



Fourth meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development – 16 March 2021

Theme: “Sustainable and resilient recovery from the COVID-19 pandemic that promotes the economic, social and environmental dimensions of sustainable development: building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development”.

Your Excellency President Carlos Alvarado Quesada of Costa Rica,

Your Excellency Ms. Alicia Barcena, Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC),

Excellencies,

Ladies and Gentlemen,

Allow me to begin by thanking H.E. Mr. Carlos Alvarado Quesada of Costa Rica, and the Executive Secretary of ECLAC, Ms. Alicia Barcena, for inviting me to speak to this Forum.

Your meeting is taking place at an inflection point in world history. Today, every nation is struggling to recover from the



worst health, economic and humanitarian crisis in a Century, induced by the COVID-19 pandemic.

The first order of business must be equality in the distribution of and access to the COVID-19 vaccine. It must be available to each and everyone – rich or poor – as soon as possible. Else, the virus would roam and return.

While no one has escaped the catastrophic impact of the virus; the poorest countries and people have suffered the most.

Due to their special circumstances and vulnerabilities, the Latin American and Caribbean countries have recorded the sharpest economic contraction of 7.7%. Exports have fallen by 13% and 2.7 million firms, mostly SMEs, have closed. Latin America and the Caribbean is also the most indebted region in the developing world, with an average 79% debt to GDP ratio.

Excellencies,

Dear Colleagues,



To respond to and recover from the impact of the current crisis the international community must mobilize the financing required by the developing countries.

In ECOSOC and in other forums, there is an emerging consensus on a number of actions.

First, debt relief. In early April, at the dawn of this crisis, my Prime Minister proposed, a “Global Initiative on Debt Relief” as the quickest way to provide fiscal breathing space to the developing countries.

The G20’s Debt Service Suspension Initiative (DSSI) was welcome. But, it needs to be expanded. Only three GRULAC countries have participated in the DSSI. The DSSI should also be extended until the end of the COVID crisis.

The private sector which holds a large part of GRULAC’s debt should be brought into the debt suspension and restructuring exercise.



The G20's Debt Framework should be elaborated and utilized to restructure debt on a case-by-case basis and build the architecture for sustainable debt management.

Second, many least developed and middle-income countries require additional liquidity to invest in recovery from the crisis.

The advanced countries have injected over US\$14 trillion into their economies for this purpose. The developing countries, which need about US\$4.2 trillion for COVID recovery and SDG achievement, do not have access to reserve currencies to create such liquidity. The creation of new Special Drawing Rights and redistribution of unutilized quotas from richer to the developing countries, will be critical to provide liquidity to the developing world. My Prime Minister proposed this last September.

It is gratifying that the U.S. Treasury Secretary recently recommended the creation of 500 billion new SDRs, which



could generate US\$56 billion of new money for the GRULAC region.

Likewise, the proposal by Costa Rica for the creation of a multilateral Fund to Alleviate COVID-19 Economics (FACE) can provide significant avenues to overcome the liquidity crisis for developing countries. I hope it will be accepted in the FfD outcome document and by the IFIs.

Similarly, the proposal for a liquidity and sustainability facility, proposed by the ECA, deserves international support.

Third, significantly larger concessional finance must be mobilized for the developing countries in need. The poorest countries cannot afford to take on new debt.

The 18th IDA, I believe, has allocated around US \$30 billion dollars in concessional finance. This should be doubled at least. And, donor countries must finally fulfill the promise



to provide 0.7% of their GDP as Official Development Assistance (ODA).

Regional and sub-regional financing institutions should increase the level of capitalization and adopting more flexible criteria for lending.

Fourth, we must halt the illicit flow of trillions of dollars out of the poorer countries to “havens” mostly in the richer countries. Stolen assets should be returned expeditiously and unconditionally.

The fourteen recommendations of the Panel on Financial Accountability Transparency and Integrity (FACTI) should be endorsed and implemented.

Fifth, if we are to build back better and transition to a sustainable global economy and keep global warming to 1.5 degree Celsius, it is vital that the pledge of the advanced countries to mobilize US\$100 billion annually as climate finance must be fulfilled.



Investing in sustainable infrastructure, which impacts 92% of all SDGs, is vital to ensure the transition to a sustainable global economy and prevent a climate catastrophe.

I have proposed the creation of public-private facility for Sustainable Infrastructure Investment under the United Nations umbrella to help developing countries bridge the existing sustainable infrastructure investment gap.

Finally, we must address the systematic inequalities which have been exacerbated by the COVID crisis, and ensure a sustainable and resilience recovery. It is past time to address the structural obstacles which expand equality and impede global growth. We must build equitable trade, taxation and technology regimes and enable the developing countries to unshackle the potential of their peoples for sustainable production and consumption. The countries members of ECLAC have a vital role in promoting such a transition to a more equal, dynamic and prosperous world.

I thank you.



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