

World Leaders Summit - Dialogue I
**Global vulnerabilities - Call from a
vulnerable place**

4 October 2021

**Question posed to the Honourable Gaston A. Browne, Prime
Minister of Antigua and Barbuda**

UNCTAD XV World Leaders Dialogue:

Call From A Vulnerable Place

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Question: Small Island developing states are in a difficult position, fighting a pandemic while being among the most exposed to climate change. What urgent solutions are needed for SIDS to deal with these crises?

Today, we live in a world where the inequalities between rich and poor countries have become more pronounced.

As Small Island Developing States (SIDS), we face many environmental, social, and economic challenges, which are not of our own making. These challenges are compounded by our limited internal capacity.

The unique vulnerabilities of SIDS limit their ability to achieve their development aspirations especially, with the increased exposure to multiple crises overtime.

The COVID 19 pandemic has morph into a socio-economic crisis, threatening lives and livelihoods in all countries.

But the combination of COVID, climate change and the financial challenges arising therefrom, have resulted in a devastating regression of our small island states, eroding many decades of socio-economic gains.

These multiple crises, climate change, the COVID-19 pandemic and the resulting socio-economic fallout are sure to leave SIDS further behind.

The reality of a lost decade for us is no longer an assumption. The evidence suggests, without urgent interventions, our islands will be left behind.

SIDS, as the least contributor to climate change and the most affected, require an amplified global voice to address the issues of climate inequities and climate injustice.

We have little say in the governance of the global economy and our voices are strangled. Though there is recognition, graduating SIDS to middle and high-income countries is unjust and that it impedes our ability to grow our economies and care for our citizens, the international community has failed to respond.

The COVID 19 pandemic has shown us, that there is no real equity when it comes to global health crises.

Protectionist measures and vaccine nationalism take precedence over a global response.

This was evident in the operation of the COVAX system, which was undermined by the wealthy countries and therefore, could not deliver on its assurance of equitable and timely distribution of vaccines to SIDS and other developing countries, undermining their response to the pandemic.

SIDS need to acquire technical assistance and funding to develop vaccine manufacturing capabilities on a regional basis. For example, within Caricom, at least one country should be equipped with the capacity to manufacture vaccines to effectively fight the pandemics of the future.

The question of what urgent solutions are needed for SIDS to deal with these crises – I will add- these solutions are not new.

Let us not pretend for a minute these ideas are ground-breaking. They are not!

They are simple, implementable, and within reach; in fact, many of these solutions were birthed by SIDS.

Time after time, we are asked to find the solutions to our problems, yet here seems to be a lack of political will and support needed to adopt these solutions.

30 years ago, SIDS championed the need for the international community to reassess access to development financing, considering the unique vulnerabilities of SIDS, because our islands are constantly and will forever be at a disadvantage.

The international community must understand that we cannot graduate from being SIDS, nor can we outgrow our structural vulnerabilities.

What is necessary are mechanisms that will strengthen our resilience and allow us to build back better and stronger when confronted by these challenges.

And so here we are.

30 years later, SIDS remains the most vulnerable group of countries.

30 years later, we have the highest debt-to-GDP ratio of any group of countries.

30 years later, we are amongst the most unequal group of countries.

30 years later, millions of our citizens are pushed deeper into poverty.

30 years later, we are staring down an economic depression and a lost decade, as a consequence of the pandemic.

Ironically, 30 years later, we are still willing to stand for all of humanity; joining hands together - because together we stand, divided we fall.

But while we stand with you, you must stand with us.

Chair

The time is now to reshape the international financial architecture as it pertains to SIDS, specifically.

SIDS have had to incur recurring deficits and borrowed repeatedly to repair damaged economies, infrastructure and buildings resulting in unsustainable levels of debt.

We need assistance in reducing our debt to sustainable levels through the use of different financial instruments including, debt cancellation and debt for climate swaps.

Wealthy countries in particular, should embark on program of bilateral aid and debt cancellation, or reduction for highly indebted SIDS, to assist with recover from the pandemic and to create fiscal space, to scale up investments in renewable energy technologies and blue economy diversification.

The proposed debt write-offs will be mere book entries for developed states, with little or no economic impact, but will help SIDS to achieve much needed debt sustainability.

Incurring additional debt at this time is not the answer for SIDS. Their debt profiles are already unsustainable.

In order to ensure inclusive funding, we must replace the measurement of eligibility from the GNI per capita soonest, with the proposed multidimensional vulnerability.

As the Chair of AOSIS, I plan to continue to champion this until its achieved.

I pause to thank Secretary General Guterres, for his advocacy and for his recently released recommendation on the possible use of an MVI for SIDS.

After a year of intense consultations with all stakeholders, it was found an MVI is needed for SIDS, and the work on the use of the MVI should be completed in 2022.

I take this moment to also encourage all development partners to support this move. The Bretton Woods Institutions, the OECD, the Paris Club, and other stakeholders must be key players in the acceptance and use of the MVI.

We can no longer afford any delays on the development of this important tool.

I hasten to say, and many would agree, if we had the MVI in place before these multiple crises to assist with funding justification; the dire socioeconomic fallout facing SIDS would be far less and the current debt crises looming for SIDS would almost certainly be averted.

While I have your attention ladies and gentlemen, it would be remiss of me not to underscore that comprehensively addressing climate change must be part of the solutions for SIDS.

We know that the 1.5°C temperature goal of the Paris Agreement is no win for us, the most vulnerable of countries.

With 1.5°C of warming, SIDS have exponentially higher per capita climate risk, but at 1.5°C of warming, we may still be able to adapt to the impacts of climate change.

If temperatures increase beyond that threshold – we will face impacts that will be irreversible – we will experience more severe loss and damage and would run out of any hope for our survival.

So, we must get the temperature goal way below 1.5 and this means major emitters must increase their ambitions of reducing emissions.

Rapid decarbonisation is THE ONLY way to save us from the worst impacts.

And it is important to point out that governments have spent at least 1.6 trillion USD, on fossil fuel subsidies since the adoption of the Paris Agreement.

If we are truly determined to limit global warming to well below 1.5°C, all major emitters must do better.

They must go further, and they must implement their climate targets faster. Halving global emissions by 2030 and achieving net-zero are preconditions to halting global warming.

This is one of the solutions needed for SIDS.

Colleagues,

We should note that Climate finance to SIDS declined from 2.1 billion USD in 2018 to 1.5 billion USD in 2019, a drop in 600 million USD. A continued decline in climate finance targeted for us is a grave departure from any solution for SIDS.

Developed countries must deliver on 100 billion USD per year finance commitment and simplified, direct, predictable, and sustainable access to climate finance for SIDS must be guaranteed.

It is also imperative that ALL G20 and developed countries take action to shift financial flows from fossil fuel subsidies to commitments on climate finance.

6 years after the adoption of the Paris Agreement, governments have spent at least 1.6 trillion USD on fossil fuel subsidies.

Imagine 1.6 trillion going directly to climate finance; with a special carve out for SIDS ? The latter is precisely what we need to ensure climate justice and to accelerate SIDS transition into alternative energy and to adapt and mitigate against the effects of Climate change.

Finally, these recommendations must be accompanied by political will and commitment to deliver.

They can be placed in reports and prepared in briefs, but without the political will, without political commitment, these proposed solutions for SIDS would mean nothing unless adopted and fully implemented.