

**CARICOM Statement at the Second Informal Consultation for the Preparation of the Draft
Outcome of the Forum on Financing for Development Follow-up**

April 20, 2017

Co-Facilitators,

I have the honour to speak on behalf of the fourteen (14) Member States of the Caribbean Community (CARICOM). We align ourselves with the statement delivered by Ecuador on behalf of the G77 and China and the Maldives on behalf of AOSIS.

Since it is the first time that we are taking the floor in this process, we congratulate you on your appointment as co-facilitators of this process. We thank you for convening this second informal consultation and wish to express our appreciation to the IATF for its report.

Co-facilitators,

The report highlights the gravity of the current economic landscape- the background against which Member States must advance in the full implementation and achievement of Agenda 2030.

We would like to highlight a few issues from the Report of importance to CARICOM. We note with great concern that ODA to SIDS is projected to remain stagnant for the next few years. Accordingly, we note with appreciation the recommendation that special attention and monitoring of ODA to SIDS should be undertaken. It is our belief therefore that this should be captured in the outcome document.

As many within CARICOM are not only SIDS but middle-income countries, we have limited access to debt relief and concessionary financing which threatens to undermine our ability to implement the sustainable development agenda and, if not, roll back advancements made to this end.

We join our voice with AOSIS on the limited information in the report on climate finance. The effects of climate change on CARICOM Member States cannot be overstated and would welcome further elaboration of the issue given the devastating impact of climate change on our region.

Co facilitators,

We welcome references in the report on the issue of correspondent banking. In the Caribbean region, CBRs facilitate a number of payment systems, including international trade, cross-border payments and transmission of remittances. Recently, some large international banks have started terminating or severely limiting their CBRs with smaller local and regional banks, in an effort to reduce exposure to risks associated with money-laundering and financing of terrorism. This process, known as de-risking, has negative implications for the Caribbean. According to the IMF, without these banking relationships, businesses are cut off from international trade and financing, families are unable to collect remittances from relatives working abroad, and foreign investors may be unwilling to invest if there is a risk they will be unable to repatriate their profits.

CARICOM Heads of Government have continued to emphasize that correspondent banking is an important global public good and that the current de-risking strategy is discriminatory and counterintuitive to good public policy. We would therefore wish to see the issue captured in the outcome document.

On the matter of domestic public resources, CARICOM member states' "unique and particular" challenges for mobilizing adequate finance at the domestic level, result in a high dependence on public finance. Therefore, in order to adequately implement the SDGs, appropriate emphasis has to be placed on an enabling global environment and global partnership for development balanced against the increased emphasis being placed on domestic resource mobilization.

Co-facilitators

One cannot work toward sustainable development without the availability and access to high quality and disaggregated data. Accordingly, we stress the importance of international cooperation to increase data capabilities and join our voice with AOSIS in noting that the outcome document should reflect gaps in data and statistical capacity and call for enhanced international cooperation to this end.

In closing, we would encourage the early release of the zero draft as this will facilitate the necessary engagement with our respective Capitals ahead of the start of negotiations in earnest.

CARICOM will remain engaged in the process and we look forward to a strong, concise and balanced outcome which will play an important role in the furtherance of the implementation of Agenda 2030.

I thank you.