

Presentation by Minister Ubaldo Raymond
Chair of the Caribbean Development and Cooperation Committee
at the 37th Session of the Commission

Havana, Cuba, May 9, 2018

Distinguished Representatives

It is my distinct pleasure to report to you on the work of the Caribbean Development and Cooperation Committee since the last Session of this Commission. The issues which received the priority attention of the Committee over the past two years were highlighted at the recent meetings of the Caribbean Development Roundtable and the CDCC, hosted by my government in Saint Lucia during April 26-27, 2018. These issues will be the focus of my report.

The Caribbean Development Roundtable addressed perhaps the most pressing challenges facing the subregion at this time, and benefited from the views and the vision of practitioners, senior policy-makers and dynamic political leaders including my own Prime Minister, the Honourable Allen Chastanet, incoming Chair of the CDCC, the Honourable Mark Brantley, Premier of Nevis and Minister of Foreign Affairs of St Kitts and Nevis, outgoing Chair of the CDCC, and Prime Minister Gaston Browne of Antigua and Barbuda.

The theme of this year's Roundtable, ***"Promoting climate resilience and sustainable economic growth in the Caribbean"***, speaks for itself. For the Caribbean continues to struggle to come to terms with its extreme vulnerability to climate change and other external shocks, while striving valiantly to re-ignite growth in economies whose energy has been sapped by the burden of high levels of indebtedness and debt service. The Roundtable's discussion on climate resilience was all the more important, in the wake of last year's devastating hurricane season, because climate change has emerged as a leading driver of the Caribbean's debt burden.

We made a conscious effort to take an actionable, solution-oriented approach to consideration of the critical issues that were the focus of the roundtable's engagement. We used the opportunity to take stock of progress towards operationalizing the ECLAC debt for climate adaptation swap initiative with its attendant emphasis on increased investment in green industries. We considered strategies and measures to promote greater fiscal responsibility and we gave attention to the very real threat to our economic viability presented by *de-risking* and the challenges to the subregion's offshore banking sector.

Much attention was given to the ECLAC debt for climate adaptation swap initiative, which we in the Caribbean believe offers the best hope for a realistic, **doable** solution to the subregion's heavy indebtedness. I was therefore very pleased to hear the Secretary General's endorsement of the proposal yesterday. In revisiting the essential elements of the initiative, it was also emphasized that for the debt reduction achieved to be sustainable, we will need to implement more effective fiscal management practices, while building economic, social and environmental resilience. We welcomed the Secretariat's report that a multi-agency Task Force has been established to begin careful consideration of the details required to make the initiative work. So far, Antigua and Barbuda and Saint Lucia have agreed to be pilot countries in the implementation of the first phase of the initiative.

It was agreed that the initiative will also serve as an important catalyst for bringing debtors and creditors together to address the issues surrounding debt reduction, enhanced debt management and building economic resilience. It also offers the opportunity for member states to secure the fiscal space needed to facilitate investment in green industries, thereby promoting the economic transformation needed to return our economies to a path towards growth. In this regard, member states agreed to leverage to the fullest extent possible, the

leadership of Antigua and Barbuda, currently on the Board of the Green Climate Fund, to advance Caribbean interests in accessing concessionary resources.

The roundtable also gave careful attention to the issue of de-risking. This development is an acute financial shock to the region. Several countries in the Caribbean have been negatively affected by the withdrawal of correspondent banking relationships, due in part to false perceptions that our countries lack appropriate regulation, especially in their offshore sectors. This is not so; in fact, most governments have made considerable effort at reform.

This loss of correspondent banking has affected remittances, trade and financial flows based on the perception of undue risk associated with the small volume and value of transactions in the Caribbean's small states. In some countries many high paying jobs have been lost. Because of de-risking, transactions are also being processed more slowly, resulting in loss of new business opportunities. This has slowed growth and investment, and undermined competitiveness. The roundtable therefore agreed that de-risking presented a serious existential threat to Caribbean economies and offered a number of recommendations to deal with this challenge. These included the need

to promote greater diplomacy and dialogue to increase awareness of the international community regarding the impact of this phenomenon on our small economies.

The 27th session of the CDCC opened with its own celebration of the 70th anniversary of ECLAC. Caribbean member states took the time to reflect on the Commissions' significant contribution to transformative development thinking and practice in this region, and to express their appreciation to the Port of Spain subregional headquarters for the Caribbean in particular for the valuable support provided over the years through research and analysis, technical assistance and capacity building in response to the development needs of then-fledgling states emerging in the subregion.

The Committee got a preview of some of the critical issues addressed in the new ECLAC publication, "An Outlook on Sustainable Development in the Caribbean", which will be introduced by the Executive Secretary this afternoon. I look forward to her presentation of this document which we think offers a dynamic framework for the pursuit of sustainable development in the Caribbean as envisaged by the 2030 agenda and the SAMOA Pathway for small island developing states in

particular, responding to the unique challenges faced by the countries of our subregion.

The Committee also reflected on the participation of the Caribbean in the Second Forum of the Countries of Latin America and the Caribbean for Sustainable Development, held recently in the Santiago, Chile, which enjoyed very strong participation from the subregion. The Forum was welcomed as a valuable space for consultation, peer review and multi-stakeholder engagement in support of individual country efforts to implement the ambitious sustainable development agenda.

In this regard, member states welcomed the assistance being provided by ECLAC in strengthening the institutional infrastructure of member states to facilitate policy coherence and integrated development planning; in supporting the drafting of national sustainable development plans and in strengthening the capacity of national statistical systems to produce data in support of evidence-based policy planning using the SDG indicators, so as to ensure more effective monitoring and measurement of implementation of the sustainable development goals in the Caribbean.

At the same time, the Committee considered ways to strengthen existing mechanisms to facilitate implementation of the SIDS agenda, through the revitalization of a regional coordinating mechanism established for that purpose.

We received a comprehensive presentation on the work programme of the Commission implemented in the Caribbean over the biennium. I will just highlight a few of the key areas of support in the interest of time. In addition to the work on the debt swap initiative and support for SDG implementation in the Caribbean already mentioned, the Commission through its Port of Spain office, is supporting for preparations for the Caribbean's five-year review of the SAMOA Pathway on SIDS, in collaboration with the Office of the High Representative on landlocked, Least Developed and Small Island Developing States, as well as the SIDS Unit in the Department of Economic and Social Affairs at UN Headquarters. This is an extremely important agenda for the countries of the Caribbean, for it remains the platform that addresses uniquely the complex challenges faced by small states like our own. The Caribbean review of SAMOA will be held in Belize during August this year, in preparation for the global review next year.

Damage and loss assessment, disaster risk management and resilience building have assumed increasing importance on the Caribbean's work programme in recent years, and the support provided is of immeasurable value to the subregion. The Committee saw a video presentation prepared by the Port of Spain office on their response to the devastating impact of Hurricanes Irma and Maria in the subregion last year. ECLAC conducted damage and loss assessments in five countries hit by these category five storms in 2017; Anguilla, the Bahamas, the British Virgin Islands, Sint Maarten, and the Turks and Caicos Islands. The office also provides training in damage and loss assessment to member states that request it.

The Committee also expressed its appreciation for the research and analysis on the development issues of the Caribbean undertaken by the Commission on a wide range of topics including women's empowerment; ageing and older persons in the Caribbean; the economic impact of derisking; opportunities for investment in non-tourism services sectors; promoting energy efficiency and renewable energy development; improving export performance in the Caribbean and strengthening regional integration.

The Committee adopted five resolutions to further guide the work of the Commission in the Caribbean:

- **Resolution 97 (27)** on Further advancing a debt swap initiative for the Caribbean;
- **Resolution 98 (27)** on Enhancing support for capacity-building in disaster assessment and resilience-building strategies in the Caribbean;
- **Resolution 99 (27)** on Promoting awareness of the economic impact of de-risking in the Caribbean;
- **Resolution 100(27)** on Ensuring synergy in the implementation of the sustainable development goals of the 2030 Agenda for sustainable development of the Small Islands Developing States Accelerated Modalities of Action in the Caribbean subregion; and
- **Resolution 101(27)** on Support for the work of the Economic Commission for Latin America and the Caribbean in the Caribbean.

Distinguished representatives,

This concludes my abridged report on the work of the Caribbean Development and Cooperation Committee. Let it set the stage for the

in-depth discussions on Caribbean development challenges and aspirations to come.

I thank you.