



A L L I A N C E O F S M A L L I S L A N D S T A T E S

Role of UNDP in Sustainable & Resilient Recovery from COVID-19: Climate Finance and Sustainable Infrastructure Investment

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Remarks by Ambassador Webson (5 mins)

Excellencies, Colleagues, I have the pleasure to represent AOSIS at this interactive dialogue with the Group of 77 and China and UNDP.

The COVID-19 pandemic brought to light the true vulnerability of SIDS. Many SIDS economies contracted by 20 percent or more in 2020 and 2021.

Because of this massive contraction AOSIS sounded the alarm in our Statement on Debt to the UN system and the International Financial Institutions early in the pandemic.

Pandemic debt is layered on already high debt too often incurred because of climate impacts. Our planet is already 1.1-degrees warmer today. In the past 2 decades alone, over 335 major natural disasters have occurred in small islands, with 30 billion in direct damages. A disaster resulting in loss and damage of more than 5 percent of GDP is expected to hit any Caribbean country every few years.

The latest science reports conclude that nothing short of system transformation – rapid, deep, and immediate action in all sectors – can limit warming to 1.5 degrees. To quote the late Hugh Sealey of Barbados, may his soul rest in peace: “All hands-on deck. With all means necessary.”

Colleagues, it’s a paradox. The rapid net-zero transitions to achieve the Paris Agreement requires massive, frontloaded spending that must happen now on the heels of the pandemic and in the midst of another global crisis – a war in Ukraine and an oil and gas crisis.

Rapid emissions reduction means massive, frontloaded spending. The upfront cost of an electric vehicle is 30 to 90 percent more than an internal combustion engine car, with savings accrued over its lifetime. Retrofitting buildings, upgrading shipping ports and airports for clean fuel, deploying renewable energy, all require high upfront finance with savings over time.

Where will this frontloaded finance come from? I wish to highlight a few areas where UNDP is leading the way.

Firstly, UNDP has shown leadership and perseverance administering the GEF Small Grants Programme. We must deploy much more small-scale finance. Studies consistently find that not enough is reaching local actors for their concrete solutions. At least 1 billion per year in small scale finance to local civil society and MSMEs would promote social inclusion and support a groundswell of climate action, showcase local climate technology, and align political will with the difficult decisions for an immediate transition.

Second, UNDP's work with a debt-for-nature swaps, such as the \$27 million conversion of the Seychelles government's debt, can serve as a basis for debt-for-climate. Such swaps can mobilize finance at scale to meet these upfront costs.

Finally, UNDP has been mentoring executing entities in SIDS for decades, through its national implementation modality, and this is finally paying off. There are over 11 regional and 17 national institutions serving SIDS that are directly accredited to, or serve as delivery partners for, the GCF and Adaptation Fund.

In concluding, while our islands lead the world with ambitious climate action plans – aiming for 100% renewable energy in some cases – our green transition is hampered by debt. Structural solutions are needed, integrating vulnerability into concessional metrics, and simplifying access.

Despite challenges, UNDP has delivered tangible action through its programmatic approaches to channelling small scale finance to the local level, piloting innovative debt swap mechanisms, and building lasting capacity in SIDS through supporting direct access, to highlight just a few key areas.

I wish to note UNDP's work on the MVI and also building a data platform for SIDS, both will have positive impact on resilience building for our small states.

Thank you.