Statement by Jaime Ruiz  
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**Organization of Eastern Caribbean States CAS**

We welcome the discussion today of the Country Assistance Strategy for the OECS countries and the Bank’s proposed commitment to a lending program of between US$100 to 110 million. We wish to thank the staff for a well written and clearly articulated document which highlights the progress made by these countries in spite of their many challenges and the strategy to be pursued over the medium term. We particularly welcome the consultative approach taken by the Governments of the sub-region in developing this CAS as it extrapolates from the Caribbean region’s 2020 Vision which was compiled with assistance from the Bank and endorsed by the countries of the region last year. As the document points out, the OECS countries have faced challenges in the last decade ranging from acts of nature to coming to terms with decreasing access to commodity markets previously enjoyed under long standing preferential agreements, reductions in aid flows, and even the threat of destruction to their offshore banking sector. In spite of this, the sub region has continued to experience positive growth during much of the 80’s and 90’s and has continued to pursue its diversification strategy. Monetary management remains sound and although in some territories fiscal performance has deteriorated, as a group the outlook for the coming decade remains positive due in large part to the reforms being undertaken with the Eastern Caribbean Central Bank and other regional and multi-lateral partners.

Despite the progress in income growth in the sub-region, we see that poverty continues to be a problem and this more significant for some than for others. As the estimates here indicate there are approximately 10 percent of the total population which is classified as chronically poor, and the overall average of those classified as poor is in the vicinity of 28 percent. The present strategy outlines a comprehensive program for addressing this problem that has widespread support within the sub-region and its multi-lateral and bi-lateral partners.

We support the Bank’s role and strategy in this program and though a small part in total quantum of assistance to the countries, it is clearly focused and well balanced. The Bank’s role is indeed critical in support of capacity building which we see as vital to the region’s focus on reducing poverty. The institutional capacity building exercise is where we see the Bank being most effective in working with regional institutions such as the Caribbean Development Bank, the OECS Secretariat and others to ensure that much of the funds allocated to projects in the sub-region can be fully utilized. In addition, we agree with the Bank’s approach to continue
developing complementarities with the other development agencies working in the region and to that of providing a coordinating role in this effort. As such the Bank’s effectiveness can only be enhanced to the benefit of the Bank and the OECS countries. We fully support the Bank’s approach of undertaking its activities within the umbrella of the region’s initiative since in many cases the Bank’s initiatives can only bear fruit in the context of the regional support to these countries.

We believe that the mix of instruments to be used is appropriate particularly in the context of a regional approach and the need to take cognizance of the needs of the individual countries. We agree with the staff’s analysis on the risks to the program. We also fully support the lending scenario put forward in this CAS. Further, we fully support the Bank’s engagement in the countries on the HIV/AIDS program which will help to minimize the negative impact the spread of the disease has on the social and economic development of these countries. We also support the program monitoring mechanism agreed by the Bank and the authorities and look forward to progress reports on the program.

We note that the IFC has played a pivotal role in two of the key sectors namely the Financial and Tourism sectors with much success. We look forward to the continued support of the IFC to the regional private sector since the potential for even greater success can be achieved particularly in other sectors such as infrastructure and telecommunications.

Overall we endorse the proposed strategy by the Bank in the OECS states and we encourage the authorities in the sub-region to take advantage of the opportunities to be had not only through this program but in conjunction with its other development partners in their pursuit of continued growth and development and ultimately the improvement of the quality of life for all of its citizens.