EXPERIENCES AND OPPORTUNITIES FOR CAPACITY SHARING THROUGH REGIONAL COOPERATION AND INTEGRATION:
THE CASE OF THE CARIBBEAN COMMUNITY (CARICOM)

INTRODUCTION

A major constraint to sustainable development in small states inheres in capacity limitations in critical areas such as markets (product and factor), administrative and institutional structures (in public and private sectors) and negotiating power and leverage (vis-a-vis third countries, organisations and private entities). The Commonwealth Secretariat/World Bank Report concludes correctly that smallness of size adds a further dimension to capacity weaknesses in the public and private sectors, which is a key problem for most developing countries.

Regional cooperation, and in cases integration, have been regarded by many small states in relatively close geographic proximity as a basic and indispensable element of development strategy. It provides a means by which such small states can reduce some of the size related constraints to development, especially in a competitive globalising environment characterised by mega economic blocs and mega corporations.

Most small states in the Caribbean were for centuries parts of shared colonial administrative and production systems. The British colonies attempted to maintain these structures into independence through the establishment of a Federal government. The Federation was short-lived, but recognition of the need for cooperation remained even as they became politically independent entities. The Caribbean Free Trade Area (CARIFTA) which was formed in 1968 and later the Caribbean Community (CARICOM) established structures for cooperation among independent states and economies. CARICOM initially targeted regional cooperation via:

(i) economic cooperation through a Common Market for goods;

(ii) functional cooperation and common services in selected areas; and

(iii) foreign policy coordination and external economic negotiation.
A central Secretariat, a range of ministerial policy-making bodies and several autonomous specialised institutions were established to oversee and implement the cooperation initiatives. Member States, however, maintained sovereignty over all aspects of economic policy except trade policy and responsibility for the implementation of most Community decisions.

The smaller states within the grouping, which coincidentally lay in the geographic centre, simultaneously established an even closer integration arrangement. A primary purpose of this arrangement was to increase the negotiating capacity of the smaller states within CARICOM and to structure and manage a range of common services. The integration arrangement - the Organisation of Eastern Caribbean States (OECS) - is recognised as an Associate Institution within the Caribbean Community Treaty.

The challenges to development in small states generally in the post 1979/80 period - international economic recession, the post cold war era and the trends of liberalisation and globalisation - have forced Caribbean Community Members to recognise the need for even deeper and wider regional cooperation and integration, greater and more systematic involvement of the private sector and of civil society organisations and a more pragmatic and proactive engagement with the wider Caribbean and the international economy and institutions. One aspect of the response has been the decision in 1989 to create a Single Market and Economy.

The legal framework for the CARICOM Single Market and Economy will be fully in place in 2000. The Single Market and Economy will have fundamental implications for national economic policy and management, for engagement with the rest of the world and for production structures and organisation. It will also challenge the modalities for, and modus operandi of the regional movement, including decision-making and implementation. The operational changes required are currently being worked out.

Regional cooperation will not fully offset the cost disadvantages of smallness. Some level of duplication, especially of basic infrastructure, is usually inevitable among non-contiguous small states. The experience, however, is that regional cooperation has significant advantages vis-à-vis the situation where neighbouring small states operate in isolation from each other. Regionalism has also proven advantageous to private sector and civil society organisations.
Experience has also shown that where the international community is consistently and sufficiently supportive, the benefits of regionalism can be significantly expanded.

This paper will focus on:

(i) co-operation and integration in the Caribbean in the contemporary environment;

(ii) experience of co-operation and integration in the Caribbean to date;

(iii) measures facilitating integration and co-operation in the Caribbean.

It will conclude with some recommendations.
The intensification, liberalisation and globalisation of economic activity; the structuring of mega economic blocs and the increasing emphasis on competition, have reinforced the internal dynamics for integration in the Caribbean. There is now an urgency to:

(i) enhance the efficiency of resource utilisation, production and marketing;

(ii) enhance governance, strengthen administrative structures and reduce administrative costs;

(iii) strengthen negotiating and bargaining capacity;

(iv) mitigate exogenous shocks and threats;

(v) create critical mass in a range of areas.

Enhancing Efficiency of Resource Utilisation, Production and Marketing

One policy response of the CARICOM Governments to the challenge of enhancing the efficiency of resource utilisation, production, and marketing has been to deepen the Common Market into a Single Market and Economy. The primary objective of the Single Market and Economy is to open access to the productive resources of the entire Region to producers of goods and services wherever located, to permit the location of businesses wherever they are determined by investors to be most viable and to enhance the stability and certainty of the policy environment across the economic space.

The 1973 Treaty of Chaguaramas, which established the Caribbean Community, has been modified in a number of important ways to provide for the Single Market and Economy. Critical changes include:
(i) a Protocol providing for the right of establishment, the provision of services and the movement of capital;

(ii) a Protocol to strengthen the provisions on trade policy;

(iii) a Protocol to address situations relating to disadvantaged countries, regions and sectors;

(iv) a Protocol to strengthen the disputes settlement arrangements; and

(v) a Protocol providing rules of competition.

In addition to the policy response, there are new institutional arrangements to manage the regional processes and to monitor national economic policies and their outcomes with a view to ensuring that the policy framework of the various economies are converging as is required in a Single Economy. Important here is the creation of a Council for Finance and Planning (COFAP), a Council for Trade and Economic Development (COTED) and a Committee of Governors of Central Banks. The functions of the Ministerial Council for Finance and Planning, for example, include:

(i) primary responsibility for economic policy coordination and financial and monetary integration of Member States;

(ii) establishing and promoting measures for the coordination and convergence of national macro-economic policies of Member States and for the execution of a harmonised policy on foreign investment;

(iii) promoting and facilitating the adoption of measures for fiscal and monetary cooperation among Member States; and

(iv) promoting the establishment and integration of capital markets in the Community.
At the more operational level there are decisions to:

(i) facilitate the development of a regional capital market thereby broadening investment opportunities and providing for businesses to draw financing from across the Region;

(ii) facilitate the free movement of managerial and skilled personnel and service providers;

(iii) prioritise human resource development at a regional level.

The pace of determining, negotiating and implementing most of the policy measures has not matched the urgency. For example, while the policy decision to create the Single Market and Economy was taken in 1989, the process of implementation is only being completed in 2000. One cause of this has been resource limitations, especially at the national level. A second explanation has been the institutional arrangements. Policy makers have long recognised the need for institutional change and the West Indian Commission Report in 1992 ?Time for Action? emphasised this. This has led to a Protocol which provides new institutional structures and decision-making arrangements, not only for the Single Market and Economy but for the entire Community arrangement. The new institutional structure is described in diagram 1. An analysis of the functions of the Conference and the four operational Councils gives a good appreciation of the wide range of areas in which cooperation is on-going in CARICOM.
Diagram 1:

INSTITUTIONAL ARRANGEMENTS

THE CONFERENCE

FUNCTIONS

It is the Supreme Organ of the Community and has the final authority for the conclusion of treaties on behalf of the Community save as otherwise provided in the Treaty.

MEMBERSHIP

Heads of Government of the Caribbean Community

THE COMMUNITY COUNCIL

FUNCTIONS

1. Primary responsibility for the development of Community strategic planning and co-ordination in the areas of economic integration, functional cooperation and external relations

2. Approves the programmes and budget of the Community and mobilises and allocates resources to the implementation of Community plans and programmes.

3. Responsibility for promoting and monitoring the implementation of Community decisions in Member States.

MEMBERSHIP

Ministers responsible for Community Affairs of Community States
COUNCIL FOR FINANCE AND PLANNING (COFAP)

FUNCTIONS

1. Primary responsibility for economic policy co-ordination and financial and monetary integration of Member States.

2. Establishes and promotes measures for the co-ordination and convergence of national macro-economic policies of Member States and for the execution of a harmonised policy on foreign investment.

3. Facilitates the adoption of measures for fiscal and monetary co-operation among Member States, including the establishment of mechanisms for payment arrangements.

4. Recommends measures to achieve and maintain fiscal discipline by the Governments of Member States. Pending the establishment of a monetary union in the Community.

5. Recommends arrangements for the free convertibility of the currencies of Member States on a reciprocal basis. It also promotes the establishment and integration of capital markets in the Community.

COUNCIL FOR TRADE AND ECONOMIC DEVELOPMENT (COTED)

FUNCTIONS

1. Primary responsibility for the promotion of trade and economic development of the Community. In particular the COTED is also mandated to promote and oversee the operation of the Single Market and Economy, evaluate, promote and establish measures to enhance production, quality control and marketing of industrial and agricultural commodities so as to ensure their international competitiveness.

2. Establish and promote measures to accelerate structural diversification of industrial and agricultural production on a sustainable and regionally-integrated basis; determine and promote measures for the accelerated development and marketing of services.

3. Promote and develop policies to facilitate the transportation of people and goods; promote measures for the development of energy and natural resources on a sustainable basis.

4. Establish and promote measures for the accelerated development of science and technology; promote and develop policies for...
<table>
<thead>
<tr>
<th>COUNCIL FOR FOREIGN AND COMMUNITY RELATIONS (COFCOR)</th>
<th>COUNCIL FOR HUMAN AND SOCIAL DEVELOPMENT (COHSOD)</th>
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<tbody>
<tr>
<td><strong>FUNCTIONS</strong></td>
<td><strong>FUNCTIONS</strong></td>
</tr>
<tr>
<td>1. Primary responsibility for determining relations between the Community and international organisations and Third States, subject to the final authority of the Conference on this matter.</td>
<td>1. Primary responsibility for the promotion of human and social development in the Community.</td>
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<tr>
<td>2. Promotes the development of friendly and mutually beneficial relations among the Member States.</td>
<td>2. In particular, promoting the improvement of health, including the development and organisation of efficient and affordable health services in the Community.</td>
</tr>
<tr>
<td>3. Establishes measures to co-ordinate the foreign policies of Member States of the Community.</td>
<td>3. Promoting the development of education through the efficient organisation of educational and training facilities in the Community, including elementary and vocational training and technical facilities.</td>
</tr>
<tr>
<td>4. Co-ordinates the positions of Member States in inter-governmental organisations in whose activities such States participate.</td>
<td>4. Promoting and developing co-ordinated policies and programmes to improve the living and working conditions of workers and take appropriate measures to facilitate the organisation and development of harmonious labour and industrial relations in the Community.</td>
</tr>
<tr>
<td><strong>MEMBERSHIP</strong></td>
<td>5. Establishing policies and programmes to promote the development of youth and women in the Community with a view to encouraging and enhancing their participation in social, cultural, political and economic activities.</td>
</tr>
<tr>
<td>Ministers responsible for Foreign Affairs of Member States. Only Member States possessing the necessary competence with respect to the matters under consideration from time to time may take part in the deliberations of the COFCOR.</td>
<td>6. Promoting and establishing programmes for the development of sports in the Community; promote the development of special focus programmes supportive of the establishment and maintenance of a healthy human</td>
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The resources to provide the technical capacity to support the new institutional structure have been difficult to mobilise. Further, the arrangements for the sharing of sovereignty which is required for optimal operation of the new structures have not yet been developed.

The Community has placed the issue of enhanced effectiveness on its Agenda at the level of the Conference of Heads of Government. While the specific proposals have not yet been worked out, at least two elements are increasingly being recognised. Firstly, the range of inter-governmental regional organisations, the need for predictability in their capacity for performance and the financial constraints under which many of the national administrations operate, suggest the need for an independent source of income to finance the institutions deemed to be critical to the integration process. In this regard, it is worth noting that the Heads of Government have already taken the decision that the Caribbean Court of Justice should have assured funding for at least five years, although this will still come from the national budgets. Secondly, the individual Member States will need to cede, by Treaty, the necessary authority to the regional structures to act on their behalf within agreed parameters.

The private sector is beginning to respond positively to the creation of the Single Market and Economy. There are production and service companies which are now listed on all three active Stock Exchanges in the Single Market. There are also regional production and service firms with operations in several of the Member States. Some alliances are also beginning to emerge among private sector firms. The extent of the private sector response, especially in the creation of new ventures however, is not yet sufficient to raise either the volume of economic activity or the competitiveness to the desired level. This can be attributed to, among other things:

- the novelty of the measures and the extent of the promotion and awareness function;
- the less than full implementation of some of the policies and measures;
- the relatively small size of many of the firms in the Region; and
- the weakness of national and regional private sector organisations.

The shortcomings at both the public and private sector levels have been recognised and now need
to be addressed.

**Enhancing Governance, Strengthening Administration and Reducing Administrative Costs**

CARICOM Governments are increasingly being challenged to provide inclusive and transparent governance in order to engender confidence in their small systems, facilitate efficiency in the private sector and reduce the cost of administration.

CARICOM has developed a Charter of Civil Society. The Charter establishes standards and expectations for all members. As a regional Charter it has not only been accepted by all the Governments but perhaps, more importantly, by civil society in the various countries. There is still, however, a need for wider dissemination of the Charter.

The Community has also restructured its own structure of governance by, *inter alia*:

- the creation of four Ministerial Councils - the Council for Human and Social Development (COHSOD) and the Council for Foreign and Community Relations (COFCOR) in addition to the aforementioned COTED and COFAP - to manage and give direction to the operational aspects of the integration arrangements;

- the creation of a Community Council comprising Ministers whose responsibilities include the promotion of consultation and co-ordination at the national level;

- the creation of an Association of Caribbean Community Parliamentarians as a deliberative assembly bringing together national teams of government and opposition representatives to discuss regional issues;

- the creation of a Caribbean Court of Justice, which, in addition to serving as the final appellate court for the various jurisdictions, will have exclusive and original jurisdiction in respect of disputes concerning the interpretation and application of the Treaty of Chaguaramas. The Court is proposed to become operational before the end of 2000;
- the creation of a Bureau of the Conference to take decisions on behalf of the Conference between meetings;

- assigning, by decision of the Conference of Heads of Government, particular Heads of Government with responsibility for the promotion and implementation of agreed areas of the integration process. The positive experience with the earlier assignment of responsibility for external negotiations and for Single Market implementation provided the impetus for this widening;

- mandating, by decision of the Conference of Heads of Government, the Chairman of Conference and the Secretary-General of the Community to brief leaders of opposition parties systematically on the activities of the Community; and

- maintaining the arrangements for consultation among Heads of Government, business, labour and non-governmental organisations.

The Treaty has always provided for co-operation to strengthen administration and reduce cost through joint or shared operation in areas such as foreign representation and customs administration. Such cooperation, as has occurred, has tended to be within the context of the national structures, for example among Customs Administrations, in the Customs Committee and among the national Bureaux of Standards in the Caribbean Common Market Standards Council. The Community has decided to strengthen the co-ordinated arrangement for standards development and administration and to create the single institution Caribbean Regional Organisation for Standards and Quality (CROSQ), which would, among other functions, represent the Member States of the region externally on all standards matters.

Co-operation in the functional and administrative areas has been much more developed at the level of the Organisation of Eastern Caribbean States (OECS) than at the wider CARICOM level. This sub-region operates, among others, a single central bank and currency, a common court system, a single directorate of civil aviation and joint representation in some foreign capitals.
The CARICOM Heads of Government decided in 1992 that the wider region should identify opportunities for joint representation through the establishment of a joint diplomatic mission. No opportunity has yet been identified but this will become increasingly important in centres such as Geneva where international negotiations and policy making are taking place on a continuous basis.

**Strengthening of Negotiating and Bargaining Position**

Co-ordination of foreign policies is one of the three original pillars of CARICOM. Among the early successes of the movement were the co-ordinating role it played in forging the African, Caribbean and Pacific (ACP) grouping and in negotiating the first Lomé Convention with the European Union and in organising the Caribbean and Central America to input into the development of the Caribbean Basin Initiative (CBI).

The intensification of international economic relations and the number of major negotiations in the 1990s have forced a reassessment of the arrangements for managing such negotiations. The Community’s response was firstly, the creation of a Prime Ministerial Sub-committee to give policy direction to the process and, later, the establishment of a Regional Negotiating Machinery (RNM) to provide the technical base and co-ordinate the negotiations. This has been designed to allow for the pooling and complementing of the limited technical resources in the various Member States.

The private sector has also been pooling its resources to deal with the external competitive challenges. This has been most evident in the traditional areas of bananas (the Caribbean Banana Exporters Association), sugar (the Sugar Association of the Caribbean), rum (the West Indies Rum and Spirits Producers Association), rice (The Caribbean Rice Association) and tourism (The Caribbean Hotel Association). Some of the newer areas however have begun to recognise the importance of co-operation and organisation. There is, for example, a Caribbean Coalition of Services Industries in formation. Even in the traditional areas there is a new spirit of urgency in pooling resources, not only within the specific sectors but also with other sectors.

**Mitigating Exogenous Shocks and Threats**

One of the relatively new emphases of Caribbean integration is the sustainability of
the development effort. Increasingly Caribbean co-operation must not only address dislocations arising from external economic shocks, but must cope with challenges from natural disasters and from the responsibility for the management of large maritime jurisdictions arising from the United Nations Convention on the Law of the Sea. In this latter regard, the challenges include dealing with the use of the Caribbean Sea by international criminal organisations for the transhipment of drugs, developed countries for the transport of nuclear materials and waste and cruiseships for the discharge of wastes; the destruction of coral reefs by local populations and visitors; over-fishing and pollution from coastal settlements and industrial, agricultural and tourism activities.

The increasing frequency and intensity of shocks from natural phenomena - hurricanes, volcanoes and earthquakes - are forcing a reconsideration of the current arrangements for disaster planning and management. A more comprehensive approach which deals with planning, monitoring, forecasting, prevention, response, rehabilitation and reconstruction is now required.

Already, the Council of the Caribbean Disaster Emergency Response Agency (CDERA) has accepted, in principle, the concept of Comprehensive Disaster Management. Efforts are already underway to elaborate, for further policy consideration, the institutional arrangements and strategic framework necessary to facilitate this.

**Creating Critical Mass in a Range of Areas**

The need to create critical mass has been one of the underlying rationale of both the public and private sectors for cooperation in the Caribbean. The need for larger markets, high skill requirements, technological complexities and high capital cost have reinforced this need.

One response to the limitations of small market size has been an effort to broaden the integration arrangement. This has been approached through the widening of membership with the admission of Suriname and Haiti; initiating the creation of the Association of Caribbean States (ACS), negotiating reciprocal or asymmetrically reciprocal trade agreements with the Dominican Republic, Colombia and Venezuela; and participation in the negotiations of the Free Trade Area of the Americas (FTAA).

At the level of the public sector, the need has been acute in areas such as:
(i) provision of tertiary education;
(ii) technical research and analysis;
(iii) standardisation and execution of international obligations;
(iv) capital markets;
(v) management of the Caribbean Sea;
(vi) combatting of issues such as HIV/AIDS and drugs;
(vii) security; and
(ix) legal systems.

The private sector is increasingly being forced to build critical mass in areas such as:

(i) advocacy and negotiation;
(ii) marketing;
(iii) consultancy and other services;
(iv) financing markets

Critical mass is even more important where private sector entities of small states seek to interact with the international private sector. This was vividly demonstrated when the private sector promoters of the Caribbean Investment Fund sought to raise fifty million United States Dollars from regional and international sources for investment in the CARICOM sub-region. The promoters and regional investors were convinced that the Fund could invest fifty million dollars in the thirteen CARICOM Member States. International investors, in particular private investors, were not convinced. The promoters had to renegotiate with the Caribbean Community governments to permit the option of investing in the wider ACS region.
EXPERIENCE OF COOPERATION AND INTEGRATION IN THE CARIBBEAN TO DATE

The English-speaking Caribbean has had significant experience over the past thirty (30) years from systematic engagement in a wide range of integration and cooperation processes. This has built on less systematic engagements from the colonial period and, more particularly, from the federal experiment. These experiences have not been confined to governments but have also been features of private sector and civil society operations. Some of the initiatives of the public and private sectors and of civil society organisations have benefited from international cooperation.

In this section, we highlight some of the past experiences - successful and unsuccessful - mainly to point to lessons for current and future action.

Regional Cooperation at the Governmental Level

The Governments established arrangements for economic cooperation first through CARIFTA in 1968 and the Caribbean Common Market in 1973. The primary objective was to increase both intra- and extraregional exports, especially of manufactured and non-traditional agricultural goods.

This cooperation increased trade significantly in the early stages, admittedly from a
small base, and stimulated the growth of a small manufacturing sector, especially in the smaller less
developed territories. The rate of growth of trade was not sustained although intraregional exports
now account for twenty per cent of total regional exports, only led by exports to the United States
(thirty six per cent).

Intraregional production was expected to be significantly stimulated by joint ventures,
mainly organised by governments, to take advantage of different natural resource endowments.
Most of the public sector ventures in this area, such as the Caribbean Food Corporation (CFC) were
not successful. There were no measures or policies to facilitate and stimulate private sector
initiatives, either singly or in joint ventures. Accordingly, the stimulation of competitive intraregional
production has not been achieved.

The availability of adequate transportation and communication at low cost is a critical
factor in global competitiveness. This has been a challenge for all CARICOM States, given the
small economic size, sparse population and geographic separation (all the CARICOM States were
non-contiguous until Suriname, which shares a common border with Guyana, joined the movement
in 1995). The CARICOM States have taken several collaborative approaches to addressing the
problem of transport and communication. None has been particularly successful, but include:

(i) publicly owned, directly operated and subsidised maritime and air services
such as WISCO and LIAT and, in collaboration with the wider Caribbean,
Central America and Mexico, the now defunct Namucar Shipping
Corporation;

(ii) joint public/privately owned and operated shipping services such as the
shipping arm of the Windward Islands joint venture with Fyffes which
purchased the shipping operation of Geest and Jamaican Producers
Shipping Company; and

(iii) single private monopoly with multi-country operations, for example Cable and
Wireless.

The Caribbean has had significant experience in the area of disaster management.
In this regard, there was the multifaceted Pan Caribbean Disaster Preparedness and Prevention
Project (PCDPPP) which ran between 1981 and 1990. The PCDPPP was highly successful and
involved twenty-eight countries and had the collaboration of the United Nations Disaster Relief Co-
ordinator (UNDRO), The Pan American Health Organisation (PAHO) and the League of Red Cross and Red Crescent Societies (LRCS).[ see box 1]

When the PCDPPP was closed as a result of a shift in strategy and withdrawal of key international partners, the CARICOM countries established the Caribbean Disaster Emergency Response Agency (CDERA) to continue some of the functions. CDERA has emerged as an important institution and has been successful in achieving its objectives. Further, CDERA has been forced to undertake some of the other elements previously undertaken by PCDPPP. It has not really been empowered and resourced to discharge them on a continuing basis. As a consequence, CDERA is now designing a more comprehensive and strategic approach to disaster management. A comprehensive programme will require international cooperation.

The CARICOM countries have also been collaborating to mitigate the impacts of disasters through the adoption of measures such as a Caribbean Uniform Building Code (CUBIC). This CUBIC was developed by the technical expertise of the Caribbean Council of Engineering Organisations (CCEO) and the University of the West Indies (UWI). It has been customised for the smaller countries, with assistance from the United Nations Development Programme (UNDP) and the United Nations Centre for Human Settlement (UNCHS).

In the area of human resource development, in particular tertiary level training and scientific research and testing the cooperation experience, has been deep and varied. The most important demonstrations have been in university education through the University of the West Indies (UWI) which is over 50 years old and the Caribbean Examinations Council (CXC) which is over 25 years. Some information on the UWI is presented in Box 2 and on CXC in Box 3. Cooperation in areas relating to health has also been spectacularly successful. This has involved training of health professionals, research, policies and the management of health systems. The work of the Caribbean Epidemiology Research Centre (CAREC) is highlighted in Box 4, while the experience of the Caribbean Basic Health Management Project is in Box 5.
Box 1:

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<tr>
<th>NAME</th>
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<tr>
<td>THE PAN CARIBBEAN DISASTER PREPAREDNESS AND PREVENTION PROJECT (PCDPPP)</td>
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<tr>
<th>SPONSORS/COLLABORATORS</th>
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<tr>
<td>UNDRO, LRCS and PAHO up to 1990. Participating governments made donations. External donor governments were Canada, Norway, Italy and United Kingdom.</td>
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<tr>
<th>DATE OF ORIGIN</th>
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<tr>
<td>1981</td>
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<tr>
<th>OBJECTIVES/FUNCTIONS</th>
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<tbody>
<tr>
<td>To strengthen the individual and collective capacity of the Member States to reduce the disastrous effects of natural and other hazards so as to contribute to the socio-economic and environmental health of the Caribbean Region.</td>
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<table>
<thead>
<tr>
<th>MEMBERSHIP</th>
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<tr>
<td>28 countries</td>
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<tr>
<th>HIGHLIGHTS OF ACHIEVEMENTS</th>
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<tr>
<td>· Success in the collaboration with other organisations in the finalisation of the Caribbean Uniform Building Code (CUBIC).</td>
</tr>
<tr>
<td>· Development of landslide maps and spatial analysis or risk mapping of high-risk areas and the application of land-use zoning techniques to reduce losses have been actively pursued.</td>
</tr>
<tr>
<td>· Introduction of effective telecommunications network for alerts regarding possible disasters and to communicate during the emergency period and systems to link countries together. In some instances, radio communications equipment was provided to States/territories.</td>
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<tr>
<td>· Training and research.</td>
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Box 2:

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<thead>
<tr>
<th>NAME</th>
<th>THE UNIVERSITY OF THE WEST INDIES (UWI)</th>
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<tr>
<td>SPONSORS/COLLABORATORS</td>
<td>Participatory governments</td>
</tr>
<tr>
<td>DATE OF ORIGIN</td>
<td>1948</td>
</tr>
<tr>
<td>OBJECTIVES/FUNCTIONS</td>
<td>To actively support the growth and development of West Indian society through training, research and technical advice.</td>
</tr>
<tr>
<td>MEMBERSHIP</td>
<td>Serves 14 countries of the Commonwealth Caribbean. Full campuses in three countries (Mona, Jamaica; St. Augustine, Trinidad and Cave Hill, Barbados) with university centres serving the other countries.</td>
</tr>
<tr>
<td>HIGHLIGHTS OF ACHIEVEMENTS</td>
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<tr>
<td>-</td>
<td>Cost effective training of the high quality human resource, and the generation, adaptation and dissemination of knowledge, which the peoples and institutions of the region required to formulate and implement development plans from time to time.</td>
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<tr>
<td>-</td>
<td>Delivering expertise and advisory services to Governments and the wider West Indian community.</td>
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<td>-</td>
<td>Acting as a catalyst to enhance the capability of the Tertiary Learning Institutions (TLI) and generally operating as the hub of the tertiary education system in the region.</td>
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<tr>
<td>-</td>
<td>Serving as a bridge joining the region with sources of information, markets, resources and opportunity in the rest of the world.</td>
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<td>-</td>
<td>Enhancing the standing of the people of the region in international fora by contributing meaningfully to the world stock of knowledge on development issues and to the arts and literature and;</td>
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<tr>
<td>-</td>
<td>Providing a congenial atmosphere for its on-campus and off-campus students and maintaining a friendly and mutually beneficial relationship with its alumni.</td>
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Box 3:

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<tr>
<th>NAME</th>
<th>THE CARIBBEAN EXAMINATIONS COUNCIL (CXC)</th>
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<tbody>
<tr>
<td>SPONSORS/COLLABORATORS</td>
<td>Participatory Governments as well as donor agencies such as USAID, CIDA, CFTC and ODA.</td>
</tr>
<tr>
<td>DATE OF ORIGIN</td>
<td>1972</td>
</tr>
<tr>
<td>OBJECTIVES/FUNCTIONS</td>
<td>To provide a regional secondary level examination pertinent to the needs and circumstances of Member States</td>
</tr>
<tr>
<td>MEMBERSHIP</td>
<td>All Member States (except Bahamas)</td>
</tr>
<tr>
<td>HIGHLIGHTS OF ACHIEVEMENTS</td>
<td>Certifies in over 35 subject areas currently in the traditional academic, technical vocation and other areas.</td>
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<td>Contributes to the strengthening/building of National Accreditation bodies through the Accreditation Component of CXC, ACTI/Lomé Funded CAPE Project.</td>
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<td></td>
<td>Setting and marking Common Entrance/11 plus examination papers for some Member States.</td>
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<td></td>
<td>Capacity building in the region in syllabus development, delivery and evaluation.</td>
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<td></td>
<td>Research and development to help the large body of secondary school students not adequately catered for at the present time.</td>
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Box 4:

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### THE CARIBBEAN EPIDEMIOLOGY CENTRE (CAREC)

<table>
<thead>
<tr>
<th>SPONSORS/COLLABORATORS</th>
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<tbody>
<tr>
<td>Administered by PAHO. Donations from DFID, CIDA, GTZ, FTC, NCI, IDRC, NSL, IBRD, IADB, WRAIR, CDC, Emory School of Public Health &amp; Fogarty International.</td>
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<tr>
<th>DATE OF ORIGIN</th>
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<tr>
<td>1975</td>
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<tr>
<th>OBJECTIVES/FUNCTIONS</th>
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<tbody>
<tr>
<td>To improve the health of Caribbean people by working with member countries to implement health promotion and disease prevention programmes based on sound epidemiology, laboratory technology and other relevant disciplines.</td>
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<tr>
<th>MEMBERSHIP</th>
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<tr>
<td>PAHO and 21 members (CARICOM states and Aruba, Bermuda, BVI, Cayman Islands, Netherlands Antilles, Turks and Caicos)</td>
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<tr>
<th>HIGHLIGHTS OF ACHIEVEMENTS</th>
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<tr>
<td>· Outbreak investigation and control of many major outbreaks and emergencies, such as cholera in Belize and Guyana, dengue fever in Jamaica, Barbados and Trinidad and Tobago.</td>
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<td>· Surveillance and information sharing through a process of collection, analysis, feedback and use of information for policymaking, planning and evaluation of interventions.</td>
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<td>· Training and capacity building of health professionals and upgraded skills in epidemiology, surveillance, the conduct of surveys, outbreak investigation and in other applied public health disciplines. Distance education strategies are also used.</td>
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<td>· Reference and referral laboratory service accessible to all in areas such as virology, immunology and molecular biology.</td>
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<td>· Research and dissemination on regional health issues.</td>
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<tr>
<th>PROJECTS AND PROGRAMMES</th>
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<tr>
<td>· <strong>Expanded Programme on Immunisation</strong>- the Caribbean became the first region in the world to successfully eliminate polio and measles transmission.</td>
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<tr>
<td>· <strong>Special Programme on Sexually Transmitted Infections</strong>- huge success in helping the development of National Policy plans and programmes in the establishment of a Caribbean surveillance system.</td>
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<tr>
<td>· <strong>The Caribbean Tourism, Health and Resource Conservation Project</strong>- this is part of a ‘public-private’ partnership with the Caribbean Hotel Association (CHA) and its subsidiary company, The Caribbean Alliance for Sustainable Tourism (CAST). The programme aims to improve the quality and competitiveness of the region’s tourism industry through improved health and hygiene standards, training, audit systems, surveillance and response to disease problems.</td>
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Box 5:

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<thead>
<tr>
<th>NAME</th>
<th>THE BASIC HEALTH MANAGEMENT DEVELOPMENT PROJECT (BHMDP)</th>
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<tbody>
<tr>
<td>SPONSORS/COLLABORATORS</td>
<td>USAID/CARICOM</td>
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<tr>
<td>DATE OF ORIGIN</td>
<td>1979</td>
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OBJECTIVES/FUNCTIONS

· To assist Member States in the decentralisation of their health care delivery service accordance with the primary health care concept.

· To upgrade the management skills of health care delivery professionals.

MEMBERSHIP

9 CARICOM States (Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines)

HIGHLIGHTS OF ACHIEVEMENTS

· TRAINING of more than 700 personnel in Basic Management; in excess of 500 persons from the Health sector, related ministries, government departments and community-based organisations in Team Building; 250 people in supervisory management; 150 in project design and implementation.

· TECHNICAL ASSISTANCE- in the preparation and development of health plans; development of Health Management Information Systems; the creation of model district health teams were established; for assessment and analysis of their Ministries of Health and development of strategies for more efficient delivery of services.

Regional Cooperation at the Private Sector Level

The private sector has been involved in cooperation at the regional level, both for the purpose of advocacy and for operations. In the area of advocacy, there is the umbrella organisation - the Caribbean Association of Industry and Commerce (CAIC) - and sectoral associations such as the Caribbean Hotel Association (CHA), Sugar Association of the Caribbean (SAC), Caribbean Bananas Exporters Association (CBEA) and the West Indies Rum and Spirits Producers Association (WIRSPA).

These associations represent private sector interests in the appropriate regional
forums as well as externally.

At the more operational level, firms have been effecting cooperation through several modalities. First, there has been some cooperation among firms to set up joint marketing and promotional services. Some of these have been sector side. Examples are the Caribbean Tourism Organisation (CTO) and the Caribbean Hotel Association (CHA) for tourism, the SAC for sugar, the WIRSPA for rum and the CBEA for bananas as well as the Winward Island Banana Development and Export Company (WIBDECO) and Banana Export Company (BECO) for the marketing of Windward Islands and Jamaica bananas, respectively.

Second, firms have engaged in **joint R&D activities** to share the developmental costs of new products or varieties.

Third, firms may engage in **joint ventures** in production to exploit resource complementarities among small states. Hence a firm in a land-rich, thinly populated small state may joint venture with another based in a densely populated small state. Complementarities in human resources and skills may also form the basis of joint ventures.

While operations in joint R & D activities and joint ventures in production should be particularly relevant for the small and medium-sized firms in the Caribbean and there have been expressions of interest, there have not been many examples outside of the traditional areas of sugar and bananas. This is an area in which additional research could be of value.

Fourth, some firms have engaged in **cross-border investments** in other CARICOM States. The aim has been to exploit firm-specific competitive advantages (product innovation, technology, management) where the firm concerned has reached a critical threshold in its domestic market. Examples include multi-country investments by Trinidad and Tobago companies such as Neal and Massey, Trinidad and Tobago Cement Ltd. (TCL), CLICO and Republic Bank, investments in Jamaican firms by Guardian Life of Trinidad and Tobago and by Barbados Mutual Life; and Grace Kennedy Company Ltd., CIBC (West Indies Ltd.) and TCL which are listed on all three stock exchanges.

The indigenous commercial banks in the Caribbean have been cooperating systematically since 1974 to develop and strengthen the sector. This is effected through the
Caribbean Association of Indigenous Banks (CAIB) which was established in 1974. More information on the CAIB, which has a membership of 33 banks, is in Box 6.

**Civil Society**

There is now widespread recognition that active involvement of civil society at various levels is an essential part of good governance. However, the role of regional cooperation in strengthening civil society and the ability of civil society organisations (CSOs) to impact policy outcomes have not always been recognised. CSOs in small states are likely to suffer from “critical mass” deficiencies in key skills and organisation capabilities and ability to influence policy agendas. Regional cooperation can play a role in the following areas:

(i) training of research and technical officers in specialised areas related to international issues and to project management, financial management and organisational management.

(ii) pooling of resources and exchange of information and experiences on advocacy related to development policy issues.

Box 6.

<table>
<thead>
<tr>
<th>NAME</th>
<th>THE CARIBBEAN ASSOCIATION OF INDIGENOUS BANKS</th>
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<tbody>
<tr>
<td>SPONSORS/COLLABORATORS</td>
<td>CARICOM Secretariat</td>
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<tr>
<td>DATE OF ORIGIN</td>
<td>1974</td>
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<tr>
<td>OBJECTIVES/FUNCTIONS</td>
<td>To foster closer relations with indigenous banks across the region. To help and develop a vibrant domestic banking environment in the Caribbean Region.</td>
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<td>MEMBERSHIP</td>
<td></td>
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<tr>
<td>Indigenous banks in the Caribbean including Anguilla and the Cayman Islands and excluding the Bahamas and Belize.</td>
<td>15. Guyana Bank for Trade and Industry</td>
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<td>20. Union Bank Jamaica</td>
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<td>21. Bank of Montserrat</td>
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<td></td>
<td>22. St. Kitts/Nevis/Anguilla National Bank</td>
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<td></td>
<td>23. The Bank of Nevis</td>
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### HIGHLIGHTS OF ACHIEVEMENTS

- Setting up of the Caribbean Credit Card Corporation
- Collaborate in the joint purchase of shares in LIAT
- Purchase of shares in NCB Grenada
- Creation of independent Secretariat to oversee the affairs of the CAIB
- Provision of training through seminars and workshops
- Exchange of personnel to assist with particular needs of members especially in the area of auditing

(iii) adoption of joint advocacy positions at the regional level to influence the policies of a regional or sub-regional grouping in areas such as external trade negotiations, and economic and social policies.

Examples of such co-operation in the Caribbean are the Caribbean Policy Development Centre (CPDC), the Permanent Forum of Civil Society of the Greater Caribbean, the Caribbean Conservation Association (CCA), the Caribbean Council of Churches (CCC), the Caribbean Congress of Labour (CCL), the Caribbean Consumers Association (CCA) (which existed formerly as the Caribbean Consumers League and is now trying to re-establish itself), the Caribbean Credit Union League and the Caribbean Bar Association.
EXPERIENCE OF INTERNATIONAL COMMUNITY
IN FACILITATING REGIONAL COOPERATION

Caribbean regional cooperation efforts, at both governmental and private sector levels, have benefitted from international cooperation in a variety of respects. Areas of positive cooperation have included:

A. At the governmental level:

(i) favourable or asymmetrically preferential market access, including provisions for the use of inputs from different countries in the Region in the qualifying requirements (Lomé, CBI, CARIBCAN, CARICOM/Colombia and CARICOM/Venezuela Agreements are examples);

(ii) Part IV of the GATT Agreement which has permitted the operation of the Eastern Caribbean Common Market and the Caribbean Common Market, including the differential arrangement in the latter for the Less Developed Countries (LDCs);

(iii) developmental resources through the Caribbean Development Bank (CDB) which has as specific mandates the support of the regional integration process and the promotion of development in the LDCs. The latter has not only facilitated the development of basic infrastructure in the LDCs but has reduced much of the tension which would have arisen between the MDCs and the LDCs;

(iv) support, particularly by the UNDP, CIDA, the EU and USAID for institutional development and strengthening of several regional organisations, including the Secretariat of the Caribbean Community, the University of the West Indies (UWI), the OECS Secretariat and the CXC;

(v) support, by a multi donor group, for the broad-based Pan Caribbean Disaster Preparedness and Prevention Project (PCDPPP).

B. At the private sector level:
(i) support, particularly by USAID, for the institutional strengthening and outreach programmes of the Caribbean Association of Industry and Commerce (CAIC);

(ii) support, particularly by the European Union and UNDP, for the activities of the Caribbean Export Development Project (Caribbean Export) which focuses on development and strengthening of the private sector;

(iii) investment by the Inter-American Development Bank (IDB) and the European Investment Bank (EIB) in the new Caribbean Investment Fund (CIF); and

(iv) support, particularly by USAID and CIDA, for the national development foundations and the sub-regional grouping of national development foundations - Eastern Caribbean Organisation of Development Foundations (ECODEF).

There is, however, a need for more consistent international support for regional co-operation. In the past such support has varied not only with donor country/institution capacity but also with shifts in donor policy towards regional cooperation, particularly regional vis-a-vis bilateral assistance. Greater consistency would facilitate long-term planning and implementation and also enhance the credibility of regionalism.

CONCLUDING REMARKS AND RECOMMENDATIONS

The Caribbean has a network of inter-governmental, private and non-governmental institutions which have demonstrated the possibilities for capacity building and sharing through regional cooperation and integration. These can be built on in this era of globalisation which simultaneously require increased capacity and greater efficiency of resource use. The opportunities inherent in regional cooperation for supporting and facilitating the adjustment and repositioning of small states in the global economy can be optimised by actions of small states themselves and of
the international community.

The small states need to urgently support their strategy of regional cooperation through three related sets of actions, namely, reforming and refocusing their cooperative institutions to address the strategic challenges to their effective functioning in the new global economy; giving greater priority to them in the allocation of their limited financial resources and demanding value for money; and endowing the institutions with the authority necessary for effective functioning in an environment in which time is a most important factor. The sharing of sovereignty will require the establishment of systems in which the small states, especially the smallest ones, are satisfied with the checks and balances.

The international community can assist and facilitate the cooperative effort of small states in many ways. Firstly, the international community needs to give policy recognition to regional cooperation as a legitimate and important part of the strategy for development and global repositioning of small states. It should not be merely a means of reducing the administrative costs of international institutions in their relationship with small states but a long-term commitment to the small states in their membership.

Secondly, the international community will need to modify its approach to cooperation with, and providing assistance to, small states by:

(i) greater preparedness to involve small states and their institutions in the design stage of programmes;
(ii) greater willingness to use and strengthen national and regional institutions and experts as a means of building capacity;
(iii) supporting technical cooperation among small states, including among their private sectors and non-governmental organisations; and
(iv) a greater willingness to cooperate, as a group, in assisting small states deal cooperatively with major challenges and issues which are not country specific, such as natural disasters.

Thirdly, the design of international agreements must continue to recognise the importance of special and differential treatment for small states and, where appropriate, should
provide for small states to discharge some of their obligations especially technical requirements through regional cooperation and regional mechanism.

Fourthly, the international community could provide facilities which could be used on a cooperative basis by small states in key capitals where major international organisations are located. The facilities provided by the Commonwealth for small states in New York provides an example for this regard.

Fifthly, the international community should provide greater support for regional institutional structures in the public, private and non-governmental sectors. In this regard, the placement of experts in, or the execution of programmes through, regional organisations, in particular technological and training institutions, would assist in building and strengthening permanent capacity.

Sixthly, the international community will need to modify its attitude to support for private sector and private sector institutions in small states. The building of institutions which directly support private sector development and operation is critical. The small private sector operations and institutions need support to begin to compete. Support does not put them at any advantage vis-a-vis large firms in developed countries which, in any event, benefit from the institutional and informational capacities of their governments.

Finally, the international community needs to build in predictability and consistency in its support for small states, especially for the private sector within small states.