

# Ready to Grow

**Helping the Caribbean to  
emerge as a global partner**

The UK Government's Regional Development  
Strategy for the Caribbean



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## What is development?

**International development is about helping people fight poverty.** This means people in rich and poor countries working together to settle conflicts, increase opportunities for trade, tackle climate change, improve people's health and their chances to get an education.

It means helping governments in developing countries put their own plans into action. It means agreeing debt relief, working with international institutions that co-ordinate support, and working with non-government organisations and charities to give communities a chance to find their own ways out of poverty.

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## Why is the UK Government involved?

**Getting rid of poverty will make for a better world for everybody.** Nearly a billion people, one in 6 of the world's population, live in extreme poverty. This means they live on less than \$1 a day. Ten million children die before their fifth birthday, most of them from preventable diseases. More than 113 million children in developing countries do not go to school.

In a world of growing wealth, such levels of human suffering and wasted potential are not only morally wrong, they are also against our own interests.

We are closer to people in developing countries than ever before. We trade more and more with people in poor countries, and many of the problems which affect us - conflict, international crime, refugees, the trade in illegal drugs and the spread of diseases - are caused or made worse by poverty in developing countries.

In the last 10 years Britain has more than trebled its spending on aid to nearly £7 billion a year. We are now the fourth largest donor in the world.

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## What is DFID?

**DFID, the Department for International Development, is the part of the UK Government that manages Britain's aid to poor countries and works to get rid of extreme poverty.**

We work towards achieving the Millennium Development Goals - a set of targets agreed by the United Nations to halve global poverty by 2015.

With 64 offices overseas DFID staff work in some of the most difficult places in the world to protect the vulnerable and help countries recover from conflict. We work with organisations like the United Nations, European Union and the World Bank to find international solutions to international problems. We give money and other help to governments in developing countries to support their own action plans to reduce the number of people living in poverty. And we fund charities, including the British Red Cross, VSO and Oxfam, to work directly with communities.

We spend our money where it is most needed and where it will make the most difference and every year the UK Government helps cut the number of people living in poverty by three million.



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THE REGION IS HELD BACK BY NATURAL DISASTERS



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THE REGION IS WORKING TO ENSURE  
WOMEN AND GIRLS ENJOY THE BENEFITS  
OF DEVELOPMENT

## Why we are working in the Caribbean

**Achieving a higher rate of growth in the Caribbean isn't just about economic ambition. It's a make or break issue for the region's future development.**

The Caribbean has the natural resources and talent to become a global economic player. But growth and poverty reduction are slow, and the region is being held back by violent crime and the impact of natural disasters.

The region now has access to new markets, but potential benefits won't help if Caribbean businesses don't keep innovating and competing effectively. And Caribbean government's need to work together to help business make the most of trading opportunities.

The next five years could be the turning point. The UK's support will concentrate on helping the region's business to grow and become more competitive. We will help governments in the region work together to exploit new opportunities. We will help reduce crime and violence that holds back investment and blights people's lives. We will help reduce the impact of natural disasters, which are being made worse by climate change. We will work to ensure women and girls get a fair share of the benefits of the region's development.

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## Ready to grow

There's plenty of reason to be optimistic about the region's economic future. The region is proving that it can create new markets, developing goods and services to compete with the best in the world.

Caribbean businesspeople are already adapting to make the most of new agricultural and tourism markets and making new links with other developing countries.

Now, there is fresh opportunity. Trading practices that allowed the Caribbean to enjoy preferential access to European markets are ending to comply with new global rules. But these new rules also present new opportunities. Arrangements such as the recent Economic Partnership Agreement (EPA) with the European Union (EU) will help the Caribbean to diversify, to reach more markets, and to become more competitive. In particular, the EU has provided unprecedented market access to the Caribbean service providers to supply cross-border services like international phone calls, banking or hospitality services. This means new investment, and new jobs.

### The Caribbean Community

By "Caribbean" we are referring to the member states of the Caribbean Community (CARICOM):

Antigua and Barbuda; The Bahamas; Barbados; Belize; Dominica; Grenada; Guyana; Haiti; Jamaica; St Lucia; St Kitts and Nevis; St Vincent and the Grenadines; Suriname; and Trinidad and Tobago.

The Dominican Republic is also included in our regional definition as a member of CARIFORUM.

### Why work together?

Most Caribbean countries are island states with small, open economies. They face several big challenges:

- Food and fuel is mostly imported.
- Economies are very vulnerable to shifts in the market.
- Crime and violence is increasing throughout the region.
- The damage caused by repeated natural disasters, and the effects of climate change.

A fragmented Caribbean is more vulnerable. A shared single market and economy would mean healthier competition, more efficiency, and faster growth.

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### Stability through integration

To increase trade and economic stability and growth, the region has decided that it needs a single market, and a single economy. This will allow the free movement of people, goods, services and money – vital for the development of a region largely made up of small island states. In fact, together with the Economic Partnership Agreement (EPA), regional economic integration has the potential to trigger development across the Caribbean.

The CARICOM countries are working hard to increase integration but progress is slow.





THE CARIBBEAN REGIONAL DEVELOPMENT FUND WILL HELP DISADVANTAGED COMMUNITIES BENEFIT FROM A CARIBBEAN SINGLE MARKET ECONOMY

## How we are working in the Caribbean

The UK will help the Caribbean region to flourish by supporting economic growth and integration during the next five years. During this period of change that support will include:

- ➔ Encouraging entrepreneurship and innovation through a new regional challenge fund. This will back innovative ideas from the private sector, helping the region make the most of new market opportunities, such as the Economic Partnership Agreement (EPA);
- ➔ Sharing ideas and providing funds to CARICOM and regional institutions to get agreement for a single Caribbean market and economy by 2012; and
- ➔ Making an extra contribution of £10 million to Caribbean Regional Development Fund, to assist disadvantaged countries, regions or sectors to adjust to the Caribbean Single Market Economy (CSME) and support the implementation of the Economic Partnership Agreement (EPA).

### Finding a fit

The UK has expertise and experience in economic growth, security, disaster risk reduction and climate change.

These are the areas where the UK has chosen to concentrate much of its efforts in its support to the Caribbean.



A SINGLE HURRICANE CAN WIPE OUT  
THE ECONOMY OF A SMALL ISLAND

## Tackling risks to growth – a safer Caribbean

Growth isn't just about trade rules and entrepreneurship. Violence, natural disasters and climate change are major risks to growth. The UK's strategy not only supports growth, but helps ensure that the Caribbean deals with the challenges to growth so that the region can prosper and take its place as a global partner.

The challenges to growth are serious:

- ➔ Murder rates (30 per 100,000 of population each year and rising) are the highest in the world;
- ➔ The region is home to six of the ten most disaster-prone countries on the planet. Climate change is already bringing more intense weather patterns to the region, increasing the vulnerability of its citizens;
- ➔ Rising fuel and food costs have a huge impact on the poor; and
- ➔ Brain-drain: Many of the region's best and brightest leave the region in search of better prospects elsewhere.

## The rising cost of insecurity

**Crime and insecurity costs the Caribbean between 5 and 10% of its GDP.**

Drug trafficking plays a big part in this – the region sits between the world's main producer of cocaine and its major consumers (Europe and the US). Violent and drug-related crime is on the rise. This discourages tourism and investment.

Climate change will mean more violent weather and rising sea levels. A single hurricane can wipe out the economy of a small island. Coastal communities, which account for 60% of the population will be most affected along with key tourism and fishing industries.

Efforts to prepare for disaster and reduce vulnerability when disaster strikes need to be continued and increased throughout the region.





CLIMATE CHANGE WILL AFFECT  
TOURISM AND FISHING INDUSTRIES

## How is the UK helping to tackle those risks?

It's clear that the Caribbean needs to grow more, and that instability is expensive, both economically and in terms of lives and livelihoods lost. What is the UK government doing to lower these costs and boost growth?

## Crime, violence and insecurity

**The UK is working with Caribbean countries to address violent and organised crime as well as working to ensure greater safety and justice for citizens living within violent communities.**

Our approach: where there is political will to tackle the problems of crime and injustice we will continue to help governments strengthen and reform their security sector. So far DFID has concentrated on strengthening security and justice in Guyana and Jamaica, through support to the police and community security initiatives and the reintegration of criminal deportees to Jamaica. In the future we will be working to foster regional security in areas where we can have a measurable impact.



WE ARE SUPPORTING THE REGION RESPOND TO THE  
FOOD CRISIS

## Disasters and Climate Change

**The UK will spend up to £3 million a year to help prepare for disasters such as hurricanes, earthquakes and flooding to aid post disaster recovery. We will also support the development of alternate energy sources.**

- ➔ We will help to reduce the vulnerability of communities most under threat and to reduce the loss of GDP caused by disasters - working with key sectors such as health, education, agriculture and tourism. This includes promoting safer building techniques, the identification of hazards to encourage better land management, the introduction of early warning systems and making sure plans are in place before a disaster strikes.
- ➔ We will help improve prediction and co-ordinated responses to disasters through the Caribbean Disaster Emergency Response Agency (CDERA), and Caribbean Community Climate Change Centre (CCCCC).
- ➔ In 2007/8 DFID gave £3.8 million to co-fund the start up of the world's first multi-country catastrophe insurance. This provides Caribbean governments with immediate cash for urgent relief and recovery works immediately after a hurricane or earthquake. We are working with the facility to extend this financial coverage to other types of disasters.
- ➔ We will share UK expertise from across governments to help the region deal with climate change and take a full part in international discussions, improve energy efficiency and protect the environment.





## Food and fuel

Over the long-term the UK's new Regional Challenge Fund will help remove key bottlenecks in the agriculture sector and help prevent future food crises.



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WE WILL HELP REDUCE THE VULNERABILITY  
OF COMMUNITIES MOST UNDER THREAT

## What about food and fuel?

Most Caribbean countries are dependant on imported food and fuel, which means they are vulnerable to even small shifts in the market, worsening insecurity.

Alongside the UK's £585 million effort to respond to the global food crisis, we will encourage the World Bank to be more responsive to these economic challenges by supporting agricultural production and social safety nets for the poorest. We also support the Inter-American Development Bank and the Caribbean Development Bank to coordinate the regional response, in particular through support to private sector development and competitiveness in the agriculture and transport sectors. We are supporting the International Monetary Fund to help governments in the region to adjust their economic policies in response to the food and fuel crisis.

## And health?

UK support has also helped to create a regional response to HIV and AIDS, aiming to stop the spread of HIV in the Caribbean. From 2008 we will concentrate on a strategy to reduce stigma and discrimination against people living with HIV, which makes it harder to reduce the incidence of HIV and AIDS.

The UK calls for a more co-ordinated international response to these challenges, but we believe that a strong, innovative and more integrated Caribbean response will provide long-term solutions.



WE WILL HELP THE REGION BENEFIT FROM NEW TRADE AGREEMENTS

## Evolving aid

**DFID Caribbean's own programme is only a fraction of the UK's total assistance to the region.** In 2006/7, the UK provided £73 million in development support to the Caribbean, mainly through contributions to partners such as the European Commission, the UN, World Bank and the Caribbean Development Bank. We intend to work closely with these partners to help them make the most strategic impact.

The Caribbean Development Bank (CDB) will play an increasingly important role in the region. We will work closely with the CDB to support them to strengthen their work on poverty, climate change and regional integration.

The European Commission (EC) is an important partner for the Caribbean. New trade agreements mean specific support is available from the EC to help the region through the economic transition. The UK is ready to provide technical assistance both to help Caribbean nations to benefit from EC funds, and to help the EC to design and implement programmes.





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WE WILL SUPPORT THE CARIBBEAN FLOURISH BY SUPPORTING ECONOMIC GROWTH

## DFID Caribbean

- ➔ DFID Caribbean is a regional programme headquartered in Barbados, with a team in Jamaica, and liaison staff in Guyana working closely with the Foreign and Commonwealth Office.
- ➔ Barbados is the regional base for the work on private sector development and growth and corporate management.
- ➔ Our work on improving security, responding to disasters and adapting to climate change is led from Jamaica, with some staff located in Barbados. Guyana-based staff work closely with the FCO to continue our security work with the government, and maintain our vital links with the EC and CARICOM/CARIFORUM on regional integration and trade.
- ➔ DFID Caribbean's regional programme accounts for £11 million a year and will rise to £13 million in 2010/11.



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## How can I find out more?

This booklet forms part of a series to explain DFID's work around the world. For more detailed information about DFID's work visit the website: [www.dfid.gov.uk](http://www.dfid.gov.uk)

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