

**Speaking Notes by Ambassador Raymond Wolfe, Permanent Representative
of Jamaica at the Interactive Thematic Dialogue on the Financial and
Economic Crisis and its Impact on Development,
26 March 2009**

- As the world sinks into recession resulting from the unfolding global financial crisis, it is the most vulnerable among us that will be most affected. For our part, Jamaica, as well as our other CARICOM neighbours, have already been experiencing the manifestations of the fallout in a number of critical areas including tourism, bauxite/alumina and remittances on which our economies rely heavily. Access to credit has been tightened as some are unable to access the private capital market, reduced revenue intake given the fall in global demand for commodities, and rising unemployment.
- Commend the PGA for convening the interactive dialogue on the financial and economic crisis and its impact on development as part of the preparations for the upcoming high-level Conference to be held in a few months.
- Express appreciation for the recommendations submitted by the Commission of Experts of the PGA on Reforms of the International Monetary and Financial System. Indicate that while many of the recommendations are laudable, Jamaica is currently undertaking a more detailed reviewed and will submit our views in due course. In the meantime, we wish to make a few preliminary remarks regarding priority issues to be explored as part of a wider response:
 1. **Multilateral Institutions:** As more countries are forced to exercise the option of borrowing from the multilateral institutions in the wake of the global upheaval, there is greater urgency for addressing issues of governance and greater representation of developing countries in these institutions. This issue must be accorded the greatest priority in the context of reform of the multilateral institutions.
 2. **More inclusive approach to finding solutions.** Greater participation is required in global governance and decision-making. Jamaica is of the view that this issue is of such fundamental importance that every country should be afforded an opportunity to influence the process. Having said that, we believe that other groupings have an important role to play. We note the composition of the G20, which includes some developing countries as well as some of the emerging economies. We believe that in the interest of more equitable representation, there should be opportunities for smaller developing countries to be involved in their deliberations.

3. **Situation of developing Middle Income Countries (MICs).** MICs have experienced a reduction in their aid assistance. Yet more development aid is needed, not only in relation to the burgeoning debt problem but in light of the global recession. Jamaica recommends that in any consideration of a reformed governance system, a more tailored approach be applied taking into account the peculiarities, perspectives and concerns of MICs.
 4. **Resisting the urge towards protectionism.** The tendency towards the introduction of protectionist measures, particularly by developed countries as they introduce stimulus packages, is one that Jamaica would want addressed. The WTO negotiations should also be fully resumed and should address this important issue, given its inconsistency with free trade. There have been some discussions in the WTO on the financial crisis and a report has been issued for Member States to review by the end of March. Jamaica notes that several countries have voiced their objection to protectionism and we therefore urge others to replicate this stance.
 5. **New financial regulations.** While supporting the principles espoused by the G20, which underpins the work of the 4 working groups established in the G20 for reform of the financial markets, the G20 proposal for enhancing sound regulation should be carefully considered. Even as the Caribbean region contemplates a regional framework for financial oversight, care should be given to ensuring that any globally considered regulatory framework in the region does not assume a "one size fits all" approach. Account should be taken of the peculiarities of Caribbean countries, even as note is taken that the existing regulatory provisions are shaped by EU financial legislation, which has been influenced by US investment banking institutions, some of which have collapsed. In this regard, we would want to ensure that regulations designed to serve the interests of discredited financial institutions should not be relied on to serve the region's interest.
- Note that the genesis of the crisis is well-known. At the same time, we should avoid the tendency to cast blame. The more immediate concern is to examine how to get out of the crisis. Against this background and the expectation of new strengthened and tougher banking and financial regulations, there is need to resist the urge to shut down off-shore banking sectors in the Caribbean. Offshore institutions are not the cause of the crisis. The region's own draft regional regulations are now on the CARICOM agenda and should be taken into account, given our own peculiarities. It is important that the larger more established off-shore banks be monitored in the same manner.
 - Thank you Mr. Chairman.