

**Opening Statement by Alicia Barcena, Executive Secretary of ECLAC, at the 17th Meeting of
the Monitoring Committee of the CDCC**

June 26, 2015

Port of Spain

Trinidad and Tobago

Minister Arnaldo Brown, Chair of the CDCC, Jamaica

Minister Winston Dookeran, Trinidad

Ambassador George Talbot, Co-Chair of the Financing for Development process

Other Distinguished Ministers and Senior Representatives of Government,

Members of the Diplomatic Corps,

Representatives of the United Nations system, regional and international organizations,

Members of the Media,

Ladies and Gentlemen,

Dear friends,

I extend to you all a very warm welcome to the 17th Meeting of the Monitoring Committee of the CDCC. I am truly sorry that I cannot join you in Port of Spain today, and so I have asked Antonio Prado, Deputy Executive Secretary, to represent me on this occasion.

I wish to thank Minister Brown and the Government of Jamaica for their continued leadership of the CDCC, and extend special greetings to Minister Winston Dookeran, who I understand will follow new paths in his illustrious career later this year.

Dear Minister, as you know, you will always be considered a member of the ECLAC family, and today we pay tribute to you for your long and dedicated service not only to the people of Trinidad and Tobago but to the entire subregion. I am sure we will continue to engage with you in some way as we seek to advance your model for Caribbean Convergence in the wider Latin America and the Caribbean.

Our records show that 2015 marks the 40th year since the establishment of the CDCC as a subsidiary body of the Commission. As the CDCC advances in maturity we want to ensure that it evolves as a body that serves the entire Caribbean, and that it facilitates a deeper and more meaningful engagement among all the countries of the subregion. This is why I am so pleased to see on the list of participants the attendance of so many of our Associate Member Countries. I warmly welcome you all, and we look forward to collaborating and supporting your work closely and to your more active involvement in ECLAC's work. This meeting is an opportunity for you to make your voices heard, and to claim the benefit of your membership in the ECLAC family.

As you know, the CDCC Monitoring Committee provides a forum for review and discussion on progress made with the programme of work that is being implemented by our sub-regional headquarters for the Caribbean. It also offers an important opportunity for us to reflect on the major development challenges that you in the Caribbean are dealing with every day, and to consider how best we can support your efforts to address them.

In this regard, I understand that you have had a very successful two days work at the Symposium to consider the Sustainable Development Goals (SDGs) for the Caribbean, and that the key outcomes of that meeting will be endorsed today by the Committee. I look forward to receiving a full report of your discussions, and I congratulate you all on taking this important step towards preparing the Caribbean member States to take full advantage of this new global sustainable development framework.

What you have done this week is an important first step towards ensuring that the Post 2015 development agenda will work for you; by identifying from among the 17 goals the ones that

will best address the priority development needs of your countries, and then by agreeing to put in place the policies, plans and mechanisms that would facilitate the integration of these goals into national development plans and regional development strategies.

I was very pleased to hear that you included in your discussions a frank exchange on the data needs and requirements for the Caribbean, considering that improving the capacity of the countries of the subregion to collect and analyze appropriately disaggregated data and indicators will be crucial to the success of your efforts to meet the monitoring and reporting requirements of the post 2015 agenda, and to evaluate your progress in implementation of the sustainable development goals.

We are especially keen to support the strengthening and building of the Caribbean's capacity in the area of data and statistics. I also note with satisfaction that your Symposium again underscored the critical role of improved governance as a key pillar in ensuring the subregion's development goals. Strengthened governance seeks to devolve decision-making at the community and other levels, where they are most effective. This needs to be supported by improved coordination of development programmes and actions at the regional level, especially as they relate to regional public goods such as cooperation in health and transportation. Very importantly, , citizen involvement should be enhanced at all levels so that they can take better ownership of development programmes to guarantee their success.

I am also pleased to learn that the region is exploring better mechanisms to integrate the SDGs in national development plans and programmes, including in national budgetary processes so that they capture the attention of the highest levels of decision-makers in government and civil society. This should of course include a key role for rural, marginalized communities to inform the planning and programming processes.

I have also taken note of the need expressed for robust mechanisms to finance development in the subregion, including domestic savings, bonds and other instruments. However, given the need for new resources, the international community must be encouraged to develop a dynamic new development finance framework coming out of the Financing for Development in

Addis that scales up resources for critical areas such as structural change and growing exports from the region, for disaster risk mitigation and climate change adaptation. This should be complemented by a major debt relief initiative similar to the HIPC that acknowledges that the region simply cannot grow itself out of its debt overhang. Now let me speak a little more about this matter of debt.

Distinguished delegates, we have planned to give specific attention at this meeting to the question of the indebtedness of the Caribbean, because in our ongoing monitoring and assessment of the growth trajectory of the subregion, on average the debt levels are among the most significant barrier to the sustained growth and development of the economies of the Caribbean.

I am sure you are aware that Caribbean countries are among the most highly indebted countries in the world. In 2013, five of the twenty most indebted countries in the world by public debt to GDP ratio were Caribbean – Antigua and Barbuda, Barbados, Grenada, Jamaica, and Saint Kitts and Nevis, and in 2013 the total debt burden of the Caribbean was about US\$46 billion, or 71 percent of the GDP of the entire subregion. This high-debt problem developed mainly from a series of external shocks, and this was further complicated by existing structural weaknesses and vulnerabilities, as well as challenges with fiscal management in some countries.

Another important factor impacting the heavy indebtedness of the Caribbean is the effect of natural disasters on the countries' economies. Over the period 2000-2014 the estimated economic cost of natural disasters in Caribbean countries was in excess of US\$ 30.7 billion;

Of course, as is well known, because of your status as middle income countries, access to concessional external financing is increasingly limited, and this has constrained growth and development. The heavy indebtedness has also affected the sovereign credit rating of Caribbean economies and this has resulted in higher risk premiums in international capital markets. These challenges are aggravated by currency instability in some countries, financial fragility and reduction in investment efficiency, as well as a decline in Foreign Direct Investment

and the continuing weak performance of the domestic private sector. As a result, debt to GDP ratios in the Caribbean now average more than 70%; in Jamaica it is as high as 140%. Not surprisingly, the region's development efforts continue to be challenged by high debt servicing and a low capacity to leverage domestic financing.

Although some of the countries, like Trinidad and Tobago are not as badly affected, still I am sure you will agree that the debt problem is sufficiently common to make it a serious issue for the subregion as a whole to consider as a matter demanding urgent attention. There is no question that the Caribbean is shouldering an unsustainable debt burden which compromises the capacity of the economies for sustained growth and restricts the options available to governments to introduce important social and welfare programmes.

We at ECLAC therefore believe that these are compelling reasons for the consideration of a debt relief programme for Caribbean countries. More importantly it is time for the Caribbean collectively to represent this issue in global forums. My office in Port of Spain has been working on a proposal for the countries of the subregion to consider in order begin the conversation on a comprehensive response to debt relief in the Caribbean. I have asked Antonio Prado to introduce this proposal to you all this morning, since I cannot be with you today. The proposal is intended to create more fiscal space and to stimulate much needed economic growth. As you will hear from him, it is an idea combining gradual write-off of multilateral debt stock with the creation of a resilience fund and a macroeconomic stabilization fund to address resilience building needs and the liquidity constraints faced by your economically and environmentally vulnerable economies.

I want to stress that this proposal is being introduced to stimulate a conversation whose time has come. Until we begin to speak openly about such options, the subregion as a whole will not come together to actively advance such solutions in the forums that need to take account of the very real challenges facing your subregion. In fact I intend to bring these ideas to the attention of the CARICOM Heads of Government in the Roundtable discussion in which I have been invited to participate in Barbados next week. We will also introduce these ideas in a side

event at the upcoming Third International Conference on Financing for Development that will take place in Addis Ababa on 13-16 July, and we want to encourage you - the member states - to advance these ideas at the United Nations Summit in September as well when the Post 2015 Development agenda will be adopted, because the international community needs to appreciate that the subregion will be severely handicapped in their efforts to implement the new sustainable development goals and to finance the post-2015 development agenda if the debt burden is not eased.

Distinguished representatives, you are meeting at an important juncture. As the international community approaches the culmination of these global processes that are so vital to the continued viability of your small states, this opportunity for strategic action and decisive intervention should not be missed. I encourage you to use this meeting to identify essential elements of a strategy for collective engagement that the countries of the Caribbean can together use to represent your specific needs in these forums.

As always we at ECLAC stand ready to assist your advocacy and your efforts to strengthen your own capacity to advance sustainable development in the subregion. I give you that commitment of continued cooperation and technical support.

I send you my very best wishes for a successful meeting.

Thanks for your attention.