

Financing for sustainable development in small, middle income Caribbean countries

ECLAC Subregional Headquarters for the Caribbean
Port of Spain, Trinidad and Tobago



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Challenges

- Heavily dependent on ODA and foreign direct investment to sustain development initiatives;
- Associated with remittance inflows are (i) the cost of transfers and (ii) the more productive use of the funds
- High debt-to-GDP ratio - one of the highest in the world on average;
- High levels of outflows for debt service payments;
- Persistently high and increasing prices for oil and now natural gas;
- As countries reduce spending, social protection becomes a casualty;
- current aid levels, especially for budget support, are not likely to increase meaningfully in the immediate future.



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The Response....

- Public Private Partnerships (PPPs)
- Remittances as a Development Tool
- Pooling of Resources to finance targeted challenges, especially in an environment of declining ODA;
- *Financing Small Infrastructure projects at the sub national level*
- Financing for HIV/AIDS;
- Financing for climate change resilience;
- Tourism, ICT and non-oil mining and for Trinidad & Tobago oil and natural gas have been the main sectors attracting FDI on the Caribbean in the last decade.



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Recommendations

- Continue to assertively remind developed country governments of their commitment targets in respect of MDGs;
- reduce their dependence on traditional development assistance sources and strengthen their relations with the emerging economies of the “South”;
- continue to pressure international agencies to tangibly recognize the particular characteristics of small, vulnerable, middle-income countries;
- work together to develop appropriate financing instruments;
- be more strategic in their investment planning;
- goals will have to go beyond universal primary education to strengthening secondary/vocational and tertiary education and more effectively include males in the education process;
- environment sustainability
- expanding new modes of financing development
- financing of social security programmes



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