



STATEMENT

BY THE

**SECRETARY-GENERAL
CARIBBEAN COMMUNITY (CARICOM)
HIS EXCELLENCY IRWIN LAROCQUE**

AT THE

**UNITED NATIONS SUMMIT ON
THE POST 2015 DEVELOPMENT AGENDA**

INTERACTIVE DIALOGUE

**FOSTERING SUSTAINABLE ECONOMIC GROWTH, TRANSFORMATION AND PROMOTING
SUSTAINABLE CONSUMPTION AND PRODUCTION**

**NEW YORK, USA
26 SEPTEMBER 2015**

Fostering Sustainable Economic Growth, Transformation and Promoting Sustainable Consumption and Production

For the Caribbean Community (CARICOM) the Post 2015 Development Agenda creates the opportunity for us to achieve sustainable development through fostering sustainable economic growth, promoting social inclusion and protecting the environment.

CARICOM States comprise a group of Small Island Developing and Low Lying Coastal States (SIDS) whose development gains to date are under threat from a number of challenges. These include:

- A decade long persistent low or negative growth performance barely averaging 1 percent over the last five years;
- the lingering, debilitating impact of the global financial and economic crises of 2007 and 2008;
- the reality of geographic location in a region described as one of the most natural disaster prone in the world; and
- a crushing public debt burden of more than US\$24 billion, attributable mainly to external shocks and climatic events.; a debt burden which will require growth rates of between 6 and 10 percent.

Our peculiar challenges have been recognised by some international agencies and institutions. The International Monetary Fund has concluded that CARICOM States “exhibit extreme versions of long-term low growth, high debt, significant vulnerabilities and limited resilience to shocks which set them apart from other middle income states.”

CARICOM's high level of debt is of particular concern, as it is a major drag on sustainable economic growth in the Region. Five of our Member States are among the most highly indebted countries in the world, while ten (10) are considered as having unsustainable levels of indebtedness, with debt to GDP ratios ranging from 65-140%. In such a situation, this causes limited fiscal space to stimulate economic growth.

A significant portion of that debt is due to exogenous shocks and from reconstruction after natural disasters.

As we attempt to overcome such challenges, significant constraints impede our efforts at providing the financial stimulus to generate much needed economic growth. Domestic and regional resource mobilisation is necessary but not sufficient to meet the financing needs for our sustainable development. There is therefore a need for external concessional financial resources to bridge the gap.

However, CARICOM States have been graduated out of concessionary development financing due to their classification as middle income countries, based on the criterion of GDP per capita.

The criteria for concessional financing must not be based solely on GDP per capita, and must be changed to include economic and environmental vulnerability. The work being done by UNDP in this regard is commended for consideration by multilateral and bilateral providers of Overseas Development Assistance.

The issues of debt and the criteria for access to concessional financing need urgent attention in the context of financing for development if the Caribbean is to achieve the 17 Sustainable Development Goals (SDGs).

The proposal put forward by United Nations Economic Commission for Latin America and the Caribbean to alleviate that debt burden is one which we commend to the international community for serious consideration. The conversion of multilateral and bilateral debt into special funds to address external economic shocks, natural disasters, and education and human resource development has the potential to create much needed fiscal space and assist in fostering inclusive economic growth.

CARICOM welcomes any initiative for strong collaborative action amongst our colleague SIDS and among the development partners such as the UN and its agencies, the International Financial Institutions, and the OECD to address these issues urgently if our Region is to continue on the path to sustainable economic growth.

26 September 2015