



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

12TH April 2021

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

The international community is still in the midst of the unrelenting COVID-19 pandemic, with its multidimensional ripple effects.

Extreme uncertainty surrounds major features of our lives and livelihoods; and the global order will change permanently or, indeed already has changed.

Yet a few basic facts are sure; the pressures faced by Small Island Developing States are the greatest and there is a need for swift and decisive action to protect our small and vulnerable countries.

Without much doubt, the pandemic, coupled with existing global challenges such as climate change and growing global inequality, represent the biggest stress test that we have ever faced.

The 2030 Agenda for Sustainable Development was billed as “a plan of action for people, planet and prosperity,” and the Addis Ababa Action Agenda established the foundation to support the implementation of the 2030 Agenda, by providing a new global framework for financing for development and aligning all financing flows and policies with economic, social and environmental priorities.

These can no longer just be seen as aspirational mawkishness towards achieving global goals, for the pandemic and the associated socio-economic crisis, lay bare the urgency for saving lives, protecting communities, the planet and preventing economic collapse for the most vulnerable countries.



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

Excellencies,

Pre-COVID-19, it was already estimated that 2 billion people lacked regular access to essential medicines; and improving this gap is a long-standing global public health priority, to achieve Universal Health Coverage.

With the COVID-19 pandemic, SIDS face unprecedented challenges to access essential medicines and other health commodities. Drug shortages, hoarding of medicines and supplies were our concerns in the early stages of the pandemic.

A year later, and with the rollout of vaccines, our voice is even more amplified on preventing vaccine nationalism.

Ensuring widespread global access to COVID-19 vaccines, which is necessary for preventing infections and deaths and achieving global population immunity, is a critical to control the pandemic, and more so, the recovery of vulnerable SIDS

Despite efforts to address vaccine access, most notably through the creation of COVAX, which aims to support the development and delivery of COVID-19 vaccines with a particular focus on assisting low- and middle-income countries, significant disparities remain that needs to be urgently addressed.

We take honour in noting that despite the many challenges faced by SIDS, one of our very own, the Republic of Cuba is leading the efforts in the development of a vaccine, that recently received excellent reviews by the WHO. Small Island States will continue to contribute to all aspects of human development, while we concurrently advocate for a fairer, more just and equitable world.

Excellencies,

SIDS have always been inherently susceptible to external economic and financial shocks. Our small, open, and remote economies, with their narrow resource bases, lack diversification and are heavily reliant on imports. These challenges are further exacerbated by high levels of public debt and challenging economic growth prospects.

The COVID-19 pandemic poses existential economic and financial challenges to our small states and is causing economic sclerosis and societal damage.

As small states, we are faced with enormous pressures in saving lives and safeguarding livelihoods within the constraints of our limited fiscal space. The economic wounds inflicted will result in significant post COVID challenges.

Excellencies,



Our debt to GDP has skyrocketed to unsustainable levels and borrowings originally intended for development had to be redirected for budgetary support and COVID-19 relief measures.

The cash flow of SIDS was decimated and they were even forced to borrow to service existing loans.

As tourism-dependent economies, we remain concerned about the adverse impact of the travel restrictions that were put in place to minimize the spread of the COVID-19 virus.

While we are acutely conscious of the need to continue to protect our respective citizenry, we are also burdened with enormous economic decline from the reduction in travel. We therefore encourage Governments to move with some urgency, to facilitate the resumption of safe cross-border travel, which will help to revive our struggling economies.

Excellencies,

We recognize that some deliberations on the economic crisis are taking place outside the confines of the United Nations. However, the discussions today at the 2021 ECOSOC Forum on Financing for Development and the Outcome document to be adopted, should be bold and should offer concrete solutions for developing countries; in particular SIDS.

Our actions should be on avoiding a ‘lost decade,’ that would foreclose any hope on delivering the 2030 Agenda for Sustainable Development, or the commitments made under the Paris Agreement on climate change. We must take bold actions that will finally break the failed policy prescriptions offered to us.

We welcome the indication by the IMF that the new allocation of Special Drawing Rights (SDR) will go well beyond the levels of the 2008 economic crisis. We also welcome indications, that measures will be put in place that would allow members to voluntarily re-allocate unused SDRs to vulnerable countries.

The new SDRs must be complemented by a significant increase in multilateral and regional development bank financing, aided by an increase in their capital.

The Group also welcome the indication by the G20, on the agreement of extending the Debt Service Suspension Initiative (DSSI) until the end of 2021.

We however regret that discussions have stalled on proposals put forward by developing countries for its expansion, that would have provided much needed fiscal and liquidity relief to highly indebted SIDS, who are not currently covered by the DSSI.

Additionally, the G20, as well , multilateral, bilateral, and other commercial and private creditors, should consider providing tailored debt relief to SIDS with unsustainable debt burdens, so that they can secure fiscal space to combat the virus, protect the vulnerable, and secure a more sustainable and inclusive recovery.

The Paris Club and IFI’s, donor governments, as well as other creditors, should consider a waiver of this year’s debt repayment for SIDS as a short-term measure, and the implementation of debt forgiveness as part of a long-term solution.



Further actions should include the design of new and enhanced financial instruments to provide debt relief including: debt cancellation, debt suspension, debt rescheduling and debt restructuring, debt swaps, as well as other support measures.

Also, IDA funding terms should be expanded to include vulnerable SIDS, whose economies were decimated by COVID-19 and are now faced with unsustainably high debt service ratios and debt overhang.

The decimation of our economies by COVID, makes the provision of timely official development assistance (ODA) even more critical in supporting our countries' efforts to implement the 2030 Agenda. We urge the donor countries to honor their ODA commitments.

In allocating ODA, critical factors such as economic base and high dependency on vulnerable industries, should be considered as alternative allocation criteria for resource mobilization.

The per capita income criterion should be shelved and the establishment and implementation of a multi-dimensional vulnerability index for SIDS, is an imperative and should no longer be delayed.

Given the importance of climate finance to SIDS, and as it relates to climate finance under the UNFCCC; we wish to make a call to developed countries to meet their existing collective mobilization goal through 2025. We also look forward to constructive discussions under the UNFCCC to setting a new collective quantified goal, beyond the floor of USD 100 billion per year, and to increase climate finance to vulnerable SIDS.

To defeat COVID requires global solidarity therefore, we firmly reject the imposition of unilateral coercive economic measures against developing countries, which will enlarge poverty and undermine their achievement of the sustainable development goals.

Such actions are inconsistent with the principles enshrined in the Charter of the United Nations and international law. We therefore call upon the international community to adopt urgent and effective measures to eliminate the use of unilateral coercive economic measures.

Finally,

Proactive, empathetic and timely global policy responses to assist the most vulnerable countries to wage a strong and sustainable recovery, is a global moral necessity, in support of our common humanity. History will not be kind and will offer a somber reminder to wealthy countries and institutions, if they fail to assist these vulnerable countries during this unprecedented time of need.

