



***Permanent Mission of St. Kitts and Nevis to the United Nations***

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**Statement**

**By**

**His Excellency Honorable Dr. Denzil Douglas**

**Prime Minister**

**of the Federation of St. Kitts and Nevis**

**on Behalf of CARICOM**

**at the Separate Meeting on Financing for Development**

**at the High-level Plenary Meeting**

**of the United Nations General Assembly**

**September 14, 2005**

**UN Headquarters, New York**

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STATEMENT ON FINANCING FOR DEVELOPMENT  
UN GENERAL ASSEMBLY HIGH LEVEL PLENERY MEETING  
2005 WORLD SUMMIT  
14<sup>th</sup> SEPTEMBER 2005

The adoption of the Monterrey Consensus in March 2002 with its noble themes surrounding development and the support that the developed world should confer on developing countries was not viewed as a panacea by developing countries but represented a comprehensive programme of action, which went beyond the Millennium Development Goals. However after three years we must in all honesty conclude that the international community has not lived up to the expectations envisioned mainly due to failure in mobilizing the level of resources required to finance this development.

The development dilemma being faced in the CARICOM Region in particular can be summarized in critical development gaps such as the human development gap; the technology gap; and the trade and terms of trade gaps. These gaps must be significantly narrowed through the transformation and reconstruction of our small economies, which have been historically reliant on a narrow production base and preferential market access.

CARICOM therefore viewed the Monterrey Consensus as a historically unique opportunity for an international partnership in reconstruction and development and now welcomes the new proposals by the UN Secretary-General as a proactive instrument that could give effect to the undertakings made by both developed and developing countries in 2002.

The Caribbean Community's perspective on these proposals is as follows:

- a) With respect to the mobilization of domestic financial resources for development, we recognize the prime responsibility that Member States have for promoting growth and development and therefore CARICOM has embraced regional integration and cooperation as the vehicle to socio-economic prosperity. January 2006 will usher into being the CARICOM Single Market and Economy (CSME). One of the benefits of which will be increased market size beyond the geographical boundaries of each Member State.

However, our efforts to build up our human resource base utilizing scarce development resources are being thwarted by the recruitment policies of some developed countries. Given the human right to betterment, CARICOM recognizes that we cannot stem the tide towards internationalization of labour flows, however the recruitment policies of some developed countries should not be executed to the disadvantage of Small States and should definitely be associated with a compensatory mechanism.

Also as small states like those in the Caribbean Community seek to develop new growth sectors they are confronted by new rules and conditionalities,

which serve to outlaw policies, which were once practiced by the now developed countries. This causes a narrowing of the domestic policy base in developing countries. The Caribbean Community would like to reiterate the call by the G77 and China for adequate policy space to allow for policy innovation.

- b) Recognizing the need to mobilize international resources for development and to create a supportive environment for these foreign direct investment flows CARICOM Member States at the national level, have been seeking to reform the investment policy framework despite being constrained by the higher risks associated with investment in small states.

The Caribbean community calls upon the multinational financial institutions to support the proposals for the mitigation of such risks in Small States. In particular CARICOM States are vulnerable to natural disasters as reflected in the increasing incidence of hurricanes and related disasters due to global warming. We therefore calls for the establishment of a Natural Disaster Fund to assist developing countries to inter alia, bolster their sea defenses, reduce beach erosions, strengthen existing buildings, and secure adequate international re-insurance.

- c) As some of the extremely open economies in the world, the Caribbean Community acknowledges the benefits of international trade and the linkage with enhanced growth and competitiveness. However, we are challenged by the erosion of trade preferences and our vulnerability to external shocks. In the face of spiraling oil prices the Caribbean community therefore calls for the establishment of a Special Renewable Energy Resources Fund to provide support to the renewable energy programmes of small developing countries.

CARICOM Member States remain supportive of a pro-development rules-based global trading system and reiterates their call for special and differential treatment to extend beyond mere transition periods, derogations, waivers, reservations and exceptions but which includes both technical assistance and a full-fledged integration Fund for adjustment purposes.

- d) The Caribbean Community urges the developed countries to adopt the measures proposed in the report by the Secretary-General with respect to the achievement of the target for official development assistance. The Caribbean community recognizes the Paris Declaration on Aid Effectiveness as a useful blueprint for implementation by both donors and recipients.
- e) Our Community is supportive of the calls for greater coordination among the institutions, which comprise the international monetary, financial and trading systems, and therefore endorses the new proposals in this regard.

The Caribbean community also advocates the adoption of more proactive measures to ensure the active participation of developing countries and small states, in particular, in the decision-making processes of the international financial and trading institutions.

- f) The Caribbean Community welcomes the recent announcement by the G8 aimed at reducing the debt of some of the most highly indebted countries in the world. However, the Caribbean Community continues to be concerned about the apparent neglect of the unsustainable debt of middle-income countries among whose ranks the majority of CARICOM States are included. The Caribbean community therefore supports the call for a "partnership initiative between highly indebted small states and developed countries, to include major creditors, that specifically identifies the reduction of unsustainable debt as the target"

My own country St Kitts and Nevis, one of the tiniest sovereign nations in the entire world, provides a good example of the plight of many Caribbean nations. We have been battered by hurricanes; we have been starved of resources through the premature graduation from the use of soft resources of the international financial institutions; and we have been deprived of our sugar industry that employed 10% of our labour force. Yet the resources for reconstruction and economic transition are barely trickling in, public debt has skyrocketed and our significant social progress is at risk.

I therefore urge the international community to move with haste to give real meaning to the Monterrey Consensus so that the people of St Kitts and Nevis, the Caribbean Community and the entire developing world could look to 2015 with hope and optimism.

I Thank You