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Système Economique  
Latinoaméricain et Caribéen

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## Remarks by the Outgoing Chairman of the Latin American Council, His Excellency Odeen Ishmael, Ambassador of Guyana in Venezuela, at the opening of the Ministerial Session

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Mr. Chairman, Permanent Secretary of SELA, Vice-Minister of Foreign Affairs of the Bolivarian Republic of Venezuela, Minister of Technology and Culture of Grenada, Ambassadors, members of delegations, distinguished guests, ladies and gentlemen.

Let me first thank all the delegations for the support I received during the past year when I served as Chairman of the Latin American Council. Now that we have a new Chairman in the person of my dear friend, the Ambassador of Nicaragua, I offer my cooperation and support to him and wish him all successes in the coming year.

Mr. Chairman,

During the preparatory stage of this meeting of the Latin American Council, we heard the joint presentations on the subject of the knowledge economy and its relationship to social development. Surely, the advances of the knowledge economy can play an increasing role in advancing the economies of Latin America and the Caribbean towards achieving the Millennium Development Goals (MDGs) in the next five years.

When the Millennium Summit was held ten years ago, world leaders paid little attention to the then fledgling knowledge economy which was not regarded as a factor influencing the achievement of the MDGs. But even as our countries now pay increasing attention to it and apply it more and more in their planning and implementation strategies, stiff challenges to efforts in reaching the MDGs by 2015 still remain.

I, therefore, wish to make some comments on the challenges our countries face in working to achieve the Millennium Development Goals (MDGs) which were set out ten years ago. These Goals were the centre of attention when world leaders gathered at the United Nations headquarters in New York on September 20-21 to assess their nations' success in eradicating global poverty.

The summit focused on setting a series of quantified, time-bound targets for addressing extreme poverty, hunger and disease, and for promoting gender equality, education and environmental sustainability. As a result, leaders of the developed world made additional financial pledges to developing countries to help them achieve these targets within the next five years. However, only time will tell if these pledges will fully materialise since many previous pledges of assistance since the ground-breaking Monterrey Summit of 2002 still remain unfulfilled.

The countries of Latin America and the Caribbean (LAC), for their part, have made significant progress towards meeting the targets set by the MDGs. However, the recent global crisis has cast doubts about the possibility of achieving all of them by 2015, according to the Economic Commission for Latin America and the Caribbean (ECLAC) which, in July 2010, reported on the progress and challenges of achieving the MDGs.

ECLAC indicated that much of the progress made by the region as a whole in progressing towards the MDGs, particularly with regard to reducing extreme poverty, took place between 2002 and 2008, the six-year period before the advent of the global economic crisis. During that time, LAC had relatively high growth rates, with several countries improving income distribution, and raising per capita social public expenditures. A few governments were also able to avoid the economic shocks by applying macro-economic policies that eased the heavier impact of the crisis.

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Despite the crisis, some countries have attained several of their annual targets, but many others will experience difficulties in achieving them if they continue at their current rate of economic progress.

According to ECLAC, the LAC region has progressed 85 percent in reaching the goal of halving extreme poverty (MDG 1) and if it continues at this rate it could achieve this objective by 2015. While some have already done so, others are moving quickly in that direction. Even so, poverty still remains greater in rural areas as well as among children, women, indigenous peoples, and Afro-descendants in Ibero-American nations.

In education (MDG 2), the region has progressed significantly in terms of access while some, such as Guyana and other English-speaking Caribbean countries have already attained the objective of providing primary school education. Guyana is also working assiduously to improve at the secondary level with about 72 percent of the targets being met.

Overall, LAC countries have student registration rates close to or over 90 percent, similar to developed countries, but they still have much to do to improve the quality of education, particularly at the secondary school level.

With regard to gender equality (MDG 3), the gaps with regard to women have diminished over the past 15 years, but the rate of progress remains relatively slow.

In relation to achievements in health, (stipulated in MDGs 4, 5 and 6), the health conditions of the population have no doubt improved, but the progress is still insufficient. At the present rate, it is feared that only a third of LAC countries may be able to meet the goal of reducing infant mortality by 50 percent.

On environmental sustainability (MDG 7), the use of ozone-depleting substances has decreased, the surface of protected areas has increased over the past decade and the availability of potable water and sanitation services has improved. However, some Latin American countries still have some of the highest deforestation rates in the world while carbon dioxide emissions continue to grow. Significantly, a few countries, notably Ecuador and Guyana, are developing national policies to protect their rain forests and are appealing to the developed world to partner them financially in implementing these programmes.

Regarding MDG 8 which encourages a global partnership for development, the region made significant progress in its international trade between 2005 and 2009, although the international crisis caused its exports to drop drastically.

But LAC exports are expected to grow by 21.4 percent in 2010 as a result of South American sales of primary materials, as estimated by a most recent ECLAC study on "Latin America and the Caribbean in the World Economy 2009-2010". Purchases will be from Asia, particularly China, while the United States will normalise its demand for these products.

However, this study notes the significant differences within the region. Growth has been much greater in countries that export natural resources (agricultural, livestock and mining products), namely, South American nations, while it has been slower in countries that import basic commodities and depend on tourism and remittances, such as Central

American and the CARICOM economies. Nevertheless, the CARICOM economies should see an upswing, and their exports are expected to increase from negative 43.6 percent in 2009 to 23.7 percent in 2010.

With respect to my country, Guyana, I should also mention that in addition to avoiding food and financial crises, there has been a significant achievement in education, health, gender equality, poverty eradication and particularly in reducing mother to child transmission of HIV. Guyana has gone a step further by developing a Low Carbon Development Strategy (LCDS) which will help to create financial infrastructure and low carbon initiatives while advancing the country's long-standing commitment to people-centred development through greater investment in the social sector. This Strategy represents a model of partnership between developing and developed countries in promoting common development and environmental objectives.

As I mentioned earlier, world leaders made renewed financial pledges at the UN meeting in September. But will these be forthcoming? Or will they remain as just promises? The point must be emphasised that regarding Official Development Assistance (ODA), donor countries have yet to mobilise the necessary financial resources to propel advances towards the achievement of the MDGs. In reality, ODA for LAC actually fell from 9 percent in the 1990s to 7 percent in 2008 while current ODA levels are far below the target established in the Monterrey Summit – i.e., 0.7 percent of gross income of donor countries. If this assistance continues to fall short, it will certainly present difficulties to the LAC region in their efforts to meet all the MDGs set a decade ago. Let us hope this does not happen.

Thank you.