



**GOVERNMENT OF ANTIGUA AND BARBUDA**

Statement

by

Honourable Gaston Browne  
Prime Minister and  
Minister of Finance and Corporate Governance

on

Saturday 24<sup>th</sup> September 2016

Check against delivery

Your Excellency Mr. Peter Thompson, President of the General Assembly

Your Excellency Mr. Ban Ki-Moon, Secretary-General

Distinguished Heads of State and Government

Excellencies

Ladies and Gentlemen

Mr. President, on behalf of my government and people, I congratulate you on your election to the Presidency of this 71st Session of the General Assembly.

This will be the last General Assembly at which His Excellency, Mr. Ban Ki Moon, will serve the peoples of the world as Secretary-General of the United Nations Organization.

I place on record now, my country's great appreciation of his stewardship of our affairs.

The task of the UN Secretary-General is not easy.

Occupied with trying to resolve conflicts around the world;

To stop blood shed;

To mediate diverse positions between governments;

To address hunger and malnutrition;

To uphold human rights including the rights of women, refugees and vulnerable communities;

To work tirelessly to secure peace and to ensure development in its widest meaning – all of that, is deeply challenging and enormously worrisome.

Managing it all involves exhausting travel; neglect of family responsibilities; and wearisome nights without sleep.

So, Secretary-General, on behalf of my people, I record our deep appreciation of all your unstinting efforts.

Thank you.

I thank you particularly for the ten years of diligence you have devoted to the 2030 Agenda for Sustainable Development, which our governments adopted in September 2015.

The 17 Sustainable Development Goals to end poverty, fight inequality and injustice, and tackle climate change by 2030, are of vital interest to the well-being of small countries such as mine.

Of course, we are disappointed that many of the goals remain aspirational, and lack legally binding commitment to funding that is crucial to their implementation.

But, we are realistic enough not to reject the good for the perfect.

We will continue to advocate for fairness and for equity in the fulfillment of the sustainable development goals.

My small island-state is also grateful to Secretary-General Ban Ki-Moon, for his conscientiousness, in promoting the Agreement on Climate Change which our nations collectively signed in Paris last year.

My government was pleased to deposit its instruments of ratification of the Agreement earlier this week, here at UN headquarters.

I urge the countries that have not yet signed, or ratified the Agreement to do so without delay.

Time is not on our side.

I remind representatives of all nations gathered here, that the present pledges to reduce emissions are still insufficient to limit global temperature rise to well below 2 degrees Celsius, and to build climate resilience.

At a rise of 1.5 degrees Celsius, many of our countries – or parts of them – will be washed away.

Temperatures continue to rise, as the bell is tolling.

The bell may be tolling for small-islands, but in the words of the Poet, John Donne, “it also tolls for thee”.

The ravages of Climate Change will not end with the erosion of small island states; nor will its consequences disappear with the last surging tide.

Its refugees; its displaced people; the misery of its effects, will wash up on the shores of those who dismiss or neglect the issue today.

Mr. President, our small countries endure the problem of Climate Change not because we created it, but because we are the victims of the polluting profligacy of others.

But, we are not content simply to wring our hands in anguish, or throw-up our arms in despair.

We are keen to help provide solutions.

That is why my government has repeatedly proposed debt swaps, for climate change adaptation and mitigation.

Many of our small-island states are burdened by high debt, because we are denied access to concessional financing and are forced to borrow at high commercial rates to rebuild after disasters, and to mitigate against them.

High debt is not only a drag on our economic growth; it constrains our ability to achieve the sustainable development goals.

We are caught in a very vicious cycle.

We have proposed that we be provided with soft loans, to stop further high debt accumulation, while we build resilience to global warming and sea-level rise.

However, to qualify for soft loans, requires the International Financial Institutions and donor governments, to stop using per capita income as a criterion.

So far, our pleas have fallen on deaf ears.

Beyond the façade of high income per capita are increasing levels of poverty; high levels of household and individual vulnerability; acute issues in health and education; and worrying rates of unemployment especially amongst the young.

High income per capita distorts the reality that, because of the openness of our small economies and our dependence on foreign investment, a minority of the population earn the largest percentage of income, leaving the majority at subsistence level and below.

These are facts that are known to international financial institutions and those who govern them, yet, they are ignored.

The more appropriate criteria for allowing access to concessionary financing should be, our very well-known vulnerability to shocks that are generated from outside our shores, and over which we have no control.

The cost to institutions such as the World Bank of refining their criteria would not be very expensive, but that would be a significant measure to allow our small countries to improve our economic performance.

Mr. President, I have to admit a deep sense of frustration and disappointment that, year after year, other heads of government of small states, and I, have come to this Assembly and explained the challenges that confront us, to no avail.

We remain trapped in the reality of a narrow tax base, high debt, large trade deficits, small underdeveloped domestic financial markets, small private sectors and fragile banking systems.

I remind this Assembly of the observation of Albert Einstein that: "In matters of truth and justice, there is no difference between large and small problems; for issues concerning the treatment of people are all the same".

The truth of small states is obvious to all; so too should be the need for justice.

My country having resumed negotiations with the Government of the United States on the outstanding WTO matter looks forward to a speedy resolution as we continue to find innovative ways in our efforts towards our development.

Mr. President, in terms of grave challenges to the economic viability of my country and the Caribbean region, I now identify an urgent and existential threat of considerable relevance to our survival.

The latest challenge our countries face is the withdrawal by global banks of correspondent banking relations to our financial institutions.

In the international campaign against money-laundering and terrorist-financing, very strict penalties have been imposed on banks by regulatory bodies in North America and Europe, for any infringement of stringent regulations.

In this environment, where even the slightest infraction could expose a bank to a fine of hundreds of millions of dollars, many banks have chosen to withdraw essential correspondent banking relations from financial institutions in the Caribbean, Central America and Africa.

They call that process 'de-risking'.

I call it economic destruction.

It is now prevalent in the Caribbean, but it also exists in parts of Africa and Central America.

It will spread with global consequences unless, it is checked by collective action.

All these countries, including mine, are now at the point of losing vital correspondent banking relationships.

The consequences would be calamitous.

We would be severed from the world's trading system, unable to pay for basic goods and services we purchase, or to receive payments for goods and services we sell to other countries.

Remittances from our diaspora would be cut off, causing more of the population to depend on social welfare, at a time, when our economies are already under great stress.

In other words, it is a growing cancer that is eating away at development; threatening the stability of our region; and denying us the right to participate in the international economy.

But that is not all.

Since the consequence of being cut off from the world trading system, would be economic collapse, not only would poverty and crime dramatically increase, so too would the very global scourges that every nation fears – increase in refugees and human trafficking.

The consequences would not be limited to our countries.

Worse yet, financial transactions that are now regulated and monitored by law enforcement agencies, would be forced underground, creating huge opportunities for money laundering and terrorism financing.

This would undermine the very global, multi-lateral cooperation that is required to fight these scourges.

And, it is important to know that, in all the money laundering and financing of terrorism cases that have been prosecuted in the world, not one of them involved a Caribbean financial institution.

This matter of ‘de-risking’ is a substantial matter; its consequences are far reaching.

The threat we face in the Caribbean is real; the danger is imminent.

But, make no mistake; no country will be immune from its consequences, if it is left unchecked.

I am grateful to the Managing Director of the International Monetary Fund, Ms. Christine Lagarde, for her timely and important statement two months ago at the New York Federal Reserve in which she said:

“I am concerned that all is not well in this world of small countries with small financial systems. In fact, there is a risk that they become more marginalized.

“All actors have a part to play: countries need to upgrade their regulatory frameworks, regulators in key financial centers need to clarify regulatory expectations and ensure consistent application over time; and global banks need to avoid knee jerk reactions and find sensible ways to reduce their costs.

“There is a lot at stake.

“For both the big and the small.

“For all of us”.

Ms. Lagarde could not be more right.

And her summons to the international community should be a clarion call to all.

In the case of the Caribbean, my colleague Heads of Government of the Caribbean Community (CARICOM) mandated me to convene, a high-level Conference on this matter, to address this matter in a holistic fashion.

I have already issued invitations to key global-stakeholders to the Conference that will be held in Antigua on 27 and 28th October this year.

Our objective at this conference will be to work collectively to end this huge threat, to the immediate well-being of our region.

We are acting responsibly.

And, I call on this General Assembly of nations to recognize the substantial and dangerous nature of this issue, and to join us in addressing it constructively.

Mr. President,

Our nations operate in this United Nations body in the context of some kind of global order.

It is a global order that is supposed to be underpinned by the Charter of the United Nations,

Often reference is made to the first principle of the Charter which is:

“to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind”.

It is, of course, right that we should do so.

For even though that principle is enshrined in the Charter, legally binding on all member states, conflict and carnage exists in several parts of the world, particularly in the Middle-East.

And, as the Secretary-General lamented in his opening statement at this general assembly, “powerful patrons that keep feeding the war machine also have blood on their hands”.

But, at least, in recent years, wars have been reduced and isolated.

In this respect, commitments to the Charter by States have made our world a safer place for the majority of our people.

However, it is in the other three first principles that our nations are yet to fulfill their determinations.

And, in failing to do so, developing countries and small states such as mine, remain marginalized from the bounty of the world.

I remind everyone of those three principles:

“To reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small,

“to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and

“to promote social progress and better standards of life in larger freedom.”

Mr. President, the global order under which we live and conduct our relations, pays only lip service to those principles and ideals.

It is why Guantanamo Bay in Cuba, is still occupied by the United States, and the embargo remains, despite the wishes of the people and government of Cuba.

It is why Organizations, such as the Organization for Economic Cooperation and Development, a rich countries’ Club, unilaterally makes rules on financial matters that it imposes on other countries that have no say.

It is why powerful countries brand regions in the Caribbean and Pacific as “tax havens”, with all the negative and harmful consequences that such branding entails.

It is why the Caribbean region can arbitrarily and unfairly be severed from vital correspondent banking relationships.

It is why countries like mine have no voice of our own and no vote in the decision-making councils of International Financial institutions that make and implement the rules, that materially affect our lives.

“Might is right” remains the belief that underpins the mentality of the powerful.

But, our world will not be free from poverty; from conflict; from terror; from inequity and injustice while the powerful advantage the weak.

In the words of the Reverend Dr. Martin Luther King:

“Injustice anywhere is a threat to justice everywhere”.

It is time the global order recognizes that self-evident truth.

Thank you.