationship between economic systems and employment creation. He indicated that, while capitalist systems producing for export tended to be capital intensive, increased employment could be generated by emphasizing the non-capitalist private sectors such as family enterprises and co-operatives. He commended the work of PREALC to the Manpower Planning Group.

Transportation Planning

92. The consultant presented his paper entitled "Report on an Agenda for transportation Planning in the Caribbean" (CDCC/TWG/T/82/3) and follow-up activity contained in the "Report of the First Meeting of the Ad Hoc Working Group for Transportation Planning" (E/CEPAL/CDCC/100). He attributed the lack of success in the actual implementation of Caribbean Transport Plans to the fact that not enough attention had been paid to changes in transportation planning and to the methodology of planning itself. He focused on the role transportation systems played in the development process and mentioned the two main schools of thought that had evolved in planning literature on this subject: (i) the Anglo-American school stressed consumer sovereignty and the satisfaction of the resulting consumer demand for transport services, while (ii) the German-Hungarian school emphasized the structural aspects of transportation, its links to other sectors and centres and its attention on the supply of transport services.

93. In support of the second point of view, he deplored the purely microeconomic orientation of transportation planning and the resulting lack of macroeconomic, spatial and technological aspects. In his view, transport needed to be seen as a catalyst for dynamic development and

had to be considered in conjunction with other economic strategies with which it was mutually interdependent. Three conceptual issues relating to the planning of transport emerged:

- the planning approach had to be multimodal, integrating alternative forms of transport and their respective plans; this approach had to ensure intermodal consistency, thus circumventing the problem of alternative modes of transport competing for resources;
- the planning of the planning process was important because it affected both the outcome of the process and the potential for implementation;
- attaining social efficiency had to be a determinant consideration in transport planning. In particular this meant the quest for an efficient mix of public and private transportation and in a regional context the need to rationalize (allocate) costs between beneficiaries.

94. On the subject of achieving these goals, he pointed to those parts in the above-mentioned documents which dealt with recommendations and imminent issues. The following elements were especially mentioned:

- the lack of emphasis on maintenance (roads, airports) and the trade-offs which needed to be made between maintenance and the creation of new facilities;
- the need for traffic management techniques to relieve congestion problems;
- the need to identify and evaluate alternative transport policies;
- improvement of the link between farm products and their markets;
- more emphasis on freight transport (as opposed to passenger transport);
- containerization and related infrastructure; and
- improvement of regional airline services.

95. In reply to the question of the delegation of Trinidad and Tobago as to his preference for the model stressing supply of transport services, the consultant stated that, while he acknowledged the importance of demand, he was only assigning relatively more weight on the supply side in view of the imperfect structure of transportation services in island developing countries.

96. The delegate from the Netherlands Antilles stressed the need for a regional rather than a national approach to the appreciation of the relationship between transport and development and highlighted the role of transport as a catalyst for both social and economic progress.

97. Referring to certain priority activities proposed in Annex IV of E/CEPAL/CDCC/100 the delegate from Grenada suggested that concrete assistance should be given to countries in preparing transport plans and suggested that more emphasis needed to be placed on formulating and conducting a transport planners' course.

98. The consultant stressed the need to integrate the transport plan with other aspects of the national plan since the mere provision of infrastructure could not guarantee subsequent development.

99. The delegation of Trinidad and Tobago expressed the view that the document did not lay sufficient stress on improving the transport links between countries of the region.

100. The CDCC Secretariat pointed out that while it considered these links to be crucial in the preparation of the documents, care had been taken not to duplicate areas of activity already being carried out by other agencies such as CARICOM. The delegation from the Netherlands Antilles raised the question of insufficient inter-island transport links. The representative of the CDCC Secretariat stressed the need for careful cost considerations in evaluating the viability of transport schemes.

101. In closing, the consultant stressed the need for a rationalization of the cost structure of transport systems on a regional basis if a regional transportation system were to be equitable.

Future Work Programme

102. After discussing the various elements of the work programme in planning, delegations were asked to indicate their interest and provide the Secretariat with priorities for its future work programme. The proposals submitted by the various working groups were contained in document CDCC/PO/3/WP.4. Delegates were, nevertheless, invited to include any other areas they considered to be a priority.

103. After a discussion of the various elements the following issues emerged as priorities:

a) Manpower Planning - Activity should be expanded to include work on productivity trends, the role of trade unions and also the impact of competitive wage structures on industrialization. In addition, material was offered by the Suriname delegation on employment planning techniques, and a handbook on manpower and employment data collection, as inputs to the Ad Hoc Working Group. It was also suggested that some emphasis be put on resource mobilization and financing in manpower planning, this activity to be directed to middle and upper levels of the planning ministries. The attempt should also be made to extend assistance in the provision of manpower data on an ongoing basis.

b) Physical and Regional Planning - The environment impact project should be expanded to include a training and education component on the preservation and improvement of the environment. This group should also include in the scope of its work aspects of planning legislation on: land use and land tenure systems; land policy; organizational structure of planning within a region (to ensure satisfactory inclusion of population and regional input into the development plan).

c) Transportation Planning - It was proposed that the programme include research on the possibility for movement of goods to the Latin American markets from the Caribbean region.

d) Agricultural Planning - It was proposed that the Ad Hoc Working Group should also look at the development of activities to improve the capacity and capability of agriculture sector agencies in improving the data base and information input for planning.

Other Areas

104. It was proposed that an ad hoc working group on planning of the state sector be established. The work programme of this group should include the allocation of resources, manpower needs, integrated budgeting, integration of purchases and sales co-ordination in macro-economic plans, recommendations on training for planners, and also the statistical and information needs within the state sector.

105. Establishment of an ad hoc working group on tourism planning to deal with the planning of tourism for social and economic development, including the impact of tourism in the environment, and establishment of close co-ordination with Caribbean Tourism Research Centre (CTRC).

106. Training activities should follow from the proposed workshop of agencies and national bodies responsible for training public officials.

107. It was considered important that future training focus on those low-level planners and technicians who had an important contribution to make to the overall success of the plan.

CHAPTER IV

DISCUSSION OF NEW ISSUES REQUESTED BY GOVERNMENTS

Economic Planning and
Social Policies

108. In opening the discussion on this topic, the delegate from Cuba expressed his thanks to the Government of Trinidad and Tobago and the CDCC Secretariat for the assistance extended to Cuba to participate at the meeting. He indicated that a document was being finalized and would be made available shortly. A brief synthesis of the paper was presented in which the Cuban experiences in education, health and housing were summarized.

109. It was stated that after the Revolution the education system had been unified and broadened and provided free by means of scholarships to those who needed them. Work and study had been integrated and facilities extended especially to rural areas. There had been a broad based literacy campaign. Technical education for providing specific skills and the training of middle-level technicians was emphasized. Attention was paid to art, culture and sport and teacher training developed. Tertiary education had also been expanded and by the involvement of the relevant ministries the training of specialists was made to relate closely to economic needs.

110. Health care was made free to the population and preventative health emphasized. In particular facilities and personnel were made available especially in rural areas where medical students were made to serve for two years. A number of diseases, for example polio and malaria, had been eradicated and life expectancy had increased.

111. Progress in housing was modest and still only a fraction of housing needs was being satisfied. However the problem was being pursued by the training of more construction workers and according them special recognition.

112. At the end of his presentation, he commented on certain sections of the Consultant's paper on Manpower Planning which were thought to be inaccurate or unclear.

113. In the discussion it emerged that the Ministry of Education in Cuba was solely responsible for all school curricula and that these could not be changed with less than five years notice. The present curricula had been in existence for almost ten years, except for minor revisions.

114. The delegate of Barbados outlined social development policies which had impacted on the development of the country. He drew attention to the high literacy rate of the population and pointed out that education was free from nursery school to university (i.e. Barbados Campus of UWI), that books were free except for a nominal rental fee, and that free school meals were available at the primary level. Development scholarships were available for overseas training in certain areas of development needs and loans were available for financing tertiary education.

115. Health facilities were being constantly upgraded by such means as the construction of polyclinics and geriatric hospitals; community health was emphasized. A sewerage scheme had been completed for the city and was ready for connection and there were plans to extend this to the south and west coasts. A National Health Service was also being implemented in stages.

116. A major road construction programme was underway and there was adequate public and private bus transport. The National Housing Corporation was finding it difficult to discharge its mandate of housing for all. It had recently resorted to provision of sites and services leaving the construction of houses for sale to be undertaken by private developers.

117. Key social indicators, such as unemployment rates concentrated among the under 25 age group, access to water, electricity and telephones, had all pointed to substantial progress. Barbados had benefited from a number of concessionary financing for its social programmes. It was suggested that Barbados had now reached a per capita income level which would make it ineligible for concessionary loans from the World Bank, a position shared by a number of other Caribbean countries.

118. The delegate from the Netherlands Antilles briefly outlined the planning organization within the six-island government structure. Macro-economic policy preparation was the preserve of the central authority while the planning agency in each island had responsibility for physical planning and resource allocation at the micro-level. In answer to questionnaire items he indicated that macro analyses are made but not yet using econometric methods because of lack of data and manpower, that objectives were stated broadly e.g. for full employment or price stability and that the Central Bank and the Ministries of Finance and Economic Affairs which also co-operated in the Inter-departmental Working Group were the responsible institutions.

119. The case of the Netherlands Antilles prompted a question as to whether like the OECS countries, these mini states were viable in a world of rapid technological progress, and in the face of vast manpower requirements for economic development. The suggestion for political unification was made. It was also argued that it would seem desirable to take a regional approach to the planning of strategies for such key sectors as bauxite, bananas or sugar if the needed quantum leap to higher economic performance were being seriously contemplated.

National Planning with special
emphasis on very small states

120. Discussion on this topic was initiated by the representative of the UNDTCD. It was argued that the 58 island states shared the following three major characteristics:

- (a) small size whether measured by area, population or gross domestic product;
- (b) remoteness from mainland territories; and
- (c) extreme openness of their economies.

By comparison with the rest, the micro-island states of the Caribbean were not badly off. Certainly they were not distinguished by their poverty and they were not remote.

121. Among burdens falling on small island states was the need to provide certain services e.g. government, basic infrastructure, and the need to hold large stocks of food and fuel if shortages were to be avoided. Over recent

years, transport and communications to these states had been deteriorating and unit costs of operation were very high. There might be need to design appropriate ships and aircraft and transport policies to reflect rapidly changing international transport technologies.

122. Island states also tended to be disaster prone and to be environmentally precarious, but little attention had been paid to this in development plans. They had long coastlines relative to land area. Better knowledge of their marine resources would enable them to put these to more advantageous use, through the efficient development of their coastal zones, but in many cases, basic resource surveys had not been made and they might lack the capabilities to do them.

123. The question posed was how could these characteristics be incorporated into the planning process. The grouping of neighbouring countries for planned pooled development and the integration of marine space into the plans for agriculture, fisheries and environmental protection were suggested.

124. Following the United Nations Conference on Least Developed Countries, a new commitment to help least developed and island states emerged. This had led to the organization of four carefully prepared workshops designed to assist with plan implementation. Of specific interest to the Caribbean was a workshop scheduled for St. Vincent from 5-11 November 1983 for Small Island Economies. This was one of a set of four workshops aimed at different linguistic or regional groups. Among themes to be addressed were: overview of development prospects and problems, planning techniques, implementation programmes, external finance, programme preparation, monitoring and evaluation, and forecasting and measuring achievement.

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A N N E X I I

OPENING STATEMENT BY DIRECTOR, ECLA, PORT-OF-SPAIN TO
THIRD MEETING OF CARIBBEAN HEADS OF PLANNING

Port-of-Spain, 28 April-2 May 1983

Mr. Chairman, Excellency, Permanent Secretaries, Distinguished Delegates, Representatives of International Agencies, Ladies and Gentlemen.

It gives me great pleasure to welcome you all to the Third Meeting of Caribbean Heads of Planning, and to welcome visiting delegations to Trinidad and Tobago, which hosts the Caribbean Subregional Headquarters of the Economic Commission for Latin America (ECLA). A special word of thanks is due to the Government of Trinidad and Tobago for agreeing to host this meeting. Their interest in the preparations and arrangements has been strong and sustained.

Before dealing with the substantive issues, may I take this opportunity to congratulate those who have been chosen to compose the presiding table and particularly Mr. Thompson, who has been selected to be the Chairman of the meeting. Mr. Thompson, I know, is a public servant and planner of great experience and ability. His selection ensures that the meeting is in good hands and augers well for its success.

May I also take the opportunity to thank those who have found it possible to participate in this meeting, not only those from government delegations, but also representatives of interested international institutions. I am sure that as a result of the inputs you are all able to contribute, this meeting will be a success.

At this point, I believe that it would be useful to remind ourselves of some of the background to this meeting. It will be recalled that this series of consultations of Heads of Planning had as its genesis, the Second Meeting of the Caribbean Development and Co-operation Committee (CDCC), held in Santo Domingo in 1977. At

that meeting, Ministers adopted a resolution proposing that Caribbean Planners should meet periodically to facilitate co-operative and convergent actions in the subregion. It was expected by the Ministers that these meetings should enable planners to develop and implement a suitable programme of activities for the future at both national and regional levels.

At the First Meeting of Planners which was held in Havana, Cuba in January 1979, there was a preliminary review of the state of planning in the region with reference to the period 1950-1975. There was also a round table discussion on the international economic situation and its relationship to the Caribbean. One session was devoted to a discussion of the possibilities for co-operation and co-ordination of planning activities in the subregion, the focus being placed on CARICOM, the United Nations Development Programme (UNDP) and the ECLA/CDCC programme.

Delegations indicated that future meetings should focus on concrete questions that would lead to joint actions. At that time, it was felt that joint actions could be evolved in areas such as the environment, transportation and communications, and the production and availability of foodstuffs. It was also proposed that specific subjects might be studied such as planning in small states, planning and projects, planning and peoples participation, and planning by sectors.

At the Second Meeting of Planning Officials held in Jamaica in 1980 the centrepiece of the agenda was an in-depth analysis of the state of national planning in the region. Based on a survey of 10 countries in the subregion the findings were as follows:

- all countries had some planning mechanism, although planning was usually limited to directing public sector expenditures;

- the planning activity did not include long-term plans but referred to short and in some cases medium-term goals;
- governments had expressed clearly that they wanted to use planning as a tool for achieving modernization and industrialization;
- when expressed, planning policies were stated in very broad terms and were concerned with restructuring the economies, but immediate domestic and international pressures made the political directorate more concerned with immediate projects than with long-term goals inherent in planning;
- all countries were engaged in project preparation - for some this was the total of their planning activity; data deficiencies and lack of trained personnel inhibit planning in many countries;
- with the exception of Trinidad and Tobago, no other country had a financial surplus to devote to long-term development expenditures, therefore, planning was closely linked to receiving and administering foreign funds.

The Second Meeting also considered a series of papers and statements on the state of planning in various sectors - Agriculture, Energy, Transport, the Environment, the Social Sector and the role of Information. Some papers concentrated on national experience in the sector while others related more generally to planning strategy in the subject area.

In a resolution adopted at the end of the meeting, the planners stated that closer co-operation was necessary to ensure the economic development of Caribbean countries, that short-term programmes would not treat the underlying causes of their present

economic difficulties and they recognized the need for careful and integrated planning as an indispensable instrument for the elaboration and implementation of medium and long-term development strategies.

The meeting decided that a series of working groups comprising governmental and non-governmental experts and consultants should be convened in the fields of:

- Agriculture
- Energy
- Physical and Regional Planning
- Transportation
- Manpower Planning; and
- Training in the Methodology and Techniques of Development Planning

The meeting also proposed that emphasis should be placed on the Social Sector, the role of Women in Development Planning, and that governments should make the necessary resources available to establish national Information Centres to facilitate the Caribbean Information System.

Since that time work has proceeded in the various sectors mandated and the details will be provided at the appropriate place on the agenda of this present meeting. As our programme has evolved the work has been moving from the general to the more specific. We have been trying to provide inputs in the various sectors which will assist to upgrade the skills of the various sectoral planners. This work will proceed as the proposals of the working groups are implemented and bear fruit.

The working groups have been useful in bringing together specialists to exchange technical opinions and to identify areas in which this work programme can assist the governments in the tasks of planning.

OPENING STATEMENT BY MR. EDUARDO GARCIA D'ACUÑA
REPRESENTATIVE OF THE U.N. PLANNING INSTITUTE
FOR LATIN AMERICA AND THE CARIBBEAN

Mr. Permanent Secretary of Finance and Planning, Mr. Chairman, Mr. Director of the ECLA Office for the Caribbean, Representatives of visiting delegations, Ladies and Gentlemen.

It is a great honour and responsibility for me to attend this Third Meeting of the Heads of Planning of the Caribbean, on behalf of the U.N. Planning Institute for Latin America and the Caribbean, ILPES. We expect that the debates and conclusions of this Meeting will provide basic guidelines for improving the planning efforts and activities in the region, both those of the national planning organizations and of those of the international co-operation agencies, like ILPES.

As you may know, throughout its existence, ILPES has been the main regional and interregional agency for co-operation with the member countries of ECLA in matters pertaining to the planning and co-ordination of economic policy. It has played a decisive role in the conception or consolidation of agencies and systems of planning and economic co-ordination in Latin America and the Caribbean. It has also become the main forum in which the national planning ministries and agencies are able to meet at the multilateral level to discuss the common problems they face in their efforts to achieve economic and social development.

As it begins this decade, the Institute must be sensitive to the most pressing needs of the members countries as regards the planning and national co-ordination of their economic and social policies and must support them pragmatically, both by promoting exchanges of experiences and by proposing new technical alternatives for solving or mitigating the fundamental problems of development. In this regard, the long-term needs - a high and sustained rate of growth, technological progress, generation of sufficient job opportunities, more equitable social and regional distribution of income, guaranteed supply of foods and basic inputs, autonomy in making fundamental decisions on economic policy, and improved regional integration - constitute a frame of reference for all the activities of the Institute. At the same time, the major short-term restrictions - the need to maintain minimum levels of real activity and

productive employment, the presence of strong inflationary pressures and the increasing burden of external indebtedness - must be borne in mind and orient the most urgent work carried out by the Institute in co-operation with the member countries.

Each country's development prospects are now more inter-related than ever with the world economy as a whole, the future of which is confusing and uncertain. The adverse dynamics of the service of the external debt to the international financial centres throttles opportunities for growth and is reflected in the internal disequilibria expressed as inflation and the stagnation of levels of activity and employment, often accompanied by some destruction of the national productive capacity. At the same time, because of the fast pace at which contemporary history is moving, under the impetus of unprecedented technological changes, a systematic effort must be made to identify trends and outline alternatives so that each country can decide on the best way to reorient its economy in the new international picture that will emerge from the unsettled 1980's. Every country has strong reasons to strengthen its planning system, although its requirements will indeed be different from those of the past. There is a greater need for adequate articulation of the most diverse economic and social policy tools; there is unanimous recognition of the fact that government intervention in the economy affects all the interdependent bodies involved in the social development process, sometimes promoting greater well-being, other times hindering it, in spite of its efforts. In these years of crisis, the Governments will be urged to take compensatory measures to reduce the disparities of income and employment which are aggravated by the recessive trend. At the same time, it is essential to promote and speed up basic changes in the productive structure to make feasible, in the medium term, the goals of greater autonomy, both national and regional, self-sustained economic growth, and increasing living standards associated with social equality.

All of this calls for a new rationalization of public activity. As a permanent intergovernmental Institute for Latin America and the Caribbean, the specific task of which is to assist in the planning and programming of economic and social policies, ILPES must study these new rationales, channel them towards practical advisory services to member Governments and transmit them in a systematic

effort to retrain, update and promote their human resources. Its three main programmes - research, advisory services and training - must be guided by these three purposes. The Institute must consolidate its position for exercising this threefold function: it must be a "laboratory" for joint research with member countries, a "workshop" for performing specific tasks as a counterpart to each Government, and as a "forum" for the exchange of knowledge which is of regional interest. The Institute must collaborate with the countries of the region in these different ways, providing the support they need to deal with the problems which now challenge them as a result of the international crisis. ILPES must channel this co-operation, giving priority to the relatively less developed countries, particularly those of Central America and the Caribbean, and to the less privileged regions and sectors within the other countries.

At the same time, the Institute's activities must be guided by the principles of multilateral technical co-operation which are most suited to the region. Its assistance to the countries must help them strengthen their technical and economic complementarity; help them stand more firmly on their own installed capacity and catalyze the exchange of knowledge and experience among them; consider the institutional strengthening of each country as a prerequisite for fruitful co-operation and, when necessary, generate a receptive capacity so that the country concerned may better assimilate the fruits of technical or economic co-operation from other international agencies; contemplate the overall economic and social activity of each country, seeking to make use, whenever necessary, of the potential of private enterprise; consider the role of workers organizations, and the co-operative movement in promoting economic and social development; open up opportunities for bilateral co-operation when it does not mean weakening the possibilities for regional integration; channel co-operation in a pragmatic direction, strengthening economic relations within the region and between the region and the rest of the world; provide for close articulation with the other regional and subregional agencies of Latin America and the Caribbean, and integrate its activities with those of the rest of the United Nations system, thus avoiding duplication with other agencies and programmes.

To make more effective its co-operation with member countries, the Institute is applying new criteria in connection with the decentralization of part of its work. In Training this means conducting courses for servicing specific zones in the region and also rotating the headquarters of some courses from one member country to another; in Research, the linking at headquarters of work initiated directly in centres and institutes of member countries.

With regard to advisory assistance ILPES has recently increased its efforts, as yet within its limited resources, to co-operate with the subregion of the Caribbean in the area of planning. It has participated in few of these countries in Advisory Assistance and Training activities and has supported ECLA in creating and initiating the co-operation in planning which operates within the sphere of the Caribbean Development and Co-operation Committee (CDCO). ILPES feels, however, that in order to carry out more effective and permanent work in the Caribbean, it is imperative for an office to be established with headquarters in the subregion, preferably where there is existing support capacity, already installed within the United Nations System. This project, subject to the obtaining of resources, could begin to be implemented this year.

We expect that the conclusions of this Meeting will provide useful guidelines for the work of this Office, in the context of CDCC and ECLA activities in the region. Also, that they may provide support to obtain the needed resources to implement it.

Ladies and Gentlemen, I want to finish these words making a strong appeal for your attendance of the Fourth Conference of Ministers and Heads of Planning of Latin America and the Caribbean, to be held in Buenos Aires on the 9th and 10th of May this year. The basic and common issues of development and planning will be discussed at Conference level. Also, during the Conference, the Technical Committee of ILPES, our governing body, will meet to assess and orientate our work programme for 1983-85.

It is very important that the Caribbean countries which may participate could transmit in Buenos Aires the commonly agreed conclusions of the meeting we are now inaugurating.

Thank you very much.

Comprehensive planning in the Caribbean is an exercise which has been carried out intermittently, and one which some technicians, when faced by uncertainty, scarce resources and limited control of the major aspects of our economies may regard as a futile exercise. Despite these constraints the question is not really whether or not we should plan, but how. Few of us claim to have a definitive answer. But if we don't yet have the answers hopefully this planning programme can assist the governments not just to exchange information and evaluate the salient issues, but also to explore the options and develop approaches and methodologies appropriate to the circumstances of our region.

I would in closing, Mr. Chairman, request all delegates to speak freely and by so doing to assist towards the development of the programme in planning, so that it will be meaningful and relevant to our countries.

I would like to assure you that the Secretariat is willing to carry out your mandate to the best of our abilities.

ADDRESS BY MR. FRANK BARSOTTI
Permanent Secretary
Ministry of Finance and Planning
Trinidad and Tobago

Mr. Chairman, delegates from member countries of the Caribbean Development and Co-operation Committee, representatives of the Economic Commission for Latin America and the Latin American Institute for Social and Economic Planning, representatives of regional institutions, representatives of observer countries, other officials, Trinidad and Tobago is honoured to be host of this Third Meeting of Caribbean Planning Officials, and, on behalf of the Government and people of Trinidad and Tobago, I extend a warm welcome to you all.

I should like, at the outset, to congratulate the Caribbean Office of the Economic Commission for Latin America and all those other regional agencies associated with this planning exercise for taking, what I consider to be a most important and commendable initiative, one which seeks to bring together senior planning officials of the region so that they can discuss and share their development experiences and eventually hammer out strategies for the social and economic development of their national economies and the regional economy as a whole.

Mr. Chairman, it is significant that this meeting includes delegates not only from the English-speaking countries of the Caribbean, but from the French-Spanish-and Dutch-speaking countries as well. As is well known, most of our past efforts, directed at engendering greater co-operation within the region have tended unfortunately to focus on the English-speaking countries. This rather narrow concept of regionalism ignores common historical experiences, similarity of cultures and proximity of all the countries of the region and the potential benefits to be derived from widening the scope of co-operation within the region. This attempt to embrace all countries within the region in an exercise aimed at planning the

economic and social development of the region must therefore be lauded and must be seen as a manifestation of the growing awareness among Governments and peoples of the region of the need for greater and wider co-operation in our national and regional development efforts.

I think the importance of the initiative also derives in large measure from its timeliness. While there has always been the need for serious planning of the social and economic advancement of the region, I think, at the present time, that need has become quite acute. As everyone present is aware, I am sure, the international economy remains in the grip of the worst recession since the second World War. The recession has resulted, inter alia, in a decline in world trade both in volume and value terms and an intensification of protectionist pressures. This in turn has led to deterioration in the trade and payments positions of countries the world over, both developed and developing. For the developing countries, most of which have traditionally been saddled with relatively heavy international indebtedness, this has aggravated their debt management problems. Not only are these countries unable to negotiate official financing in the quantities required but the general tightening of conditions in the international capital markets has severely restricted the access of these countries to these markets necessitating widespread rescheduling of debt commitments. Under these conditions, most if not all of these countries have been experiencing serious setbacks in their development programmes and unemployment is everywhere assuming critical proportions.

Caribbean economies which are, by and large, relatively small, open, island economies, heavily dependent on trade for survival, and particularly vulnerable to adverse developments in the international economy have been particularly hard-hit by the recession. Undoubtedly, the trauma has been more severe for the oil-importing countries, although some measure of relief came with the decline in oil prices early this year. In the context of the heavy dependence on trade, and vulnerability to external forces, on the one hand, and the depressed conditions and high level of volatility in the international economy, on the other hand, planning the social and economic development of these countries becomes an extremely difficult proposition. However, the task is one which we must undertake with a sense of commitment and urgency.

Mr. Chairman, Trinidad and Tobago, blessed with its hydro-carbon resources, and, perhaps in a less unfortunate position than its sister Caribbean countries, has nonetheless not escaped the adverse effects of the recession. As you are all aware, the Trinidad and Tobago economy relies principally on its petroleum sector for providing its export and foreign exchange earnings and Government revenues, and, thereby, the resources necessary for most of its development expenditures. But, the performance of the petroleum sector has been weakening in recent years with production in the sector declining from 1979 in real terms and from 1981 in nominal terms. Both internal and external factors have accounted for this situation. From the internal viewpoint, crude production has been falling since 1979 while refinery operations have been declining throughout the last decade. The major external factors have been the weakening of demand for petroleum and petroleum products in the international market and the consequent softening of prices following the introduction of conservation and other measures in major importing countries. Largely as a result of these developments, for the first time since 1973, the country's balance of visible trade swung into deficit in 1982 (by some TT \$1.5 billion) and the level of its foreign reserves declined (by over \$500 million). Given the persistence of recessionary conditions in the world economy and the recent fall in oil prices, no significant improvement is expected in the Trinidad and Tobago situation in the immediate future.

It should be abundantly clear, therefore, that Caribbean countries, be they oil-exporting or oil-importing are faced with a period of painful adjustments requiring bold, innovative and imaginative steps to be taken in the interest of fostering and promoting the socio-economic upliftment of the region. This necessarily will involve a massive, collaborative and dedicated effort on the part of all countries concerned. It is in this context, Mr. Chairman, that I see this initiative by the Economic Commission for Latin America and other sponsoring agencies and these regional planning seminars as crucial and timely. My sincere hope is that out of your deliberations would come concrete, well-thought-out proposals and strategies which could generate the political will and

commitment for carrying through a meaningful and sustained programme of planned national and regional development.

National development planning in Trinidad and Tobago dates back to the late 1950's. Since that time, Trinidad and Tobago has formulated and implemented three five-year development plans with a fair degree of success. These plans covered the period 1958-1962, 1964-1968 and 1969-1973. They had as their broad, major objectives the diversification of the productive structure of the economy, the achievement of full employment and making the economy more self-reliant. If I may say so, Trinidad and Tobago has come a long way since the 1950's. Much was achieved as a result of our planning efforts in those years and a relatively strong base was laid down for further development.

In the years following 1973, although no formal national development plan was drawn up, a substantial amount of sectoral and project planning was undertaken. Indeed, it is in this period that Trinidad and Tobago made its major thrust into the field of heavy industrialisation. Although the main focus of our efforts has been the energy sector, several projects have been successfully implemented or are in varying stages of implementation in every other sector. A wide range of infrastructural projects have also been implemented or are being implemented.

In the energy sector, our aim has been to develop a number of energy-based industries utilising the country's relatively abundant natural gas resources. The expectation is that these industries would not only further the diversification effort but that they would at least partially offset the decline in foreign exchange and revenue generating capability arising from the downturn in the petroleum sector. These industries are also expected to generate subsidiary down-stream activities which would lead to higher levels of employment in the manufacturing sector. Our major achievements include:-

- (i) the setting up of an iron and steel complex.

The complex which is wholly owned by Trinidad and Tobago started commercial production in 1980 and at present produces direct reduced iron, iron pellets, billets and wire rods.

- (ii) the setting up of two fertilizer plants - the TRINGEN and FERTRIN projects. These are joint-venture projects, the former with W.R. Grace of the United States and the latter with the AMOCO Oil Company also of the United States. These projects are already on stream.
- (iii) a methanol plant, wholly-owned by Trinidad and Tobago is in the final stages of construction and should become fully operational by the end of 1983.
- (iv) a urea plant, wholly-owned by Trinidad and Tobago is also being constructed at present and is expected to be on stream in 1984.

Considering that production in the energy-based industries is essentially for the export market, as one would expect, the performance of the projects already on stream, particularly the iron and steel project, has been adversely affected by the recession in the international economy. All the projects indicated are located at the Point Lisas Industrial Estate on the West Coast. I understand that delegates would be visiting Point Lisas, so you will have an opportunity of getting a first hand impression of the thrust in this sector; I might add that in 1981, a White Paper on Natural Gas was prepared and this forms the policy framework for the exploitation and development of the country's natural gas resources.

Reducing the dependence of the economy on the petroleum sector has always been one of our basic development goals. Although some progress has been made in the achievement of this goal, the petroleum sector remains the mainspring of economy activity and development in the country. In recent years, with the petroleum sector taking a downturn, the further strengthening and diversification of the non-oil sector has become an urgent priority. Because of their foreign exchange earning capability, the manufacturing and tourism sectors have been two main foci of our non-oil development thrust. In the case of manufacturing, the aim is to

widen the structure and increase the overall competitiveness of the sector with a view to deriving the fullest possible benefits from its export potential. In view of our heavy dependence on food imports which at present value in the region of TT \$1 billion annually, the agricultural sector has been the other key sector in our non-oil thrust, the aim being to become eventually self-sufficient in food. Towards this end, a long-term programme for the development of this sector was drawn up in 1978 and is currently being implemented.

In 1982, the Trinidad and Tobago Government embarked on the preparation of its fourth national development plan. In this connection, a Task Force was appointed under the chairmanship of Mr. William Demas, formerly economic adviser to the Prime Minister of Trinidad and Tobago and now President of the Caribbean Development Bank to undertake a comprehensive re-assessment of the economy and draw-up a multi-sectoral development plan for the economy. The Task Force is expected to report shortly.

At the regional level, Mr. Chairman, Trinidad and Tobago has always been a firm supporter of an integrated and collaborative approach to the development of the region. In fact, it will be remembered that our late Prime Minister, Dr. Eric Williams, who had a vision of Caribbean regional co-operation at the widest possible level, played a very important role in the creation of the Caribbean Development and Co-operation Committee. Trinidad and Tobago has provided many tangible expressions of its commitment to regional co-operation. I cite a few examples. Trinidad and Tobago has been a member of the Caribbean Development Bank from its inception but has not so far drawn on the resources of this institution in any significant way. The country has also allowed the Bank access to the domestic capital market to raise development funds (TT \$36 million) for lending to other countries of the region. Trinidad and Tobago is also involved in a number of regional joint-venture projects in the areas of agriculture, manufacturing and transportation. The enterprises responsible for the management of these projects are the Caribbean Food Corporation (All CARICOM Countries), the Arawak Cement Company (Trinidad and Tobago and Barbados), LIAT 1974 (Trinidad and Tobago and CARICOM Countries of the Eastern Caribbean), CARICARGO (Trinidad and Tobago and Barbados), West Indies Shipping Corporation (All CARICOM Countries), and the Regional Grains Company (Trinidad and

Tobago, Guyana and St. Kitts/Nevis).

Trinidad and Tobago has also been providing financial assistance to its CARICOM partners in the form of concessional loans. In the 1975-81 period, aid disbursed amounted to over TT \$487 million or an annual average of TT \$61 million. The two principal mechanisms established for administering aid are the Caribbean Aid Project and the CARICOM Oil Facility. The Caribbean Aid Council was established in 1978 to provide project-related financing in such areas as food production, agro-processing, housing, industrial development and basic infrastructure. As at the end of 1982, some TT \$35 million was approved under this facility. The Oil Facility was established in 1980 for a period of three years to provide fast disbursing financing to eligible CARICOM countries to meet the incremental cost of petroleum products, fertilisers and asphalt products purchased from Trinidad and Tobago, prices at 1 January 1979 being used as base prices. As at the end of September 1982 TT \$186 million was disbursed under this facility. With the decline in oil prices and the consequent tightening fiscal situation, the scale of lending under these facilities is at present being reviewed.

Mr. Chairman, I am happy to note that the Agenda for this meeting includes discussions on energy, agriculture and transportation planning. The urgent need for regional co-operation in these areas cannot be over-emphasised, particularly in the area of energy planning where at the present time Trinidad and Tobago is faced with having to make critical decisions regarding the future of its petroleum industry which necessarily would have far-reaching implications for the national and regional petroleum industries. This being the case Trinidad and Tobago looks forward with keen interest and a sense of urgency in all discussions and follow-up work in this area. Two other areas to which we would like to see some attention given in these and further discussions are manufacturing and tourism, because of their tremendous potential to the region as a whole as foreign exchange earners.

In concluding Mr. Chairman, I wish to take the opportunity to

reiterate Trinidad and Tobago's support for all efforts directed at fostering greater co-operation within the region, and to make a strong plea for the maintenance of the current momentum of the regional integration movement. May I remind the meeting that while the Caribbean has always had a tradition of foreign influence and foreign participation, hindsight clearly indicates that while there have been benefits, this has not always been in the best interest of regional integration and the socio-economic development of the region. In view of this experience, we should treat very cautiously with initiatives emanating from outside the region. Further, countries of the region in formulating and implementing their national development policies and strategies should carefully weigh the regional implications of these with a view to minimising and/or eliminating possible disruptive effects on the regional integration movement. Mr. Chairman, I close by wishing delegates the most successful and fruitful deliberations. I thank you.

A N N E X I I I

PROPOSED ILPES PROJECT
FOR THE CARIBBEAN

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PROPOSED ILPES PROJECT
FOR THE CARIBBEAN

INTRODUCTION

1. ILPES, in its work programme for 1983^{1/} has expressed its intention to establish an office for the Caribbean, in keeping with its new decentralization policy. In fact, in that document it is asserted that "in order to carry out more effective and permanent work in the Caribbean, it is imperative for an office to be established with Headquarters in the subregion preferably where there is existing support capacity, already installed within the United Nations System".
2. The purpose of this note is to present some priority areas and work modalities in order to elaborate a work programme to be submitted to the Caribbean governments for their consideration.
3. Such a work programme would be carried out in close co-operation with the ECLA Subregional Office for the Caribbean, the UNDP activities in the region, those of the Specialized Agencies of the United Nations System and regional organizations.

I. PRIORITY AREAS

4. Given the wide range of problems facing development planning in the Caribbean, it is extremely difficult to properly define the technical co-operation priorities of ILPES. Ultimately, they will be determined on the basis of specific country requests. However, in the light of statements made by delegations attending the Third Meeting of Heads of Planning in the Caribbean, it is possible to indicate the following priority areas:

^{1/} See ILPES: Its role in the region and programme of work for 1983, Document I-2 p.40, document to be presented to the Fourth Conference of Ministers and Heads of Planning of Latin America and the Caribbean, Buenos Aires, 9-10 May 1983.

a) Planning methodologies in small size countries

5. There is consensus that planning modalities in the Caribbean should be addressed to the specific problem facing the small-sized countries, whether insular or not, especially in the formulation of viable development strategies.

b) Agricultural planning and policy-making

6. Taking into consideration the importance of the agricultural sector in most countries, the necessity to raise productivity levels, the need to promote resource transfers and the achievement of adequate levels of food security, agricultural planning and the design of appropriate policies appear as a second priority area.

c) Planning and economic policies in the foreign sector

7. Given the high degree of external openness in most countries, the strong dependence on foreign aid and the export of primary products, this affords priority work in the following areas:

- i) Analyses and short term forecasts of international markets in export commodities;
- ii) Analyses and forecasts of international capital markets relevant to the region;
- iii) Provision of appropriate foreign aid to national development programmes.

d) Regional and urban planning and environmental policies

8. The small geographic size, the strong influence of external factors, the high demographic density of most countries, their fragility to natural disasters, the importance of coastlines and the risks of pollution by accelerated urbanization, are all factors calling for a planned utilization of a most valuable resource - the geographical space - and the preservation and improvement of the environment.

e) Public sector planning

9. The need to adapt public administration, where necessary, to the requirements of an orderly planning of development efforts, and the convenience of integrating state enterprises in development plans, make it necessary to give priority to the organizational and methodological procedures of the public sector.

II. ACTIVITIES

10. In order to co-operate with the countries in the areas mentioned above, the work programme should consider four main activities:

(a) advisory services; (b) training; (c) methodological studies; and (d) intraregional co-operation.

a) Advisory services

11. This activity would consist of the provision of advisory services at the direct request of governments, for a given period, to help in solving specific problems. In general, such services would be provided free of charge either by the permanent staff or by specialized consultants.

b) Training

12. Short courses, seminars or workshops would be organized, on the priority areas or on other topics of regional interest. These activities would be carried out at Headquarters or in countries of the region.

c) Studies and research

13. Basically, this activity would deal with the elaboration of planning methodologies in the priority areas, suitable for small size countries. These studies would be made available to the planning agencies in the region and they would provide support to the training and advisory activities.

d) Intraregional co-operation

14. The work programme would support intraregional activities in particular, meetings of the Heads of Planning and the Working Groups established by the CDCC, in close co-operation with the ECLA Office.

III. TEAM WORK

15. The size of the team would be determined by the amount of resources available. The minimum critical mass necessary for the proper functioning of the Office is as follows: three permanent experts, consulting funds equivalent to two man-year and a trainees' fund.

16. In its professional composition, the team should include a general planning expert, as Head of the Office, plus two sectoral specialists, one in agricultural planning, and the other in foreign trade and finance or in urban and regional planning.

17. The permanent staff and the consultants should be highly qualified specialists with in-depth knowledge of and previous experience in the Caribbean.

IV. FOLLOW-UP

18. ILPES has already begun consulting with UNDP and other sources in order to obtain the required financing to make this project feasible. It would seem essential, however, that governments of the region give their views on the proposal of ILPES. The forthcoming Fourth Conference of Ministers and Heads of Planning of Latin America and the Caribbean, might be a propitious opportunity to do so.

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