



PERMANENT MISSION OF
JAMAICA TO THE UNITED NATIONS

STATEMENT BY

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TO THE UNITED NATIONS

ON BEHALF OF
THE CARIBBEAN COMMUNITY (CARICOM)



ON

AGENDA ITEM 18(b-c): *MACROECONOMIC POLICY QUESTIONS:*

- (b) International financial system & development.*
- (c) External debt and development: towards a durable solution to the debt problems of developing countries.*

IN THE

2ND COMMITTEE OF THE 65TH SESSION
UNITED NATIONS GENERAL ASSEMBLY

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Final Text.

Madame Chair:

Allow me to congratulate you on your election to Chair the Second Committee for this 65th Session of the UN General Assembly. The Jamaican delegation is confident that you will guide us to a successful conclusion of our deliberations on the important issues which are on the Committee's agenda.

Madame Chair,

I have the honour to speak on behalf of the fourteen member states of the Caribbean Community (CARICOM), namely, Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago.

The delegations of CARICOM align themselves with the statement made by the representative of Yemen on behalf of the Group of 77 and China, and take this opportunity to address several macroeconomic policy issues which are of particular concern to us as Small Island Developing States (SIDS) and Middle-Income Developing Countries.

Madame Chair,

We thank the Secretary General for his reports on the issues under consideration, namely international financial system and development, and external debt sustainability and development, contained in documents A/65/189 and A/65/155 respectively.

Our deliberations continue to be framed by several interlocking crises, and particularly the world financial and economic crisis whose damaging effects continue to reverberate acutely in developing economies. The confluence of these crises has laid bare the shortcomings of the existing international monetary and financial architecture, particularly in the area of mobilization of financing for development. It has, further, underscored the need to move towards a system of global economic governance which is transparent, inclusive, well-coordinated and attuned to the significant changes which have taken place in the global economy since the Bretton Woods System was first established.

The gap between developed and developing countries has widened, while the prospects for meaningful and sustainable social and economic growth in developing countries have been significantly undermined. Indeed, the prevailing global economic situation has led to a reversal of development progress in several developing countries and placed others at risk of not

achieving their targets in respect of the Millennium Development Goals. While there have been some signs of recovery, progress to date has been fragile and uneven and small developing countries such as those in CARICOM still require support to guard against the potentially long lasting negative impact which the crisis may have on their levels of production and economic stability and development more generally.

These developments highlight the need for fundamental reforms in global economic governance. We welcome the fact that attention is being paid to the need to reform the international financial institutions and call for a broadening of the reforms under consideration to include not only a greater voice for emerging economies, but also for small developing economies such as our own which bear the brunt of the distress in the fall-out from the global economic and financial crisis, and which therefore deserve to have a voice in global economic decision-making.

We appreciate the efforts of the G20 to address the crisis, including through regulatory reform and the provision of additional resources, but maintain that the G20's perspective is rather limited. CARICOM is of the view that the G20 should actively seek to engage with a wider cross-section of developing countries, including our own sub-region through appropriate representation at the G20 Summits. It should nevertheless be borne in mind that the United Nations is the only forum for small, vulnerable countries like ours to make a tangible contribution on the global discourse on issues of great concern to our region. We also maintain the view that the United Nations, by virtue of its universal membership which gives it legitimacy, must be accorded a more expanded and deepened role in international economic governance. The UN for us remains the "premier forum for international economic cooperation".

Madame Chair,

The liberalization of the global economy has provided developing countries with increased avenues to access much needed financial resources, but has, conversely, increased their susceptibility to external shocks resulting from financial market vulnerability. Private capital flows to developing countries have been substantially reduced over the last two years; so too have flows of Foreign Direct Investment (FDI). When coupled with the fact that official development assistance (ODA) has fallen short of agreed commitments, it is clear that developing countries' access to financing has been severely circumscribed since the onset of the global financial crisis. In addition, developing countries have seen a weakening of our position in international trade.

Madame Chair,

The small island developing states of CARICOM, long vulnerable to exogenous shocks due to our open economies, have been severely affected by the crisis, given our proximity to its epicenter. Significant declines in earnings from tourism and remittances, combined with the steep decline in commodity prices and attendant increases in unemployment, have exacerbated the fragility of our economies and we continue to experience acutely the lagging effects of the crisis.

In view of the undeniable connection between Financing for Development and the fulfillment of Internationally Agreed Development Goals, including the MDGs, allow me to underscore the importance that CARICOM places on Financing for Development, which urgently requires renewed and sustained commitment by the international community.

Madame Chair,

CARICOM countries also face peculiar challenges in respect of their external debt burden. Several of the countries in the region rank among the most highly indebted in the world, a fact which will undoubtedly continue to constrain our ability to attain our development goals.

Like more than half the members of this august institution, most CARICOM member states are categorized as Middle-Income Countries (MICs), which has limited our access to concessionary financing and debt alleviation. This categorization, which is based mainly on per capita income, masks the reality of the grave challenges and extreme vulnerability to external shocks that our economies face. Indeed more than a third of the world's poor live in MICs. Middle Income Developing countries in particular, such as those in CARICOM continue to struggle with high debt to GDP ratios averaging over 100%, socio-economic inequalities, persistently high poverty levels and dependence on commodity exports. Given these critical challenges, CARICOM welcomes the initiatives which have already drawn attention to the plight of Middle-Income countries.

CARICOM continues to call on the international community to rethink its position in relation to middle income countries and to take a more systemic approach which will provide middle income developing countries with increased access to concessionary financing. We also renew our call for the International Financial Institutions to adjust their approach to Heavily Indebted Middle Income Countries to focus on the provision of debt relief and the disbursement of grants and loans on concessionary terms which are not generally available to them. Given the peculiar confluence of vulnerabilities which we face in our region, CARICOM maintains that there should be recognition of their special needs as a group of Small, Vulnerable, Highly Indebted Middle Income Countries.

Madame Chair,

CARICOM will continue to work with colleague member states in a spirit of genuine collaboration to address these most fundamental issues and with a view to achieving our commonly agreed objectives, while ensuring that the unique and particular needs of countries such as ours remain a part of the broader discourse.

I thank you.