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Statement by the Hon. **CONRAD ENILL**,
Governor of the Fund and the Bank for **TRINIDAD AND TOBAGO**,
on behalf of the Joint Caribbean Group,
at the Joint Annual Discussion

**Statement by Senator the Honourable Conrad Enill,
Governor of the Fund and the Bank for Trinidad and Tobago,
On Behalf of the Joint Caribbean Group
at the Joint Annual Discussion**

Mr. Chairman, I am honoured to address this Joint Annual Discussion on behalf of the member states of the Caribbean Community (CARICOM), of Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. We thank the management and staff of the Fund and Bank and the Government of Singapore for the excellent arrangements for these meetings. To our host, the Government and People of Singapore, we are grateful for your outstanding hospitality. Your amazing journey to prosperity is an enduring inspiration to us and to all developing countries.

These meetings are occurring during a period of robust global economic growth. However, despite the apparent resilience of the world economy, risks are ever present, and some have even worsened since we last met in spring this year. The Caribbean enjoyed solid growth in 2005, but the expectation is for a modest slowdown over the next two years. Moreover, global geopolitical tensions, rising inflation and interest rates in advanced countries, and elevated oil prices could reverse our recent gains, even while we confront the challenges posed by reduced access to our traditional export markets in Europe.

We note the progress in reducing poverty in several middle and low income countries in recent years. However, notwithstanding this positive development, we face the sad reality that many countries are not on track to meet their Millennium Development Goals. However, in the case of the English-speaking Caribbean our social indicators are strong relative to the level of income and most countries are on-track to meet the Millennium Development Goals.

There is clear evidence that globalization has been beneficial to the world economy. We can point to sterling examples of countries that have gained significantly from the process. Nevertheless, equally conclusive is that globalization can, and has exacted untold costs on smaller states. The challenge for the international community is to craft a *more inclusive globalization* with expanded opportunities and benefits for all developing countries.

Although our region remains committed to the multilateral trading system, we stress that the system *must* take into account the needs of small vulnerable economies. In this context, we are gravely disappointed with the collapse of the Doha Development Round and we urge the industrial countries to show *additional flexibility* and conclude the talks in the shortest possible time.

We also stress the critical importance of Aid for Trade. The Integrated Framework (IF) for Trade-related Technical Assistance to LDCs is essential if developing countries are to realize the gains from free and fair trade. As such, the work of the Integrated Framework must be accelerated even as efforts are made to get the Doha Development Round back on track. We are mindful that the integration of trade policy into the development strategies of LDCs requires sustained technical support. The Bank and Fund must ensure the work of the Integrated Framework expands faster and more broadly across the LDCs.

The Fund and the Bank have played an important role in low income countries burdened with onerous debt. In our region, both Guyana and Haiti face such a situation. We are pleased with the recent inclusion of Haiti in the HIPC Initiative. We also commend the international community for its support for Haiti at the recent donor conference. However, going forward growth and poverty reduction objectives can only be achieved if donor assistance is fast disbursing, predictable and well coordinated.

Mr. Chairman, the Caribbean continues to reposition itself to survive in the global economy. Earlier this year, the Caribbean Community achieved an important milestone with the launch of the CARICOM Single Market. Our next goal is the introduction of the CARICOM Single Market and Economy in 2008.

The regional economies have remained vulnerable to high oil prices and Trinidad and Tobago has tried to mitigate this burden through the facility of a Petroleum Fund to all CARICOM countries. Trinidad and Tobago has also made an important contribution to a Regional Development Fund for the regional integration effort. These arrangements are evolving even as we grapple with some formidable development challenges in our region.

The development and retention of human capital is essential to the prospects of the Caribbean. Over the past 40 years, our countries have made above average investments in human capital but have not reaped commensurate returns due to significant migration of highly skilled workers-mainly to developed countries. A recent IMF study, **Emigration and Brain Drain: Evidence from the Caribbean** confirmed the severity of the problem and concluded that remittances did not compensate for the economic losses due to migration. We are certain that our region is not alone in this experience. We therefore believe that much can be gained if developed and developing countries

increased collaboration on migration strategies. The Fund and Bank should play a more active role in policy advice on this important issue.

Mr. Chairman, major successes are being registered in the fight against the AIDS epidemic in the Caribbean. In 2005, the Caribbean was the only region in the world where the overall number of people living with HIV/AIDS did not increase. Clearly, the World Bank's intervention in the region has facilitated a sustained and integrated approach that has helped to reduce the number of new infections and promote universal treatment and care for people living with HIV/AIDS.

Mr. Chairman, we are heartened by the interest shown by President Wolfowitz on the issue of small states. However, we desire an even stronger partnership with the Bank on the Small States Agenda, which should include reducing vulnerability, skills enhancement, and economic diversification.

Given the vulnerability of small states to natural disasters, there is dire need for appropriate disaster risk mitigation products. The current initiative led by the Bank for a Caribbean Catastrophe Risk Insurance Facility is indeed timely and has the full support of CARICOM.

We are firmly committed to strengthening the environment for private sector-led growth in the Caribbean. We appeal for a scaling up of IFC's investments to the Caribbean starting with more timely delivery of technical assistance to attract more private investments.

CARICOM members remain resolute in their commitment to good governance, transparency and accountability. Over the past year, our countries advanced several reforms including government procurement and public expenditure management. The assistance provided by the Caribbean Regional Technical Assistance Center (CARTAC) has been invaluable and we look forward to the initiative being extended for an additional term.

Mr. Chairman, we believe it is both desirable and appropriate for the Fund and Bank to adopt *more inclusive governance arrangements* to ensure that these institutions are fully representative of their total memberships, including emerging, transition and low income countries. The intense focus now being given to the issue of quotas and voice at the Fund is welcome. While there is agreement on the proposed ad hoc quota increases to China, Korea, Mexico and Turkey the bigger challenge going forward would be to develop a comprehensive package involving further increases in quotas and basic votes, and a new quota formula that would satisfy all members.

In conclusion, we reaffirm our commitment to work in partnership with the international development community to confront the issues of poverty, migration, trade , HIV/AIDs and other chronic diseases, small states and voice. As always, we expect the Fund and Bank to be at the forefront of finding creative solutions to these development challenges.

I thank you.