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ECLAC SUBREGIONAL HEADQUARTERS FOR THE CARIBBEAN

FOCUS

Newsletter of the Caribbean Development and Cooperation Committee (CDCC)

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ISSUE 3 / JULY - SEPTEMBER 2008

The Economic Commission for Latin America and the Caribbean (ECLAC) is one of five regional commissions of the United Nations Economic and Social Council (ECOSOC). It was created in 1948 to support Latin American governments in the economic and social development of that region. Subsequently, in 1966, the Commission (ECLA, at that time) established the Subregional Headquarters for the Caribbean in Port of Spain to serve all countries of the insular Caribbean, as well as Belize, Guyana and Suriname, making it the largest United Nations body in the subregion.

At its sixteenth session in 1975, the Commission agreed to create the Caribbean Development and Cooperation Committee (CDCC) as a permanent subsidiary body, which would function within the ECLA structure to promote development cooperation among Caribbean countries. Secretariat services to the CDCC would be provided by the Subregional Headquarters for the Caribbean. Nine years later, the Commission's widened role was officially acknowledged when the Economic Commission for Latin America (ECLA) modified its title to the Economic Commission for Latin America and the Caribbean (ECLAC).

Key Areas of Activity

The ECLAC Subregional Headquarters for the Caribbean (ECLAC/CDCC secretariat) functions as a subregional think-tank and facilitates increased contact and cooperation among its membership. Complementing the ECLAC/CDCC work programme framework, are the broader directives issued by the United Nations General Assembly when in session, which constitute the Organization's mandate. At present, the overarching articulation of this mandate is the Millennium Declaration, which outlines the Millennium Development Goals.

Towards meeting these objectives, the secretariat conducts research; provides technical advice to governments, upon request; organizes intergovernmental and expert group meetings; helps to formulate and articulate a regional perspective within global forums; and introduces global concerns at the regional and subregional levels.

Areas of specialisation include trade, statistics, social development, science and technology, and sustainable development; while actual operational activities extend to economic and development planning, demography, economic surveys, assessment of the socio-economic impacts of natural disasters, data collection and analysis, training, and assistance with the management of national economies.

The ECLAC Subregional Headquarters for the Caribbean also functions as secretariat for the Programme of Action for the Sustainable Development of Small Island Developing States (SIDS POA). The scope of ECLAC/CDCC activities is documented in the wide range of publications produced by the Subregional Headquarters in Port of Spain.

MEMBER COUNTRIES:

- Antigua and Barbuda
- The Bahamas
- Barbados
- Belize
- Cuba
- Dominica
- Dominican Republic
- Grenada
- Guyana
- Haiti
- Jamaica
- St. Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Suriname
- Trinidad and Tobago

ASSOCIATE MEMBER COUNTRIES:

- Anguilla
- Aruba
- British Virgin Islands
- Montserrat
- Netherlands Antilles
- Puerto Rico
- Turks and Caicos Islands
- United States Virgin Islands

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SOME KEY INITIATIVES ON SUSTAINABLE DEVELOPMENT - UNITED NATIONS SYSTEM AND MEMBER GOVERNMENTS



June 1972 - United Nations Conference on Human Environment, Stockholm, Sweden.

Aim: Acting on a proposal from Sweden, the UN General Assembly in 1968 called for an international conference to examine problems of the human environment...and also to identify those aspects of it that can only or best be solved through international cooperation and agreement. (UN resolution 2398). It was the World's First Global Conference on the Environment.

Outcomes:

- Establishment of an Action Plan for Human Environment, with 109 recommendations spanning 6 broad issues: human settlements, natural resource management, pollution of international significance, educational and social aspects of the environment, development and environment, and international organizations.
- Declaration on the Human Environment
- Resolution on institutional and financial arrangements, that eventually led to the establishment of the United Nations Environment Program (UNEP)

1983 - Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region (Cartagena Convention)

Aim: The "Convention area" means the marine environment of the Gulf of Mexico, the Caribbean Sea and the areas of the Atlantic Ocean adjacent thereto, south of 30 deg north latitude and within 200 nautical miles of the Atlantic coasts of the States referred to in article 25 of the Convention. However, this Convention does not apply to internal waters of any contracting party, unless they specify otherwise. The Convention covers the various aspects of marine pollution for which the Contracting Parties must adopt measures. Thus, the Convention requires the adoption

of measures aimed at preventing, reducing and controlling pollution of the following areas: pollution from ships, pollution caused by dumping, pollution from sea-bed activities, airborne pollution, pollution from land-based sources and activities. In addition, the Parties are required to take appropriate measures to protect and preserve rare or fragile ecosystems, as well as the habitat of depleted, threatened or endangered species and to develop technical and other guidelines for the planning and environmental impact assessments of important development projects in order to prevent or reduce harmful impacts on the area of application.

(Source: <http://psclasses.ucdavis.edu/pol107/SPO2/AT/report1.html>)

Additional Protocols:

1. Protocol Concerning Co-operation in Combating Oil Spills in the Wider Caribbean Region. Adopted in 1983 and entered into force in 1986. This Protocol applies to oil spill incidents which have resulted in, or which pose a significant threat of, pollution to the marine and coastal environment of the Wider Caribbean Region or which adversely affect the related interests of one or more of the Contracting Parties.
2. Protocol Concerning Specially Protected Areas and Wildlife to the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region (SPAW). Adopted in 1990 and entered into force in 2000. Each Party to this Protocol shall, in accordance with its laws and regulations and the terms of the Protocol, take the necessary measures to protect, preserve and manage in a sustainable way, within areas of the Wider Caribbean Region in which it exercises sovereignty, or sovereign rights or jurisdiction:
 - a. areas that require protection to safeguard their special value; and
 - b. threatened or endangered species

of flora and fauna.

3. Protocol Concerning Pollution from Land-based Sources and Activities to the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region (LBS). Adopted in 1999. Each Contracting Party shall, in accordance with its laws, the provisions of this Protocol, and international law, take appropriate measures to prevent, reduce and control pollution of the Convention area from land-based sources and activities, using for this purpose the best practicable means at its disposal and in accordance with its capabilities.

Outcome:

- Establishment of the Caribbean Environmental Program by UNEP-Caribbean.

1988 - Inter-Governmental Panel on Climate Change (IPCC)

Aim: The IPCC is a scientific intergovernmental body set up by the World Meteorological Institute and the UN Environment Program. It was established to provide the decision-makers and others interested in climate change with an objective source of information about climate change. The IPCC does not conduct any research nor does it monitor climate related data or parameters. Its role is to assess on a comprehensive, objective, open and transparent basis the latest scientific, technical and socio-economic literature produced worldwide relevant to the understanding of the risk of human-induced climate change, its observed and projected impacts and options for adaptation and mitigation. IPCC reports should be neutral with respect to policy, although they need to deal objectively with policy relevant scientific, technical and socio economic factors. They should be of high scientific and technical standards, and aim to reflect a range of views, expertise and wide geographical coverage. (Source: IPCC) ▶

Outcome:

Publication of reports and execution of a work programme.

June 1992 - United Nations Conference on Environment and Development (UNCED-Earth Rio Summit)

Aim: Mark the 20th anniversary of the Stockholm Conference and help governments to rethink economic development in the context of destruction of natural resources and pollution. Main issues analyzed were:

1. Patterns of production, particularly the production of toxic components, such as lead in gasoline, or poisonous waste;
2. Alternative sources of energy to replace the use of fossil fuels which are linked to global climate change;
3. New reliance on public transportation systems in order to reduce vehicle emissions, congestion in cities and the health problems caused by polluted air and smog;
4. Growing scarcity of water.

Outcomes:

- **Agenda 21** - Agenda 21 is a comprehensive plan of action to be taken globally, nationally and locally by organizations of the United Nations system, governments, and major groups in every area in which human impacts on the environment. (UN Division for Sustainable Development).
- **Rio Declaration on Environment and Development** - It consists of a set of 27 principles of which Principle 1 states that human beings are at the centre of concerns for sustainable development and that they are entitled to a healthy and productive life in harmony with nature. Principle 4 states that in order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it. Principle 5 mentions that states have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies, and the responsibility to ensure that activities within their

jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction.

1. **Statement of Principles for the Sustainable Management of Forests:** Its guided objective is to contribute to the management, conservation and sustainable development of forests and to provide for their multiple and complementary functions and uses. Also that forest resources and forest lands should be sustainably managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations. These needs are for forest products and services, such as wood and wood products, water, food, fodder, medicine, fuel, shelter, employment, recreation, habitats for wildlife, landscape diversity, carbon sinks and reservoirs, and for other forest products. Appropriate measures should be taken to protect forests against harmful effects of pollution, including air-borne pollution, fires, pests and diseases, in order to maintain their full multiple value.
2. **Convention on Biological Diversity:**
 - a. The objectives of this Convention, to be pursued in accordance with its relevant provisions, are the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources, including by appropriate access to genetic resources and by appropriate transfer of relevant technologies, taking into account all rights over those resources and to technologies, and by appropriate funding.
 - b. The Global Environmental Facility (GEF) operates the financing mechanism of the CBD.
 - c. The CBD is supported by the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA), as its technical advisory arm.
 - d. The Conference of Parties (CoP) is the governing body of the Convention, and advances implementation of the Convention through the decisions it takes at its periodic meetings.
 - e. Millennium Ecosystem Assessments (MA): See *Sub-outcomes*

Sub-outcomes

- **1995 Jakarta Mandate on Marine and Coastal Biological Biodiversity** - The Jakarta Mandate, a declaration adopted by the Conference of Parties to the Convention on Biological Diversity at its second meeting in Jakarta in 1995, identifies marine and coastal biodiversity as an area for priority action. The Mandate singles out coastal management, marine protected areas, fisheries, mariculture, and the introduction of alien species for special attention. The Mandate also calls for meetings of experts to elaborate on action items. The first of these meetings took place in Indonesia in 1997. Source: <http://www.ciel.org/Publications/BiodiversityinSeasEng.pdf>
- **2000 Cartagena Protocol on Biosafety to the CBD** - The Protocol seeks to protect biological diversity from the potential risks posed by living modified organisms resulting from modern biotechnology.
- 3. **Framework Convention on Climate Change (UNFCCC):** Entered into force in 1994. The ultimate objective of this Convention and any related legal instruments that the Conference of the Parties may adopt is to achieve, in accordance with the relevant provisions of the Convention, stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner. The Conference of Parties is the supreme body of the Convention, that is, its highest decision-making authority. It is an association of all the countries that are Parties to the Convention.

1992 - Commission on Sustainable Development (CSD)

Aim: The Commission on Sustainable Development (CSD) was created in December 1992 to ensure effective follow-up of UNCED, to monitor and report on implementation of the agreements at the local, national,

regional and international levels. The Commission is responsible for reviewing progress in the implementation of Agenda 21 and the Rio Declaration on Environment and Development; as well as providing policy guidance to follow up the Johannesburg Plan of Implementation (JPOI) at the local, national, regional and international levels. The CSD meets annually in New York, in two-year cycles, with each cycle focusing on clusters of specific thematic and cross-sectoral issues. As a functional commission of the UN Economic and Social Council (ECOSOC), CSD has 53 member States (about one third of the members are elected on a yearly basis). Each session of the CSD elects a Bureau, comprised of a Chair and four vice-Chairs. The UN Division for Sustainable Development provides the substantive secretariat to the CSD. (Source: UN DESA).

Outcome:

- A Multi-Year Programme of Work (2003-2017)

1994 - Global Conference on Sustainable Development of Small Island Developing States (SIDS), Bridgetown, Barbados.

Aim: The Conference is another offspring of the UN Conference on Environment and Development, held in June 1992 in Rio de Janeiro. At that "Earth Summit", small islands were designated as a vulnerable group, warranting special international attention. Paragraph 17 of Agenda 21 - the comprehensive action plan adopted in Rio to promote sustainable development-calls on small island States to develop and strengthen inter-island regional and interregional cooperation and information exchange. The Barbados Conference has the task of recommending action in a number of key areas: climate change and sea-level rise; human resource development; waste management; coastal and marine resources; natural disasters; freshwater resources; energy; tourism development; biodiversity; transport and communication; and land use. (Source: www.encyclopedia.org)

Outcomes:

- **Declaration of Barbados - It** recognizes the Global Conference on the Sustainable Development of Small Island Developing States as one that allowed the translating of Agenda 21 into specific policies,

actions and measures to be taken at the national, regional and international levels to enable small island developing States to achieve sustainable development. It also declared that based on the principle of the right to development, small island developing States should, in accordance with their own priorities, endeavour to achieve the goals of sustainable development by, inter alia, formulating and implementing policies, strategies and programmes that take into account development, health and environmental goals, strengthening national institutions, and mobilizing all available resources, all of which are aimed at improving the quality of life. (Source: Text of Declaration)

- **Elaboration of the Programme of Action for the Sustainable Development of Small Island Developing States that listed actions in the following areas:** climate change and sea level rise, natural and environmental disasters, management of wastes, coastal and marine resources, freshwater resources, land resources, energy resources, tourism resources, biodiversity resources, national institutions and administrative capacity, regional institutions and technical cooperation, transport and communication, science and technology, human resource development and implementation, monitoring and review.

1996 - World Food Summit - Rome, Italy

Aim: World leaders assembled in Rome in November 1996 for the World Food Summit aimed at renewing global commitment to the fight against hunger. The Food and Agriculture Organization of the United Nations (FAO) called the summit in response to widespread under-nutrition and growing concern about the capacity of agriculture to meet future food needs. (Source: FAO)

Outcomes:

- **Rome Declaration on World Food Security.** The Declaration contains a pledge to eradicate hunger in all countries, with an immediate view to reducing the number of undernourished people to half their 1996 level no later than 2015.
- World Food Summit Plan of Action.

1997 - Adoption of the Kyoto Protocol

Aim: The Kyoto Protocol was adopted at the third Conference of the Parties to the UNFCCC (COP 3) in Kyoto, Japan, on 11 December 1997. The Protocol shares the objective and institutions of the Convention. The major distinction between the two, however, is that while the Convention encouraged developed countries to stabilize GHG emissions, the Protocol commits them to do so. The detailed rules for its implementation were adopted at COP 7 in Marrakesh in 2001, and are called the Marrakesh Accords. Following ratification by Russia, the Kyoto Protocol entered into force on 16 February 2005. The Protocol requires developed countries to reduce their GHG emissions below levels specified for each of them in the Treaty. These targets must be met within a five-year time frame between 2008 and 2012, and add up to a total cut in GHG emissions of at least 5% against the baseline of 1990. Review and enforcement of these commitments are carried out by United Nations-based bodies. The Protocol places a heavier burden on developed nations under the principle of common but differentiated responsibilities.

(Source: http://unfccc.int/kyoto_protocol/items/2830.php).

2000 - UN Millennium Summit and the Millennium Declaration

Aim: The Declaration reaffirmed the faith of Heads of State and Governments in the United Nations Organization and its Charter as indispensable foundations of a more peaceful, prosperous and just world. The Declaration considers that the following values are essential for international relations in the 21st century - freedom, equality, solidarity, tolerance, respect for nature, and shared responsibility. The Declaration identified key objectives for fulfillment, namely peace, security and disarmament; development and poverty eradication; protecting our common environment; human rights, democracy and good governance; protecting the vulnerable and meeting the special needs of Africa and strengthening the United Nations.

Outcome:

- Establishment of the 8 Millennium Development Goals.

2001-2006 - Millennium Ecosystem Assessment (MA) ▶

Aim: The Millennium Ecosystem Assessment (MA) was called for by the United Nations Secretary-General Kofi Annan in 2000. Initiated in 2001, the objective of the MA was to assess the consequences of ecosystem change for human well-being and the scientific basis for action needed to enhance the conservation and sustainable use of those systems and their contribution to human well-being. The MA has involved the work of more than 1,360 experts worldwide. Their findings, contained in five technical volumes and six synthesis reports, provide a state-of-the-art scientific appraisal of the condition and trends in the world's ecosystems and the services they provide (such as clean water, food, forest products, flood control, and natural resources) and the options to restore, conserve or enhance the sustainable use of ecosystems. (Source: MA website. <http://www.millenniumassessment.org/en/About.aspx>).

Outcome:

- **Publication of MA Reports.**
The MA was undertaken by an international network of scientists and other experts, with a process modeled on the IPCC. More than 1300 authors from 95 countries were involved in the MA, organized into 4 working groups. Three of these working groups - Condition & Trends, Scenarios, Responses - carried out the global assessment component of the MA. The fourth working group - Sub-global - involved all of the MA sub-global assessments. The MA working groups involved both natural and social scientists, many of whom are leaders in their fields. (Source: MA website <http://www.millenniumassessment.org/en/About.aspx>)

Aug - Sept 2002 World Summit on Sustainable Development (Rio+10 Summit), Johannesburg, South Africa

Aim: Its main objective was for the current world leaders to review the progress made since the Rio Summit in 1992 and forge a new global deal on sustainable development while putting more emphasis on implementation rather than new treaties and targets. The aim was for the current world leaders to adopt concrete measures and identify quantifiable targets for a better implementation of Agenda 21.

Outcomes:

- **Johannesburg Plan of Implementation (JPOI) with targets.** The JPOI established targets in the following areas: poverty eradication, changing unsustainable patterns of consumption and production, protecting and managing the natural resource base of economic and social development, sustainable development in a globalizing world, health and sustainable development, sustainable development of Small Island States, Sustainable development for Africa as well as regional initiatives.
- **Johannesburg Declaration on Sustainable Development.**

2005 - World Conference on Disaster Reduction, Kobe, Japan

Aim: The World Conference on Disaster Reduction (WCDR) is a milestone event to increase the profile of disaster risk reduction in development planning and practice. The Conference provided a unique opportunity to promote a strategic and systematic approach at the national level to address vulnerabilities and to reduce risk to natural hazards. The UN General Assembly adopted resolution A/RES/58/214 on 23 December 2003, stating the Conference objectives as follows:

- a. To conclude and report on the review of the Yokohama Strategy and its Plan of Action, with a view to updating the guiding framework on disaster reduction for the twenty-first century;
- b. To identify specific activities aimed at ensuring the implementation of relevant provisions of the Johannesburg Plan of Implementation of the World Summit on Sustainable Development[2] on vulnerability, risk assessment and disaster management;
- c. To share best practices and lessons learned to further disaster reduction within the context of attaining sustainable development, and to identify gaps and challenges;
- d. To increase awareness of the importance of disaster reduction policies, thereby facilitating and promoting the implementation of those policies;
- e. To increase the reliability and availability of appropriate disaster-

related information to the public and disaster management agencies in all regions, as set out in relevant provisions of the Johannesburg Plan of Implementation. (Source: UNISRD).

Outcomes:

- Based on the objectives set out by the General Assembly, the main outcome of the Conference was foreseen in the following areas:
 1. Increased awareness, recognition and political endorsement for implementing disaster risk reduction and mobilizing local, national and international resources.
 2. Clearer directions and priorities for action at international, regional, national and local levels to ensure implementation of the International Strategy for Disaster Reduction (ISDR) and to support the achievement of the objectives of the Johannesburg Plan of Implementation and the Millennium Development Goals.
 3. Adoption of a set of goals and policy measures to guide and stimulate the implementation of disaster risk reduction, both on what to achieve and 'how-to-do' risk reduction.
 4. Launching of specific initiatives and partnerships to support the implementation of the International Strategy for Disaster Reduction. (Source: UNISRD).
- **Elaboration of Hyogo Framework for Action 2005-2015.**

2005 - International Meeting to Review Implementation of the Programme of Action for the Sustainable Development of SIDS, Port Louis, Mauritius.

Aim: In 1994, the United Nations Global Conference on the Sustainable Development of SIDS was convened in Barbados. The Conference adopted the Barbados Programme of Action (BPOA) that set forth specific actions and measures to be taken at the national, regional and international levels in support of the sustainable development of SIDS. The World Summit on Sustainable Development (WSSD) in 2002 reaffirmed the special case of SIDS and highlighted a series of SIDS-specific issues and concerns in the Johannesburg Plan of Action, adopted by the Summit. In a follow-up to WSSD, the United Nations General Assembly (UNGA) adopted Resolution A/57/262, which, among other things, called for a ▶

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REVIEW OF THE ECONOMICS OF CLIMATE CHANGE IN THE CARIBBEAN



A review of the economics of climate change in the Caribbean will be the subject of a study to be undertaken by ECLAC Sub-regional Headquarters for the Caribbean (ECLAC-POS), based in Trinidad and Tobago and funded by the United Kingdom's Department for International Development (DFID).

The project consists of 3 phases with the first phase establishing the scope and feasibility of carrying out a study on the costs and benefits of taking action on climate change adaptation and the cost effectiveness of mitigation in the Caribbean compared to a "business as usual" scenario. This first phase is also aimed at supporting initial actions to alert policy makers and key influencing constituencies in the Caribbean (civil society, academia, media, non-governmental organizations, private sector) to the urgency of the climate change challenge.

The second phase is expected to provide country-by-country assessments of the impacts of climate change on Caribbean countries, while the third phase is aimed at broadening these assessments by incorporating multiplier effects caused by regional interdependence and will ultimately feed into an analysis of the costs and benefits of climate change mitigation and policy recommendations for countries and regional bodies.

The review will also enhance partnership building among the various regional bodies engaged in climate-change related research and policy analysis in the Caribbean. The Caribbean Community Climate Change Center (CCCCC), based in Belize will be an important collaborator in the implementation of this initiative which seeks to build on the work of the CCCCC in measuring climate change impacts on Caribbean Small Island Developing States (SIDS) and in forging adaptation strategies. Other Caribbean centers of expertise, such as the Cuban Meteorology Centre

would also be key resource institutions.

The International Governmental Panel on Climate Change (IPCC) in its fourth assessment report projected that sea levels on average are likely to rise this century around the small islands of the Caribbean Sea and this is very likely to be accompanied by increased temperatures, decreased rainfall, deforestation, desertification, water scarcity and reductions in agricultural production. Extreme weather events will potentially become more frequent causing stronger hurricanes in the Atlantic Ocean with multiple impacts on Caribbean countries such as flooding and destruction of productive infrastructure.

Climate change is likely to impose serious economic consequences for the Caribbean that will make it increasingly difficult for the region as a whole to respond to the challenges of poverty reduction, higher human development and environmental sustainability linked to the attainment of the United Nations Millennium Development Goals.

This review for the Caribbean forms part of a series of related climate-change initiatives that are currently being carried out by ECLAC in Central America and DFID at a global level. The study from this review, in conjunction with the ECLAC study on climate change in Central America and other regional studies, will contribute to a better understanding of the economic impact of climate change in Latin America and the Caribbean. It will also inform on the costs and benefits of needed related policy responses both in terms of mitigation and adaptation.

The study is expected to be of 6 months duration from October 2008 to 31 March 2009 and will involve

the following Caribbean Countries: Anguilla, Aruba, Antigua and Barbuda, the Bahamas, Barbados, Belize, the British Virgin Islands, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, the Netherlands Antilles, Puerto Rico, Saint Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Suriname, Trinidad and Tobago and the United States Virgin Islands. The executing agency is the United Nations Economic Commission for Latin America and the Caribbean, Sub regional Headquarters for the Caribbean with collaboration among CARICOM, Caribbean Community Climate Change Centre (CCCCC), the Department for International Development (DFID), United Kingdom of Great Britain and Northern Ireland.

THE PROJECT WILL AIM TO:

Directly:

Assess the likely economic impacts of climate change on key sectors of the Caribbean economies, to stimulate governments, regional institutions and private sector actions to develop and implement policies to mitigate and adapt to climate change.

Indirectly:

- a. Further alert Caribbean public opinion to the urgency of the climate change challenge, and its potential socio-economic impacts on the participating countries;
- b. Stimulate national/regional debate on economic costs/benefits of national and regional action on mitigation and adaptation compared to a "business as usual" approach.

The review is primarily targeted at policy makers and influencing constituencies (e.g. civil society, academia, media, non-governmental organizations, private sector) within the participating countries. It should, however, have significant wider relevance in stimulating debate in the region.

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ECONOMIC SURVEY OF THE CARIBBEAN 2007-2008 - HIGHLIGHTS

The full text of the Economic Survey of the Caribbean LC/CAR/L.173 28 July 2008 can be reviewed at the ECLAC POS website.



Executive Summary

The economic survey provides an overview of the economic performance of countries of the Caribbean Development and Cooperation Committee (CDCC) for the year 2007 and their outlook for 2008.

It is noted that during 2007 and the first half of 2008, three major events affected developed and developing countries and regions alike. First, the increase in oil prices that started in 2003 continued and intensified during the year. Second, the slowdown or recession in the United States prompted by the burst of the real estate bubble - the subprime mortgage crisis and the credit crunch that started in September 2007. Finally, the sustained escalation in food prices accelerated since early 2008. These shocks have made the outlook for the global economy more uncertain posing greater downside risk to economic performance.

Fiscal balances in the Caribbean showed pronounced differences in 2007, from countries recording deficits above 6.5% of GDP such as Guyana, Antigua and Barbuda, Grenada and Montserrat, to others posting surpluses higher than 2.5% of output, namely Suriname and Trinidad and Tobago. Comparing these results with fiscal balances exhibited in 2003-2005, eight of the 15 countries improved their fiscal positions. The conclusion is similar when comparing fiscal balances between 2007 and 2006, but the countries change. Within the seven MDCs, Barbados, Belize, Guyana and Jamaica recorded persistent fiscal deficits. Trinidad and Tobago shows recurrent fiscal surpluses and Suriname has continued to improve its fiscal position during the last years. In the case of the ECCU countries, Grenada, St. Kitts and Nevis, Saint Lucia, and St. Vincent and the Grenadines posted deficits between 2003 and 2007. No ECCU country recorded recurrent surpluses during the same period.

The disappointing fiscal performance

showed by most Caribbean countries - that goes back to previous decades in many cases - led to the accumulation of significant amounts of public debt to finance persistent fiscal gaps. Thus, at the end of 2007, except for the Bahamas, Suriname, Trinidad and Tobago, Anguilla, and Montserrat, all other countries recorded excessively high debt-to-GDP ratios by any standard, ranging from 73.8% in Saint Lucia to 170.1% in St. Kitts and Nevis. In this context, interest payments on domestic debt both external and domestic have become a significant burden to public finance in many countries, imposing difficulties on fiscal policy management and soaking up important portions of fiscal revenue. This has led to limited investment in public infrastructure, education, health and other areas that facilitate growth and competitiveness. Indeed, interest payments on public debt as a share of fiscal revenue in 2006-2007 consumed more than 40% of fiscal revenue in Jamaica, and more than 20% in Belize and St. Kitts and Nevis.

The upsurge of international prices of fuel and food made the control of inflation in 2007 particularly difficult. Guyana and Jamaica recorded two-digit inflation rates. Similarly important was the hike from a slight deflation in 2006 to 8.2% inflation in 2007 in Saint Lucia. In the non-ECCU countries, in 2007, Barbados and Trinidad and Tobago managed to reduce inflation as compared to 2006. The same was true for Anguilla, Antigua and Barbuda, and St. Kitts and Nevis. In all countries food inflation was above headline inflation in 2007 and the first half of 2008.

When observing the evolution of trade and current account balances in the Caribbean, two general features stand out. First, in countries abundant in natural resources - notably Suriname and Trinidad and Tobago - generally trade surpluses offset deficits in the other components of the current account - i.e. services and income balances - resulting in lower current account surpluses (or plain deficits). In all the other countries,

current account deficits tend to be lower than trade deficits, revealing that these are partially counterbalanced by surpluses in the services and transfers balances. In this group of countries that are not abundant in natural resources the services sectors are important, especially the tourism and financial services sector. By the same token, transfers from abroad are highly significant particularly due to the magnitude of remittances.

The massive current account deficits observed in most countries was financed mostly by foreign capital. While in the MDCs Foreign Direct Investment (FDI) and financial capital have recorded comparable levels as a share of GDP in 2003-2007 (simple average), in the ECCU countries FDI has been much more important than financial capital to finance the external gap. Indeed, in the latter group of countries the magnitude of FDI inflows (simple average) was between 2.8 and 3.6 times financial capital. In addition, FDI was much more significant in the ECCU countries. For instance, in 2007 FDI as a share of GDP in the ECCU economies was 6.4 times higher than in the other Caribbean countries.

The excessive external gaps recorded by most Caribbean countries place them in a position of extreme vulnerability to external shocks, such as deterioration in the terms of trade and sudden reversals in foreign capital inflows. This vulnerability is amplified by excessive public debt in most countries coupled with susceptibility to natural disasters that have been striking the region with increasing frequency. Reducing the external gap continues to be one of the main economic policy challenges facing the Caribbean countries.

Prospects for 2008 indicate a GDP growth rate (simple average) in the range of 3.5-4.0% in the MDCs. The most rapid pace would be recorded by Trinidad and Tobago (5.5-6.0%) followed by Suriname (5.0-5.5%) fuelled by their dynamic mining and/or oil industries in a context of increasing high commodity prices in world markets. The Bahamas

and Belize would exhibit the slowest dynamism in economic activity with GDP growth rates between 2% and 2.5%. The difficulties experienced by most airlines due to the high prices of fuel and its impact on the tourism sector in a context of increased uncertainty and credit crunch in the United States play a role in this forecast. In addition, floods experienced by Belize in May 2008 will inhibit growth, especially in the agriculture sector. In the case of the ECCU countries, preliminary information for the first quarter indicate that the tourism sector has picked up led by cruise arrivals. However, as mentioned above, the situation of the tourism sector is likely to deteriorate over the remainder of the year, so that GDP growth in this group of countries would decline relative to 2007, posting a projected rate (simple average) to the tune of 3.5-4.0% in 2008. The most dynamic economy would be Anguilla (GDP growth rate of 5.5-6.0% in 2008), followed by Antigua and Barbuda (5.0-5.5%). On the other hand, Dominica, Grenada and Saint Lucia would post the lowest GDP growth rates within the ECCU that would range between 2.5% and 3% in 2008. The other ECCU countries would record an intermediate output growth rate.

Regional Analysis

A regional comparative analysis of the main trends in Caribbean economies reviews the most important current events in the world economy and their likely effects on the region. It is well known that conditions in international markets exert a prominent influence on small, open economies such as those in the Caribbean. Indeed, the world economy sets the general context in which national authorities have to design and implement public policies in order to achieve their broad development goals such as the promotion of growth, job creation, and poverty reduction. During 2007 and the first half of 2008, three major events affected developed and developing countries and regions alike. First, the increase in oil prices initiated in 2003 that continued and intensified. Second, the slowdown or recession in the United States prompted by the burst of the real estate bubble – subprime mortgage crisis and the credit crunch that started in September 2007. Finally, the sustained escalation in food prices accelerated since early 2008.

These shocks have made the outlook for the global economy more uncertain and tilted towards the downside. The Organisation for Economic Cooperation and Development (OECD) latest forecast paints a dismal picture of growth prospects. According to this organization, the United States economy is likely to shrink in the second quarter of 2008 and would continue to slow and growth in the Euro area would also slow down. The International Monetary Fund (IMF) also projects a similar trend but worst scenario. World economic growth would mainly be led by growth in emerging and developing economies.

The continuous hike in oil prices

It is indisputable that the sustained increase in international oil prices during the last few years is a development with major implications for the global economy, affecting growth expectations, production costs, consumer prices and consumption levels, among other key social and economic issues.

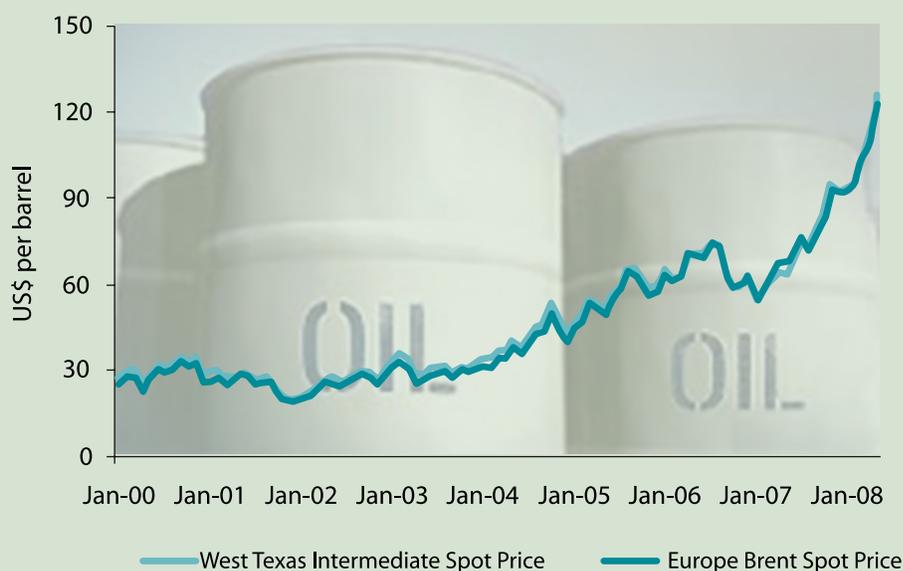
This phenomenon of increasing oil prices is not new. In fact, international oil prices have been increasing steadily since 2000-2001. However, it was since middle 2003 that prices started climbing at an accelerated pace, a process that is still ongoing. As a consequence, the price of crude oil almost quintupled between

January 2000 and May 2008, going from US\$27.3 to US\$125.4 per barrel per barrel as shown in figure 1.¹

A complex combination of structural and temporary factors lies behind this phenomenon coming from both the supply and the demand side of oil markets. From the demand side, the main factors explaining the growing pressure for oil are the global population growth; the impressive economic development of China, India and other emerging countries; and new consumption patterns (particularly in the most developed economies) based on extensive use of energy resources. As a consequence, worldwide consumption of oil has increased significantly during the last decades, reaching a top level of 83.7 million barrels a day in 2006.

On the supply side, key factors to consider are the diminishing production from current oil fields and the slowdown in the discovery and development of new oil reserves. Costs to develop new oil fields and facilities have also gone up, putting additional pressure on the supply side. Complementary, temporary factors, like the war in Iraq, or the political instability and uncertainty affecting several major oil producers, like Nigeria, have also contributed significantly to supply shortages and stagnation. ►

FIGURE 1: Oil Prices, January 2000-May 2008(US\$ Per Barrel)



Source: Energy Information Administration.

¹Average spot price for West Texas Intermediate recorded in May 2008

Another key factor to explain the steep increase in oil prices can be found in the speculative pressures operating on international commodity markets, fuelled by a volatile financial and economic global scenario. According to diverse sources, massive hoarding of assets on natural resources (principally futures) by global investors is the main force behind the recent increases in the international crude price.

Regardless the causes of the rise in oil prices, the global and regional significance of this phenomenon should not be underestimated. Indeed, the impact of higher oil prices has been extensive, with deep repercussions on related issues like economic growth, production costs, food prices, wage levels, trade equilibrium, or general macroeconomic stability.

The implications for Caribbean countries depend on whether they are oil exporters or importers. Countries such as Belize, Suriname and, Trinidad and Tobago will continue to benefit from increasing oil prices with the feeding of significant trade, current account and fiscal surpluses, together with more dynamic economic activity. For the oil importing Caribbean countries the opposite is true, with rising production and transportation costs jeopardizing economic growth and creating inflationary pressures. In addition, the rise in the import bill will deteriorate the external accounts. Further increases in international oil prices will deepen these divergent impacts within the region. Also, Caribbean economies are likely to face a decline in tourism arrivals due to the increasing air fares associated with fuel inflation. Being the most tourism dependent region in the world, this indirect effect of the increasing trend in oil prices would have a significant economic impact on Caribbean countries.

Of significance, in July 2008, during the meeting of Petrocaribe – an energy integration entity launched in 2005 by the Venezuelan Government – it was agreed that member countries could pay upfront only 40% of the price of oil with the remainder financed by loans with 25 years of maturity, an annual interest rate of 1% and two years grace period. In the context of continuous increases in oil prices, this alternative would be very helpful to Caribbean countries

that are signatories to this agreement (Antigua and Barbuda, Bahamas, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Vincent and the Grenadines, and Suriname²).

The subprime crisis in the United States

The United States economy is currently confronted with many challenges catalyzed by the bursting of the property bubble in August 2007. The collapse of real estate prices has resulted in unprecedented losses for financial intermediaries and increased volatility and uncertainty in financial markets which have jeopardized investors' confidence. Despite some of the aggressive measures taken by the Federal Reserve, growth remained sluggish at 0.6% for the first quarter of 2008, same as the last quarter of 2007. The jobless rate, a major economic indicator, increased from 5% in April 2008 to 5.5% in May 2008 and remained at that level in June 2008. The weakness of the labour market points to the fact that the likelihood of a recession is by no means over³.

The impact of the United States subprime mortgage crisis is of a global scale. As such, the Caribbean is not immune to such an event. In 2007, the Caribbean economy grew by 4% (simple average), 1.4 percentage points lower than in 2006, and is expected to slow even further in 2008 due to developments in the world economy. The slowdown in the United States economy will most likely affect economic growth in the Caribbean via trade, tourism, remittances, finance and Foreign Direct Investment (FDI).

(a) Trade

The weakening of household consumption and business investment would directly initiate a curtailment of demand in the United States for foreign goods and services. Such curtailment will be felt most severely by countries with a large share of their exports to the United States. In 2006, 51% of the Caribbean Community's (CARICOM) total exports of goods went to the United States market. This is significant for Caribbean countries which are dependent on exports to improve their current account balances and foster productive employment and growth. Based on data

for the period 2002-2006, Caribbean countries with the highest share of their exports to the United States market are The Bahamas, Belize, Trinidad and Tobago and St. Kitts and Nevis with export percentages ranging from 32% to 62%. Hence, these countries will be mainly affected by a slowdown in the United States economy.

(b) Tourism

Tourism is a major income earner for most Caribbean countries contributing as much as 17% of GDP in countries such as the Bahamas and accounting for 60% of service export of the Eastern Caribbean Currency Union (ECCU). The negative wealth effect of the subprime crisis and increased uncertainty due to recession fears will eventually translate to reduced travel demand from the United States and hence will affect the tourism sector and tourist related construction. Moreover, the high cost of travel due to spiraling oil prices places a damper on travel.

(c) Remittances

In 2006, remittance flows to the Caribbean – including Cuba and the Dominican Republic, excluding Belize, Guyana and Suriname – totalled US\$8.3 billion. Remittances to the region were highest from the United States followed by Western Europe. States such as California, New York and Florida were the highest remittance states. The slower job market and a housing-led recession will then have a significant impact on remittances as loss of jobs and negative wealth effects on immigrant home owners will translate into less or no money to remit. The brunt of the decline in remittances will be felt mainly by the rural population in most Caribbean countries especially Guyana and Jamaica. The significance of remittances is also highlighted by the fact that it outpaced FDI in Guyana by a factor of 3 and in Jamaica by a factor of 2.4 over the same period.

(d) Finance and FDI

Thus far, the recent turmoil in the United States economy has had little impact on Caribbean financial institutions. Financial assets are less risky than they were years ago and many countries, including Barbados, are approaching investment grade status, hence improving the perception of

²Other member countries are Cuba, Dominican Republic, Guatemala, Haiti, Honduras and Nicaragua.

³Technically, a recession is defined as two consecutive quarters of negative growth.

sovereign debt. Moreover, the continuous reduction in interest rates in the United States makes the region attractive to capital inflows which will give rise to growth in asset prices. However, entities such as some central banks, commercial banks and others with investments and reserves that are United States dollar denominated will experience capital losses due to the depreciation of the dollar.

But most importantly, should the financial crisis worsen in the United States as some analysts fear, it would severely affect the global financial system harming particularly the more financial services dependent Caribbean countries like Barbados, The Bahamas and Belize.

The escalation in food prices

The continuous rise in the international prices of most food products has profound implications for the welfare of billions of people worldwide. The steep increase in food prices on the international market began in mid-2005, as recorded by the Food and Agriculture Organization (FAO) Food Price Index (FPI).

This increase in international food prices is essentially derived from a major imbalance between global supply and demand, which is explained by a combination of structural and temporary factors. Although the exact structure and relationship between the different forces fuelling this imbalance are complex and not fully understood there are a number of key factors to consider. On the demand side, it is clear that several economic and social forces have been putting increased pressure on food markets. The most relevant and shared arguments for the increased prices are the sustained growth of world population; changing consumption patterns in emerging economies (especially China and India) translating into higher demand for meat; and the surge in biofuel production in the United States and Brazil.

On the supply side, increased production costs must be considered as one of the main factors contributing to rising food prices, as in recent years farmers have been paying higher prices for labour, fuel and other essential supplies, like fertilizers. As discussed above, oil prices have been on a very steep increasing trend since 2003. As a result, operating expenditures for agricultural producers worldwide have

increased. By the same token, the accelerated rise in fertilizer prices, from mid-2006 onwards, has also played a key role in expanding production costs for agricultural activities. Modern agriculture, particularly in the most developed countries, uses natural and artificial fertilizers intensively and its cost structure is very sensitive to changes in prices of such inputs. Overall, the sustained rise in international prices of fertilizers has become a serious problem for agriculture producers, especially poor farmers in developing countries with limited access to credit markets.

Another supply side factor contributing to the escalation of food prices is the stagnation or reduction in the availability of land and water for agriculture use, as a consequence of expanded urban and industrial demand. In addition, there have also been several adverse events in some major agriculture producers – such as a recent drought in Australia or conflict between the government and farmers in Argentina – that have had a direct impact on international food prices, negatively affecting international food supplies and stocks. At the regional level, Hurricane Dean – that struck the Caribbean in August 2007 – also had significant impact on agriculture, particularly in Jamaica, Dominica and Saint Lucia.

Notwithstanding, a new prominent factor that also lies behind the current hike in food prices is the emergence and increasing participation of investment banks and other institutional investors in world commodity markets. In the wake of the collapse of real estate markets and low interest rates – particularly in the United States – these institutions are targeting food products and other commodities as investment vehicles. As a result, international investment in derivatives and other financial instruments linked to food stocks have soared in the last few years. Recent data from the Latin American and Caribbean Economic System (SELA) and the Bank for International Settlements (BIS), show that between 2004 and 2007 financial investments in commodities like food and oil, grew by eight times totaling some US\$8,400 billion at the end of 2007. Source: Bank of International Settlements and SELA.

Considering that the Caribbean is a net importer of food, the implications of this situation should be taken very seriously. In fact, according to data

from the United States Department of Agriculture, the Caribbean is a net importer of most basic grains, pulses and oil seeds, including the ones experiencing continuous and significant price increases. This chronic imbalance between regional demand for and supply of most basic food products is particularly evident in the case of wheat, a crop that does not grow in the Caribbean, but is widely consumed by the population. Indeed, during the period April 2007-April 2008 regional wheat imports totalled 1,795 thousand metric tons. This deep dependence on imports of wheat and other basic grains reveals that the Caribbean region faces serious risks and problems related to food security.

For the Caribbean countries, the implications coming from the current global food crisis are far reaching. At the macroeconomic level, the impact will be felt through widening trade deficits for most countries resulting from higher food import bills, as well as increasing inflationary pressures. At the social level, real income and consumption capacity of most households and individuals will suffer accordingly, contributing directly to the increase in poverty and inequality. The negative impact of higher food prices could eventually translate into a severe setback in the regional achievements in poverty reduction and social development. Indeed, the World Bank and the United Nations Economic and Social Council (ECOSOC) have estimated that seven years of global advances in the fight against poverty have been already wiped out by the global food crisis, thus severely jeopardizing the achievement of the Millennium Development Goals (MDGs). By the same token, ECLAC has estimated that repeated increases in food prices would have serious consequences on Latin American and Caribbean countries. Although there is still no specific regional assessment on the impact and consequences of the global food crisis, it is clear that the Caribbean region as a whole is facing a challenging issue, which will require collective and cooperative responses, in order to preserve economic growth, social development, and political stability and democracy.

All in all, despite a number of negative external shocks in 2007, such as the worsening of conditions in the world economy – i.e. increasing oil and food prices, subprime crisis in the United

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ESTABLISHMENT OF A GENDER EQUALITY OBSERVATORY IN THE CARIBBEAN Sub-region



The Member States of the Economic Commission for Latin America and the Caribbean (ECLAC), participating in the tenth session of the Regional Conference on Women in Latin America and the Caribbean held in Ecuador in August 2007, adopted the Quito Consensus, which mandated the creation of a gender equality observatory.

The Quito Consensus recognizes *“that parity is one of the key driving forces of democracy, that its aim is to achieve equality in the exercise of power, in decision-making, in mechanisms of social and political participation and representation, in diverse types of family relations, and in social, economic, political and cultural relations, and that it constitutes a goal for the eradication of women’s structural exclusion.”*

In addition, the Statistical Conference of the Americas of ECLAC, at its fourth meeting (Santiago, Chile, 25-27 July 2007), agreed to include among its strategic objectives the promotion and development of gender statistics, assigning ECLAC the role of technical secretariat in a new working group on gender statistics. As the technical secretariat of both the Regional Conference on Women and the Statistical Conference, ECLAC has subscribed to two mandates to facilitate the observatory’s role as a bridge between users and producers of statistical data on gender

The proposal for the establishment of a gender equality observatory was presented at the forty-first meeting of the Presiding Officers of the Regional Conference on Women in Latin America and the Caribbean in Colombia in April 2008. That meeting endorsed the proposal for what will provisionally be entitled a gender observatory for Latin America and the Caribbean in fulfillment of the Quito Consensus, and requested ECLAC to convene a technical meeting to

define the strategic indicators for the observatory and to determine what functions each of its components will perform for subsequent approval by the Presiding Officers.

It is within that context that the ECLAC Subregional Headquarters for the Caribbean and Secretariat of the Caribbean Development and Cooperation Committee (CDCC), together with the ECLAC Division for Gender Affairs will be convening of a preparatory meeting for the observatory with national mechanisms for the advancement of women in the Caribbean. This meeting will be convened at the ECLAC Headquarters in Port of Spain on 6-7 October 2008, and will serve as a briefing session and an opportunity for substantive exchanges on relevant indicators for the Caribbean with a view to the implementation of the observatory in the subregion.

Mission and objectives

The gender observatory is conceived as a tool to support governments in analysing regional realities, monitoring gender policy and international agreements, and providing technical support and training to national mechanisms for the advancement of women and to national statistical agencies in countries that request such aid. Its principal objectives will be:

(i) To analyse the fulfilment of gender equality goals and targets in the region and increase their visibility.

The observatory is an effort to follow up the agenda of the Quito Consensus and, as such, is a tool to be regarded as complementary to other existing tools adopted by the international community.

The principal issues of concern to the observatory are:

- Paid and unpaid work, time use and poverty;
- Access to decision-making and

political representation;

- Gender-based violence;
- Reproductive health and rights (a cross-cutting issue).

While the issues addressed by the observatory clearly do not cover the entire agenda of the Beijing and Cairo conferences or the Millennium Development Goals, they do intersect with these, attempting to highlight common areas of concern. Similarly, the issues addressed relate to those covered by the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), without claiming to deal with all of the dimensions that it addresses.

In brief, the observatory will seek to:

- Make available to governments strategic gender indicators and analytical tools for policymaking;
- Provide ongoing monitoring on issues that are important in improving gender equality and policy;
- Provide a technological platform offering easy access to systematically organized information through an online portal.

(ii) To supply technical support and training

- In countries that request it, producers and users of official statistics, including both national mechanisms for the advancement of women and national statistical agencies, may solicit technical support and training for the collection, processing, analysis and use of statistical data, and for generating the observatory’s indicators.

Technical assistance is one of the principal activities assigned to the observatory. Such assistance will seek to strengthen relations between national statistical agencies, national mechanisms

for the advancement of women and other public entities involved in gender equality policies. This effort emerges from a number of years of inter-agency work designed to improve dialogue between the producers and users of information—in this case, in the context of collaboration between the Regional Conference on Women and the Statistical Conference of the Americas of ECLAC.

(iii) To assess gender inequalities

The observatory will release a report analysing changes in the strategic indicators that it monitors on 8 March of each year (International Women's Day). It will focus on one specific issue designated each year by the Presiding Officers of the Regional Conference. The report will cover and analyse current policy in the following areas related to the Quito agenda:

- Paid and unpaid work, time use and poverty;



- Access to decision-making and political representation;
- Gender-based violence;
- Reproductive health and rights (a cross-cutting issue).

Conceptual basis: three cross-cutting areas affecting private and public life

The observatory is designed to communicate an approach in which different issues and indicators reflect the horizontal regional agenda set

forth in the Quito Consensus, which is concerned with the public and private lives of men and women.

Women's autonomy is the organizing concept for three specific areas of concern: physical autonomy, economic autonomy and decision-making autonomy.

The observatory's central issues lie within these areas, and critical inequalities in each of them will be monitored by indicators. The observatory does not attempt to cover all the dimensions of gender inequality, but it does aim to address areas in which overcoming inequality is a major challenge for the region, from the perspective of the two major issues that emerged from the Quito Conference: political participation and gender parity in decision-making processes at all levels, and women's contribution to the economy and to social protection. ■

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REVIEW OF THE ECONOMICS OF CLIMATE CHANGE IN THE CARIBBEAN

A regional approach has been chosen for the study in order to take into account the manner in which interdependencies will act as multipliers to the results and the opportunities provided by the existing intergovernmental bodies in the Caribbean and neighbouring Central America. It will include national analyses for policy makers in participating countries and also a regional study to identify cross-cutting issues relevant to the wider international discussions.

The project will have direct impact on Caribbean countries, including Caribbean Community (CARICOM) member States, Caribbean Overseas Countries and Territories (OCTs) and the Dominican Republic through coordination between this project and work undertaken by the Caribbean Community Climate Change Centre (CCCCC) based in Belize, including the study undertaken for Central America which includes Belize.

This will therefore provide useful interface for knowledge sharing between two regional reviews. The project should also help to enhance engagement between developed and developing

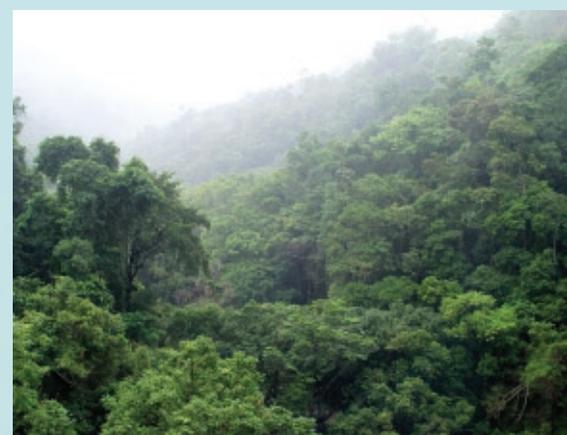
countries, and amongst developing countries, on the issue of climate change (in particular energy efficiency; carbon markets and adaptation research and development).

The project would encompass 3 phases as follows:

Phase I would establish the scope and feasibility of carrying out a study on the costs/benefits of taking action on climate change adaptation and cost effectiveness of mitigation in the Caribbean compared to a "business as usual" scenario. It would also support initial actions to alert policy makers and key influencing constituencies to the urgency of this challenge.

Results of phases II and III would realise a final report comprising:

- a. Review of the results generated for the Caribbean and for the Latin American region by the major global reviews (IPCC AR4, GEO 4, Stern);
- b. An economic assessment of the impacts of climate change in the Caribbean subregion;
- c. An analysis of the costs and benefits of mitigating and adapting to climate



change in the short, medium and long term;

d. National and regional policy recommendations for the Caribbean on mitigation and adaptation;

e. Recommendations for further lines of research.

Starting October 2008, consultations would be held with a wide range of stakeholders taken from the private sector, United Nations system, academia, the public sector, civil society and regional organisations in Aruba, Barbados, Cuba, Curaçao, the Dominican Republic, Guyana, Jamaica, Montserrat, Saint Lucia and Trinidad and Tobago. ■

comprehensive review of the BPOA at an international meeting to be held in Mauritius in 2004, some ten years after its adoption. One of the key objectives of the International Meeting was to seek and renew political commitment from all countries by focusing on practical and pragmatic actions for the further implementation of the BPOA through, amongst others, the mobilization of resources and assistance for SIDS.

(Source: <http://www.gov.mu/portal/sites/ncb/sids2005/meeting.htm>).

Outcomes:

- Mauritius Declaration:** The Mauritius Declaration reaffirms the continued validity of the Programme of Action as the blueprint for action in support of small island developing States, while taking account of new and emerging issues, and it invokes renewed political commitment to support the sustainable development strategies of small island developing States through technical and financial cooperation, regional and inter-regional institutional assistance and an improved international enabling environment. The importance of capacity-building, technology transfer and human resource development to building the resilience of small island developing States and to advancing implementation of the Programme of Action are also recognized.

(Source: Text of Declaration).

- Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island States.** The Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of small island developing States responds

directly to the assessed need for a more focused approach to implementation of the Programme of Action. To that end, it identifies critical areas for further attention within the established sectors of the Programme of Action, and highlights new and merging issues which must be taken onboard if more effective implementation of the Programme of Action is to be achieved. These include HIV/AIDS and other health-related issues which constitute a fundamental development challenge; security concerns; the impact of the erosion of trade preferences on small island developing States and the consequent need for improved market access and an international trading system that promotes economic growth, employment and development for all; support for information and communication technology (ICT) development; and the importance of protecting cultural diversity and promoting cultural industries as a vital component of sustainable development strategy in small island developing States. (Source: Text of Declaration).

December 2007 - United Nations Climate Change Conference (CoP 13)

Aim: At the thirteenth Conference of the Parties to the UNFCCC and the third Meeting of the Parties to the Kyoto Protocol in Bali, it was agreed that the focus needs to be on reaching international agreement on concrete steps to be taken in view of a framework to follow the end of the Kyoto Protocol's first commitment period in 2012. An international agreement needs to be

found to follow the end of the Kyoto Protocol's first commitment period, which ends in 2012. In order to avoid a gap between then and the entry into force of a new framework, the aim is to conclude a new deal by 2009 to allow enough time for ratification. The "Bali roadmap" would establish the process to work on the key building blocks of a future climate change regime, including adaptation, mitigation, technology cooperation and financing the response to climate change. But it would also need to set out the methodology and detailed calendar of work for this process. (source: UNFCCC).

Outcome:

- Bali Action Plan.** The conference culminated in the adoption of the Bali roadmap, which charts the course for a new negotiating process to be concluded by 2009 that will ultimately lead to a post-2012 international agreement on climate change. Ground-breaking decisions were taken which form core elements of the roadmap. They include the launch of the Adaptation Fund as well as decisions on technology transfer and on reducing emissions from deforestation. (Source: UNFCCC).
- Adaptation Fund:** The Adaptation Fund was established to finance concrete adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol. The Fund is to be financed with a share of proceeds from clean development mechanism (CDM) project activities and receive funds from other sources. The share of proceeds amounts to 2% of certified emission reductions (CERs) issued for a CDM project activity. (Source: UNFCCC). ■

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ECONOMIC SURVEY OF THE CARIBBEAN 2007-2008 - HIGHLIGHTS

States – and natural disasters, GDP growth in the non-ECCU countries was not below the annual pace recorded in 2001-2005, but in fact experienced a significant acceleration. Although the slowdown in economic activity in 2007 relative to 2006 affected most sectors, some suffered more than others. Particularly disappointing was the performance of the agriculture sector in the Bahamas, Belize, Jamaica, Dominica, Montserrat and Saint Lucia.

On the other hand, the decline in growth dynamism in the construction sector was significant in the Bahamas, Antigua and Barbuda, and Saint Lucia. In countries abundant in natural resources such as Belize, Guyana and Suriname, economic growth was led by the mining and oil sector. Likewise, the services sector in general, and the tourism subsector in particular, led GDP expansion in the Bahamas and Barbados, two countries highly dependent on these activities. Finally, in Trinidad and Tobago the impressive GDP growth rate recorded in 2006 dropped markedly in

2007, mainly due to a perceptible decline in the dynamism of the energy sector. ■

UPCOMING EVENTS OCTOBER - DECEMBER

Launch of the Economic Survey of the Caribbean

Country Consultations on the Economics of Climate Change

Workshop on the use of REDATAM



UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
Subregional Headquarters for the Caribbean

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