

Excellencies, good morning all.

1. After just over 50 years of formal Independence, Barbados is the perfect example of having experienced the middle income trap. Once we have graduated, we no longer have access to much needed concessional funding, be it via grants or loans. For this reason, we strongly support the [UN's work on going "beyond the GDP"](#) and we are calling for this message to be amplified.

As a country that is highly dependent on tourism, we have suffered three major shocks in the last 20 years. These shocks are powerful enough to erase many of our human development gains. Again, the middle income trap clearly shows that while 50% of our population has "done well", there is still a significant portion that continues to struggle.

2. South-South cooperation, therefore, has become a strategic policy to help fill the developmental gaps caused by the middle income trap. In this room today, we have four examples of partnerships and solidarity within the Latin American region:
 - 2.1. Cuba – during the recent global health crisis of the COVID-19, we worked closely with Cuba to assist us with nurses to fill the shortage experienced in Barbados.
 - 2.2. Panama – under the program Panama Bilingue, Panama sent 60 students to Barbados to be trained in English and Tourism. Reports indicate that they are all well placed in the workforce today.
 - 2.3. Brazil – In 1990, Brazil started to offer scholarships to Barbadians under its "Programa Estudante Convenio-PEC" initiative. Ambassador Walcott, himself is a beneficiary of this scholarship. Since then several other students from Barbados have gone on to pursue studies in Brazil and we thank you for opening the doors of the universities and creating these opportunities.
 - 2.4. Costa Rica – Barbados Export has recently worked with CINDE Costa Rica, an initiative that was backed and brokered by the IDB.
3. Finally, we wish to table the "Bridgetown Initiative" which is a call for Urgent and Decisive Action to Reform the International Financial Architecture. The Bridgetown Initiative is fully backed by CARICOM. [Our Prime Minister, Mia Amor Mottley, recently met with UN Secretary-General, Antonio Guterres, to discuss the initiative.](#) Furthermore, this month, June 2023, PM Mottley is set to meet French President, Emmanuel Macron at the [international Summit on a New Global Financing Pact.](#) We therefore wish to make a copy of the Bridgetown Initiative available for the delegates of this meeting and we look forward to your support.

I thank you.

END

Regards,

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BRIDGETOWN 2.0

Urgent and Decisive Action to Reform the International Financial Architecture

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Designed at a time when most of today's member states were not independent and when climate risks or social inequalities, including gender equality, were not considered pre-eminent development challenges, the International Financial Architecture (IFA) already had structural deficiencies at the time of its conception. These have become increasingly at odds with the reality and needs of the world today, making the IFA entirely unfit for purpose in a world characterized by unrelenting climate change, increasing systemic risks, extreme inequality, highly integrated financial markets vulnerable to cross-border contagion, and dramatic demographics, technological, economic, and geopolitical changes.

We call for an integrated development and resilience strategy to achieve the SDGs, including actions to address liquidity and debt sustainability, massively scale up of development finance, mobilize private capital, and build a matching trading system. We also call for inclusive and equitable global economic governance. Together with the SDG Stimulus, the Bridgetown Initiative can accelerate progress towards the SDGs and the Paris Agreement. Below we highlight priority actions of the Bridgetown Initiative that we can undertake now.

1. Provide immediate liquidity support

UN Member States to:

- Fast track the re-channeling of \$100 billion of Special Drawing Rights (SDRs) to the Poverty Reduction and Growth Trust and the Resilience & Sustainability Trust.

The IMF to:

- Immediately suspend surcharges for two to three years.
- Restore the enhanced access limits established during the pandemic for the Rapid Credit Facility and Rapid Financing Instruments.

2. Restore debt sustainability

G20 Creditor Countries, (either through the Common Framework for Debt Treatments or otherwise) to:

- Redesign the Common Framework, including by speeding up debt relief and cancellation with reliable timelines, debt service standstills, and 'most favoured creditor clauses', and allow debt-distressed middle-income countries to make use of the Common Framework.

The IMF to:

- Encourage the restructuring of unsustainable private debt through IMF programs that are consistent across countries and have more locally driven fiscal sustainability plans.
- Refine the Debt Sustainability Analysis, including adopting changes that enable investments that create future savings to have a lower weighting than other debt.

Public, multilateral, and private creditors to:

- Adopt zero-cost, net-present-value neutral natural disaster clauses in all lending instruments to make them more shock-absorbing.
- Refinance high-interest and short-term debt with credit guarantees and longer maturities.

UN Member States to:

- Agree new international resources (whether taxes, charges, or other sources) to fund the UNFCCC Loss and Damage Fund to \$100 billion per year.

3. Mobilize private sector investment to over \$1.5 trillion per year for green and just transformations

IMF and MDBs to:

- Cut the excessive macro-risk premia on developing countries with \$100 billion per year of foreign exchange guarantees for just green transition investments.
- Expand project preparation support, risk reduction instruments, blended finance, and viability gap funding in order to strengthen the pipeline of bankable development and climate projects.

4. Increase official sector development lending for SDGs to \$500 billion per year

The G20, shareholders of the World Bank, Multilateral Development Banks and IMF to:

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NOTE: This document, reflecting an updated set of reform proposals championed by diverse stakeholders, is being shared to seek constructive input and advice in the hope that constituencies can work together to advance our shared agenda. It is vital that we achieve success in meeting these urgent global challenges with focused, specific, effective responses.

- Fully implement the CAF Review recommendations, including on callable capital and SDRs.
- Put an additional \$100 billion of paid-in capital contributions into MDBs and re-channel SDRs to the MDBs, leading with the African Development Bank by September 2023.
- Increase the leveraging of the IDA balance sheet, fully fund the Crisis Response Window (\$6 billion) by the end of 2023, and implement a phased scale up of IDA to \$279bn in IDA 22.
- Raise the access limits for the Poverty Reduction and Growth Trust and the Resilience & Sustainability Trust.
- Move 'beyond GDP per capita' to capture vulnerability in funding eligibility criteria and provide low-cost, 50-year loans for vulnerable countries to invest in climate resilience, anti-fragility, pandemic preparedness, food and water security, renewable energy access, and bridging the digital divide and other forms of greater resilience.
- Streamline and harmonize loan procedures across MDBs and IFIs, increase front-line support to countries accessing loans, and finance country-led national resilient development plans and multi-country programs that protect the global commons.

5. Ensure that the multilateral trading system supports the green and just transformation

WTO, ILO, UNCTAD, and major trading partners to:

- Work with governments to ensure supply chains become resilient, benefit raw materials producing nations and protect the vulnerable.

6. Reform the governance and operations of International Financial Institutions (IFIs)

Shareholders of IFIs to:

- Update the 1945-based institutions to be more inclusive and equitable, including issues of governance, voice, representation, and access to finance.