

**Statement on behalf of the Caribbean Community CARICOM
at the First Substantive Informal Session of the Preparatory Process for the Third
International Conference on Financing for Development
November 10, 2014
On the Global Context**

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

Co-facilitators,

At the outset, CARICOM wishes to reaffirm our position that this process should build on the conceptual framework of Monterrey and Doha and the report of the Open Working Group on Sustainable Development Goals. We believe that the report of the Intergovernmental Committee of Experts on Sustainable Development Financing and the Secretary General's synthesis report should provide inputs into this process, rather than become the basis upon which we frame our work moving forward.

CARICOM Member states have made strides over the past 15 years within the evolving global context; including but not limited to broadening our tax base, resulting in growth in revenue to GDP from 22.9% in 2000 to 26.8% in 2013. Additionally, our member states have implemented a number of structural reform measures including in revenue administration, macroeconomic programming & analysis, public finance management, financial sector services and in macro-fiscal management reform.

However many challenges still persist. The vulnerabilities of member states are significantly exposed in the wake of the financial crisis and exacerbated by the growing incidence and intensity of natural disasters due to climate change.

Economic growth for CARICOM member states prior to the global economic crisis in 2008-2009, were on average 3.4% annually, however post crisis growth rates have declined significantly to an average of 0.3%. This has resulted in the elevation in unemployment and poverty rates.

The policy responses by Governments have been limited due to a lack of fiscal space. While revenues have increased on average, expenditure rates have also increased with debt service accounting for a large share of government's expenditure. Challenges of

debt sustainability remain a concern within the region. Debt levels have risen during the period, the cost of debt has also increased as member states have resorted to borrowing at market rates to finance development projects due to a decline in concessional financing. Additionally the ever increasing incidents of climate change related disasters, have significantly increased capital costs for infrastructure rehabilitation.

Therefore going forward, within the next 15 years, a strong structural reform agenda is required to create an enabling environment for growth with a focus on investment, business climate, legislative and regulatory reforms. However fiscal sustainability must be a consideration given the increasing debt burden of member states.

The upcoming conference will provide the opportunity for us to agree on an outcome that supports the mobilization of financial resources for development and the effective use of these resources to the full and effective implementation of a transformative international development agenda beyond 2015. It will also provide an opportunity to work towards a new FFD framework that incorporates the particular needs of states such as CARICOM member states and other SIDS, who are classified as middle income yet, are extremely vulnerable to the devastating impact of natural disasters on their social, economic and environmental landscape.

Thank you.