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ACTA
DE LA SESIÓN CONJUNTA
DEL CONSEJO PERMANENTE DE LA ORGANIZACIÓN Y
LA COMISIÓN EJECUTIVA PERMANENTE DEL CIDI (CEPCIDI)
CELEBRADA
EL 12 DE ABRIL DE 2006

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CONSEJO PERMANENTE DE LA ORGANIZACIÓN DE LOS ESTADOS AMERICANOS

ACTA DE LA SESIÓN CONJUNTA CELEBRADA EL 12 DE ABRIL DE 2006

En la ciudad de Washington, a las diez y diez de la mañana del miércoles 12 de abril de 2006, celebraron sesión conjunta el Consejo Permanente y la Comisión Ejecutiva Permanente del Consejo Interamericano para el Desarrollo Integral (CEPCIDI). Presidió la sesión el Embajador Ellsworth I. A. John, Representante Permanente de San Vicente y las Granadinas y Presidente del Consejo Permanente. Asistieron los siguientes miembros:

Embajador Esteban Tomic, Representante Permanente de Chile
Embajadora Lisa Shoman, Representante Permanente de Belice
Embajador Jorge Valero Briceño, Representante Permanente de Venezuela
Embajador Paul D. Durand, Representante Permanente del Canadá
Embajador Rodolfo Hugo Gil, Representante Permanente de la Argentina
Embajadora Abigaíl Castro de Pérez, Representante Permanente de El Salvador
Embajador Aristides Royo, Representante Permanente de Panamá
Embajador Manuel María Cáceres Cardozo, Representante Permanente del Paraguay
Embajador Osmar Chohfi, Representante Permanente del Brasil
Embajador Mario Alemán, Representante Permanente del Ecuador
Embajador José Luis Velásquez Pereira, Representante Permanente de Nicaragua
Embajador Alejandro García-Moreno Elizondo, Representante Permanente de México
Ministro Consejero Jorge A. Seré Sturzenegger, Representante Interino del Uruguay
Consejera Patricia Bozo de Durán, Representante Interina de Bolivia
Embajador Antonio Rodrigue, Representante Interino de Haití
Embajador Rodrigo Sotela Alfaro, Representante Alterno de Costa Rica
Ministra Consejera Mayerlyn Cordero Díaz, Representante Alterna de la República Dominicana
Primer Secretario Henry Leonard Mac-Donald, Representante Alterno de Suriname
Primera Secretaria Deborah Yaw, Representante Alterna de Guyana
Segunda Secretaria Betty Greenslade, Representante Alterna del Commonwealth de las Bahamas
Consejera Patricia D. M. Clarke, Representante Alterna de Grenada
Embajador Mauricio Aguilar Robles, Representante Alterno de Honduras
Ministra María Clara Isaza Merchán, Representante Alterna de Colombia
Embajador Timothy J. Dunn, Representante Alterno de los Estados Unidos
Tercer Secretario Jorge Eduardo Contreras, Representante Alterno de Guatemala
Ministra Consejera Glenice Jerome, Representante Alterna de Santa Lucía
Ministra L. Ann Scott, Representante Alterna de Jamaica
Ministra Consejera La Celia Prince, Representante Alterna de San Vicente y las Granadinas
Primer Secretario Ricardo Leroy Kellman, Representante Alterno de Barbados

También estuvieron presentes el Secretario General de la Organización, doctor José Miguel Insulza, y el Secretario General Adjunto, Embajador Albert R. Ramdin, Secretario del Consejo Permanente.

El PRESIDENTE: Good morning! Would delegations please take their seats so that we can begin?

I am pleased to call to order this joint meeting of the Permanent Council and the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI). The draft program, entitled "Inter-American Development Forum," has been distributed in the room, and if there are no objections, we will proceed accordingly.

PALABRAS DEL PRESIDENTE DEL CONSEJO PERMANENTE

El PRESIDENTE: Secretary General, Assistant Secretary, permanent and alternate representatives, staff of the General Secretariat, special guests, ladies and gentlemen:

This morning, I am delighted to welcome the presidents and other representatives of the regional and inter-American banks to the Hall of the Americas as we continue a dialogue that will provide, hopefully, some guidance on how the Organization of American States can fulfill its objectives, as articulated in the theme of the thirty-fifth regular session of the General Assembly, held last June in Fort Lauderdale: "Delivering the Benefits of Democracy".

In its Declaration of Fort Lauderdale, the General Assembly expressed its:

...determination to adopt and implement those actions required to generate productive employment, reduce poverty and, especially, eradicate extreme poverty, while taking into account the different economic realities and conditions of the countries of the Hemisphere, and that the elimination of extreme poverty is essential to the promotion and consolidation of democracy and constitutes a common and shared responsibility of the American states.

This forum today seeks to build on the Fort Lauderdale platform and is designed to send a clear signal that the OAS is not about to renege on its responsibility of strengthening democracy in this hemisphere. As the oldest hemispheric organization in the Americas, one that has demonstrated over time its ability to make significant contributions to the sustained development of our countries, and also in its capacity as the bastion of democracy for the Hemisphere, the OAS has an obligation to work assiduously with development agencies, foundations, and financial institutions to find a coordinated approach to addressing the problems of our nations' poor.

On behalf of the Permanent Council of this august institution, I can unequivocally state that we are determined not to drop the ball on implementing programs to alleviate poverty, and we are conscious of the fact that we cannot deliver without partners like the regional and inter-American banks.

Let us briefly look at the current situation in our countries. The gap between the rich and poor in most, if not all, of our countries is growing, and we have a shrinking middle class. There is a growing sense that a market economy with monetary stability, fiscal equilibrium, and privatization is not delivering equitable benefits for all and seems to aggravate the situation for those persons already living in poverty.

In the past, this stark contrast in wealth between the have-nots, on the one hand, and the haves and have-mores, on the other, has been the catalyst that inspired military coups, uprisings, and overthrows, resulting in governance by military dictatorship in many Latin American countries. We have even witnessed this in our Caribbean sister nation of Haiti, where years and years of unchecked poverty has led to repeated coups d'état and military dictatorships. Thankfully, our united effort has assisted Haiti in restoring peace to that nation. Development for Haiti is now a critical tool in helping to maintain democracy and promote a virtuous cycle of peace, stability, development, economic growth, and good governance.

The same can be said for other countries in this hemisphere where the electorate, through the ballot box, strives to find the right mix of leaders to create solutions to their social problems. The rest of us in this hemisphere need to create a virtuous cycle by achieving and maintaining that perfect balance of democracy, buttressed and underpinned by development.

It is not without significance that recent elections in Latin America have resulted in social democrats being voted into power in Venezuela, Bolivia, Chile, and, according to most indicators, quite possibly Peru. This movement is, no doubt, a result of people speaking with a collective voice that they are in need of public policies geared toward fostering social development. At the OAS, we can provide focused cooperation assistance to those member states.

It was opportune that yesterday, the OAS signed a cooperation agreement with the nonprofit organization of the private sectors of the Americas. We are delighted that many of its members are able to join us at this forum today. It cannot be overemphasized how important private/public sector partnership is, especially in the areas of skills training and employment creation.

Even though the U.S. Congress is in recess, we welcome the congressional staff members who have joined this forum today. The work of many Washington-based nongovernmental organizations (NGOs), which contribute so much to improving the lives of the citizens in Latin America and the Caribbean, is vital.

This forum, therefore, is a chance for us to bring together key decision-making institutions in our hemisphere to act upon the groundwork that has already been laid by the OAS and to set the tone for responding to an urgent call for attention to be given to the development dimension of public policies.

PALABRAS DEL SECRETARIO GENERAL

El PRESIDENTE: It is now my pleasure to give the floor to the Secretary General of the Organization, José Miguel Insulza.

El SECRETARIO GENERAL: Gracias, Presidente. Señores Representantes y Miembros del Consejo, señor Secretario General Adjunto, señores Delegados, señores invitados, colaboradores invitados de las instituciones financieras:

Me encuentro en la especial situación de hablar antes y no después de los expertos. Ciertamente, las personas que el Consejo ha invitado a participar y a ilustrar la discusión de esta reunión conjunta del Consejo Permanente y la Comisión Ejecutiva Permanente del Consejo

Interamericano para el Desarrollo Integral (CEPCIDI) tienen una calificación mucho mayor que la que yo puedo exhibir en algunas pocas palabras. Mi intervención, entonces, será necesariamente breve y de saludo esta mañana.

Yo creo que esta es una reunión que retoma, adecuadamente, una larga historia de colaboración, de cooperación, entre la Organización de los Estados Americanos y los bancos e instituciones financieras regionales en temas relacionados, precisamente, con el alivio de la pobreza a través de proyectos y programas concretos.

Creo que la comunidad internacional enfrenta, a este respecto, un desafío bastante grande; y es el desafío que hemos puesto de manifiesto muchas veces de pasar de los diagnósticos a las políticas públicas. Tenemos diagnósticos; algunos de ellos son excelentes y fueron realizados, precisamente, por las instituciones que están hoy presentes en el Consejo y por otras, como la Comisión Económica para América Latina y el Caribe (CEPAL), que en sus informes anuales y en distintos tiempos nos entrega todo lo que tenemos que saber respecto de los grandes temas de la pobreza, del desarrollo y como se presentan hoy en América Latina.

El problema está en el conocimiento no solamente de las metas que tenemos que lograr sino, principalmente, de cuáles son las políticas públicas, las formas institucionales más eficaces para alcanzar esas metas.

Yo quisiera que en esta reunión habláramos de programas concretos, porque eso es lo que amerita la situación, y dentro de esa formulación de políticas públicas concretas podremos saber cómo pueden cooperar nuestras instituciones y cuál es el lugar que nos toca ocupar.

Creo que ya hay una base importante que he señalado muchas veces. Después de muchos años de debatir estos temas, nuestros Jefes de Estado y de Gobierno dieron un paso gigante en la Asamblea del Milenio al fijar un conjunto de Metas del Milenio que todos los países se comprometieron a cumplir. Esas Metas del Milenio no tienen un carácter general. Probablemente requieren un cierto ajuste o adecuación a nuestra realidad en América Latina, dadas sus características y dadas las condiciones especiales en que se desarrollan algunas economías, como las economías más pequeñas e insulares. Pero son metas muy específicas, son instrumentos a través de los cuales podemos decir si hemos avanzado o no en la lucha contra la pobreza.

Los informes que, en conjunto, emitieron las instituciones de Naciones Unidas hace un año nos muestran a este respecto una situación ambigua que señalan claros avances en algunos países y claros retrasos en otros. Razón de más, entonces, para que dediquemos un gran esfuerzo al examen de las razones institucionales por las cuales unos logran los objetivos y otros no; por las cuales unos avanzan más rápido y otros no, y nos dediquemos entonces a desarrollar políticas públicas eficaces para enfrentar esos objetivos que ya tenemos diseñados y logrados.

Como decía el Presidente, hemos eliminado algunos falsos dilemas. Creo que ya no existe esa discusión que se desarrolló en nuestra región a fines de los ochentas respecto al rol del mercado y al rol del Estado en esta materia. Todos reconocemos la participación público-privada; la cooperación público-privada es indispensable, ya no solamente en los temas del desarrollo, no solamente en los temas del crecimiento, el comercio, la inversión, etcétera, sino también en los temas del desarrollo. Existe una responsabilidad social de las empresas. Precisamente ayer hemos tenido una importante reunión en esta misma sede de nuestra organización empresarial de las Américas sobre este tema.

Pero, por otro lado, todos reconocen, y esto fue visible en los discursos de todos los Presidentes y Jefes de Estado en la Cumbre de Mar del Plata, el papel fundamental que el Estado debe jugar como instrumento asignador también de recursos a la solución de los problemas de la pobreza; de los problemas del empleo; de los problemas de la salud; de los problemas de la educación en las Américas.

Por lo tanto, ya no es un tema de más Estado o menos Estado; es un tema de Estado eficiente, de Estado dotado de capacidad para formular políticas públicas. Y en esa dirección, tal vez esta Organización debería examinar la posibilidad de concentrar su trabajo, con los recursos que tiene, precisamente en lo que hace relación con la construcción institucional, con el desarrollo institucional, con la construcción de capacidad humana y con la capacitación de recursos humanos para llenar las necesidades de políticas públicas que las instituciones vayan teniendo en su desarrollo.

Naturalmente, este es un tema que tenemos que discutir nosotros pero a mí lo que me interesaría, sobre todo, es que tengamos una mayor cooperación entre las instituciones y podamos saber exactamente qué lugar nos ocupa.

No puedo dejar de decir, para terminar, que existen temas, aparentemente de otras áreas, aparentemente no ligados a ésta y que, sin embargo, son temas que están profundamente ligados a la pobreza de nuestra región y al combate a la pobreza, que son los grandes temas de la discriminación.

Esta institución lleva varios años discutiendo una Convención Interamericana sobre Pueblos Indígenas y ha comenzado una discusión, espero fructífera, sobre una Convención Interamericana contra la Discriminación. Pues bien, cuando hablamos de 200 millones de pobres en América Latina y el Caribe, no podemos dejar de recordar los factores de discriminación que muchas veces existen en esa pobreza. Los hogares pobres en América Latina también son muchas veces hogares de poblaciones indígenas; también son muy mayoritariamente hogares de poblaciones afro-americanas; y, también son, en muchos casos, hogares encabezados por una mujer sola como jefe de hogar.

Sabemos dónde están los factores de discriminación, sabemos cómo se vinculan con la pobreza. Yo espero que en el combate a la pobreza, junto con hablar de los grandes temas del desarrollo, hablemos también de los grandes temas de la discriminación, porque por ahí podemos hacer un avance y un aporte, como Organización, muy decisivo en esta materia.

Yo me alegro mucho entonces, señor Presidente, de esta reunión y espero que arroje los frutos que los señores Miembros del Consejo tuvieron presente cuando la convocaron.

Muchas gracias.

El PRESIDENTE: Thank you very much, Secretary General, for your very insightful remarks. It is interesting that you talked about the collaboration that needs to take place between the Organization of American States and the other institutions in this hemisphere, and also that we take a focused look, within this organization, at what we can do in terms of institution building and human-capacity building.

I would like to suspend the meeting for five minutes while we meet the President of Peru, who will be addressing us. It is my understanding that he is already outside. Thank you very much. I ask that you remain in your seats, please.

[RECESO]

PRESENTACIÓN DEL VICEPRESIDENTE EJECUTIVO DEL
BANCO INTERAMERICANO DE DESARROLLO

El PRESIDENTE: Would delegations and our invited guests please take their seats so that we can proceed with the Inter-American Development Forum? Thank you.

It is an honor for me to introduce to you Dr. Ciro de Falco, Executive Vice President of the Inter-American Development Bank (IDB).

Dr. Ciro de Falco holds a bachelor's degree in economics from City College of New York (CCNY) and completed his doctorate studies in economics at City University of New York (CUNY).

Dr. de Falco assumed his position as Executive Vice President of the IDB on December 1, 2005. Previously, he was Manager of the Regional Operations Department and of the Plans and Programs Department at the Bank. Before joining the Bank, Dr. de Falco had an illustrious and extensive career in the U.S. Department of the Treasury.

I now give the floor to you, sir.

El VICEPRESIDENTE EJECUTIVO DEL BANCO INTERAMERICANO DE DESARROLLO: Thank you very much, Mr. Chairman of the Permanent Council.

Members of this body, guests, ladies and gentlemen, it is a great pleasure for me to be here representing the Inter-American Development Bank (IDB) at this forum on how we can cooperate in order to promote the development agenda in Latin America and the Caribbean.

As most of you know, there are many challenges facing our hemisphere. I want to focus my attention and the few minutes allocated to me on what I believe are the two major challenges facing the region.

First, how can the countries of this hemisphere eliminate the large social deficit without jeopardizing the macroeconomic gains achieved in the past several years? We just heard President Toledo telling us about his frustrations with having achieved significant macro progress but leaving office somewhat disheartened that he could not do more on the social front, particularly in alleviating poverty.

The second major challenge this region faces is how to deal with and benefit from the challenge presented by free trade and globalization. The last three or four years have been the region's strongest in terms of macroeconomic achievements. Growth rates have been between 4 and 5 percent. Peru's rate last year, we heard, was over 6 percent. Inflation has been virtually eliminated and has been the lowest since the 1960s. The balance of payments is in surplus; debt/gross domestic product (GDP) ratios have been reduced; unemployment is up; but still there is a lot of underemployment and a lot of people working outside of the mainstream of economic activity.

All of this progress on the macro front has been made possible because governments have realized that good economic policies make good social and political sense. They have managed their

fiscal policies in a countercyclical sense; central banks have been, in most cases, made independent of government interference; exchange rates have been liberalized; and, last but not least, external factors have been favorable to the region, and, thank goodness, governments are taking advantage of these favorable external conditions.

All of this has been made possible, as I said, because of good policies by the governments, but it goes beyond what governments have done. There is now a consensus in the region that economic stability is a necessary condition—not sufficient, as we heard from Mr. Toledo—but necessary for economic growth and social development.

The work we have done at the IDB clearly indicates that effective economic and social policies are generated internally: they are supported by the population and are homegrown. This has implications for institutions like the IDB, the International Monetary Fund (IMF), and the World Bank.

This morning, the Secretary General asked: what are the good policies required to face the challenges of the region? I would say one such good policy is to follow sound macro policies. That is one answer, not the only answer. It is not the only answer because, as we've heard, the social deficit continues to be too high. Even though in the last few years we've seen a considerable reduction in poverty, more than 40 percent of the people of the region still live below the poverty line, and about 17 percent are below the extreme poverty line.

In addition, the region continues to have the most unequal income distribution in the world and, as we heard from Mr. Toledo, it is still plagued by a high level of exclusion. I just returned from the annual meetings of the IDB in Brazil, and we heard this repeated over and over again. The challenge facing the region is how to generate socially inclusive growth.

We also heard this morning that the voters of the region are beginning to register their dissatisfaction with what has been good macro progress, but insufficient social progress, and they are registering that dissatisfaction at the polls.

And so, here is our collective challenge: how do we address the social issues of the region without falling into the trap of embracing the failed policies of the past? The region is grappling with that challenge already, and in many cases, effectively. There is quite a bit of progress being made in that direction, as we have seen, in countries like Chile, Mexico, and Brazil. They have been able to combine good macro policies with progressive social policies.

We at the IDB, together with our friends at the subregional banks and the World Bank, are working with these countries to address this challenge. Of course, economic growth helps, but, as I said, it is only a necessary but not a sufficient condition. We need to work on the immediate issue of addressing the demands of the poor. We are working with governments on a number of social programs related to health and education, which are really investments in the long term. But we are addressing short-term needs through some very innovative schemes, called conditional transfer programs, which provide financial assistance to families as long as they keep their children in school and as long as the children get vaccinated and stay healthy. We have evaluated these programs, and they have proven to be quite successful.

The challenge for governments will be to make these temporary programs truly temporary and to not let them become a permanent fixture. As we all know from the experience in the developed world, what starts as temporary often becomes permanent.

So the first challenge—how to get the countries to face their social needs without abandoning good macro policies—is to continue to work on the macro front while addressing social issues in a way that keeps the people engaged and keeps them working with governments and the political class to improve their situations and to not return to the failed policies of the past.

The second challenge—and I'll be brief because I know that there are other speakers—is: how does the region deal with and benefit from globalization and free trade, and how can we, as institutions, help? Countries like Mexico and Chile have shown that free trade and globalization can have very positive results for all the people of those countries. At the IDB, we are helping a number of countries get ready for globalization and free trade, and we are optimistic that the region will face up to this challenge.

We are particularly paying attention to the Caribbean because of the size of the economies in that region. We will hear from Dr. Compton Bourne about the challenges that region faces with regard to globalization. As we all know, globalization presents special challenges for small island economies, and we are working with them to see how we can help.

But we are doing other things to prepare the region to face the challenge of globalization. First and foremost, Latin America has to learn a lesson from Europe; that is, it has to work harder at physical integration. There is still too little intraregional trade, too little going on between the countries of the region. There is more to be done in terms of benefiting from the complementarities of the various countries of the region—and there are complementarities.

We are working with the countries, together with the Andean Development Corporation (CAF) and others, on the Initiative for Integration of Regional Infrastructure in South America (IIRSA). We are also working on ensuring that the regulatory systems are compatible so that there can be a free flow of investments from one country to another, because without investments, you are not going to have integration, growth, or anything else.

The second area in which we are working with the countries is trade negotiations. As some of you know, trade negotiations are very complex and raise a number of very complex issues. We have done a number of studies and are helping countries to negotiate free trade agreements, particularly with the United States.

Another area that we think that is critical for the region, if it is going to meet the challenge of globalization, is science and technology. The IDB just received a \$50 million fund from Korea, the Bank's most recent member, to work specifically on science and technology in the region. Even though the Bank has worked in this area in the past, I think a new approach is needed, one that focuses not only on specific projects, but also looks at the whole science and technology policy framework. This is what we intend to do with this fund.

We are also working with a number of countries in developing centers of excellence in the region. Some areas, such as agroindustry, biotechnology, and alternative sources of energy like

ethanol, are really unique, plus there is the whole issue of taking advantage of the resources of the Amazon.

A new area that we have not worked on before aggressively and that we would like to work on to address unemployment is the so-called “working with those at the base of the pyramid” that President Toledo referred to: helping the people who are looking for a job. We think there is no better antipoverty program than a good job. Using the resources of the IDB—the Multilateral Investment Fund, which is the grant group of the Bank, as well as the Inter-American Investment Corporation (IIC)—in the next few years, we hope to generate employment, investment, and entrepreneurship among those who have been traditionally excluded from the economy and have been marginalized.

President Toledo said that the private sector should look at the poor as a market. We look at poor people not only as a market, but also as a source of entrepreneurship and innovation.

We still have a very active social agenda for the region, and by “active,” I don’t mean spending more money. The region is spending a lot of money on education and health in particular, but it is not spending it very well. We are working very hard with countries in trying to get more value for the money. Too much money in the region, for example, is going to higher education, which is free for virtually everyone. I am not against free higher education, but I am against free higher education for those who can afford to pay for it. We should establish targeted systems to ensure that those who really need it get it, and those who don’t need it don’t get it, because it is a zero-sum game; there are limited resources.

Finally, you cannot have a growing economy and effective social programs unless you have an effectively and efficiently operating state. I am talking about not only the bureaucracy, but also about the judiciary and parliaments, which have to approve legislation and ensure oversight of the operations of the executive.

I want to stop here because I don’t want to dominate the time allocated to us, but let me just to leave you with a couple of thoughts.

I think that the region is headed in the right direction. I think that the governments of the region are aware of the challenges facing them. I think that the people of the Caribbean and Latin America are prepared to face the challenges of globalization. I think that our job is to provide leadership collectively because we are going through rough seas, but if we know which port we are headed towards, I think we will all work together to get there safely.

Thank you very much.

[Aplausos.]

El PRESIDENTE: Thank you very much, Dr. de Falco.

We are going to hold all questions until all the presentations have been made.

PRESENTACIÓN DEL PRESIDENTE DE LA CORPORACIÓN ANDINA DE FOMENTO

El PRESIDENTE: I now have the pleasure of introducing our next guest, Mr. Enrique García, President of the Andean Development Corporation (CAF). The CAF is a multilateral financial institution committed to sustainable development and regional integration. Member countries include Bolivia, Colombia, Ecuador, Peru, Venezuela, Argentina, Brazil, Chile, Costa Rica, Spain, Jamaica, Mexico, Panama, Paraguay, the Dominican Republic, Trinidad and Tobago, and Uruguay, as well as 16 private financial institutions.

Mr. Enrique García has been President and Chief Executive Officer of the CAF since December 1991.

He holds a bachelor's of science degree and a master's degree in economics and finance from Saint Louis University, and he completed his doctoral studies at American University.

His previous positions include Minister of Planning and Corporation and Head of the Economic and Social Cabinet of Bolivia from 1989 to 1991. He has taught at several universities and is the author of many publications.

Mr. García has received doctoral and other honorary degrees from several universities. He has been decorated by the governments of Argentina, Bolivia, Brazil, Colombia, Ecuador, Peru, Venezuela, and the Sovereign Order of Malta.

In 2001, he received the Latin American Regional Integration Award from the *Consejo Empresario de América Latina* (CEAL), and in 2004, he received the Regional Integration Award from *América Economía*. Mr. García was elected "Man of the Year, 2005" by Latin Finance Magazine.

I am pleased to present the floor to you, Mr. García.

El PRESIDENTE DE LA CORPORACIÓN ANDINA DE FOMENTO (CAF): Muchas gracias, señor Presidente del Consejo Permanente, señora Presidenta del CEPCIDI, señor Secretario General Adjunto, Representantes Permanentes y Embajadores ante la Organización de los Estados Americanos, colegas de los organismos financieros multilaterales regionales, señoras y señores:

Es para mí una gran satisfacción y un honor asistir a esta reunión especial del Consejo para debatir sobre temas que tienen que ver con los desafíos del desarrollo en nuestra región. Ciro de Falco me ha ahorrado una parte de lo que iba a decir porque les ha dado las cifras y, más que cifras, trataré de hacer algunas reflexiones sobre dónde está la región, a dónde va o debe ir, y cuáles son los desafíos que se nos presentan.

Para aquellos que no conocen suficientemente la Corporación Andina de Fomento (CAF), déjenme decirles que ella nació como una institución andina, como parte de la creación del Grupo Andino, hace treinta y cinco años, y hoy día, como han podido apreciar, tiene diecisiete países miembros y, consecuentemente, su visión es una visión andina que se traduce en una inserción en Latinoamérica y el Caribe.

Déjenme hacer unos comentarios sobre la región. Cuando uno escucha las cifras que dio Ciro de Falco, no cabe la menor duda que los últimos dos años, y posiblemente los próximos dos, se

pueden definir como muy buenos en términos macroeconómicos. En efecto son, como él lo dijo, los mejores que ha tenido la región en términos macroeconómicos en los últimos treinta años en materia de crecimiento, baja inflación, cuentas externas, reservas internacionales, retorno de flujos de capital y reducción de los *spreads* en los mercados internacionales.

Pero cabe preguntarse si esto debe llevarnos a estar satisfechos, y la opinión nuestra es que debemos ser cautelosos y que esto no debe llevarnos a la complacencia. ¿Por qué? Algunas preguntas: ¿Ese crecimiento y ese comportamiento tan satisfactorio en términos macroeconómicos son atribuibles a grandes esfuerzos que hemos hecho en la región o, más bien, son un resultado de una coyuntura internacional muy favorable?

Sin desmerecer que se han hecho esfuerzos, yo me atrevo a decir que gran parte de esta bonanza está fundamentada en la recuperación de la economía de los Estados Unidos, el factor China e India, y una recuperación del Japón, lo que se ha traducido en términos de intercambio muy favorables que tienen unas implicancias muy importante en el desarrollo macroeconómico tan favorable.

Hay una noticia que no es muy buena, pero creo que vale la pena expresarla: si comparamos la América Latina de hoy con la América Latina de hace cincuenta años, lamentablemente la región ha perdido importancia relativa en el contexto global. En efecto, a principio de los años cincuenta, América Latina era la segunda región más importante de las diversas regiones en el mundo. Hoy día tiene la posición sexta.

Déjenme darles otro dato. El ingreso per cápita de América Latina del año 1985, medido en términos de poder de compra, representaba el 35% del ingreso per cápita de los países de la Organización para la Cooperación Económica y el Desarrollo (OECD). Hoy día representa el 26%. Por el otro lado, los países del este asiático, que en ese mismo año representaban aproximadamente el 5%, hoy día representan el 18%. Entonces, les podemos decir, lo hemos hecho bien, pero otros lo están haciendo mucho mejor.

En ese contexto, esta situación positiva de los últimos años y lo que viene posiblemente en los próximos dos o tres debemos, en nuestra opinión, verla como una ventana de oportunidad, una ventana de oportunidad para atacar los problemas estructurales fundamentales que, precisamente, han hecho que América Latina retroceda en términos relativos.

¿Cuáles son los temas centrales, a mi juicio? Primero, con algunas excepciones, todavía la región muestra una alta concentración en pocas exportaciones, lo cual hace a la región altamente vulnerable a los choques externos.

Segundo elemento, la región ahorra poco e invierte poco. Déjenme ofrecerles una ilustración. El año pasado, que fue un año excepcional, el ahorro promedio de la región fue del 21%, y eso incluyendo casos como el de Venezuela que tuvo un ahorro superior al 35%. Comparemos con el ahorro de los países del este asiático y de otras regiones que han tenido tanto desarrollo: 35 a 40%.

En cuanto a la inversión: la región invierte poco. El año pasado, también con una coyuntura tan favorable, apenas invirtió 22% del producto. En realidad esos porcentajes no son satisfactorios si uno quiere tener una tasa de crecimiento adecuada y que ella sea sostenible en el tiempo.

Tercer elemento: la región tiene una baja competitividad relativa. A manera de ilustración digamos que de uno de los indicadores, de 117 países en la muestra que hace el Foro Económico Mundial, en el índice de competitividad, América Latina en promedio está en la posición 67. Solo hay un país en América Latina que está por debajo de la posición 30, que es Chile; solo hay dos países por debajo de la posición 40; sin embargo, hay diez países por encima de la posición 80.

¿Y qué queremos decir por competitividad? Son aspectos que tienen que ver con logística e infraestructura, tecnología, educación, mercados financieros locales, reglas del juego, institucionalidad, para citar algunos.

Cuarto tema, que también ha mencionado Ciro: la región es la que tiene la peor distribución de la riqueza y, desde luego, como el Presidente Toledo lo mencionaba, los problemas de pobreza han mejorado los índices, sin lugar a dudas en los últimos años pero, sin embargo, no a un ritmo que satisfaga las aspiraciones de la mayoría de los ciudadanos.

Y, finalmente, está el hecho de que la región no está bien integrada. Por ejemplo, mientras en Europa el comercio intraregional representa más del 65% del total, en América Latina, me voy a referir a América del Sur más concretamente, en los dos esquemas de integración más conocidos, el Mercado Común del Sur (MERCOSUR) y la Comunidad Andina (CAN), no se llega al 20% del total del comercio intraregional.

Todo esto nos mueve a pensar en que en esa ventana de oportunidad a que yo hacía referencia, es importante pensar en una agenda renovada; una agenda renovada que trate, indudablemente, de atacar los problemas a los cuales he hecho referencia.

¿Y cuáles, desde el punto de vista de la CAF, son los puntos centrales, cuáles son los principios básicos?

Primer principio es que el esfuerzo comienza en la casa. Lo que no hagamos en la región o en nuestros países por nosotros mismos, no esperemos que lo hagan de afuera. Lo de afuera es importante, es complementario, es suplementario, pero no sustitutivo.

Segundo principio básico: no hay un solo traje para todos los países. Es un error pensar que el mismo traje va a ser para países más grandes o más pequeños; el traje que puede usar una persona que mide 6.8" no sirve para alguien de 5.7"; ni alguien que pesa 200 kilos o 200 libras, a alguien que pesa 140. Hay que tener la adaptabilidad para poder lograr adaptar, en una forma apropiada, las diversas necesidades de los países.

Tercer principio: no es posible cerrar las brechas que nos separan, tanto a nivel internacional como las brechas internas de pobreza y equidad, si no se resuelven los temas fundamentales del crecimiento económico. Es fundamental tener un patrón de crecimiento que sea alto, que sea sostenido, que sea incluyente, que cree en empleo productivo y que respete la diversidad cultural y el medio ambiente.

En ese sentido, desde la CAF, nuestra visión de la agenda de desarrollo es parte de la integración de lo que llamamos las tres E: la estabilidad, como un círculo; la eficiencia y la equidad, que creemos que no deben ser vistas en forma aislada, sino en forma simultánea.

Si no hay estabilidad macroeconómica, no es sostenible la eficiencia para el crecimiento; si no hay eficiencia para un buen crecimiento, es difícil lograr la equidad social. Si solo se busca la equidad social sin lograr crecimiento apropiado, tarde o temprano hay un desequilibrio que nos lleva a problemas macroeconómicos.

Pero al mismo tiempo, cuando se dice “la buena macroeconomía es una condición necesaria pero no suficiente”, yo le añadiría algo: una buena macroeconomía, pero una macroeconomía que sea estable en forma dinámica. ¿Qué quiere decir estable en forma dinámica? Quiere decir que esté promoviendo el crecimiento. Porque un país puede ser muy estable macroeconómicamente, tener superávit primarios, tener balanza de pagos en orden, pero al mismo tiempo puede ser una economía que no crece y que no crea empleos. Entonces, nosotros vemos esa compatibilización como algo fundamental.

En esto no cabe la menor duda que el tema microeconómico y la inclusión social se convierten en los temas centrales; inversión como base para el crecimiento de buena calidad, pero inversión en todas las formas de capital: capital físico, capital natural, capital humano, capital social, aumentos de productividad y, desde luego, la inclusión social como un elemento fundamental.

En ese marco, déjenme decirles, ese es el *framework* en donde nosotros en la CAF trabajamos, ¿qué es lo que la institución que presido está haciendo para ayudar en esa agenda renovada? Déjenme señalar varios temas.

Primero, en términos cuantitativos, nosotros en los últimos cinco años hemos aprobado operaciones a los países miembros cercana a los 20 mil millones de dólares. De esos 20 mil millones de dólares, aproximadamente un 40% está destinado a la infraestructura económica; un 30% a lo que sería infraestructura y desarrollo social; y el resto para llegar a las pequeñas empresas, a las microempresas y otros temas que tienen que ver con el desarrollo.

Nuestra labor va tanto al sector público soberano como al sector privado. El año pasado, de 4.700 millones de dólares que aprobamos, aproximadamente un 40% fue al sector privado.

¿Cuáles son los productos que ofrecemos? Préstamos, sobre los que ustedes han escuchado, pero al mismo tiempo tenemos participaciones accionarias, préstamos subordinados, cofinanciamientos y, desde luego, cooperación técnica no reembolsable para apoyar temas estratégicos en el fortalecimiento de las instituciones.

¿Cómo llevamos adelante nuestro trabajo? Creo que esto es importante, en respuesta a agendas renovadas. Tenemos unos seis programas estratégicos que voy a mencionar rápidamente.

Primer programa: hablamos de la importancia de la integración, y dentro de la integración un tema fundamental es la integración física. Ese es uno de los programas estratégicos de la CAF. Estamos muy comprometidos, al igual que lo hace el Banco Interamericano de Desarrollo (BID), con dos programas. Uno es la Iniciativa para la Integración de la Infraestructura Regional Suramericana (IIRSA) donde, para citarles un ejemplo, en los últimos seis años hemos aprobado cuarenta proyectos que incluyen carreteras, gasoductos, energía, telefonía, con un concepto de sostenibilidad también ambiental y social, que representan una inversión total de 10.000 millones de dólares, con una contribución de la CAF de 3.500 millones. También apoyamos, aunque no en una forma tan intensa, la otra iniciativa importante, que es la de Puebla-Panamá.

Segundo programa: competitividad para ayudar a los países. Precisamente, esto es más cooperación técnica y apoyo para romper cuellos de botella, ayudar en los temas de institucionalización, desarrollo de mercados de capitales, fortalecimiento de cadenas productivas, identificación de nuevos *clusters* para poder cambiar de economías de ventajas comparativas a economías que puedan ser, en el futuro, de ventajas competitivas.

Tercer programa, que va a otra rama, es todo el tema del desarrollo ambiental. La fortaleza de la región con su biodiversidad y su fortaleza nos llevan a un programa latinoamericano del carbón, que hace que tratemos de apoyar a los países a identificar proyectos que ahorren emisiones de carbono, que sean certificadas, y que luego podamos compensar a los países con recursos que vienen de nosotros y otras fuentes, para que esos proyectos, que han sido hechos con un criterio muy sano desde el punto de vista ambiental, reciban un beneficio y, por el otro lado, proveemos unos bonos, dentro del marco de Kyoto, a aquellos empresarios en Europa o en otras partes, que en lugar de corregir, de hacer un nuevo replanteamiento tecnológico en sus empresas, prefieran adquirir esos bonos con lo cual cumplen con los requisitos presentados.

Cuarto programa, desarrollo de la pequeña, micro y mediana empresa con toda una serie de instrumentos.

Finalmente, tenemos el programa de gobernabilidad en el que hemos trabajado muchas cosas conjuntamente con la OEA para ayudar al fortalecimiento de instituciones, especialmente en el ámbito público, y la posibilidad de crear líderes que respondan a los grandes desafíos que tiene la democracia.

Para concluir quisiera decirles que en realidad, desde el punto de vista de nuestra institución y de las instituciones aquí presentes, tenemos una excelente relación con el BID y trabajamos coordinadamente con el Banco Centroamericano; estamos haciendo muchas cosas porque los países centroamericanos tenemos que depender mucho de ellos, y esperamos tener una relación similar con el Banco del Caribe y, desde luego, con la OEA en los temas que hemos venido trabajando en apoyo a la democracia en varios de los países.

En conclusión, yo diría que América Latina tiene una macroeconomía que está muy bien, una microeconomía que no está bien y una equidad social que está muy mal. Consecuentemente, el gran desafío de todos nosotros es trabajar en temas de crecimiento económico de buena calidad, con inclusión social donde los procesos de integración regional se convierten no en un lujo, sino en una necesidad.

Muchas gracias.

[Aplausos.]

El PRESIDENTE: Thank you very much, Mr. García.

PRESENTACIÓN DEL PRESIDENTE EJECUTIVO DEL
BANCO CENTROAMERICANO DE INTEGRACIÓN ECONÓMICA

El PRESIDENTE: I now give the floor to our next guest, Dr. Harry Brautigam, President of the Board of Directors and Executive President of the Central American Bank for Economic Integration (CABEI).

Dr. Brautigam holds a doctorate degree in economics from the University of Illinois; a master's degree in economics from the University of Leeds in England; a graduate diploma in economic development from the Victoria University of Manchester, England; and a bachelor's degree in business administration from the University of Guadalajara, Mexico.

Before entering CABEI, Dr. Brautigam had an illustrious career in the private sector, particularly in the banking area, having held important positions in Barclays Bank and Bank of America.

It is my pleasure to give you the floor.

El PRESIDENTE EJECUTIVO DEL BANCO CENTROAMERICANO DE INTEGRACIÓN ECONÓMICA: Señor Presidente del Consejo Permanente de la Organización de los Estados Americanos, señor Secretario General Adjunto, señor Presidente del Consejo Interamericano para el Desarrollo Integral, señores Representantes, señores colegas de los bancos, damas y caballeros:

Me satisface mucho estar con ustedes en este Día de las Américas, ocasión para reflexionar sobre el desarrollo, seguridad y justicia, que tanto anhelan nuestros pueblos de este Continente de la esperanza.

Me siento muy honrado por la invitación que me extendiera la Organización de los Estados Americanos para participar en este foro. Felicito a la OEA por organizar esta serie de diálogos en momentos en que nuestros países están urgidos de encontrar soluciones prácticas a sus problemas de desarrollo.

En este campo, en el cual el Banco Centroamericano de Integración Económica (BCIE) viene cosechando experiencia con sus cuarenta y cinco años de operación, nuestro recurso representa hoy el 43% del financiamiento multilateral que recibe Centroamérica. Nuestra intervención ha permitido financiar el 21% de las carreteras pavimentadas de nuestra región centroamericana, el 25% de su generación eléctrica y el 14% de sus líneas primarias de telecomunicación; la institución se encuentra fuertemente involucrada en todo lo que es infraestructura económica.

Nos encontramos hoy firmemente posicionados como la institución líder en la provisión de provisiones financieras para el desarrollo de los países centroamericanos, con una estrategia enfocada a la reducción de la pobreza, la inserción competitiva de nuestros países en la economía mundial y la integración regional de Centroamérica.

Dentro de este contexto, me han pedido exponer esta mañana sobre los principales desafíos para el desarrollo que enfrenta Centroamérica, así como sobre las principales iniciativas estratégicas

del Banco Centroamericano para responder a dichos retos. Para eso, señor Presidente, he dividido mi presentación en cuatro áreas:

1. El marco económico-social en el cual se encuentra Centroamérica.
2. Los grandes retos que, a mi juicio, enfrenta Centroamérica.
3. Lo que está haciendo día a día el Banco Centroamericano para apoyar a nuestros países a enfrentar esos retos.
4. Las grandes iniciativas estratégicas que el Banco viene incorporando en respuesta a las necesidades de nuestros países.

También, como hizo mi estimado amigo Enrique García, antes de eso voy a hacer una introducción, si me lo permite señor Presidente, sobre el Banco Centroamericano.

El Banco Centroamericano ha trabajado durante los últimos cuarenta y tres años en los cinco países centroamericanos, pero en los últimos años son también socios Taiwán, México, Colombia, Argentina, España y esperamos que al concluir este año también serán socios Panamá, República Dominicana y Belice, que ya han iniciado su proceso de incorporación.

Bueno, señor Presidente, paso a presentar el marco conceptual en el cual estamos en Centroamérica.

El escenario actual prevaleciente en Centroamérica, a mi juicio, es alentador. La región atraviesa por un período extraordinario en términos de oportunidades de ampliación de mercados, de acceso a conocimientos y a fuentes de inversión que le permitirán aprovechar sus fortalezas en la economía internacional.

Centroamérica está impulsando energicamente un proceso de integración tanto hacia fuera como hacia adentro. Hacia afuera, el Tratado de Libre Comercio República Dominicana, Centroamérica y Estados Unidos (DR-CAFTA), y hacia adentro, la Unión Aduanera Centroamericana y el Plan Puebla-Panamá han abierto múltiples oportunidades para el desarrollo de nuestros países. Esto, en parte, es fruto de una importante consolidación democrática y estabilidad política, así como de la firmeza en la gestión macroeconómica, con la cual la región está enviando señales positivas a los agentes económicos regionales e internacionales.

Centroamérica posee atributos físicos distintivos, como su ubicación geográfica privilegiada, una rica dotación de recursos naturales y una base ambiental única, lo cual provee a la región de un importante potencial para, dentro del nuevo marco, alcanzar tasas de crecimiento importantes en el futuro.

La agenda económica que los países centroamericanos han venido impulsando es una agenda que le apuesta a reformas basadas en el mercado, a un mayor dinamismo del sector privado en la economía, a la disciplina fiscal y monetaria, a la apertura externa y a la integración regional.

Centroamérica, en su conjunto, muestra hoy un panorama macroeconómico relativamente sólido en el contexto histórico, pese a los riesgos recientes del entorno externo. La región muestra un crecimiento sostenido, si bien a un ritmo que podría acelerarse más.

Nuestra expectativa es que iniciativas de gran impacto estimularán la dinámica económica regional en los años venideros. Me refiero al DR-CAFTA, a la ejecución de proyectos de infraestructura bajo el Plan Puebla-Panamá, a los avances de la Unión Aduanera y a la posibilidad de establecer este año un acuerdo de asociación, incluyendo un Tratado de Libre Comercio, con la Unión Europea (UE).

Afortunadamente, en el marco de su disciplina macroeconómica la región ha podido mitigar en gran medida las presiones que ejerce el elevado y volátil precio internacional del petróleo. En efecto, la región en su conjunto presenta hoy tasas de inflación por debajo del 10%, cifra que sería superior de no haberse emprendido medidas y reformas que atacaron las causas de los procesos inflacionarios históricos.

Asimismo, el desequilibrio en cuenta corriente tiende a la baja en toda Centroamérica, esperándose que se ubique por debajo del 5% como promedio en el 2006. Este es un nivel todavía alto, pero las expectativas nuestras son que la dinámica exportadora que Centroamérica está enfrentando, el extraordinario influjo de remesas familiares y la atracción de inversión externa directa contribuirán a fortalecer la posición externa de nuestras economías en años venideros.

De hecho, las reservas internacionales de Centroamérica se ubican en torno a los 10 mil millones de dólares para finales del 2005, aumento que ha contribuido a elevar la solvencia financiera de la región y a mantener la estabilidad cambiaria en la región.

Igualmente, nuestros gobiernos han desplegado esfuerzos extraordinarios para fortalecer sus finanzas públicas, los mismos que han escuchado los otros países de Sur América. Hoy los desequilibrios fiscales se mantienen por debajo del 3% y los gobiernos continúan trabajando por incrementar los ingresos y controlar el gasto público.

Estas tendencias macroeconómicas son positivas. No obstante, si bien han logrado un impacto positivo desde el punto de vista macroeconómico, han sido limitados, como ustedes ya han escuchado, en su impacto sobre temas fundamentales del desarrollo y bienestar de nuestros países, como el desempleo, la pobreza y la equidad.

Hoy nuestro deber es continuar fortaleciendo la estabilidad macroeconómica pero al mismo tiempo prestar atención urgente a un conjunto de retos de desarrollo que sobrepasan el orden macroeconómico.

A mi juicio, los países centroamericanos enfrentan siete retos en materia de desarrollo.

El primer reto es la generación de empleo formal para contribuir a reducir la pobreza. Este es un desafío que debemos atender prioritariamente. El desempleo y la pobreza se mantienen extremadamente altos en Centroamérica. El sector informal, por ejemplo, en nuestras economías representa 7 de cada 10 empleos que se generan en la región. En uno de nuestros países, el sector informal representa el 52% del producto interno bruto (PIB). La pobreza, por su parte, abate a la mitad de la población centroamericana, pobreza que se concentra mayoritariamente en regiones

rurales. Nuestra población sólo podrá lograr una verdadera seguridad humana en la medida que generemos plazas de empleo formal y de calidad, unidas a una adecuada provisión de servicio básico de salud y vivienda, por ejemplo.

El segundo desafío corresponde a la reducción en la desigualdad social, que han escuchado ustedes anteriormente. La desigualdad en la distribución del ingreso es alta en Centroamérica. No solo los indicadores técnicos revelan las dimensiones de esa desigualdad, sino que además la percepción de la población viene a acentuarla. En una encuesta realizada recientemente en Centroamérica, el 87% de la población respondió que la distribución del ingreso es injusta o muy injusta en Centroamérica.

El tercer desafío, muy ligado al anterior, tiene que ver con las deficiencias que presentan nuestros sistemas educativos. Por ejemplo, los años de escolaridad en los países de la región, en promedio, están muy por debajo de lo que se encuentra en los países de la región Asia Pacífico. La deserción escolar, por ejemplo, alcanza el 53% en uno de nuestros países en Centroamérica, comparada con un 12% en Chile. Nuestros sistemas educativos deben garantizar más cobertura educativa, más educación, más calidad educativa y, lo que es importante, más articulación, educación, producción y más énfasis en habilidades de aprendizaje. Tenemos que ser más eficientes en proporcionar esos recursos, esas oportunidades a nuestra población.

El cuarto reto de los países centroamericanos es el fortalecimiento del clima de negocios y de inversión. Aun con las medidas que se han emprendido para modernizar el Estado, los países centroamericanos todavía presentan una demanda excesiva de procesos que desincentivan al inversionista, sobre todo en campos de apertura de nuevas empresas, registro de propiedad, cumplimiento de contratos e intercambio comercial. Además, nuestra infraestructura física y virtual es aún deficiente o limitada y su marco institucional es muy frágil, todo lo cual es un freno a la inversión que tanto necesitamos atraer.

El quinto reto es el incremento de la productividad. Aun ante la alta informalidad en la economía, la concentración económica y social, las insuficiencias en materia educativa, el rezago tecnológico y una limitada capacidad de absorción de inversiones, la mayoría de los países de la región consecuentemente muestran una baja productividad. Esto constituye un obstáculo para que nuestros países puedan posicionarse en la economía mundial.

El sexto reto de desarrollo es el logro de una verdadera sustentabilidad ambiental y energética. Por un lado, los recursos naturales se están utilizando, o mal utilizando, aceleradamente, poniéndose así en riesgo el bienestar de futuras generaciones. El creciente impacto de los desastres naturales en la región refleja, en buena medida, el deterioro ambiental.

Por otro lado, como he dicho, nos enfrentamos hoy a la compleja problemática relacionada con el tema energético en un contexto de elevados y volátiles precios internacionales del petróleo. Debido a la estructura energética de la región, altamente dependiente de combustibles fósiles, solo en el 2005 las importaciones de petróleo de la región aumentaron en 1.5 mil millones de dólares, lo que representa un crecimiento del 41% y un fuerte gravamen sobre nuestras economías. Por lo tanto la región debe, con sentido de urgencia y responsabilidad, reducir su dependencia de los hidrocarburos, así como garantizar un uso sostenible de los recursos naturales.

Finalmente, como séptimo reto, los países están obligados a forjar una mejor gobernabilidad e institucionalidad para el desarrollo. Fundamentales serán las acciones que continúen desarrollando en materia de efectividad gubernamental, rendición de cuentas, participación ciudadana y calidad del marco regulatorio.

Lo que he querido transmitir es que las dimensiones de los retos del desarrollo en Centroamérica son notables. Avanzar en la ejecución de una agenda para enfrentarlos demanda de las autoridades políticas un compromiso fuerte, demostrable y continuo, una actuación basada en una visión de largo plazo y sistemática de desarrollo, y una búsqueda permanente de acuerdos y consensos para garantizar las transformaciones necesarias en nuestras economías.

Ante este panorama institucional, económico y social de la región, la estrategia del Banco Centroamericano para el apoyo a nuestros países se basa en un enfoque multidimensional del desarrollo. Nuestra estrategia está alineada con los desafíos que resumí anteriormente, concentrando los esfuerzos en tres grandes áreas:

- La lucha contra la pobreza
- La competitividad internacional de nuestros países
- La integración económica de la región.

Voy a hablar brevemente sobre esto de manera ilustrativa, aunque no quiero hablar sobre todas nuestras iniciativas.

En materia de lucha contra la pobreza, ¿qué es lo que viene haciendo el Banco Centroamericano y cuál es nuestro objetivo? Primero, generar oportunidades que conduzcan a la creación de empleo formal, aquél en el cual no está experimentando Centroamérica. ¿Cómo? Proveyendo financiamiento en términos y condiciones adecuados a lo largo de toda la cadena productiva en Centroamérica.

Facilitar el acceso al crédito en el sector microfinanzas, aquél que sabemos que tiene gran impacto en lo que es el desarrollo y la generación de empleo en Centroamérica. ¿Cómo? Capacitando y ampliando la base de la canalización de los recursos que nosotros colocamos en el área.

Apoyamos a los países en el desarrollo de soluciones sostenibles para atender necesidades básicas en las áreas de salud, educación y vivienda, proporcionando soluciones financieras alternas a los esquemas tradicionales de financiamiento.

En el tema de globalización y competitividad, a manera ilustrativa, nuestro objetivo es contribuir al mejoramiento del clima de negocios de la región para promover la inversión extranjera, directa y local, procurando que sea amigable con el medio ambiente; impulsar la competitividad de la región, como otro objetivo, para su inserción adecuado en el mercado internacional, estableciendo la Secretaría Mesoamericana de la Competitividad en el Banco Centroamericano.

Y como es tan importante, continuamos fortaleciendo y desempeñando un papel clave de apoyo a nuestros países en los procesos de negociación, ratificación e implementación de los acuerdos

de apertura económicos. A manera ilustrativa, en el tema de integración regional, nuestra acción busca impulsar y fortalecer el mercado financiero de la región. Somos, por ejemplo, el principal proveedor de recursos al sector financiero centroamericano, proporcionando más del 87% de los recursos de mediano y largo plazo que esas instituciones utilizan.

Propiciar la armonización de marcos regulatorios y la adopción de mejores prácticas a nivel regional, para que Centroamérica no sea vista como un conjunto de cinco países, sino como una región de 32 millones de habitantes.

En el marco de los tres temas estratégicos, hemos emprendido un conjunto de iniciativas importantes y de amplio alcance que nos permitan atender integralmente temas prioritarios del desarrollo y la integración de Centroamérica, y estos son varios.

En primer lugar, estamos impulsando una iniciativa orientada a contribuir a la reducción de la dependencia de los países centroamericanos en la importación de petróleo. El Banco Centroamericano, en conjunto con otras instituciones como el BID, la CAF, CEPAL, ha preparado una matriz energética para Centroamérica y ha diseñado una estrategia y propuesto un plan de inversiones para respaldar el desarrollo del sector energía, con un horizonte de tiempo del 2005 al 2010, que tiene como objetivos principales:

- Promover el ahorro y uso eficiente de los hidrocarburos y de la electricidad.
- Promover el uso de nuevos combustibles para el transporte vehicular.
- Impulsar el uso de nuevas fuentes de energía renovables.
- Fomentar los mecanismos de desarrollo limpio y la emisión y comercialización de los certificados de carbono.

Para respaldar esta estrategia, se han identificado oportunidades de inversión por un monto en exceso de 13 mil millones de dólares en energía renovable, inversión que, sin lugar a duda, deberá realizar el sector privado bajo esquemas nuevos, innovadores y diferentes, así como mediante asociaciones públicas y privadas.

En segundo lugar, estamos respaldando a nuestros países socios en el fortalecimiento de sus capacidades para encarar los retos inherentes en el DR-CAFTA. En la etapa de negociación y ratificación, la institución brindó cooperación financiera para contribuir al fortalecimiento de los equipos negociadores, así como para socializar el acuerdo comercial. Adicionalmente, el Banco está actuando en diversos sectores para apoyar la implementación de ese tratado, en especial, financiando proyectos de inversión en sectores como la maquila, la industria, la agricultura no tradicional, la micro y la pequeña empresa, el desarrollo de agrupamientos productivos, y la reconversión industrial en nuestra área. Nuestra intención es fortalecer el financiamiento del Banco a estos sectores, sobre todo en infraestructura, así como contribuir a dar más eficiencia a las aduanas y a formar a los recursos humanos en el espíritu de dar sostenibilidad al acuerdo comercial.

Estamos trabajando en la elaboración de esquemas y vehículos alternos para el financiamiento del creciente comercio internacional que se deriva del acuerdo DR-CAFTA, así como

el diseño de mecanismos, incluyendo al sistema de garantía, para promover la atracción de nuevas inversiones en Centroamérica.

Estamos, como otra iniciativa, apoyando el impulso a la Unión Aduanera Centroamericana. Para estos fines, hemos aprobado recientemente cooperación financiera no reembolsable por el monto de 2.5 millones de dólares, que permitirán el desarrollo de planes concretos de cada uno de los países en este campo.

Complementariamente, hemos diseñado las bases conceptuales de un fondo estructural de cohesión social, que actualmente están estudiando las instancias regionales, a fin de dar tratamiento a las asimetrías económicas y sociales presentes en la región.

Como parte del proceso de integración regional, en colaboración con el Consejo Monetario Centroamericano, estamos diseñando un sistema de pago regional. Este sistema de pagos favorecerá el desarrollo de los mercados interbancarios y los mercados de capitales, y permitirá ofrecer otros servicios financieros que apuntan a una mayor integración y competitividad de los sistemas financieros regionales. Con este sistema esperaríamos ampliar y profundizar la integración financiera centroamericana, agilizando así las operaciones financieras transfronterizas en un marco de seguridad jurídica y utilizando las mejores prácticas internacionales en esta materia.

En cuarto lugar, el Banco Centroamericano está impulsando energéticamente las iniciativas articuladas en el marco del Plan Puebla-Panamá. Hemos comprometido \$1.000 millones en esta iniciativa, habiendo canalizado \$813 millones a la fecha, sobre todo para atender proyectos de infraestructura.

Hemos puesto en marcha una iniciativa para respaldar la micro, pequeña y mediana empresa centroamericana. Se estima que este sector empresarial representa el 45% de la población económicamente activa de la región. El impacto que el Banco podrá hacer en ese sector es sumamente importante.

Estamos iniciando la canalización de recursos al sector cooperativo, por lo que esperamos poder duplicar nuestra cartera al sector microfinanciero que hoy alcanza los \$200 millones. Como parte del apoyo a la micro, pequeña y mediana empresa, así como lo mencionó el señor García, el Banco esta impulsando actualmente la iniciativa denominada "Las Cadenas Productivas". Este es un programa que conecta al pequeño y mediano productor con las grandes casas distribuidoras.

Finalmente, estamos trabajando en la creación de un banco de redescuento hipotecario centroamericano, conjuntamente con otras instituciones, que nos permitirá fomentar el mercado de vivienda en Centroamérica, reducir el elevado déficit habitacional y estimular la disponibilidad de instrumentos financieros de largo plazo en la región.

Tenemos la certeza de que el impacto del Banco Centroamericano en el desarrollo de Centroamérica se incrementará en el futuro a través de una acción ordenada y basada en el enfoque multidimensional del desarrollo al cual me he referido.

Debo decir que un elemento fundamental en la implementación de la visión y compromiso del Banco es continuar forjando alianzas estratégicas y redes de colaboración con organismos afines. En este sentido, expreso a este foro mi deseo de que en el futuro fortalezcamos las relaciones Banco

Centroamericano-OEA con el fin de aprovechar las áreas de especialización de cada una de las instituciones, generar sinergias y maximizar el impacto de los recursos que tenemos para promover el desarrollo de nuestros países.

Concluyo mi intervención, señores, deseándoles éxitos en el cumplimiento de la elevada misión de la OEA, con la esperanza puesta en la construcción de un continente americano y una región centroamericana más desarrollada, más próspera y más justa.

Muchas gracias.

[Aplausos.]

El PRESIDENTE: Thank you very much for a very interesting presentation.

PRESENTACIÓN DEL PRESIDENTE DEL BANCO DE DESARROLLO DEL CARIBE

El PRESIDENTE: Our next speaker is Dr. Compton Bourne, President of the Caribbean Development Bank (CDB), a post he took up on May 1, 2001.

Professor Bourne is a graduate of the University of London, the University of Birmingham, and the University of the West Indies (UWI).

Prior to his appointment to head the CDB, he was Principal of the St. Augustine Campus of UWI from 1996 to 2001. He was Professor of Economics at that university and is now Professor Emeritus of Economics.

Professor Bourne served as a Director of the Central Bank of Trinidad and Tobago from 1987 to 2000. He is a Fellow of the Caribbean Academy of Sciences (CAS), past President of the Caribbean Studies Association (CSA), and past Vice President of the Caribbean Agro-Economic Society.

Professor Bourne is the author or editor of 10 books, more than fifty scholarly papers, and more than fifty research reports and advisory memoranda for Caribbean governments, foreign governments, and international development institutions and agencies.

Professor Bourne has occupied management positions at the University of the West Indies, in public sector institutions, and in a private corporation since 1975.

Professor Bourne has been a member of the Board of Directors of the National Savings Commission of Jamaica; a Commissioner of the Port Authority of Trinidad and Tobago (PATT), which has responsibility for management of all ports; and a member of the Board of Directors of the Central Bank of Trinidad and Tobago, serving during that period also as Chairman of the Audit Committee and of the Personnel Committee. He is the only Director of the Central Bank to have been appointed by three consecutive governments.

It is an honor for me to give the floor to Professor Bourne.

El PRESIDENTE DEL BANCO DE DESARROLLO DEL CARIBE: Thank you very much, Ambassador John.

Chairman of the Permanent Council of the Organization of American States; Madam Chair of the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI); distinguished Assistant Secretary General, Ambassador Albert Ramdin; representatives; ladies and gentlemen:

It is an honor to address you this morning on the challenges of development in the Caribbean Community (CARICOM) and on the role the Caribbean Development Bank (CDB) sees itself playing in assisting member countries to respond effectively. I greatly appreciate the invitation graciously extended to me by Ambassador Ramdin.

The Caribbean Development Bank was established in 1970 for the purpose of contributing to the harmonious economic growth and development of its Caribbean member countries, having special and urgent regard to the needs of the less developed member countries. Its constituency of borrowing member countries is almost identical to the membership of the Caribbean Community, excluding only Haiti and Suriname. Haiti has fulfilled the financial requirements for membership and is expected to complete the remaining formalities soon. Suriname has been offered membership, and we very much hope that the offer will be accepted.

But the total membership of the Bank includes other regional countries; namely, Colombia, Mexico, and Venezuela, who are nonborrowing members, as well as nonregional members; namely, Canada, China, Germany, Italy, and the United Kingdom, who are also nonborrowing members.

We finance our lending and grant programs by borrowing on the international capital market and by donor contributions to our special funds, the most significant of which is the Special Development Fund, targeted towards poverty reduction.

A highly important aspect of the CDB's activities is its participation in economic policy development, especially within the framework of the regional integration movement. We support many activities, including institutional strengthening of the Caribbean Regional Negotiation Machinery (CRNM) and the regional disaster response mechanism.

Our mission, as the subregion's leading development finance institution, is to work in an efficient, responsive, and collaborative manner with the borrowing member countries towards the systematic reduction of poverty through social and economic development. However, our specific strategies and activities are very much conditioned by the economic situation of the borrowing member countries, their strategies for economic growth and development, and the Bank's own understanding of the options open to them. Let me therefore state how the CDB views these matters at this point in time.

Our Caribbean member countries sustained moderately positive economic growth rates over the last two decades. This performance rested on structural foundations of preferential agricultural export markets in the European Union (EU), buoyant tourism industries, the emergence and growth of international financial services industries in some countries, and direct foreign investment in the energy and tourism sectors. The emergence of a dynamic, export-market oriented entrepreneurial

class, seeking markets in Latin America, the Caribbean, Europe, and North America, was an additional positive factor.

Economic growth in these two decades contributed in no small measure to improvements in living standards, as revealed by the placement of these countries in the upper range of countries in the Medium Human Development Index. Nonetheless, there are significant pockets of poverty and limited access to basic services in all countries. The present situation shows signs of weakness, which must be overcome if the countries are to consolidate past gains and experience sustainable economic growth.

There has been a deceleration of economic growth in the first few years of the current decade. If this deceleration continues, the economic and social gains of the previous decades may be eroded. Moreover, there are no indications that the volatility of economic growth has lessened. To the contrary, it seems to have increased in several countries, especially those countries that are vulnerable to natural hazards.

There are several explanations of varying salience for the fragile economic growth of these subregional Caribbean countries. One broad set of factors are the structural changes in their relationships with the world economy. In respect of international trade, trade preferences have been lost or eroded for the main agricultural and agro-processed exports; that is, bananas, sugar, rice, and rum, with consequential negative effects on profitability, production levels, employment, labor incomes, and fiscal revenues. Global tariff globalization has also weakened fiscal revenue capacity, in addition to increasing the import intensity of domestic demand.

To these factors we must add negative action by the Organisation for Economic Co-operation and Development (OECD) under the harmful taxation initiative, which was a major setback for the international financial services industry. These adverse consequences are particularly severe because the small size of the economies limits their resilience to external economic shocks, constrains the scope for economic diversification, and engenders protracted adjustment periods. Furthermore, several of the countries are excessively indebted, which severely circumscribes the use of fiscal revenues and limits their capacity to undertake contracyclical expenditures.

In respect of international finance, overseas development assistance is declining. Direct foreign investment, although not a major component of capital accumulation in many of the Bank's borrowing member countries, generally decreased in proportion to gross domestic product (GDP) at the start of the current decade.

It is sometimes thought that migrant remittances are a feasible substitute for stagnant or decreasing exports and for diminishing net inflows of foreign financial aid and direct foreign investment. True enough, remittances may be remarkably large relative to exports, foreign assistance, and GDP in a few countries. In other countries, remittances are of lesser magnitude. Moreover, remittances are usually directed towards consumption of durable and nondurable goods and services rather than towards the purchase of production inputs or capital goods. Nevertheless, they play an important role in the balance of payments of several borrowing member countries, especially in the context of a rapid increase in the energy import bill.

Economic growth in the subregion has been vitiated by natural hazard occurrences, especially severe incidents, on socially vulnerable groups. Attention tends to be focused on hurricanes, which

are endemic to the subregion, but tropical storms of lesser severity, floods, landslides, earthquakes, and volcanic eruptions have also been damaging. Estimated losses in terms of production, capital stock damage, and gross domestic product run into billions of dollars. Analysts have drawn attention to the increased frequency of occurrences, to the intensity of natural hazard shocks, and to the heightened vulnerability of countries, attributing these factors to degradation of the national and global environment, deficient physical planning, and inadequate building code regulation and enforcement.

On the noneconomic side, there are evident problems of social disorder and weaknesses in public governance, which impose capital and transaction costs on households and enterprises, to the detriment of economic efficiency and growth. Elsewhere, I have suggested a connection between economic inequality and social discontent, manifested in the various forms of social disorder. This is, of course, not the only link. Joblessness, lack of access to education and training opportunities, social exclusion, and alienation are other elements in the matrix.

On the matter of governance, there are several areas of weakness. They include complicated and time-consuming bureaucratic systems, as well as expensive and protracted judicial settlement systems, especially in relation to civil matters. We all might remember the old adage that “justice delayed is justice denied.” There are also insufficient avenues for citizen participation in decision making and, in some cases, inadequate capacity for economic management.

But despite the difficulties that we observe in the present situation, there are promising opportunities for resuscitation and acceleration of economic growth. In broad terms, these opportunities entail some degree of economic diversification and modernization, utilization of cheaper energy sources, product innovation, and enlargement of the size of production enterprises to provide a basis for international competitiveness, even in niche markets.

Within the agricultural sector, the regional market for sugar and the internal export market for products, such as bananas, can substitute significantly for the contraction of market opportunities in the European Union if there is a regional policy governing purchases within the framework of the CARICOM Single Market and Economy (CSME). There are also possibilities for maintaining or expanding market share if industries are rationalized and reorganized, and if requisite investments are made in productivity-enhancing technologies and production systems.

In the tourism industry, competitive challenges have come from new, price-attractive destinations, some of which offer products different from the traditional sunshine and beach facilities. In order to maintain or expand market share, the tourism sector in the subregion must similarly introduce new products, especially those linked to the Caribbean’s rich history and culture, and must achieve cost efficiencies that result in competitive product prices in the hotel industry.

The mining and energy sectors also present opportunities for growth. Bauxite and alumina are experiencing a new surge in investment and production. Exports of natural gas and derived chemical products are likely to continue to underpin the rapid economic growth of the economy of Trinidad and Tobago. Belize has recently begun production of petroleum. Other countries are engaged in exploration. Exports of energy products or import substitution in energy supplies have evident benefits for energy-exporting or energy-importing countries.

However, there are additional significant potential sources of economic growth emanating from the energy sector in the subregion. One is the tremendous production cost advantage that can accrue to enterprises if they could access the abundant natural gas resources of Trinidad and Tobago. Another is the possibility of using biomass and ethanol energy sources based on the sugar cane industry. Yet another is renewable energy production from water and wind resources. Many of these potential developments could be facilitated by the existence of a regional energy policy.

I have touched on just a few illustrative areas of opportunities for a competitive Caribbean business sector. Others can be found in the manufacturing, transportation, and finance sectors. However, certain key factors or enabling conditions must be given attention.

It is usual, with justification, to cite the governance and macroeconomic frameworks as two of the critical conditions and factors that affect the economic growth and performance of countries. It is necessary, nonetheless, to go beyond these factors to recognize the importance of an adequate stock of well-educated and trained human resources, good physical and social infrastructure, adequate information and communications technology (ICT) capacity, and sound environmental and natural hazard risk reduction policies.

The Caribbean human resource stock, while not terribly deficient, needs replenishment and expansion and, no less importantly, should be enhanced in terms of the range and modernity of the knowledge and skills sets.

There is much unevenness in the physical and social infrastructure, such as port facilities, utilities, and health care facilities, and this supports the general conclusion that these forms of infrastructure ought to be improved to facilitate economic growth.

There is little debate about the possible effects of access to low-cost, high-speed Internet facilities on production and marketing efficiency, on the quality of human resources, on the cost efficiency of knowledge generation, and on public governance.

Lastly, environmental and natural hazard risk reduction policies could contribute to preservation of the physical environment for production and exchange and could reduce vulnerability to the natural hazard events that severely debilitate economic growth capacity in the subregion.

As the tourism industry moves into a new investment expansion phase, it is important to ensure that due consideration is given to the sustainability of the industry through careful monitoring of the carrying capacity of the natural environment.

Given the small sizes of the CDB's borrowing member countries and the limitations of small size in respect of international competitiveness, it is essential that improvements in productive efficiency and increases in economic sizes of enterprises be encouraged by the liberalization of movement of production factors and investment capital within the Caribbean. This is a central rationale for the creation of the CSME.

Implementation of the development strategies of the kind I have sketched implies major calls on financial capital well in excess of the countries' savings capacity. The CDB takes account of many of these considerations in developing its own strategies for fulfilling its mandate. It goes without saying that the Bank sets a high priority on intermediating resources from the global financial

system of private investors, bilateral donors, and multilateral financial institutions for sustaining and expanding its supply of highly concessionary loans and grants to its borrowing members. In this way, the CDB can significantly augment investible resources available to the countries.

In terms of the intended beneficiaries of our activities, our overarching strategic focus is on poverty reduction through broad-based, sustainable economic growth. In our view, broad-based economic growth is a prerequisite for reducing poverty. In pursuing this objective, we intend to make interventions that strengthen and modernize public utilities and infrastructure, support economic development, improve the competitiveness of business enterprises, and support agriculture and rural development.

A second strategic objective is fostering inclusive social development, mainly through improving opportunities for access to high quality education and training, supporting social protection, and promoting gender mainstreaming.

A third strategic objective is promoting good governance, essentially through interventions aimed at supporting the creation of modern, effective, and accountable public sectors; strengthening capacity for macroeconomic policy formulation and management; and promoting social partnership and participatory decision making. In doing so, we hope to further deepen and strengthen the well-established democratic tradition of these Caribbean nations.

A fourth strategic objective is fostering regional cooperation and integration by interventions that strengthen the capacities of the regional institutions with mandates for promoting economic integration, and by also supporting the provision of regional public goods. In this regard, the Bank was instrumental in the establishment of the Caribbean Court of Justice (CCJ), and we are at the forefront of efforts to establish a regional development fund within the provisions of the revised Treaty of Chaguaramas.

Our fifth strategic objective is environmental sustainability and disaster risk reduction and risk management. These two closely related facets will be reflected in our intervention across all sectors, as well as through specific interventions on environmental and disaster risk management and risk reduction policies.

We are acutely aware of the serious debt problems of several countries and of the dangers these debt problems pose to capital expansion programs, as well as to current expansion programs, integral to improvements in public sector efficiency and provision of social services.

Two complementary approaches to this debt problem are envisaged. First, provision of policy-based loans, which provide budgetary support directed towards an industry sector or the macro economy, bundled with a policy reform agenda; and second, assistance to countries in strengthening their fiscal capacity and debt management capacity.

The challenges of subregional development that I have outlined are so immense that they cannot be successfully addressed by development promoting institutions acting in an uncoordinated and competitive manner. The effects of such approaches are resource fragmentation, higher unit costs of delivering assistance, higher transaction costs imposed on aid recipients, and poorly interrelated development projects. These problems can be moderated by the existence of a forum within which all of development partners and Caribbean countries periodically discuss major development issues, with

a view to arriving at a common understanding of the development objectives and strategies and identifying the respective roles of individual development partners.

Another far-reaching initiative would be the de-emphasis of traditional, bilateral, direct aid programs and, instead, the channeling of financial resources through subregional entities, acting either as financial intermediaries or implementation agencies. This entails recognition of the comparative cost advantage of the subregional entities and trust in the effectiveness and probity of their operating systems.

The Caribbean Development Bank has a model arrangement with Canada. In it, Canada pursues its bilateral objective of direct poverty reduction in the Caribbean by placing the administration of its financial provision within an existing CDB program. Our Special Development Fund is another example of development partners contributing financial resources to a subregional bank for well-defined, mutually agreed action programs. A third important example is our very valuable relationship with the Inter-American Development Bank (IDB).

Finally, development institutions and multilateral institutions like the OAS should constantly seek out possibilities for joint action. Two examples that readily come to mind are in the fields of information technology and entrepreneurial development, where the work of the OAS can be effectively combined with that of the subregional development banks to enhance their individual impact on the problem of economic underdevelopment.

Ladies and gentlemen, I thank you for your attention.

[Aplausos.]

El PRESIDENTE: Thank you very much, Professor, for a very interesting intervention.

I am going to request of all the presenters that they give us a copy of the text of their speeches so that we can make the texts available to all the delegations. I know that some of the speakers spoke from notes, but we'll try to have them transcribed so that we can have the presentations available for all the delegations.

PRESENTACIÓN DEL SECRETARIO GENERAL DE LA ORGANIZACIÓN DE TURISMO DEL CARIBE

El PRESIDENTE: The last speaker today is Dr. Vincent Vanderpool-Wallace, Secretary General of the Caribbean Tourism Organization (CTO). Dr. Vanderpool-Wallace was appointed Secretary General of the CTO in June 2005, having served as Director General of The Bahamas Ministry of Tourism for 12 years.

Born in Nassau, Bahamas, Dr. Vanderpool-Wallace attended the Government High School, where he won the Princeps Prize for scholarship and later graduated *cum laude* with a bachelor's degree from Harvard University in May 1975. He also holds a master's degree in business administration from the University of Miami, from which he graduated in 1981 at the top of his class.

Dr. Vanderpool-Wallace began his full-time employment at The Bahamas Ministry of Education and Culture before joining the Ministry of Tourism, where he served from 1978 to 1982, and again from 1993 to 2005. In the interim, he spent 11 years at Resorts International Bahamas and held various managerial positions there, rising ultimately to the position of Senior Vice President.

Dr. Vanderpool-Wallace has received several honors throughout his distinguished career, including being recognized as one of 50 people who contributed the most to Caribbean tourism in the past 50 years.

He has also been active in other areas of his country's development, serving as Chairman of the Management Committee of The Bahamas Tourism Training Centre; Director of both the Central Bank of The Bahamas and the Bank of The Bahamas (BOB); and Chairman of the Hotel Corporation of The Bahamas, in which he participated in the privatization of eight government-owned hotels.

It is my pleasure to now give the floor to Dr. Vincent Vanderpool-Wallace.

El SECRETARIO GENERAL DE LA ORGANIZACIÓN DE TURISMO DEL CARIBE:
Thank you very much, Mr. Chairman.

Mr. Assistant Secretary General, other distinguished speakers, ladies and gentlemen:

It is a real joy for me to be here this morning and to be allowed to speak before such a distinguished group. I'm delighted to see that so many of you are still here, because normally after the bankers and the economists have spoken, most people don't stay around to listen about tourism. Well, as part of my gratitude for that, I will be by far the shortest speaker, I promise you.

One of the things that we have come to understand is that, according to the World Travel and Tourism Council (WTTC), last year tourism in the Caribbean accounted for some \$45.5 billion in economic activity; 15.4 percent of gross domestic product (GDP); and 15.1 percent of employment. According to Caribbean Tourism Organization (CTO) estimates, all of this was brought into our region by 22.5 million stopover visitors and 19.8 million cruise passengers.

Tourism is now recognized as the largest employer, the largest source of foreign exchange, and the largest source of capital investment in the Caribbean. Despite this, for a very long time tourism was very much seen as the stepchild of development within our region, and it is only just beginning to get the kind of attention that it deserves. I am talking about the kind of attention that should occur as tourism is embraced for its opportunities to develop the economies of our region in very broad terms. We have come to believe at the Caribbean Tourism Organization that since tourism is such an important part of the entire economy of the region, we ought to be the leaders as far as tourism development goes, as compared to any region, anywhere else in the world.

Last year, at the 28th Caribbean Tourism Conference, held in the U.S. Virgin Islands, we adopted the theme "Tourism: The Business of the Caribbean." We'll extend that theme into the next several years because we think it is very important for us to begin to think of tourism in completely different terms—and particularly in business terms. We recognize that this is the only way that tourism will get the kind of attention it deserves in our region.

First, we see tourism as an economic development tool. You will hear us speaking less and less about visitor numbers and more and more about broadening the distribution of income from tourism and about the impact of tourism in terms of foreign exchange, employment, linkages, and poverty reduction.

You will see us assisting in the training development of more people in the UN-endorsed Tourism Satellite Account (TSA) system than you have ever seen before, because tourism is contributing a great deal more to our economies than most of us previously thought. The Minister of Tourism of Trinidad of Tobago has said that he knows that politicians are prone to exaggerate, but when he got back the results of his tourism satellite account, he recognized that he wasn't exaggerating nearly enough. It is very important that people begin to understand more and more how important tourism is and how much it impacts the economy.

I would like to give you a very quick summary of where we are in tourism in the Caribbean and where we see tourism heading. We are also eager to share much of what we know with the rest of Latin America, from whom we also have a great deal to learn.

We started in the middle of last year by recognizing something very interesting: the Caribbean is the world's best-known, unowned brand. Everybody in the world knows the Caribbean but nobody owns it. We decided that we wanted to begin to own the Caribbean brand.

Without going into the technical details of marketing, there is a very important and simple understanding of branding. Branding has to do with reputation, and we want to be sure that the Caribbean's reputation for tourism development is such that people will come preferentially to the region to ensure that it is delivering on what we are promising.

Many of us understand that when you go to the supermarket to buy a particular product, even though the generic product has exactly the same ingredients as the branded product, we will buy the branded product and pay more for it. That is the other side of branding: making sure that we are earning more from tourism as a result of a positive brand that we would be becoming a commodity.

So, we were agreeing to own the Caribbean brand, but then we stopped and recognized that we were making a mistake. There is no such thing as the Caribbean Tourism Organization "Caribbean"; there is no such thing as the Caribbean Hotel Association (CHA) "Caribbean". There is only one Caribbean. The customer only cares about one Caribbean.

That's when we began to develop the idea of building one Caribbean brand that combined the CTO, the largest public sector tourism organization in the region, and the CHA, the largest private-sector tourism organization. In October 2005, we developed a memorandum of understanding and joint cooperation between the CTO and the CHA for the coherent, efficient, and effective development of Caribbean tourism, and that has made a substantial difference.

Today, we have one logo for the Caribbean. Yesterday, in Miami, we spent the day developing one Web site for the Caribbean. We are going to have one membership site for the private and public sectors, because we want to make sure that when you hear us talking about cooperation, we are seen to be cooperating in a number of ways.

One other critical thing is that we are building a business development unit. The revenues from that unit will be shared 50-50 between the private and public sectors, so revenue is coming to our organization in order to provide even more services to the people involved in tourism development.

We believe that our role at the CTO and the CHA is to see the future first and to make sure that we prepare our people for that future. It is very important that people begin to understand that managers of travel and tourism know that the Internet and e-commerce represent the most significant advance in the tourism industry since the jet airplane. It is the most significant thing that has happened in our business in a very long time.

For example, Forrester Research in the United States notes that travel today is the largest online retail category. It is expected to remain that way through the year 2010, growing from \$63 billion to \$119 billion in travel that's being booked online. Despite the massive losses that the airline industry has incurred in the last few years, it has saved billions of dollars because of digital technology, and significant savings are being realized in other parts of our industry.

So, for the tourism industry in the Caribbean and throughout the Americas, digitalization enables aggregation of demand and enables collaboration in ways that were impossible before. We can grow revenues from markets that we never ever contemplated, and we can grow yields, in some cases, even on lower revenues. Transaction costs have come down, and communication costs have plummeted and are going lower. In fact, we believe that the tourism industry stands to benefit more from the digital economy than any other industry on earth.

We asked ourselves: where is it written that the tourism industry should only be selling accommodations, airfares, and airports transfers? Why aren't we in the e-commerce business selling rum, cigars, music, clothing, souvenirs, art, and sculpture? The fact is, whether the customer is in the Caribbean or not, we now have the capacity, through digital technology and e-commerce, to expand the sale of tourism far beyond traditional areas. And so, if we are to focus on foreign exchange, employment, and broadening the distribution of income and linkages, we must ask ourselves: Why aren't we using these tools to sell everything in our economy that possibly can be sold, with the collaboration of the private and public sectors?

Now, in the middle of our euphoria about this wonderful technological tool, it is most important for people to understand that we do not see technology in the tourism sector as a substitute for personal service. We have come to believe instead that the real value of technology lies in its ability to make personal service even more personal. That is the key; that's what it's all about.

It is through technology that relatively small states in the Caribbean, Central America, and the rest of Latin America can level the playing field, and it is through technology that we can store and anticipate the needs of our customers and provide for those needs before they ask for them or before they even know they want them. In fact, that is our definition of quality service. If we can begin to capture information and anticipate the needs of our customers, it will lead to a level of service that nobody else in our region has ever been able to deliver. Clearly, the notion of comparative advantage is becoming more and more relevant in an increasingly global economy, and we believe that we have a natural, global comparative advantage in the area of tourism.

We also have come to believe that all tourism should be community-based. People have been talking about community-based tourism as if it were separate from mainstream tourism, but every form of tourism should be community based, because tourism is the only industry on earth in which every single person is involved in the industry, whether we like or not. We always say that tourism is everybody's business and, conversely, everything is tourism's business. We spend a great deal of time making sure that people understand that we are involved to a very large degree in those areas that were talked about earlier, such as educational development and social development, if tourism is going to affect our entire economy in the way that we know it can and already has.

Let me tell you about seven areas in which the CTO and the CHA are collaborating as we look to the future.

The first area is data management and analysis. Small countries have a significant advantage in being able to capture information on every single customer coming into the country. Many people talk about small countries being at a disadvantage, but this is an area in which we have a huge advantage, and we are going to capitalize on it. There are all kinds of things that we can do with the information we are capturing at the immigration point, and we can use it to develop tourism in a much more effective and efficient way.

The second area is training and development. Tomorrow, the Caribbean Hotel Association, the Caribbean Tourism Organization, and the Organization of American States will sign a memorandum of understanding that will concentrate primarily on training and development. For a very long time, many of the best and brightest of the Caribbean have steered away from tourism for a variety of reasons that we are aware of. We are attempting to bring the best and brightest people into the tourism sector so that this most important sector continues to benefit from our best minds.

The third area is building our consumer and travel agent Web site. It will be a world-class Web site. How do we know that? Because our first task has been to identify the world's best destinations sites, and we are copying them. We are going to make sure that the architecture of those sites is transferred to what we are going to do in our region. We will build on the best instead of trying to reinvent the wheel.

The fourth area is membership in our corporate site. The membership site for our CTO and CHA members will look at best practices. What is the best way to execute any particular part of a tourism program? Once we understand that, we can make sure that that information is passed on to all of our members in the most efficient way, which is through a Web site. We also must make sure that we have the most up-to-date information that we can possibly provide to our members.

The fifth area sounds very strange, but it is so important in today's world. It is the promotion of our Web addresses. Too many of our people are stuck in the old ways of doing business, so we must make sure that anybody who wants to get information is fully aware of our Web addresses and where they can find information. Whether they are consumers, travel agents, or member, they need to know how to get all the information they need.

And if we say that reputation is very important to a brand, the sixth area is the most important tool in all of marketing: public relations. You are going to see enormous growth in our investment in public relations to make sure that everyone around the world has a very good sense of what we want to do.

The seventh and final area is ensuring that public/private sector cooperation and coordination is in everything that we do and keeping a constant eye on the principles of sustainability. This includes ensuring that we have the best low-cost/high-quality air transportation within and to our region, and a constant focus on disaster mitigation and preparedness, because it is nonsense for us to talk about sustainability unless we are spending a great deal of time talking about disaster mitigation and preparedness.

Our mission at the Caribbean Tourism Organization is “to provide to the world and to and through our members the services and information necessary for the sustainable development of tourism for the economic and social benefit of all our peoples.”

We firmly believe that in the Caribbean, in terms of our private/public sector cooperation, we are absolutely on the right track and that this will all lead to a much better economic performance than we have ever seen before, because, after all, that is the real reason that we are in the tourism business.

Thank you very much for your attention. [Aplausos.]

El PRESIDENTE: Thank you very much, Dr. Vanderpool, for your very important contribution to the Inter-American Development Forum.

On behalf of all the delegations that would wish to say very nice things to the panelists on their presentations, I offer congratulations for the information that has been provided to us.

I now offer the floor to delegations for very brief interventions with specific questions for clarification. I give the floor to the Delegation of Panama.

El REPRESENTANTE PERMANENTE DE PANAMÁ: Muchas gracias, señor Presidente. La verdad es que agradecemos muchísimo la valiosa información, muy bien documentada, que nos han proporcionado los distinguidos panelistas.

Yo no voy a hacer ninguna pregunta y voy a presentar nada más tres inquietudes. En primer lugar, sobre la referencia del señor de Falco al tema de la educación, ojalá que en América se diseñen nuevos y mejores programas. Habría para ello que reciclar a los propios docentes, porque cuando se hablaba anteriormente de que somos la sexta región y antes eramos la segunda, ello obedece en parte también a que no estamos educando bien a nuestros pueblos. Sin embargo, como decía el señor de Falco, sí estamos invirtiendo mucho en educación, pero lo estamos invirtiendo mal y no solo por el tema de universidad.

El segundo tema, relacionado con la presentación del señor Brautigam cuando hablaba de nuevos combustibles, hace muchos años, vientipico de años, se habló de alcoholina. Nuestra región, la región centroamericana y otras más, producimos bastante caña de azúcar y en algún ocasión se intentó, en un programa de los brasileños con el señor Gurgel, utilizar vehículos con alcoholina, pero luego el precio de la gasolina bajó y volvimos a utilizar este combustible. Hoy que no tenemos mucha esperanza de que baje el precio, ojalá que tengan en cuenta esa experiencia.

Finalmente, con respecto a la presentación del señor Vanderpool, que habló del turismo de una manera tan brillante, quisiera decir que no es nuestro problema en nuestros países. Es que

muchas veces el turismo no viene porque los gobiernos no hemos creado la infraestructura adecuada. No hemos invertido en la infraestructura; en consecuencia el turismo no viene.

Muchas gracias.

El PRESIDENTE: Thank you, Ambassador of Panama, for those very brief remarks. I now give the floor to the Representative of Saint Vincent and the Grenadines.

La REPRESENTANTE ALTERNA DE SAN VICENTE Y LAS GRANADINAS: Thank you very much, Mr. Chair.

I am grateful to the Permanent Council and the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI) for organizing this forum, which seeks to address one of the mandates of the Organization of American States, and we are also grateful to the panelists for coming and giving us of their time and for sharing information.

Chairman, you need not worry about the length of my contribution. I am acutely aware of the time, and so also is my stomach.

I would like to address one of the areas brought up by Dr. de Falco. He spoke about ways in which to deal with and benefit from trade and globalization.

Traditionally, free trade has been widely touted as one of the ways to address the development agenda within the Hemisphere. I would emphasize that whereas it has worked for countries like Chile and Mexico, as mentioned by the speaker, it does not necessarily work so perfectly for small, vulnerable economies, unless, of course, particular derogations are made—for example, special and deferential treatment—because small countries do not have the economies of scale to trade at the level of those big countries. I just wanted to flag that. Mr. Enrique García alluded to this when he said that he cannot use a single template for all of the countries. If this is not catered for in the models, it aggravates the inequities that we already see in economies throughout the Hemisphere.

Thank you very much, Chair.

El PRESIDENTE: Thank you very much, Representative of Saint Vincent and the Grenadines. I give the floor now to the Representative of the United States.

El REPRESENTANTE ALTERNO DE LOS ESTADOS UNIDOS: Thank you, Mr. Chairman.

The U.S. Delegation wishes to thank our speakers, as well as the chairs of the Permanent Council and the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI), for this initiative. Promoting economic development is a priority goal of the Organization of American States and is essential to deliver the benefits of democracy, the theme of the Fort Lauderdale General Assembly. By promoting trade and economic integration, these institutions play a vital role in achieving this goal.

Mr. Chairman, instead of a question, we would like to express the hope that the presentations by the leadership of these organizations will contribute to the development of a visionary, focused, achievable strategic plan for our Inter-American Council for Integral Development, to be adopted later this year. This plan will set the framework for enhanced cooperation with the OAS's specialized organizations.

Again, our thanks to the speakers, to you, and to the Chair of CEPCIDI.

Thank you.

El PRESIDENTE: Okay, we have three other speakers: Grenada; the Vice Chair of the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI), and then Ambassador Ramdin. The Ambassador of Grenada is first.

El REPRESENTANTE PERMANENTE DE GRENADA: I thank you very much, Mr. Chairman.

I join others in expressing my appreciation to the panelists for their very rich and stimulating accounting of the possibilities.

Mr. Chairman, I took the floor to raise one very specific request of the Council and the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI). I learned that a cooperation agreement will be signed with the Caribbean Tourism Organization (CTO), and I am excited about that. However, it was noticeable that each of the panelists extended a request or an invitation to work collaboratively with the Organization of American States, and I would like to know that there will be instant follow-up as an outcome of this meeting so that we can deepen the cooperation that we already have with these entities.

I thank you.

El PRESIDENTE: Thank you very much, Ambassador of Grenada. I now give the floor to the Vice Chair of the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI).

La VICEPRESIDENTA DEL COMITÉ EJECUTIVO DEL CONSEJO INTERAMERICANO DE DESARROLLO INTEGRAL: Thank you, Mr. Chairman.

It is always difficult to speak after Ambassador Antoine has spoken. As a former Chairman of the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI), he knows exactly what to say.

On behalf of CEPCIDI, I would like to formally thank the Chair of the Permanent of Council, the Secretary General, and the Assistant Secretary General for convoking this Inter-American Development Forum and for emphasizing development issues at the Organization of American States, particularly the Organization's goal of assisting member states in combating poverty and creating jobs for our people.

Under the auspices of the Inter-American Council for Integral Development (CIDI), the OAS convokes meetings of ministers on labor, education, science and technology, tourism, sustainable development, and social development. The Inter-American Development Bank (IDB) has participated in these ministerial meetings, and I would like to encourage the other organizations here that have not done so to consider participating in these meetings to enrich the dialogue of the ministers.

I would like to thank the panelists for their presentations, which have been thought-provoking and very interesting. I want to assure you that the information you have given us today will be put to very good use by the CEPCIDI delegations as we negotiate the Strategic Plan for Partnership for Integral Development 2006-2009. Our delegations intend to strengthen the mandate to establish strategic partnerships with banks, foundations, civil society, and the private sector in order to better contribute to the development of member states.

We heard the Secretary General underscore today that there is an indispensable link between democracy and development, that there is an essential role for the private sector, and that the great challenge for government leaders is the creation of more efficient government in order to deliver the benefits of development. As the Inter-American Democratic Charter states in its very first article, "democracy is essential for the social, political, and economic development of the peoples of the Americas." The Declaration of Florida, adopted last year by the General Assembly, provides additional impetus to the goal of delivering the benefits of democracy to all our peoples. The challenge before us is great, but I do not doubt that our people have the creativity and political will to meet the challenge, and I congratulate you again on this forum.

Thank you, Mr. Chairman.

El PRESIDENTE: Thank you very much, Vice Chair of the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI).

PALABRAS DE CLAUSURA DEL SECRETARIO GENERAL ADJUNTO

El PRESIDENTE: I now give the floor to the Assistant Secretary General.

El SECRETARIO GENERAL ADJUNTO: Thank you very much, Mr. Chairman.

Ladies and gentlemen, we have all listened with keen interest and excitement to the presentations on the developmental challenges in the Americas. We have been presented with a comprehensive assessment of the developmental challenges in the Hemisphere, as well as encouraging information about opportunities for social and economic growth through current and new initiatives, policies, and programs. We are, indeed, pleased and honored that this panel of speakers accepted the invitation to participate in this discussion, and we fully appreciate your contributions. So, once again, thank you!

Clearly, the political agenda of this organization cannot be divorced from the social and economic needs of the peoples of the Americas. As Secretary General Insulza stated, as well as the Vice Chair of the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI) and others, there is an undeniable relationship between political stability

and democratic governability, on the one hand, and our ability, on the other hand, to provide opportunities for prosperity, concrete action, and social inclusion, and for fighting poverty and inequality. Some of these areas are the main focus of discussion within the OAS, as we all know.

I firmly believe that the integral development of the nations of the Americas needs to be placed high on the inter-American agenda, not simply on an ad hoc basis, but as a standing item to be discussed regularly in the Permanent Council. We should be creative in finding permanent mechanisms to institutionalize such a debate in this political body.

I agree with the priority areas outlined by Secretary General Insulza, and I believe that these areas reflect the importance and relevance of democracy and human rights, integral development, and multidimensional security. As you know, these areas are functionally and structurally the main focus of this organization.

But it is also important to continue this development forum with our inter-American partners so that we can develop a much more comprehensive approach. Our institutional responses still lag, in that whereas the policy direction of the hemispheric agenda comes to us from our political leaders through the Summit of the Americas process, it does not always filter into the agenda, policies, and programs of all the institutions of the inter-American system.

To avoid duplication, but, more importantly, to promote greater synergy and to enhance the impact of our collective efforts and investments, it is crucial that these key institutions streamline their agendas. For this reason, Secretary General Insulza recently convened a meeting of heads of regional and subregional institutions as a first but necessary step towards coordinating the implementation of a hemispheric political and developmental agenda.

In response to the question raised by Ambassador Antoine of Grenada, we have started discussions with all the institutions present here today on how we can collaborate further in concrete terms. I have paid official visits to the headquarters of the Caribbean Development Bank (CDB) and the Central American Bank for Economic Development (CABEI), and we will continue that effort. It is important that we all look in the same direction when implementing hemispheric mandates.

We have heard today several critical issues that require immediate attention and areas in which progress has been achieved, or which offer opportunities for investment, employment, income generation, and prosperity. Progress has also been achieved in subregional integration, but at the same time, some of our most urgent challenges remain: extreme poverty, corruption, weak political institutions, natural disasters, crime, discrimination, and security, among others. So, for us at the Organization of American States, it is important to not only take note of the insights presented here today, but to determine what more can be done to facilitate their resolution.

In closing, let me thank the presenters once again for their views and contributions, as well as the member states for their comments and suggestions. We look forward to continued collaboration for the common good of the peoples of the Americas.

Thank you.

[Aplausos.]

El PRESIDENTE: Thank you very much, Ambassador Ramdin.

Once again, I would like to thank all of you for your participation in the Inter-American Development Forum and for your presence here today. Let me invite you to a reception in the Hall of Heroes, directly outside of this Hall.

This meeting is adjourned.

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