



# SAINT LUCIA

STATEMENT DELIVERED

BY

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Prime Minister

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*Please check against delivery*

Mr. President,

In my address on the accomplishments and shortfalls of Saint Lucia towards the achievement of the Millennium Development Goals, I stressed that all of our gains would be useless if we could not address the threatening saga of adverse climate change. Many other nations highlighted this urgent issue and I hope that our collective voices will receive the attention of those most capable of acting. I will therefore focus on two of the most critical factors in our development, as small island developing states: Firstly, the effects of global climate change and secondly the uncertain economic and financial crisis.

Mr. President, Saint Lucia notes the ongoing negotiations ahead of the Sixteenth Conference of Parties to the United Nations Framework Convention to be held in Cancun, Mexico, later this year. Following on from the 15th Conference of Parties, where consensus was not achieved on a legally-binding framework for addressing climate change, Saint Lucia recognizes the critical importance of the current talks in laying a solid foundation for a more favourable outcome in Cancun; one that will truly fulfil the purpose of the Convention and help to ensure the continued existence of mankind.

Mr. President, we have long since moved past the debate over the existence of climate change to a discussion about the severity of its impacts on the nations and regions of the world, which live everyday with its consequences. The Small Island Developing States of the world, Saint Lucia included, are recognized as being among the most vulnerable to climate change, with this phenomenon posing a threat to the very existence of some of our island nations. This is so, Mr. President, despite the fact that SIDS, jointly, contribute a fraction of one percent to global greenhouse gas emissions.

We began this year with news that a cataclysmic earthquake hit Haiti. The UN came together in solidarity with our sister island and pledged \$1.5 billion in assistance. To date, Haiti's officials

report that only 10% of the pledges have been funded. The same seems to be true for most appeals for humanitarian causes. We trust that Pakistan's "pledging conference", the most recent country to be hit by a catastrophe, will be more successful. Addressing the humanitarian consequences of today's disasters and emergencies remain a United Nations priority, and we thank those who have kept their pledges, while we encourage those who have shown good intentions but have not yet matched words with action to do so with some urgency.

For these reasons, for the good of all mankind, and indeed, for the good of all creation, Mr. President, Saint Lucia, like all member states of the Caribbean Community (CARICOM) is committed to lending its efforts to achieving an ambitious, just and legally-binding agreement that will realize our goal of timely and successfully addressing climate change. Speaking of justice, Mr. President, climate change can only be successfully addressed if countries most responsible take the necessary steps to reduce carbon dioxide emissions, and provide adequate financial resources for the development and the transfer of technology for both adaptation and mitigation to those who have been most seriously affected.

Few developing countries possess sufficient financial and personnel resources to address adequately the ongoing and anticipated impacts of global climate change. According to World Bank estimates, the total annual impact of potential climate change on all CARICOM countries at US\$ 9.9 billion of total GDP in 2007 US dollar prices or about 11.3% of total GDP. This means that we have no choice but to divert critical funding away from our poverty alleviation programmes towards trying to protect our countries from this formidable threat. There is no doubt that stable long-term funding is of critical importance to developing countries and cannot be underestimated. We need urgently to scale up, new and additional sources of funding to support mitigation efforts. We cannot rely on humanitarian assistance alone, which only addresses the consequences to such events.

We know our development partners are serious about implementing meaningful mitigation action, so we call for a firm collective commitment to provide the new and additional resources. Let us not continue to renege on promises made as developing states cannot do it alone, nor

should we be penalized for actions of industrialized countries. We call for an understanding partnership in tackling the pressing issues that threaten to engulf our world.

### **SIDS EFFORTS**

Mr. President, despite our geographic distribution, Small Island Developing States (SIDS) are working diligently together on shared concerns through regional and international networks, the most notable of which is the Alliance of Small Island States (AOSIS). We recognize that traditional hydrocarbon fuel usage is unsustainable and are therefore looking to making use of alternate energy sources which are available to us. The potential for use of hydropower, wind, solar and geothermal sources and converting waste into energy are means by which we could reduce our energy reliance, lower trade deficits and generate employment. These, though require investments in research and development and infrastructure.

### **GLOBAL ECONOMIC RECOVERY AND SAINT LUCIA'S DEVELOPMENT PROSPECTS**

Mr. President, the other most critical factor in our development is the speedy of return of the global economy to sustained growth. Recent news of deteriorating economic conditions and a fall in house sales in the US has fanned the flame of fears of a double-dip recession. Over the last few weeks, the short-term growth prospects of the US, Europe and Japan have been downgraded on the back of recently released below expectation economic data.

The prospects for economic recovery in Europe were dampened by crisis in some countries earlier this year, but renewed confidence has recently emerged, spurred by the stronger than expected performance of the German economy in the second quarter of 2010. However, the growth prospects for Europe remain uncertain given that the fiscal retrenchment measures could pose a risk to growth and the pace of recovery.

The weakened growth prospects for the US and Europe could impede growth in emerging markets, with slowdown in growth of exports and investment flows. The uneven pace of global

economic recovery among countries and regions has led to differences in approach in policy responses.

I have made these points because the United States and the European Union economies are our major sources for tourism, agricultural trade, ODA, FDI and remittances, and these constitute the main stay of our economy. We therefore urge the focus on global economic recovery to be maintained for the benefit of the global community.

### **Impact of the Crisis on Saint Lucia:**

Mr. President, Saint Lucia, as a Small Island Developing State (SIDS) with a highly open economy, has been hard hit by the effects of the global financial and economic crisis. Like most small developing countries the crisis led to a deterioration in Saint Lucia's economy resulting in a contraction in GDP, a rise in the level of unemployment and a weakening of the government's fiscal position.

The decline in economic activity was driven mainly by a fall in stay-over tourist arrivals, lower production in the agricultural sector and a sharp downturn in construction. The decline in activity in the construction sector was attributable to a fall in FDI inflows as the freeze in international credit adversely affected financing of a number of hotel construction projects in Saint Lucia as well as a decline in remittances that have helped sustain the local housing sector.

Notwithstanding the decline in revenue collection, expenditure outlays increased, resulting in deterioration in the fiscal position. This outturn led to a widening of the overall central government fiscal deficit to 4.8 percent of GDP in FY 2009/10 compared with a deficit of 1.9 percent of GDP in the previous year. Public debt as a percentage of GDP rose from 66 percent in 2008 to 71 percent in 2009, associated with increases in borrowing to finance the budget deficit.

## **Our Response**

The adverse impacts of the combination of global and regional shocks have prompted the government of Saint Lucia to implement a number of measures designed to mitigate the social, fiscal, and regulatory challenges of the crisis. In order to mitigate the impacts of the price shocks, the government implemented a number of measures to protect the most vulnerable in our population. These measures included:

- The creation of short term employment programmes.
- The suspension of import duties and other taxes on basic consumer items.
- The establishment of controls on retail mark-ups and profit margins on some basic food items.
- The provision of limited price subsidies on basic commodities to vulnerable groups.

## **St Lucia's Medium Term Prospects and Strategies:**

The government of Saint Lucia, in its strategic response to the crisis and in laying the foundation for growth, has undertaken the development of a Medium Term Development Strategy Plan (MTDSP) for the period 2011 to 2016. The plan will lay the blueprint for the development of the emerging new sources of growth such as offshore education, health and wellness tourism and high-end ICT; and expanding existing critical sectors such as tourism, agriculture and manufacturing.

The signing of the Economic Partnership Agreement (EPA) with the European Union in 2008, the implementation of the Caribbean Single Market and Economy (CSME) and the OECS Economic Union will bring new sets of challenges and opportunities for Saint Lucia. Government's strategic priority is to develop meaningful partnerships with the private sector in meeting the challenges and taking advantages of the opportunities provided. The capacity of the private sector will be strengthened to take advantage of the opportunities presented by these trading arrangements. However, government recognizes that this will require a host of general improvements in the business environment including strengthening the investment climate, expanding the skills base, promoting innovation and technology adoption and

improving international transport services and other infrastructure. All of those will require large capital outlays.

### **International Assistance**

While the Government has responded to the challenges by developing specific programmes and projects to improve the business climate in Saint Lucia, the role of the international financial institutions and bodies such as the G-20 in stabilizing the global economy and restoring growth is crucial for small developing countries like Saint Lucia. As the focus of the global recovery efforts are aimed at laying the foundation for sustainable and balanced growth, Saint Lucia, by its new policy directives and programmes, is positioning to benefit from the growth prospects of the global economy.

### **Middle Income Countries**

Mr. President, in that respect we call for a review of the UN's delivery to SIDS and, particularly, for strengthened support measures to address the vulnerabilities of all SIDS and for support within the UN system for a special category. Most SIDS do not get our fair share of assistance because we fall into the Middle Income category. However, being middle income does not reduce vulnerability. There is a greater need for advocacy and resources mobilization role for SIDS and the Mauritius Strategy for the Implementation (MSI) of the Barbados Plan of Action for the Sustainable Development of Small Island States (MSI). We will, of course make our case more vividly in our review of the MSI in a couple of days time, in this very august Assembly.

The support of the international community is therefore necessary if Saint Lucia, and for all other SIDS, are to fulfill that goal of sustainable development, thereby improving the standard of living of its population and meeting all of the MDGs by 2015.

### **SOME OTHER PRESSING ISSUES:**

Mr. President, let me now touch briefly on our moral environment. Of all the disasters we face today, we can accept some as natural occurrences yet others are of our own making. Conflicts brought about by differences in ideologies, political persuasions, religion and economic circumstances, have presented challenges to global peace and security and the world has witnessed many mass atrocities. Even with numerous advancements in technology, education, health and an increase in material progress, the world seems to suffer from mental restlessness and discontent. We seem not to have found the formula for peace keeping and peace-making within nations, even after 60 years of searching.

Keeping the peace and building peace are critical components for sustainable development worldwide. But peacekeeping goes far beyond civilian conflict. We are pleased to note that there is now an acceptance of a relationship between non-traditional security issues such as poverty and health and other conflicts. Maybe, with that new understanding, we will help find a solution.

We understand that the United Nations is incapable of solving all the world's discordant issues and that the best solutions for conflict are home grown. However, there are identified areas where the UN can realistically make a difference. Where this is the case, we need to strengthen the role of the UN in the promotion of peace and economic development.

In this regard and while keeping our goals realistic, we look forward to Security Council reform. We need an equitable international system, a more balanced approach to international security.

### **PROTECTION OF HUMAN RIGHTS**

Mr. President, we acknowledge that States remain the principal duty-bearer and cannot abrogate the responsibility to implement policies, enact national legislation and foster an enabling environment in which human rights can be enjoyed by all. When these rights go



unfulfilled, economic growth is stunted and development is paralyzed. A key role of the UN is to help ensure that economic growth translates into the wider enjoyment of human rights for all. Without human rights, we cannot achieve the Millennium Development Goals; we cannot achieve the advancement of humankind. When we expect the UN to protect human rights, we hold the same expectations of ourselves; after all, we are the United Nations.

### **HUMAN SECURITY**

Also integrated in the issue of Human Rights is Human Security. We as members of the United Nations, are concerned with human life; education, longevity and social inclusion. There would be no United Nations if there was not a universal concern for the well being of the collective. The respect for Human Rights and protection of Human Security are therefore mutually reinforcing.

Most people want peace, democracy and social equity, and we recognise the State's inherent responsibility to provide these for its citizens. For governments to be successful, people must participate in formulating and implementing strategies to enhance national authorities' capacity to achieve these goals. However, with globalization the ever evolving threats which occur when one country fails to maintain the social order ricochets to the rest of the world. Every State requires international cooperation to preserve its own security.

### **SMALL ARMS**

Mr. President, we as Caribbean countries take the issue of security very seriously. We suffer from increasing incidences of crime, and violence which is compounded by relatively easy access to and use of illegal firearms. The number of gun related homicides has jumped to unacceptable levels and this has been aggravated by a worsened economic situation.

Another great tragedy of our times is the uncontrolled illicit drug trade. We must find solutions to both problems. We are perplexed, therefore, to see the closure of the United Nations Office for Drug Control (UNODC) in the Caribbean. We call for a reassessment of that decision. As well, we call for a comprehensive treaty on small arms and light weapons, alongside the nuclear

non-proliferation treaty. Small arms and light weapons account for more deaths than natural causes in some parts of the world.

Mr. President, in attempting to fulfil our commitments on the MDGs, we have engaged many partners including the United States, the European Union, Canada, our Latin American neighbours, India, Japan and South Korea, to name a few. I wish, though, to make a special appeal to this body to support the aspirations of the Republic of China (Taiwan) to make its contribution to world collaboration, through membership and effective participation in the air transport, health bodies, and the Climate Change discussions: in ICAO, WHO, UNFCCC and other organizations of a universal nature. The contribution of Taiwan to countries that have sought their assistance in these areas match that of any other, and have helped without asking for much in return. No country should be prevented from making its contribution to humanity for they do share the world with us, and their contribution to health and environmental issues know no boundaries. Increased concern for air safety also remains a global priority. We therefore hope that ongoing cross-strait talks will lead to a peaceful solution. This is a longstanding problem that deserves an urgent resolution acceptable to all, and in keeping with the Charter and Principles of the United Nations, as well as the aspirations of peoples for self development and progress.

Mr President, there are some anachronisms that still persist in this world and one of them is the embargo against Cuba. We have moved from a world where political uncertainty has been replaced by economic uncertainty. Yet, a mechanism that was put in place to deal with a political issue remains today and is being used for an economic strangulation, even as we appeal to everyone else for cooperation and understanding in other areas. We must respect the rights of the people to shape and chart their destiny, as well as respecting the freely expressed wishes of the people of our region. Our region is diverse, but our aspirations are common. Only mutual respect will foster that relationship that is so necessary and vital to the development of our region.

And here again, Mr. President, permit me to make another point regarding respect. When the WTO ruled against our preferential regime on bananas we were told that we had to comply. Now that the WTO has ruled in favour of our efforts in the services sector, I address particularly the favourable ruling on the Gaming dispute referred to the WTO by Antigua and Barbuda, there is reluctance to comply. We cannot have double standards. We therefore urge all parties to agree on mutually agreed principles that govern the conduct of relations among States, large or small, to be treated fairly.

Mr President:

Our world is in crisis. We face a growing, more aggressive domain in which the insatiable appetite for the world's resources has led to the subversion of justice and humanity. The tumultuous times that we live in can only be weathered by continued and increased commitment to human development. Let us all work towards that goal, and the sustainability of both biodiversity and mankind.

I thank you.