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UNDESA Workshop: Strengthening the capacity of experts from Small Island Developing States to meaningfully engage in intergovernmental negotiations on the outcome document for the 4th International Conference on Financing for Development

- New York 9-10 December 2024 -

Remarks by Deputy Chair of AOSIS, Ambassador Tania Romualdo, Permanent Representative of Cabo Verde to the UN

Session 1 – The financing for development agenda: What’s at stake and opportunities for SIDS (Ambassadorial level)

Excellences,

Colleagues,

Allow me to start by expressing deep appreciation towards UNDESA for organizing this workshop intended to strengthen the capacity of SIDS experts to engage in the intergovernmental negotiations on the outcome document for the 4th International Conference on Financing for Development (FfD4) and the invitation to present AOSIS perspectives.

The FfD4 outcome document must observe commitments made in legally binding instruments including the Paris Agreement and the special recognition given to LDCs and SIDS for sustainable development.

It is imperative to recognize SIDS unique vulnerabilities and circumstances by addressing our specific needs, priorities, and emerging concerns, in alignment with the Antigua and Barbuda Agenda for SIDS (ABAS), the SIDS4 outcome document.

Efforts to improve development cooperation and partnership effectiveness should not create additional reporting burdens on small governments with limited capacities. SIDS grapple with structural vulnerabilities, including high debt levels, limited access to concessional financing,

susceptibility to external shocks, and the existential threat of climate change. SIDS often carry unsustainable debt burdens, which restrict their ability to invest in development and climate resilience.

Traditional financial systems often fail to account for these realities. The reform of the international financial architecture must provide tailored solutions and innovative financing mechanisms specifically designed for SIDS, as for example the SIDS Debt Sustainability Support Service.

Initiatives such as debt swaps allow creditors to reduce debt in exchange for investments in climate adaptation, renewable energy, or ecosystem preservation. FfD4 should therefore advocate for scaling up these initiatives like debt-for-nature swaps, debt-for-climate swaps and the issuance of blue, green and sustainable bonds, creating frameworks that enable broader participation, including local communities, and simplified implementation.

Recognizing the increased frequency and severity of climate-related disasters in SIDS, resilience bonds could be developed to fund infrastructure projects designed to withstand such shocks. Such bonds would attract impact investors, allowing SIDS to access capital while promoting sustainable development.

SIDS are on the frontlines of climate change yet have only accessed 10% of total Global Climate Fund (GCF) funds allocated. FfD4 can ensure alignment with SIDS priorities by pushing for increased climate finance, particularly for adaptation and mitigation efforts, while ensuring that these funds are accessible and responsive to our needs. FFD4 should push for streamlined processes for SIDS to access climate finance from institutions like the Green Climate Fund we just mentioned. It could recommend special SIDS-specific windows within this and other funds, focusing on small-scale, high-impact projects.

SIDS have long advocated for compensation mechanisms to address irreversible climate impacts. At the recent COP29 of UNFCCC we saw how heated the discussions were on this specific topic and although we register some advancements much is yet to be achieved. FfD4 can champion for the best operationalization of a dedicated Loss and Damage Fund, ensuring that SIDS have the financial support to recover from climate-induced losses.

Current access to concessional financing often relies on GDP per capita, which overlooks the vulnerabilities of SIDS. FfD4 can advocate in favour of the multidimensional vulnerability index (MVI) which is much more than just a tool for graduating countries, it represents an excellent guiding tool in decision-making on access to concessional financing to enhance debt stability and improve long-term national planning.

Furthermore, FfD4 can encourage the establishment of regional SIDS financing platforms that pool resources and risks, enabling collaborative investment in shared challenges such as renewable energy, disaster risk management, and sustainable tourism.

FfD4 is a great opportunity to highlight and integrate solutions for new and critical challenges facing SIDS, such as Sea Level Rise, ocean health, food security, and migration due to climate

displacement, again in alignment with the SIDS4 agenda's emphasis on sustainable development and resilience.

FfD4 provides a platform to enhance partnerships between SIDS, developed nations, international organizations, and private sectors. Collaborative initiatives such as the establishment of climate mobility pathways or funding for renewable energy projects can be deeper explored and advanced.

The pace of technological advance in many parts of the world has widened the digital divide and threatens to leave many SIDS behind. There's a strong need for increased investment in data collection and technology transfer, helping SIDS strengthen their evidence-based policy-making and digital economy, which are key pillars of the SIDS4 agenda. This requires support to boost SIDS digital transformation through investment in skill development programmes and training to develop the so much needed human resources in science and technology, especially for youngsters and women.

Strengthening the UN Technology Facilitation Mechanism will guarantee a more action-oriented approach to STI projects in our countries.

We propose the FfD4 to support the Centre of Excellence for SIDS which is an important hub for the above mentioned purposes and to enhance the social, economic and environmental resilience in SIDS.

Delegates,

Last but not least, a brief remark on financing the social sector which is key, although usually less spoken about. Global underinvestment - particularly education, health, and social protection - poses a grave challenge to achieving the Sustainable Development Goals (SDGs) and addressing inequalities. Vulnerable populations, especially children, bear the brunt of fiscal constraints and rising debt burdens, which shrink the capacity of many countries to invest in the foundational services needed for sustainable and inclusive development. It is imperative that we integrate social sector investments into national development frameworks and align fiscal strategies with child well-being outcomes. Without comprehensive, protected, and expanded social sector financing sustainable development will remain out of reach.

Prioritizing universal access to quality education and healthcare, in particular the most marginalized groups, including children in rural areas, those with disabilities, and girls, who often face the greatest barriers in accessing education, ensures a healthier, more productive population, and contributes to breaking intergenerational cycles of poverty.

Protecting our most vulnerable and investing in our children is not only a moral obligation - it is the most powerful strategy for building resilient, equitable, and prosperous societies and to ensure that no one is left behind.

Thank you.