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WASHINGTON, D.C., DECEMBER 14-15, 1977

EXTRACT OF  
CHAIRMAN'S REPORT OF PROCEEDINGS



UNITED NATIONS

ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean



CONFERENCE ON ECONOMIC DEVELOPMENT IN THE CARIBBEAN

Washington, D.C., December 14-15, 1977

EXTRACT OF  
CHAIRMAN'S REPORT OF PROCEEDINGS

1. A conference of governments and agencies interested in economic development in the Caribbean was held at the World Bank's headquarters in Washington, D.C., on December 14-15, 1977. The conference was chaired by the World Bank in close association with the Caribbean Development Bank, the Inter-American Development Bank and the International Monetary Fund.

2. The following governments were represented: Antigua, Argentina, Bahamas, Barbados, Brazil, Canada, Colombia, Costa Rica, Dominica, Dominican Republic, France, Federal Republic of Germany, Grenada, Guyana, Haiti, Israel, Jamaica, Japan, Mexico, Netherlands, Netherlands Antilles, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, Spain, Trinidad & Tobago, United Kingdom, United States and Venezuela. Suriname attended as an observer. Also present were representatives of the Caribbean Community Secretariat, the Commonwealth Secretariat, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), the Eastern Caribbean Common Market Secretariat, the Economic Commission for Latin America (ECLA), the European Economic Community (EEC), the International Finance Corporation (IFC), the Organization of American States (OAS), the Organization of Petroleum Exporting Countries (OPEC) Special Fund, the Latin American Economic System (SELA) and the United Nations Development Program (UNDP).

3. The purpose of the meeting was to review the economic development needs of the Caribbean region and to consider a proposal for the establishment of a Caribbean Group for Cooperation in Economic Development.

4. Welcoming the delegates to the conference, the Chairman briefly outlined the problems of economic development in the Caribbean and the role that external assistance had played to date and he presented an estimate of the external resources that the Caribbean countries

would require over the next few years if a real growth rate of around five per cent a year was to be achieved. According to this estimate, which assumes timely measures to mobilise complementary financing from domestic sources, the net flow of official development assistance to the area, including long-term loans from international financial institutions, would need to be close to \$600 million a year or more than double the amount transferred during the period 1970-76. The Chairman said that the World Bank Group planned at least to double its lending to the Caribbean during the next five years, as compared to 1972-76, and was also ready to continue playing an active role in coordinating project financing.

5. Calling for a cooperative effort to find new solutions to the problems of the Caribbean, the Chairman concluded with reference to the many pressing needs facing the countries in the area -- the need to provide more productive employment in industry and agriculture; the need to diversify the region's exports and to increase domestic production of food and agricultural materials; the need to create larger regional markets for local industries and to economize on the costs of public administration through the creation of common services for the smaller countries; and finally, the need to find additional funds to complement the external financing of investment projects.

### Conclusions

73. In view of the sense of the Conference that there is a need to establish a Caribbean Group for Cooperation in Economic Development, the World Bank -- with the close collaboration and direct participation of the Caribbean Development Bank, the Inter-American Development Bank and the International Monetary Fund -- should proceed to organize such a Group.

74. The consensus of the Conference is that the work of the Group should be directed towards, inter alia, the following objectives:-

- (a) the mobilisation of additional multilateral and bilateral technical and financial assistance for the Caribbean countries on appropriate terms and conditions;

- (b) the mobilisation and development of resources indigenous to the area;
- (c) better coordination among donors and recipients in order to ensure the most effective use of external resources; and
- (d) the development of greater cooperation among Caribbean countries.

75. In considering the needs of the area, particular attention should be given to meeting the urgent short and medium-term needs of those countries presently experiencing serious fiscal and balance-of-payments difficulties. The Group ought also to consider the following areas as part of its agenda for study:

- (a) assistance to the less developed countries:
  - (i) to meet additional recurrent expenditures resulting from the execution of non-self-liquidating projects, particularly in the Leeward and Windward Islands;
  - (ii) for the establishment and initial operation of common services in the field of development planning and administration among those countries of the Leeward and Windward Islands which may wish to participate in such common services;
  - (iii) on a grant basis for the financing of development projects that are not self-liquidating; and
  - (iv) with maximum flexibility and simplicity in the rules and conditions governing donor contribution of funds for project financing, so that projects may be implemented with maximum efficiency and speed.
- (b) long-term programme and sector assistance;
- (c) national and regional development projects, including the development of air and sea transport, energy and natural resources;
- (d) the financing of local costs of investment projects;
- (e) funds for project preparation and implementation and other assistance for the identification, preparation, appraisal and implementation of national and regional development projects;

- (f) technical assistance making use of nationals of the Caribbean countries; and
- (g) assistance for efforts to develop local technology and to adapt imported technology to local conditions.

76. In order to ensure effective action of the Group over the diverse spectrum of Caribbean countries, consensus was also reached that a Group might best operate through a system of sub-groups formed at the request of individual countries or groups of countries with the representation of the institutions and donors most directly involved. It was also recognised that for certain purposes it might be necessary to establish sectoral sub-groups (e.g., in the field of intra-regional transport). Sub-groups may meet informally prior to the formal launching of the Group.

77. It was proposed that the first formal meeting of the Group should take place in the Spring of 1978, and that separate sub-groups might be constituted at this meeting where a sufficient donor and donee interest appears to justify it.

78. With regard to the activities and workings of the Group and its sub-groups, there was general agreement that regional and sub-regional organizations established by the Caribbean countries should participate fully.

79. Consensus was reached that the World Bank and cooperating agencies would consult with donor and recipient countries prior to meetings of the Group in order to ensure that their views were fully taken into account in the planning and technical work undertaken during the forthcoming months to prepare documents for discussion and decision at the next meeting.

80. It was suggested that prior to the formal launching of the Group, or at such other times as may be constitutionally appropriate for particular potential donors, such donors will (taking into account the World Bank's projections of the official development assistance required over the next five years) indicate their intentions with regard to the likely amounts which they may be willing to contribute to the recipient Caribbean countries.



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