



**PERMANENT MISSION OF JAMAICA
TO THE UNITED NATIONS**

STATEMENT BY

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OF JAMAICA TO THE UNITED NATIONS**

ON BEHALF OF THE CARIBBEAN COMMUNITY (CARICOM)



**AT THE 2022 ECOSOC FORUM ON FINANCING FOR DEVELOPMENT FOLLOW-
UP
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Mr. President,

I have the honour to deliver these remarks on behalf of the 14 member states of the Caribbean Community (CARICOM).

Amidst the ongoing climate emergency, CARICOM continues to confront complex development challenges, such as our small size, vulnerability to external shocks, import dependence, and narrow resource and export base. Coupled with the unremitting socio-economic challenges exacerbated by the pandemic, our recovery will require decisive action and transformative multilateral cooperation. This reality underscores our view that development finance remains an indispensable lynchpin for the successful achievement of the internationally agreed development goals.

Please bear in mind, **Mr. President**, unlike the advanced economies, most developing countries, especially Small Island Developing States (SIDS), lack the monetary, fiscal and administrative capacity to respond to this crisis on their own, making multilateral support essential. This was adequately highlighted in the 2022 FSDR, which, among its findings, reflected that while rich countries were able to support their pandemic

recovery with record sums borrowed at ultra-low interest rates, developing countries spent billions servicing debt, preventing us from investing in sustainable development. Actually, several of us are spending close to 4% of our GDP in our COVID 19 response. We also concur with the view of the IATF that the 'great financing divide' has been a key driver of the divergence and unevenness in global efforts for recovery.

Mr. President,

The reality for CARICOM is that our economic resilience remains under severe pressure. The policy choices we have been forced to make to preserve lives and livelihoods have heightened the medium-term debt sustainability concerns across our sub-region.

To this end, we look forward to progress being accelerated on the operationalization of the Debt for Climate Adaptation Swap Initiative for the Caribbean that was proposed by ECLAC. The success of this initiative will, among other things, facilitate an exchange in external debt for debtor-country commitments to make annual payments into the Caribbean Resilience Fund.

We have consistently made the point concerning the pernicious impact of graduation on SIDS, and MICs in general. This is a prime example of how the denial of access to concessional financing windows has forced us to meet development finance needs by resorting to more volatile non-concessional private capital markets, via sovereign bond issuance. We therefore continue to press for the continued development, including through the work of the recently appointed High Level Expert Panel, and global acceptance of the Multi-Dimensional Vulnerability Index (MVI).

Innovative financing is also crucial to ensuring the availability of resources to facilitate inclusive, resilient and sustainable recovery. This is due to the link made by these instruments between countries' repayment capacity and their vulnerabilities to natural disasters (such as the Barbados-style hurricane clauses) or to the business cycle, e.g. State-contingent debt instruments such as GDP-linked bonds.

Mr. President,

The international financial system should therefore be placed in a position to provide liquidity when and where it is most needed in times of systemic

crisis. In this regard, we recognize the decision by the International Monetary Fund (IMF) to approve a \$650 billion allocation of Special Drawing Rights as a step in the right direction to provide much needed liquidity. We therefore support the recommendation in the 2022 FSDR for the rechanneling of \$100 billion of unused special drawing rights to countries in need.

Cognizant that more needs to be done to urgently address financing gaps and debt risks, we continue to call on the international financial institutions to provide tailored solutions, with priority given to SIDS, in accessing financing.

We also call for the expansion of eligibility criteria beyond the use of income per capita to allow for easier and greater access to concessional financing by vulnerable SIDS, taking into account their inherent vulnerabilities. A more accommodative debt limit policy stance by the international financial institutions would also improve our ability to access financing at a low cost.

Mr. President,

Building resilience has always been at the forefront of CARICOM's development ambitions, as our very existence hinges on our ability to withstand external shocks and natural disasters. As such, the mobilization of climate finance and investment, in supporting the needs identified by developing countries for the implementation of their priority projects and programmes is essential.

It is therefore of paramount importance that the outcome of this FfD Forum brings the international community closer to appropriate and innovative solutions that will scale up financing for development, invest in disaster risk reduction, mitigation and adaptation, resilient infrastructures, and epidemic and pandemic prevention.

These solutions have to enable CARICOM members to recover and do better and must include access to liquidity for all SIDS on grant and concessional terms; debt workouts inclusive of private creditors; debt for development and debt for climate swaps; and, recovery aligned with the Paris Agreement.

It would also be remiss of me not to extend congratulations on behalf of CARICOM to the Permanent Representatives of Grenada and Iceland, appointed by you **Mr. President**, for their stewardship of this year's negotiations on the important outcome document, which in our view contains ambitious language to propel global action to support developing countries, especially SIDs and middle income countries, in our pursuit of critical developmental objectives amidst these unprecedented global challenges.

I thank you.