

**Statement of the Director-General of FAO  
Meeting of donors for the CARICOM countries**

**Port of Spain, Trinidad and Tobago, 2 June 2007**

*Honourable President Bharrat Jagdeo,  
Honourable Minister Prime Minister Patrick Manning,  
Mr Secretary-General of CARICOM, Edwin Carrington,  
Honourable Ministers,  
Excellencies,  
Ladies and Gentlemen,*

Mr Prime Minister Patrick Manning. It is a privilege and an honour to be in your historic capital today to participate in this meeting of donors for the CARICOM countries.

I should like to extend a special greeting to the representative of government and of donors, and of institutions whose presence in Port of Spain inspires us to intensify our actions in the fight against hunger and poverty.

The fundamental role of agriculture in the economic and social development of the Caribbean is long recognized.

The number of undernourished people in the region fell from 7.7 million in 1990-1992 to 6.7 million in 2001-2003, representing 27 and 21 percent of the population respectively. These are good results, but much remains to be done and further efforts are needed.

Extreme poverty and food insecurity affect rural areas more than urban ones. And the Caribbean countries are exposed to frequent natural disasters, hurricanes, floods and torrential rains.

In a situation of economic change, agriculture must be rendered more effective.

Agricultural commodity exports already account for over 30 percent of trade in many CARICOM countries. But the agricultural trade deficit amounted to US\$1.3 billion in 2004 because of imports of food products which, in the same year, accounted for 84 percent of total agricultural imports.

The concentration of exports on a handful of commodities, in particular sugar and banana which represented 39 percent of exports in 2004, heightens vulnerability to international price fluctuations.

World sugar prices fell to a two-year low in April 2007, to around 9.72 US cents a pound. In addition, renegotiation of preferential terms between the European Union and the ACP countries could reduce the current intervention price by 36 percent in four years.

The Caribbean banana, which is mainly exported to the European Union and which benefits from a tariff preference of 176 euros/tonne within a quota of 775 000 tonnes, is also at risk of lower prices resulting from the renegotiation of these benefits under the WTO negotiations. Over one-third of exports depend on this market: 32 percent in the case of

Belize, 37 in Suriname, 58 in Dominica, 86 in Saint Vincent and the Grenadines, and 89 percent in Saint Lucia.

The diversification of production and greater value added to primary commodities should be central elements of new development strategies, in order to meet consumer demand and ensure that producers earn satisfactory incomes.

Guyana and Jamaica are considering foreign investment plans for the production of ethanol from sugarcane to decrease their dependency from imported fuels.

But programmes of food crop substitution provoke intense debate over biofuels. The implications are multiple: economic, social and environmental, with short- and long-term consequences. FAO has initiated studies on the many aspects of this topic. Its complexity calls for in-depth analysis. Any definitive conclusion at this stage, which will certainly depend on the circumstances of each country and on changes in the global energy market, would be premature.

The proliferation of supermarkets for the retail trade and of fast food outlets, and the greater tendency to eat outside the home are indications that consumers are changing their eating patterns, especially in urban areas. Such trends also accentuate the food safety concerns of consumers.

The liberalization of trade is necessary but cannot alone solve the problems of poverty and malnutrition. What are needed are appropriate agricultural policies that will ensure and promote public investment in rural infrastructure, food safety, research and training.

Public investment in agriculture fell to extremely low levels during the 1990s – to under 5 percent of the total. Aggregate private investment followed the same trend.

Achieving the objectives that the governments of the Caribbean countries have set themselves requires ambitious investment programmes for development of the agricultural sector. But the financial constraints imposed by inadequate national budgets and the high indebtedness of many countries of the region call for a greater commitment on the part of external donors in a concerted effort to achieve the financial objective.

In the Caribbean, the pilot phase of the Regional Programme for Food Security, which has a budget of some US\$10 million, is being implemented thanks to US\$5 million from the Italian Government, whom I should like to thank publicly on this occasion, and a contribution of around US\$5.7 million from FAO's Technical Cooperation Programme. It has served to rehabilitate and modernize small-scale irrigation. Experts have been trained in the areas of agricultural policies and markets.

South-South Cooperation has helped implement this programme, with the countries of the region receiving the support of 68 experts, each staying for a period of 18 months. Twenty-two are currently at work. I should like to express my gratitude to the Cuban and Chinese Governments for having made those experts available. In addition, the short-term provision of expertise for three months is envisaged under Technical Cooperation between Developing Countries for legislative and institutional matters, notably the Codex Alimentarius guidelines and the phyto- and zoosanitary standards of the International Plant Protection Convention and the World Organization for Animal Health, respectively.

In view of the positive results of this phase, FAO in cooperation with CARICOM has supported the expansion of the programme for the development of the rural sector. The formulation of appropriate policies to facilitate market access should consolidate the programmes to increase productivity and to diversify agricultural production.

FAO has also helped 14 countries of the region formulate National Medium-Term Investment Programmes (NMTIPs) for their agricultural sectors. The ministries of agriculture have used these to prepare Bankable Investment Project Profiles (BIPPs) aiming to enhance the economic and institutional environment, to transfer technologies for crop production and processing, to create enterprises and facilitate trade, to improve food security and to promote sustainable development.

Total investment for this Regional Programme for Food Security and the 38 identified project profiles amounts to more than US\$250 million. US\$200 million will need to be found externally.

*Distinguished Prime Ministers,  
Mr Secretary-General,  
Honourable Ministers,  
Excellencies,  
Ladies and Gentlemen,*

After helping formulate the Regional Programme for Food Security and related investment projects, FAO will now support the efforts of CARICOM governments and donors to finance and implement them in order to achieve the goals of the World Food Summit and of the Millennium Declaration.

Together we can overcome hunger and poverty in the region. We have the means to meet the challenge thanks to the financial commitments that will be made, most notably at this conference.

I am convinced that the discussions and decisions that take place in Port of Spain will give strong impetus to the Regional Programme for Food Security of the countries of the CARICOM.

Thank you for your kind attention.