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PRESS RELEASE

Minister Coye Speaks at UN Conference in Geneva

Belmopan, December 7, 2022.

Hon. Christopher Coye, Minister of State in the Ministry of Finance, Economic Development and Investment, was invited to speak at the United Nations Conference on Trade and Development's (UNCTAD) 13th Debt Management Conference, in Geneva, Switzerland, on the topic of "Relief, Restructuring and Recovery: Dealing with Debt in Times of Global Crisis."

Minister Coye was among 400 participants from over 100 countries. He shared Belize's recent success in negotiating debt relief in the current international debt architecture, noting that Belize's successful US\$364-million Blue Bond transaction in 2021 was only a part of the overall emergency economic plan and debt relief strategy. He emphasized that as unpopular as some of the administration's fiscal policy decisions were, the political discipline to stand by these decisions paid off handsomely in Belize's negotiations for debt relief with its external commercial creditors. The International Monetary Fund endorsed such demonstrated commitment to prudent fiscal policy.

The Minister of State further explained that mobilizing private capital would not be possible without credit enhancement and risk reduction strategies, coupled with the confidence engendered by the political will and discipline of the Government of Belize in its fiscal policy action. He also highlighted some of the difficulties countries like Belize encounter in seeking to sustainably manage their debt. These include:

- The persistence of arbitrary and exclusionary rules amongst multilateral development banks, and the failure to account for multi-dimensional vulnerabilities; these effectively prohibit small vulnerable

economies like Belize to access debt relief and concessionary financing from particular programs and institutions.

- External private capital can be an important source for development and climate finance, but due consideration must be given to the special circumstances of developing economies that are inherently perceived to be at higher risk if they are to be a timely, affordable, accessible and debtor-friendly source of finance for developing economies.
- Risk reduction and credit enhancement for investment grade rating of debt issuance are critical drivers to achieve affordable and accessible private capital for developing economies. Insurance can be useful for risk reduction, but discussions on insurance as a solution should involve the establishment of catastrophe risk insurance instruments as a global public good rather than as an instrument for profit making.

In conclusion, Minister Coye called for a reimagining and restructuring of the global financial architecture to ensure that developing economies are enabled with the necessary and sufficient tools to achieve climate and economic resiliency. He appealed to the global community to be bold in ensuring this materializes and to not fail the people we represent or future generations.

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