

**Presentation by the Hon. Mark Brantley
Chair of the CDCC on the work of ECLAC in the Caribbean
at the 36th Session of the Commission**

Madame President,
Distinguished representatives,
Ladies and gentlemen,

It is my pleasure to present to you today an account of the work of the Committee since the last Session of the Commission. I take this opportunity to express appreciation to Jamaica for their leadership of the Committee over the past two years, and pledge the support of the Government of St Kitts and Nevis as we take this important work forward.

I will briefly address the regional development context within which we find ourselves in the Caribbean, and around which the work of the CDCC is structured. Then, I will highlight how we have used our inter-governmental meetings to advance key initiatives and how the work of the CDCC Secretariat addressed the pressing development needs in our region.

The most critical development challenge to be addressed was the unsustainably high level of accumulated debt throughout the subregion. In 2013, 10 Caribbean countries had debt-to-GDP ratios that exceeded the accepted critical threshold of 60%, and several rank among the most highly indebted countries in the world, with debt ratios of well over 100% of GDP. In 2013, the total debt burden of the Caribbean stood at \$49 billion; 72% of subregional GDP. This situation has limited governments' capacity to support public investment and sustain social protection programmes. Growth, which has remained anaemic since the global economic crisis, has been further stymied by this debt overhang. It has thus become increasingly clear that the countries of the subregion will not be able to grow their way out of this debt crisis.

Very few Caribbean countries have been able to absorb the adjustment costs of reducing tariffs, removing non-tariff barriers, eliminating export subsidies, and liberalizing services and financial and investment regimes, which resulted from trade and market liberalization under the WTO. In fact, the subregion's multilateral and bilateral trade liberalization efforts have not only increased the international competition faced by domestic firms, but have also reduced the policy

space needed to safeguard food security and rural development, to generate foreign exchange earnings, and to facilitate private sector growth and development.

Given the imperatives of globalization, the Caribbean has increasingly sought to quicken the subregion's pace of integration into the multilateral trading system. It was anticipated that the resulting increased trade flows would deliver economies of scale, productivity and efficiency gains and optimal resource use. However, the subregion's competitiveness and export performance across both goods and services has continued to be constrained by several structural gaps, which have led to the steady decline in trade complementarity. These gaps are widest in the areas of trade-related infrastructure, connectivity, trade-related institutions, production systems and private sector innovation. As a result, significant untapped opportunities for trade in intermediate goods, the building blocks of value chains, continue to restrict countries' participation in regional or global value chains.

In the energy sector, the high cost of electricity continues to undermine the subregion's growth prospects and competitiveness. The subregion remains heavily reliant on imported fossil fuels, which accounted for up

to 95% of energy consumption, while renewable energy represented less than 3% of the Caribbean's total electricity consumption. Diversification of the subregion's energy portfolio mix is therefore a key priority which is recognized by many member states.

Climate change represents a major challenge to the sustainable development of the Caribbean; the vulnerability of the island and coastal States of the subregion to the impact of this phenomenon is well established. Some 70% of the beaches of the subregion are losing between 1 and 9 metres of shoreline per year, impacting the majority of Caribbean populations, infrastructure and industry that are situated in coastal areas. Climate change has also taken a toll on marine and terrestrial resources, which are integral to the tourism industry, the mainstay of the subregion's service-based economies.

Over the past 25 years, the Caribbean has recorded some 328 natural disasters —approximately 13 each year. Six Eastern Caribbean States rank among the 10 most disaster-prone countries in the world. Damage from 48% of events over this period totalled some US\$ 27.3 billion in 2014 prices. Not surprisingly, the Caribbean's population and assets were assessed by the World Bank as being among the most exposed to natural disasters in the world.

The promotion of social inclusion and equality represented another major challenge facing the Caribbean subregion. Despite progress in the area of human development, high levels of unemployment, poverty and crime persist. The subregion's poor growth performance in recent years worsened the situation of vulnerable groups, especially youth and women.

Importantly, the age structure of the Caribbean population is projected to change appreciably over the next 20 years, with persons aged 60 and over expected to make up 22% of the total population by 2035. This ageing of the population will place tremendous stress on already stretched health-care and social services, and will have a major impact on public expenditure, including the funding of pension systems.

Addressing these challenges continues to be the focus of the work of the CDCC through its Secretariat, as part of a broad framework of support to advance Caribbean development within the context of 2030 Development Agenda and the Sustainable Development Goals.

Within this context, I will highlight the work of CDCC as guided by the 17th meeting of its Monitoring Committee, the 26th Session of the

Committee, and the programme of work of its Secretariat, the ECLAC subregional headquarters for the Caribbean.

The CDCC began early consideration of a debt relief initiative at the meeting of the Monitoring Committee last year. The proposal, framed around a mechanism facilitating the reduction of multilateral concessional debt obligations and the creation of a resilience fund, was presented as an imperative next step, if the Caribbean was to reduce its debt burden. Through a process of ongoing consultation in successive forums, including the Conference on Financing for Development, the proposal evolved to its present iteration, which describes a debt for climate adaptation swap to reduce all types of debt in the region, using concessionary resources from the Green Climate Fund. The Caribbean Resilience Fund designed to facilitate climate change adaptation and mitigation would be constituted from the discounted debt service payments of the indebted Caribbean states, and used to finance projects that promote growth and reduce poverty while protecting the environment.

In preparation for the Conference on Financing for Development in Addis Ababa in July 2015, the CDCC Monitoring Committee considered the issue of sustainable development financing. A major obstacle

confronting the subregion was its middle income classification which disqualified it from concessional global finance. Several measures were proposed to mobilize an optimal mix of finance, including strengthening tax collection systems through improved administration, investment in expert management of finance institutions, improving public procurement systems and making them more transparent, and leveraging of resources from credit unions, national and regional development banks. Innovative financing options also considered included debt-for-nature swaps, diaspora financing and debt relief utilizing green funds.

The CDCC Monitoring Committee also reviewed Caribbean implementation of the Millennium Development Goals and gave preliminary consideration to the priority sustainable development goals for the Caribbean. Among the key issues identified for attention were the cross-cutting imperatives of enhanced institutional capacity and governance for more effective implementation.

The 26th session of the Committee held recently in St Kitts and Nevis, and the fourth Caribbean Development Roundtable that preceded it, gave indepth consideration to the ECLAC debt swap initiative. Discussions were led by expert panels including representatives from

the World Bank and the Commonwealth Secretariat, who joined in endorsing the proposal. CDCC mandated ECLAC to further develop the proposal, and to establish a task force to take the initiative forward. This task force includes the Caribbean Development Bank, the World Bank and the Commonwealth with ECLAC in the first instance.

It was during this session that the threat of the loss of correspondent banking due to the process of “de-risking” being implemented by major US banks was brought to the attention of CDCC representatives. It is an issue we will continue to pursue vigorously, because of its vital importance to the financial survival of some of our countries.

The CDCC considered a strategic approach to the implementation of sustainable development goals in the Caribbean, taking into consideration the work being undertaken by ECLAC to support regional implementation of Agenda 2030. Of particular value was the planned approach to ensure synergy between implementation of the SDGs and the SIDS agenda through the SAMOA Pathway. The strengthening of national and regional infrastructure to support the monitoring, measurement and reporting on SDG implementation will also be addressed in the coming months.

The issue of “Ageing in the Caribbean” was brought to the attention of the CDCC through a documentary video which synthesized the demographic challenge being faced by the Caribbean subregion. The Committee noted that the population of persons aged 65 and over will double in the Caribbean over the next twenty five years and underscored the risks faced by the elderly. To adequately respond to these challenges, pension systems will need to be strengthened to improve coverage and benefits. The likely increase in non-communicable diseases that will attend population ageing was also highlighted.

The Committee adopted six resolutions to provide a legislative framework around key issues discussed at its inter-governmental meetings. These included a resolution promoting awareness of ageing in the Caribbean; a resolution proposing the establishment of a joint task force to advance the debt for climate adaptation initiative for the Caribbean; and a resolution promoting synergy in the implementation of the sustainable development goals and the SIDS (SAMOA) Pathway.

The programme of work of the Secretariat covered a range of interventions, including global advocacy, launching regional initiatives, conducting regional and national training, providing technical assistance to CDCC member States and associate members upon

request, engaging in robust research and analysis, and ensuring its work was communicated and disseminated widely. I will briefly share some highlights of this work.

Under the auspices of the Committee, a series of intergovernmental meetings were convened to help CDCC members and Associate members prepare substantively for global conferences whose outcomes were of vital importance to the sustainable development of the Caribbean. These included preparation for the Third International Conference on SIDS, preparation for the Conference on Financing for Development already mentioned, subregional consideration of the SDGs in advance of their adoption last September, and advocacy at the COP 21 in Paris to promote the proposed debt for climate adaptation swap.

The CDCC also welcomed important regional initiatives in the Caribbean, perhaps the most significant being the return to the Caribbean of ECLAC support for building capacity for risk assessment and resilience building in member States, critical to ensuring effective preparation for and response to disasters in the subregion. I take this opportunity to again express the appreciation of the Caribbean for the return of this important portfolio to the work of the Caribbean office.

The Bahamas was the first Caribbean country to benefit when, with the support of the IDB, ECLAC conducted a Damage and Loss assessment following the passage of Hurricane Joaquin last year.

We continue to be appreciative of the attention being given to the twelve Associate Members of ECLAC who are members of the CDCC. We have the delegation of the British Virgin Islands participating this week, *led by my friend Hon. Marlon Penn* Associate Members have where possible been included in the studies and meetings of the subregion, and have also been beneficiaries of technical cooperation support. A study to examine the specific development needs of these territories was also completed, with a view to identifying opportunities for their further integration into the work of the CDCC.

CDCC Members and Associate Members were especially appreciative of the technical assistance received, which responded to the unique needs of individual countries. I highlight among the examples shown the request of the government of Antigua and Barbuda for analysis of issues related to increased consumer prices, with a view to evaluating factors contributing to the high prices of goods and services and to developing strategies to improve citizens' purchasing power. This study

resulted in the development of a framework for consumer protection in that country.

Similarly, the government of Jamaica sought technical advice for policy-makers on strategies to reduce the incidence of praedial larceny, a growing concern for rural economies in the Caribbean. And in my own country, St Kitts and Nevis guidance was provided in the implementation of key aspects of its National Manufacturing Strategy, which had been developed by the Government to advance development of the manufacturing sector.

Considerable research and analysis was undertaken for the benefit of CDCC countries in such areas as trade and economic development; research promoting greater understanding of the technical concepts and potential impact of new digital currency technology in the Caribbean; and on issues including population ageing and energy efficiency. We were also extremely pleased at the effort made to integrate the unique concerns and perspectives of the Caribbean subregion in the flagship publications of ECLAC.

A word on outreach. Only a few years ago, we in the Caribbean knew very little of the important work being done by ECLAC in this region. Neither did we appreciate the extent to which a closer engagement

with this Commission could result in the range of development support from which we now benefit. The implementation of a vibrant, new communication and outreach strategy by the CDCC Secretariat has significantly enhanced the visibility of ECLAC in the Caribbean. The strategy leveraged the full range of traditional and new media, including social media, print and television. This has brought the work of ECLAC to the attention of all 29 CDCC Members and Associate Members, and augurs well for continued productive engagement between ECLAC and the Caribbean subregion.

Distinguished representatives, ladies and gentlemen, this concludes my report on the work of the Committee over the past two years. On behalf of the CDCC member states and Associate Members, I express appreciation to the subregional headquarters in Port of Spain, which by working in continuous consultation with the members of CDCC, ensured that ECLAC's work in the Caribbean has become increasingly relevant and directly responsive to the needs of all CDCC Members.

Let me therefore thank ECLAC for the support provided to the Caribbean, and express the hope that the necessary resources will be made available to facilitate continued support for the subregion.

