Statement by Dr. Senator Hon. Carla Barnett, Minister of State with responsibility for Labour, Local Government and Rural Development Belize

at the

Financing the 2030 Agenda for Sustainable Development in the Era of COVID-19 and Beyond Meeting of the Ministers of Finance 8 September 2020

- 5. The height of the pandemic in Belize coincided with the start of a predictably volatile Atlantic hurricane season. Over the past few years, Belize has been experiencing increasingly erratic extremes of drought and floods. Five days ago, Hurricane Nana bore down on southern Belize and severely damaged our export crops and domestic food crops, especially bananas, cacao and corn. The damage assessment is currently underway. Before this hurricane, the IMF and World Bank were predicting GDP contraction for Belize in the region of 20% to 25%. To that we now have to add the impact of hurricane.
- 6. This is a reality that science predicts we are destined to suffer again and again. While we do not contribute to the changes that that are increasing these climate events in both their regularity and intensity, we do carry the disproportionate burden of their impacts and consequential cost. SDS are likely to experience GDP contraction in 2020 at three times the global rate as a result of the pandemic alone. Factoring for climate impacts, that contraction becomes all the more unpredictable and dire.
- 7. I challenge you all to step in our shoes, as uncomfortable as they are, and look at each of the policy options you have placed before us. Examine, when applied to SDS, like Belize and the rest of the Caribbean in particular that are facing the twinned crises of a pandemic and dimate change, how these will expand our access to finance. Tell us how these will assist us to avoid being strangled by already high debt which has to be compounding as we borrow to meet the added costs of meeting healthcare needs and minimal social safety nets for the unemployed and vulnerable. Demonstrate how these policy options will improve o

adjustment programs, when our economies have already been adjusted downward, our public sector revenues have collapsed while health related and social safety net expenditures have had to increase. In the medium-term we are directed to a variety of purported financial solutions, but these rely on goodwill and the financial backing of others who may well be too pressed themselves.

9. COVID-19 has exposed the inefficiencies of the global financial and economic systems in addressing global economic contraction and these options today suggest an unabashed affirmation of business as usual. They can be crudely narrowed to a choice of upholding markets at the expense of the public good. As is plain to see, not even the most powerful amongst us can thrive in the face of social inequality and social unrest.

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The options that will enable Belize and other SDS to recover and do better, must include, access to liquidity for all SDS on grant and concessional terms; debt workouts inclusive of private creditors; debt for development and debt for dimate swaps; and, recovery aligned with the Paris Agreement. To sidestep this imperative would be a disservice to all our future generations. What we need more than anything is the action to support our words or small island developing States will be tip toeing under the feet of the Colossus to find ourselves dishonorable graves.

Thank You.