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Subregional Headquarters for the Caribbean

CARIBBEAN DEVELOPMENT AND CO-OPERATION COMMITTEE

Castries, Saint Lucia  
28-30 March 1990

REPORT ON THE PREPARATORY MEETING OF  
ISLAND DEVELOPING COUNTRIES OF THE CARIBBEAN

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**UNITED NATIONS**  
ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN  
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1. Pursuant to a decision of the Caribbean Development and Co-operation Committee (CDCC) at its twelfth session in Curaçao, Netherlands Antilles, 4-8 December 1989, the CDCC secretariat convened a meeting in Saint Lucia, 28-30 March 1990, preparatory to the June 1990 United Nations Meeting on Island Developing Countries (IDCs).
2. The meeting was chaired by Mr Donatus St. Aimee, Secretary of the CDCC, who is responsible for the programme of small island developing countries (SIDCs) within the CDCC secretariat.
3. Representatives of the following member and associate member countries of CDCC attended the meeting: Aruba, Antigua and Barbuda, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, the Netherlands Antilles and the United States Virgin Islands.
4. Representatives of the following organizations and specialized agencies of the United Nations system attended the meeting: International Labour Organisation (ILO), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP) and United Nations Industrial Development Organization (UNIDO).
5. The Caribbean Agricultural Research and Development Institute (CARDI), the Caribbean Community (CARICOM) secretariat, the Organization of American States (OAS) and the Organization of Eastern Caribbean States (OECS) secretariat were also represented at the meeting. The list of participants is given in annex.

6. An opening statement was made by Mr Clyde Applewhite, Director of the ECLAC Subregional Headquarters for the Caribbean, who outlined the work of the CDCC with respect to SIDCs. He pointed out that within the work programme of ECLAC/CDCC the special problems of SIDCs were clearly recognized, since these countries constituted the majority of CDCC membership. The CDCC was providing assistance in demography, statistics, science and technology, information systems and training, with a view to furnishing these small countries with the necessary tools for formulating their development strategies.

7. Mr Applewhite expressed the hope that the meeting would not only refine some of the earlier arguments, but also identify additional areas of concern which the CDCC could address in the coming year, in conjunction with other United Nations agencies.

8. The agenda adopted for the meeting was as follows:

- (a) Outline of meeting and introduction of documents;
- (b) Presentation by UNCTAD;
- (c) General discussion on documents;
- (d) Discussion on problems of SIDCs in the context of formulating specific plans and programmes for consideration by the United Nations system and donor countries; and
- (e) Conclusions and recommendations.

9. The secretariat introduced the four background documents and reported on the status of its relevant work.

10. The four documents presented were:

- (a) Report of the Workshop to Develop a Plan of Action for the Small Island States of the Caribbean (CDCC document, LC/CAR/G.237);

(b) Plan of Action for Small Island Developing Countries (CDCC document, LC/CAR/G.259/Rev.1);

(c) Programme of Action for Small Island Developing Countries (CARICOM document, A/C.2/43/7 submitted to the United Nations); and

(d) Report of the Meeting of the Group of Experts on Island Developing Countries (UNCTAD document, UNCTAD/ST/LDC/9).

11. The UNCTAD representative reviewed the elements of his organization's paper to be presented to the global meeting and described the thinking of UNCTAD with respect to the issues affecting IDCs.

12. This paper outlined some of the similarities among IDCs such as scarce or depleting resources; problems of deforestation as a result of the use of wood and charcoal for energy; proneness to natural disasters and the need to prepare for and mitigate their effects; transport and communication problems; security problems; and the fragility of islands' ecosystems. A distinction was made between the intrinsic disabilities of IDCs and acquired disabilities such as weak inter-island linkages; limited ability to exploit their exclusive economic zones (EEZs); human resource constraints; institutional weaknesses; and disposal of waste in IDCs both by internal and external sources.

13. The representative of the OAS presented a document outlining a study by that organization of the development problems of its small and very small Member States and the efforts of the OAS to deal with their special cases.

14. The representative of the Caribbean Agricultural Research and Development Institute (CARDI) observed that the geological formations of SIDCs must be taken into account and highlighted, particularly as this affected the delivery of goods and services.



15. In discussing the papers, participants felt that the views contained in them should be streamlined and a uniform position adopted for presentation to the June meeting.

16. It was noted that although literature for stating the IDC case already existed, what was now required was the presentation of this information beyond the June meeting into the formal United Nations agenda for more flexible criteria to be employed.

17. The view was also expressed that this meeting should define new arguments to complement existing ones in favour of IDCs, for presentation to the global meeting in June. Its outcome should be the international community's recognition of the special problems of IDCs to be addressed, among which was the size/threshold issue.

18. It was agreed that although needs were frequently presented, drawbacks to development - particularly the impacts of national disasters on the rate of development of SIDCs - were not.

19. Of particular concern to all present were the criteria used by donors for the allocation of funds, with per capita GDP given excessive prominence and weight over other factors. Suggestions for new criteria included an index of smallness, vulnerability to natural disasters and terms-of-trade factors.

20. Following the general discussion, the secretariat prepared a document containing recommendations for national and international measures to meet the special needs of the Caribbean IDCs. This

was, in turn, discussed in working groups and approved by the delegates. The document will be presented to the June 1990 Meeting on IDCs. It is in two parts: Part A outlines and restates some of the factors which pose particular problems to the development of IDCs; and Part B presents recommendations to deal with those problems.

## PART A

### Elements of the Island Developing Countries<sup>1</sup> problems requiring special attention

1. Proneness to natural disasters - hurricanes (increasing in frequency and intensity), volcanic activity, earthquakes and similar acts of nature and accidents, such as oil-spills and other environmental pollution hazards - requires elaborate disaster-preparedness measures and mechanisms, particularly in the light of the devastation and long-term impact on economic activity in SIDCs that these occasion.
2. (a) The geographical remoteness of IDCs and their relatively extensive coastlines are a constant invitation to invasion. Smuggling, illicit trafficking in narcotic drugs and psychotropic substances, invasion of EEZs by foreign fishermen and even attacks by guerrillas and mercenaries must all be guarded against.  
  
(b) In addition, islands have a great need for and a high dependence on capital-intensive air and sea services which are costly to maintain. They are also at a disadvantage in terms

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<sup>1</sup> Among these "countries", are included dependent territories and free associated territories whose constitutional status may differ from one to another.

of freight costs of imports and exports, while their service industries, especially tourism and trans-shipment, are severely handicapped by inadequate or expensive port services.

- (c) Archipelagic IDCS have the further problem of inter-island or intraregional transport. Transport costs frequently determine the viability of industries. Given the situation of high costs and low volume, IDC governments are frequently forced to undertake the operation of airlines, shipping and ferry services in circumstances where private enterprise find the rate of return unattractive.
- 3. The development of marine and land resources must be so designed that aspects of the development process which may cause pollution are controlled to maintain sound ecological balance.
- 4. The fragile terrestrial and marine ecosystems are being irreparably damaged not only by environmental threats such as global warming, which may result in sea-level rise and climatic changes, but also by activities emanating outside of the jurisdiction of IDCs. This process of ecosystem degradation is exacerbated by the absence of human and financial resources to implement the appropriate conservation policies.
- 5. Demographic factors that lead to excessive population pressures strain the "carrying capacity of an IDC". Alternatively, the continuing emigration of professional and skilled personnel diminishes the productive capacity of an IDC.
- 6. (a) Limited resources - human, natural and financial - resulting from smallness, increase the dependence of IDCs on

external resources - technical and financial - and thus increase their vulnerability unless some predictability is introduced into the provision of such resources.

(b) In addition, extensive specialization resulting from limited resources subjects the economies of IDCs to the usually negative impact of marked fluctuations in foreign exchange earnings. The avoidance of severe disruptions in production, external debt servicing, etc., require programmes to stabilize these earnings.

7. IDCs, although in most cases relatively small, must provide the same range of public services found in larger countries. The result is a high administrative cost, either measured in per capita terms, or in relation to available financial resources.

8. New scientific advances in biotechnology and material sciences are altering techniques which some IDCs now employ in agriculture and mining. Competitive production requires mechanisms to enable IDCs to access and utilize these new techniques.

9. The smallness of the economies of IDCs render them vulnerable to the effects of policy changes implemented by transnational corporations operating in their territories. This may occur without prior notice, outside the influence of the IDCs, and impact negatively upon a number of economic variables such as: employment of nationals who have been trained in a narrow field or skill; unpredictable fluctuations in foreign exchange earnings; medium-term planning of vocational and technical training programmes; and the ability of market forces to adapt rapidly to such changes.

10. In the context of the Non-independent Caribbean Countries (NICCs), there is the problem of limited access to and participation in programmes and activities of the special agencies and other organs of the United Nations system.

## PART B

### Measures required

There are a number of features, whether constituting problems or representing opportunities, which are intrinsic to IDCs and require the attention, or in some cases increased attention, of donor agencies. The case for special support by the international community for IDCs remains valid, if these countries are to continue to provide a reasonable level of opportunities for their population. The particular areas of support will vary between islands, but there are some broad areas in which support will generally be required, in line with national measures. These areas should form the basis for programmes by bilateral donors and international organizations. Accordingly, the international donor community should be encouraged to support activities in the following areas:

1. External financial and technical assistance
  - (a) Maintenance and increase of the concessional financing at present available to IDCs, given the limited prospects for resource based development and domestic resource mobilization in many IDCs;
  - (b) Terms and conditions of financial and technical assistance should correspond to requirements and capacities of IDCs, including the need to continue assistance for a reasonable period of time;
  - (c) Assistance should be untied, wherever possible;
  - (d) Criteria for allocation of funds and graduation should not be based only on per capita GNP but should take account of total

development needs and constraints, including other factors of physical, economic and social disabilities and vulnerability indices (e.g., the relative amount of land area available for development in comparison to total land area). Also, the supplementary criteria used by the UNDP Governing Council for allocation of Indicative Planning Figure (IPFs) should be reviewed in order to take into account the special needs of IDCs;

- (e) Reducing the rigidity of rules and procedures of bilateral and multilateral donor agencies which limit both access to and participation in those institutions from which benefits can be derived;
- (f) Simplification, harmonization and decentralization of operational procedures of bilateral and multilateral donor agencies with respect to IDCs;
- (g) Review of development strategies to take account of specific island problems within the planning process; for example, the need to develop sea-use maps as a consequence of the enlarged EEZ in relation to land-size.

## 2. Areas of opportunities

Notwithstanding the constraints facing IDCs, there are some areas of opportunity coming out of their geological formations. Such attributes as excellent beaches, tropical weather and climatic conditions offer potential for tourism development which can be a major source of foreign exchange. The large EEZ of islands can also be a potential resource. But these areas of opportunity require large amounts of capital, beyond the capability of the island State, for infrastructural development before they can be of benefit. Assistance in developing these areas with a multisectoral and multipurpose approach could greatly enhance the capacity of the island country to undertake other development projects of its own accord.

### 3. Proneness to natural disasters

- (a) Priority at the national, regional and international levels to disaster preparedness and disaster management, including the assessment of mitigation measures;
- (b) Training in a wide range of relevant areas, including civil engineering and emergency communication techniques;
- (c) Public information/awareness campaigns;
- (d) Establishing disaster preparedness networks at the national and regional levels;
- (e) Adequate building codes and appropriate building materials;
- (f) Building the required facilities and obtaining the necessary equipment;
- (g) Continuous research to improve forecasting capabilities.

### 4. Problems of remoteness

- (a) Joint policing and other collaborative measures to overcome the inability of some IDCs to undertake surveillance of their coastlines and surrounding EEZs;
- (b) Enhanced United Nations action to reduce the vulnerability of SIDCs to aggression and other external illegal action;
- (c) Maintenance and expansion of efforts to address existing deficiencies in such areas as maritime legislation, safety practices, cost-effective passenger services, data base and negotiating techniques as well as the movement and handling of perishables and other products;
- (d) Training, including through safety awareness workshops, to sensitize small-vessel operators, fishermen, etc. and management and non-management training for port personnel;
- (e) Upgrading port facilities and adjacent inland infrastructure;
- (f) Multinational air services for regions or subregions comprising IDCs and requiring such action;
- (g) Assistance from ICAO and other agencies in the development of integrated feeder air services into the smaller islands and, generally, in the difficult problems associated with air



transport planning and airport safety in small regions;

- (h) Use of modern information and communication technology as a means of intensifying news, cultural and educational exchanges.

5. Environment, conservation and development

- (a) Promotion of development strategies which balance the needs of development with the fragility of insular eco-systems;
- (b) Measures to reduce the effect on SIDCs of such global hazards as global warming;
- (c) Mechanisms to monitor the transboundary movement of hazardous waste into the terrestrial and maritime areas of IDCs;
- (d) Prevention and control of pollution of the beaches and tourist attractions as well as of ports and industrial sites;
- (e) Development of techniques, measures and arrangements with respect to the management, control and disposal of sewerage and other locally generated waste in small land spaces and with respect to toxic chemical management;
- (f) Forest conservation measures and research and development of practices which contribute to efficient forestry use;
- (g) Fisheries resources survey and development of aquaculture, mariculture and other activities to increase fish stocks;
- (h) Development and implementation of coastal zone management plans.

6. Agriculture, manufacturing and industry

- (a) Strengthening of investment credit and agricultural services;
- (b) Research into crop and product diversification and animal feed production;
- (c) Improving marketing organization and intelligence network;
- (d) Development of agro-industrial activities and land management systems;

- (e) Assistance in technology extension service in plant operation, quality control, labelling and standardization, equipment selection, negotiation and acquisition and appropriate marketing information;
- (f) Strengthening the co-operative movements in the agriculture, manufacturing and industry sectors, in particular in employment - generation programmes;
- (g) Strengthening institutes for technical and skills training and developing programmes to promote employment;
- (h) Assistance in promoting and developing indigenous entrepreneurship, as well as in attracting outside entrepreneurship and investment to support local capabilities.

#### 7. Tourism

- (a) Strengthening the tourism training institutions in areas of planning, marketing, management and negotiating contractual arrangements;
- (b) Developing data gathering and processing to improve planning in the tourism sector: manpower survey, capacity of tourism sector, marketing, etc;
- (c) Hotel classification and registration scheme;
- (d) Standardization of certificates in the tourism industry.

#### 8. Science and Technology for development

- (a) Strengthening the technological capacity and improving the environment for technological development, adaptation and acquisition;
- (b) Assistance in strengthening systems for science and technology planning;
- (c) Identification of new areas for productive activity;
- (d) Negotiating for new and emerging technologies;

- (e) Technology adaptation;
- (f) Creation and strengthening networks and other mechanisms for technology development and acquisition;
- (g) Improvement of science and technology skills and programmes.

9. Trade and export promotion

- (a) Improved arrangements to provide insurance to IDCs against external shocks causing a fall in export and foreign exchange earnings, such as a broadening of existing arrangements to cover all foreign exchange earnings shortfalls.
- (b) Market access for products in which the IDCs have a growth potential;
- (c) Enhance quality and quantity of production;
- (d) Develop the marketing and financing management in trade and export activities;
- (e) Assist in export credit, export financing and investment financing;
- (f) Promote the role of co-operatives in trade and export activities.

10. Institution-building and human-resource development

- (a) Improve the organizational and managerial capability of governments to plan and implement public policy;
- (b) Modernize the financial and budgetary administration of the public sector;
- (c) Enhance the capacity of the governments to analyse and implement administrative reform programmes;
- (d) Increase the effectiveness of the human resource administration to recruit, retain and develop needed personnel, in an environment prone to emigration of skilled personnel;
- (e) Programmes for the retention of professional and skilled personnel;

- (f) Assessing the negative social impacts of structural adjustment programmes, particularly on vulnerable groups, in light of the increasing unemployment and underemployment problem in many IDCs, with a view to establishing employment-promotion programmes.

#### 11. Regional co-operation

- (a) Further development and implementation of integrated sector plans;
- (b) Strengthening co-operation in areas of:
- exploitation of the EEZs;
  - agricultural research;
  - export promotion;
  - export credit and credit insurance;
  - transport sector (air and sea);
- (c) Financial and technical support to regional institutions;
- (d) Co-operation in environmental management;
- (e) Strengthening co-operation in the control of illicit trafficking and abuse of narcotic drugs and psychotropic substances.

#### 12. Non-independent Caribbean Countries (NICCs)

- (a) Implementing relevant resolutions of the United Nations General Assembly calling on specialized agencies and other organs of the United Nations system to institute measures for increased participation of the NICCs in United Nations programmes and activities.

#### 13. United Nations system

- (a) Identification of those UN bodies, such as UNDP, CTC, FAO, UNIDO, UNEP, ILO to name a few, which could specifically increase their activities with respect to assisting IDCs;
- (b) Facilitate the greater use of Technical Co-operation among Developing Countries (TCDC) modality with respect to SIDC

programmes;

- (c) Encourage members of the United Nations family to consider, on a case-by-case basis, mechanisms for rendering assistance to SIDCs;
- (d) Special consideration to the problems of IDCs within the International Development Strategy (IDS) for the coming decade;
- (e) Prominence to the problems of fragile ecosystems associated with islands by the Global Meeting on the Environment and within UNEP's work programme in general.

## ANNEX

## LIST OF PARTICIPANTS

Countries

## ANTIGUA AND BARBUDA

Patrick A. Lewis  
 Minister Counsellor  
 Permanent Mission of Antigua and  
 Barbuda to the United Nations  
 Suite 311, New York, N.Y. 10020  
 U.S.A.

## ARUBA

Jeanette R. Semeleer  
 Senior Economist  
 Department of Foreign Affairs  
 L.G. Smith Boulevard 76, Oranjestad

Merrill E. Robles  
 Foreign Economic Relations  
 Department of Economic Affairs  
 L.G. Smith Boulevard 15, Oranjestad

## JAMAICA

Gail Mathurin  
 Deputy High Commissioner  
 Jamaican High Commission  
 2 Newbold Street  
 St Clair, Port-of-Spain  
 TRINIDAD AND TOBAGO

## NETHERLANDS ANTILLES

Dennis V. Dare  
 Economist  
 Department for Development Co-  
 operation  
 Ansinghstraat 1.  
 Curaçao

## SAINT LUCIA

Ausbert d'Auvergne  
 Permanent Secretary  
 Ministry of Planning, Personnel,  
 Establishment and Training  
 P.O. Box 709  
 Castries

Johannes Leonce  
Permanent Secretary  
Ministry of Foreign Affairs  
Government Buildings  
Castries

Charles S. Flemming  
Ambassador  
Permanent Representative  
Permanent Mission of Saint Lucia to  
the United Nations  
820 Second Avenue, 9th Floor  
New York, N.Y. 10017  
U.S.A.

Pauline Medar  
Foreign Service Officer III  
Ministry of Foreign Affairs  
Government Buildings  
Castries

Francis Pappin  
Senior Economist  
Ministry of Planning, Personnel,  
Establishment and Training  
P.O. Box 709  
Castries

Theresa Alexander-Huntley  
Economist II  
Ministry of Planning, Personnel,  
Establishment and Training  
P.O. Box 709  
Castries

Peter Lansiquot  
Economic Planning Officer  
Ministry of Planning, Personnel,  
Establishment and Training  
P.O. Box 709  
Castries

Virginia Paul  
Professional Cadet/Economist  
Ministry of Foreign Affairs  
5th Floor, Government Buildings  
Castries



Geraldine Monroque  
Economic Assistant  
Ministry of Planning, Personnel,  
Establishment and Training  
P.O. Box 709  
Castries

ST VINCENT AND THE  
GRENADINES

Hon. Bernard Wyllie  
Parliamentary Secretary  
Ministry of Housing, Local  
Government, Community Development  
and Co-operatives  
Kingstown

UNITED STATES VIRGIN  
ISLANDS

Carlyle Corbin  
Representative for External Affairs  
Government House  
St Thomas

United Nations System

ILO

Nebeyu Shone  
Associate Expert  
ILO Caribbean Office  
11 St Clair Avenue  
Port-of-Spain  
TRINIDAD AND TOBAGO

UNCTAD

Gerard Fischer  
Senior Economic Affairs Officer  
UNCTAD  
Palais des Nations  
Geneva  
SWITZERLAND

UNDP

R. Sethna  
Deputy Resident Representative  
UNDP  
P.O. Box 625C  
Bridgetown  
BARBADOS

UNIDO

Erling Rask  
 Programme Officer  
 UNIDO  
 P.O. Box 625C  
 Bridgetown  
 BARBADOS

Organizations

CARDI

Calixte George  
 Executive Director (Ag.)  
 Caribbean Agricultural Research and  
 Development Institute  
 St Augustine Campus  
 University of the West Indies  
 TRINIDAD AND TOBAGO

CARICOM

Frank A. Campbell  
 Foreign Affairs Officer  
 CARICOM Secretariat  
 Bank of Guyana Building  
 Georgetown  
 GUYANA

OAS

Todd Payne  
 Director  
 OAS Office  
 P.O. Box 1609  
 Castries  
 SAINT LUCIA

OECS

Deirdre Lewis-Jessamy  
 Research and Conference Officer  
 OECS Secretariat  
 P.O. Box 179  
 The Morne  
 Castries  
 SAINT LUCIA

ECLAC System

ECLAC

Clyde Applewhite  
Director  
ECLAC Subregional Headquarters  
for the Caribbean  
P.O. Box 1113  
Port-of-Spain  
TRINIDAD AND TOBAGO

Donatus St Aimee  
Secretary, Caribbean  
Development and  
Co-operation Committee  
ECLAC Subregional Headquarters  
for the Caribbean  
P.O. Box 1113  
Port-of-Spain  
TRINIDAD AND TOBAGO

Christine David  
Research Assistant  
ECLAC Subregional Headquarters  
for the Caribbean  
P.O. Box 1113  
Port-of-Spain  
TRINIDAD AND TOBAGO

Angela Campbell  
Bilingual Secretary  
ECLAC Subregional Headquarters  
for the Caribbean  
P.O. Box 1113  
Port-of-Spain  
TRINIDAD AND TOBAGO