

Finance and Industrial policies for pollution-free and climate-aligned development.

The Pacific Islands and a Green and Blue New Deal



RECOVER
Build Back Better

The SDGs, climate adaptation and climate mitigation –
the single biggest investment in history.

What is needed in the financial architecture to make this happen?

Sufficient, reliable capital, at scale, long-term, at privileged terms.

What complementary policies to guide the finance when it is available?

Trade, industry, macro, employment, incomes and social policies, environment to reinforce productive capacities and create good jobs.

Markets can do a lot, but for this heavy lifting, leadership and guidance by a proactive, informed, developmental state is crucial.

Some guiding principles

Transformation must be JUST or it will not be sustainable.

Development, sustainability and ecology must go hand in hand

Special and differential treatment (SDT) and UNFCCC principle of ‘common but differentiated responsibilities’ (CBDR)

Finance must be grant based or concessional -- many developing countries are already facing debt distress. For some, interest servicing payments exceed spending on health or education.

Also, because some essential projects will never be “bankable”

What can be done by countries alone?

What needs to be global?

What can be done at the south-south or regional level?

Concerns (TDR2023).

- Continued over-estimation of what private investment can provide (\$5 billion not \$80 billion estimated).
- What is a “bankable project”
- Private non-official debt is extremely high in most countries, and not lent for green activities.
- Continued under-estimation of the support public and MDBs need – capitalization, political support, AAA requirements....
- Continued march of finance into fossil fuels and derivatives.

- Heavy reliance on ODA, as the global economy and major donors’ growth levels falters...world growth 2.7%, Oceania 2.2%, only South Asia still high (and 5.4%)

**Oceans
Assets (\$24
Trillion, WWF
2016)**

**Trade in
oceans-based
goods &
services (\$2.5
trillion,
UNCTAD 2021)**

**ODA for
oceans (\$3
billion,
OECD,
2021)**

**ODA in
Sustainable
Oceans
activities
(\$1.8 billion,
OECD, 2021)**

Thank you

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