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11.45 a.m. – 3.00 p.m. (Barbados time)

Dialogue of Ministers of Foreign Affairs and High-Level Authorities of Latin America and the Caribbean on the post-pandemic economic recovery

Thank you,
Mr. Chairman,
Honourable Colleague Foreign Ministers
Executive Secretary of ECLAC, Alicia Barcena
Distinguished delegates
Ladies and Gentlemen

Allow me first to extend cordial greetings to all of you and to congratulate you Mr. Chairman, Rodolfo Solano Quirós for your leadership of this important meeting and to commend you and the Government of Costa Rica for organizing this Ministerial dialogue to reflect upon the post-pandemic economic recovery.

The COVID-19 pandemic has devastated countries large and small, rich and poor, developed, developing and under-developed, the world over. It has upended lives and livelihoods and great uncertainty looms over the future, as the virus continues to rage, almost uncontrollably.

In Barbados the pandemic has had an extremely negative social and economic impact. It has triggered a deep recession in the Barbados economy which has contracted by almost 15 per cent. The critical tourism and hospitality industries have been severely damaged, leading to a decline in almost all other sectors. Government's revenues have dropped precipitously and more than 33,000 jobs were lost, as we had to temporarily close the economy, to safeguard the health and well-being of our people.

Mr. Chairman, the result is a challenging financial situation given the continuing unplanned expenditures in the health sector and the imperative to buttress the

social safety net, to ensure that the most vulnerable in our society receive needed assistance.

Our response to the COVID-19 pandemic has without doubt exacerbated our debt burden and laid bare our lack of access to financial markets. This is why our Prime Minister, the Hon. Mia Amor Mottley, repeatedly makes the case for the international financial institutions, and our developed country partners, to provide concessional financing and access to credit for Barbados, other CARICOM countries and Small Island Developing Countries. Which would assist us to restructure our economies and to offset the massive revenue shortfalls we are experiencing, because of the pandemic. She makes a compelling case for debt relief and support measures, for access to low-cost, long-term development finance for the heavily indebted countries of the region, in order to provide much needed fiscal space and to reduce the likelihood of debt default.

In this regard, the Prime Minister fully supports the creation of a special purpose-lending vehicle, the Liquidity and Sustainability Facility, to support African, Latin American and Caribbean countries in advancing sustainable development initiatives and, more immediately, facilitating access to liquidity, lending and investment. In terms of the current COVID-19 crisis, such a facility could significantly lower borrowing costs, support financial sustainability, and help countries access markets for needed bridge financing and liability management.

Mr. Chairman, the pandemic has also revealed our vulnerabilities, social and economic divisions, deep inequalities, inadequate healthcare systems, gaps in social protection, structural inequalities, environmental degradation and the worsening effects of the climate crisis. Seeking to recover from the pandemic's effects will pose serious challenges to our efforts to avert deepening poverty, to implement the Sustainable Development Goals, and to create resilience to climate change, another existential threat confronting us.

But some countries are more vulnerable than others and so Barbados believes that now is the time for the creation of a universal vulnerability index which makes clear the challenges facing SIDS and proves our case for special parameters for international financial assistance. Clearly it will be an index which goes far beyond the ineffective measurement of our countries' GDP in terms of per capita income.

We are devising an index that will capture the multi-faceted nature of countries' susceptibilities across economic, environmental, and social dimensions.

The index inter alia would focus on critical areas such as our dependence on strategic imports, reliance on external finance, social vulnerability, and natural hazards and climate change.

We believe that such a clear and comprehensive index would more precisely reveal the full extent of our countries' vulnerabilities, and would paint the full picture of our state of development. It would develop a framework to assist the region in unlocking concessional and grant funds and make a case for special assistance across a multiplicity of international fora.

Mr. Chairman, at the same time as we labour in these very uncertain circumstances, COVID-19 is creating opportunities indirectly for new and improved ways of doing business that could advance the economic recovery and development of our countries. It must be recognised that it is proving to be transformative and even provides opportunities with the proverbial silver lining. The pandemic has changed the way we live, how we do business and how we engage.

There has of course been the digital transformation which some of us had previously reluctantly embarked upon, but which we are being forced to adapt to and fully embrace post-COVID 19. There has been a monumental increase in the use of digital platforms in the areas of education, banking, commerce, tele-medicine, and even religious worship, with many institutions having to migrate their activities online. We, too, now conduct our diplomatic efforts and outreach virtually. No doubt increased use of technology will continue and our countries will have to invest in secure, affordable and reliable broadband infrastructure, as efficiency, innovation, and productivity become even more critical to gaining that competitive edge.

We believe, Mr. Chairman, that to rebuild the Barbados economy post-COVID 19, we have to increase our competitiveness to create economic growth conditions by facilitating an extensive capital works programme, facilitating the ease of doing business in Barbados, and by modernising and improving the delivery of services in the public sector. To attain economic recovery, we will have to act differently, think

differently and devise new approaches and innovative sustainable solutions that promote growth and resilience.

Investment is also required, investment in on-line training, technical and vocational skills, in higher education to help build more diversified and resilient post-COVID economies, in research, development and innovation projects that could help boost economic diversification and international competitiveness.

The Government of Barbados therefore supports the recent proposal by the Vice-Chancellor of the University of the West Indies, Professor Sir Hilary Beckles, to establish a US\$600 million multi-donor trust fund to prevent systemic decline in the region's higher education and research sector. This fund will make it possible to undertake urgent regional projects that would provide widespread access to higher education, advance path-breaking research and innovation, promote much-needed digital transformation, develop technical and vocational skills to support a range of industries, and undertake education reform and policy harmonization from early childhood through to university.

Mr. Chairman, in this vein the Prime Minister of Barbados has stated that Governments must create the right environment to foster innovation and technological advancement to create radically ambitious ideas to spark our economic recovery. She has reiterated that at the core of this transformation must be the suitable maximisation of our most highly prized assets – our people, our ideas, our geography, our climate and our culture”.

Barbados believes that we must pursue other important sectors to bring about regional economic recovery, such as a sustainable blue economy, quality production and high value manufacturing, and research and development through the expansion of Caribbean technologies.

Mr. Chairman, we are truly a global community and collective efforts are required to deal with the largest global problems, such as economic recovery from a global pandemic. Barbados sincerely appreciates the leadership being provided by ECLAC in this regard. As leaders we must seek to foster unity and solidarity, and promote international cooperation and collective action. We must ensure that our citizens

come through this dark period to a bright future, which offers them the possibility to live up to their full potential.

We have to put our people first and create opportunities for prosperity, equality, inclusivity, and social justice.

It will require all of us to pull together, to look to the future with hope and to commit to working harder than ever before, as we fight to ride out this crisis and to put our economies back on sustainable growth paths.

Thank you Mr. Chairman.