



## ALLIANCE OF SMALL ISLAND STATES

### SPECIAL SEGMENT ON FINANCING THE RECOVERY FROM COVID-19

#### Meeting of Heads of State and Government

Address by Hon Gaston Browne, Prime Minister of Antigua and Barbuda &  
Chair of AOSIS

*25<sup>TH</sup> April 2022*

Heads of States and Governments,  
President of ECOSOC  
Secretary General,  
Excellencies,

I have the honour to deliver this statement on behalf of the Alliance of Small Island States (AOSIS), a group of countries that are uniquely vulnerable to external shocks and by all accounts, the most affected by the COVID-19 pandemic and the resulting economic crisis.

AOSIS aligns this statement with the statement delivered by Pakistan on behalf of the Group of 77 and China.

For almost three years, the deadly outbreak of the COVID-19 pandemic has disrupted our lives and livelihoods, communities and economies. The disruption is greatest felt amongst small island developing states (SIDS).

In the last few months, the global community is moving towards recovery from the pandemic. While recent global events are threatening the direction of this recovery, AOSIS wishes to stress that this recovery must be inclusive, it must build our resilience, it must save lives and provide economic and financial relief and support for the most vulnerable.

Last year when I addressed the 2021 FfD Forum, I informed that extreme uncertainty surrounds what major features of our lives, livelihoods, and the global order will change permanently or indeed already have changed as a result of the pandemic.

Those words ring true today, as it stands, the international community is still engulfed in finding practical measures that will prevent any further hemorrhaging of the global economy. Much of our lives will change forever.



As governments pursue efforts to recover from this economic downturn, they should not lose sight of the importance of the 2030 Agenda for sustainable development including the achievement of the SDGs and where it concerns SIDS, the full implementation of the remaining years of the SAMOA Pathway.

The pandemic coupled with existing global challenges such as climate change and new and emerging crises such as the war in Ukraine are perhaps the greatest modern-day test to multilateralism and the effectiveness of coordinated and united responses.

Multilateralism and securing the support of the international community are more critical now than ever, lest SIDS are swept into oblivion.

Mr. President,

The Addis Ababa Action Agenda established the foundation that supports the full implementation of the 2030 Agenda, by providing a global framework for financing for development by aligning all financing flows and policies with economic, social and environmental priorities.

As a result of Addis, this annual Financing for Development Forum that we are engaged in, must be seen as a platform to comprehensively address all global ills that impedes economic growth and stability of all developing countries.

We must respond to this pandemic and the associated socio-economic crisis with vigor. We must protect communities; we must protect the planet and we must prevent economic collapse for the most vulnerable countries.

Let us not forget that pre-COVID-19, SIDS were already battered by the negative effects of climate change.

Many of our islands bore the brunt and continue to bear the brunt of man's total disregard for the environment and the excessive greed by some, who would rather prioritize accelerated growth over sustainable development.

Excellencies,

The pandemic has demonstrated how closely interrelated climate change, loss of biodiversity, and socio-economic inequalities are, and the existential challenges that they pose to the health and well-being of our citizens and the sustainable development of our islands.

Given the most recent response to international events and a commitment of billions by developed partners, it is entirely safe to say that the USD 100 billion per year commitment of climate finance is easily attainable, so too is a new collective quantified goal of climate finance.

While we will continue to advocate for the separation of climate finance from development finance in order to avoid double counting, climate finance is relevant in our discussions under the FfD Forum. Climate finance is critical to the environmental pillar of sustainable development.



The recently released IPCC reports are beyond troubling and highlights the importance of climate finance in fighting climate change and providing sustainable pathways towards development. It is because of the aforementioned why AOSIS strongly calls for the phase out all fossil fuel subsidies by 2023.

This is an important first step and a signal to the global financial system that we are serious about aligning ourselves with the Paris Agreement and making all financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

Mr. President,

It is important to remind all that AOSIS supported the actions that were adopted by the G20 at the start of the pandemic. The debt service suspension initiative and the common framework were seen as important instruments to cushion the economic brunt of the pandemic.

Unfortunately, they were not as inclusive as we envisioned, they excluded many SIDS and were insufficient to address the multiplicity of challenges we face.

It is precisely because of exclusion why the voices of the most vulnerable are important in international discourse on global financial governance and responses. As developing countries, we are not all on an even development platform and as SIDS any global economic and financial response must be tailored to meet our unique needs.

We have repeated time over time of our delight of the approval of \$650 billion in Special Drawing Rights (SDRs), the largest ever approved.

Recognizing that this approval was done nine months ago, AOSIS strongly encourages the immediate rechanneling of unused SDRs to all developing countries in need and in particular to SIDS.

We also call for for additional flexibility in how these SDRs can be used with the necessary transparency and reporting in place, including channeling through Multilateral Development Banks (MDBs).

The Group also takes note of the recent approval by the IMF of the new Resilience and Sustainability Trust (RST). The RST is welcome news for developing countries, in particular middle-income countries and SIDS who would have graduated into income status that prevents access to concessional financing, even in times of crisis or distress.

Mindful of the current context, the RST must be sufficiently and immediately capitalized in order to address the protracted COVID-19 pandemic, while also improving resilience to future shocks and repositioning our small states to achieving the 2030 agenda and the SDGs.

We also wish to use the FfD Forum to offer our support to the revision of the G20 Sustainable Finance Roadmap in Bali later this year and to provide a very clear reference to the ongoing work of the intergovernmental process on the development a Multidimensional Vulnerability Index (MVI) for SIDS.



Mr. President,

The MVI is extremely important in the context of financing for development and can serve as a long-lasting response to the current crises we face and future shocks.

A long-term perspective is what is needed if we are to address not only the current three-dimensional crises but retain hope of rescuing SIDS from near economic collapse.

AOSIS was clear in 2021 that the Inter-Agency Task Force on Financing for Development (IATF) should provide recommendations on the possible use of an MVI in addressing the unsustainable debt levels of SIDS.

The IATF in its 2022 report produced very clear recommendations that an MVI can provide the necessary debt relief that is needed for SIDS.

Of equal importance is the ongoing work of the High-level Expert Panel on the MVI as established by the President of the General Assembly. The Expert Panel is tasked with providing recommendations to the General Assembly on the suitability of an MVI for SIDS and its use for concessional financing and debt sustainability.

AOSIS remains resolute that an MVI that offers support to SIDS must be adopted by December 2022 and must be implemented thereafter.

The UN Development System (UNDS), developed partners and the International Financial Institutions (IFIs) must utilize the MVI in the system of allocation and should provide the necessary support for its implementation.

We also strongly believe that the UNDS and IFIs should not be looking into the size of the population as a primary indicator of need.

In the allocation of funds and programmes by multilateral institutions, critical factors such as economic base and high dependency on vulnerable industries should be considered as alternative allocation practices for resource mobilization.

The implementation of the MVI for SIDS is therefore imperative and should no longer be delayed.

It is well documented and acknowledged that SIDS have always been inherently susceptible to external economic and financial shocks.

We are small, remote, have a narrow resource bases, and exhibit high reliance on imports, high levels of public debt and challenging economic growth prospects.

The multiplicity of crises is creating immediate economic and financial challenges to our small states and is causing social and societal damage.

For our small vulnerable economies, these challenges will persist well beyond the recovery from the pandemic.



The emerging energy and food crisis threatens the speed and scale of a SIDS recovery.

Urgent and fundamental global measures are needed to respond to the instability and uncertainty that currently clouds our recovery

The actions emanating from this forum and the Ministerial Declaration should be on avoiding a 'lost decade' that would foreclose any hope on delivering the 2030 Agenda or the commitments made under the Paris Agreement or the SAMOA Pathway.

Bold and innovative actions are needed in order to finally break the failed policy prescriptions of the past.

The provision of tailored solutions to our small states as outlined in our recently updated SIDS Compact is paramount for our survival.

Mr. President,

During the height of the pandemic SIDS faced unprecedented challenges in accessing essential medicines and other health commodities. Drug shortages, hoarding of medicines and supplies were our concerns throughout the pandemic.

Ensuring widespread global access to COVID-19 vaccines during this recovery stage is necessary for preventing a resurgence of cases and deaths, and is critical in ending this pandemic, especially within SIDS.

We appeal for increased funding to the ACT-Accelerator. The accelerator if properly funded will allow for continued access to and the availability of COVID-19 vaccines to all developing countries.

This pandemic proved the interconnectedness of our nations and that what affects one part of the world can easily spread to other regions of the world.

Therefore, the path we choose in the remaining portion of the pandemic will have significant ramifications for our global economy and generations to come.

It is critical that the international community provide tailored solutions for SIDS that includes a just and sustainable recovery plan that builds our overall resilience.

I Thank You.

