

**SIDS4 Conference –
First Preparatory Committee Meeting
Venue: UNHQ, New York (In-Person Only) - Conference Room 4
Date: 22 January 2024
Time: 10:00 – 18:00**

**Statement by
Mr. Mourad Wahba, Executive Secretary
UN Capital Development Fund (UNCF)**

Excellencies, Esteemed Colleagues, Ladies and Gentlemen

I am honored to speak on behalf of the United Nations Capital Development Fund (UNCDF).

With our investment expertise and tailored financial instruments, UNCDF uses innovative and blended finance approaches to invest and catalyse finance to support SIDS, LDCs and other vulnerable countries make progress on the SDGs and tackle climate change impacts.

We recognize that the specific challenges confronting SIDS, demand tailored solutions.

In this regard, let me highlight three significant challenges facing the SIDS where UNCDF is developing solutions that we believe can be replicated and scaled.

1) First, we all know **climate change poses a significant and disproportionate threat** to SIDS.

Through the UNCDF Pacific Insurance and Climate Adaptation Programme – PICAP – supported by New Zealand, Australia and the UK and implemented with support from UNDP and UNU – we help strengthen financial preparedness and resilience of Pacific communities.

The initiative supports innovative Micro Insurance Schemes for vulnerable populations, including women, youth, smallholder farmers and fishers, allowing for fast digital claims payouts in the case of natural disasters.

Additionally, UNCDF's Local Climate Adaptive Living Facility, supports a growing number of SIDS to channel global climate adaptation financing to the local level for local solutions to build resilience and minimize potential loss and damage.

2) A second challenge facing SIDS that UNCDF helps address are **their economic vulnerabilities and limited diversification**. For example, through our Digital Finance for Resilience initiative, supported by the European Union, we work with SIDS to create digital financial solutions to improve financial preparedness and resilience.

In parallel, our Pacific Digital Economy Programme funded by Australia supports rural communities and small business to participate in online markets, *helping to increase productivity and diversify economies*.

3) A third challenge are the **low levels of concessional and blended finance available for SIDS** that can help unlock more private investments. UNCDF helps develop and

implement innovative such blended finance mechanisms. For example, we manage the Global Fund for Coral Reefs, which mobilizes blended finance from the Green Climate Fund, multilateral development banks and private funders for investments in market-based solutions to coral reef protection.

Let me conclude by saying that UNCDF stands ready to work with SIDS and other partners to scale up SDG and climate financing solutions such as these.

Thank you.