

The Pacific Community (SPC) Talking Points OAP 3 Finance

Excellencies, colleagues and friends of the ocean.

It's so great to hear the mobilisation of new finance, the 8.6 billion dollars pledged by many stakeholders at BEFF is indeed wonderful news. But to be honest as a SIDS region, and in the Pacific in particular, we can't even access the current finance – less than 0.22% of the 16 year old 100b per annum climate finance promise is a clear example. This, despite the fact that our islands bring to the table, custodianship of the largest healthy blue lung on the planet and 20% of the world's EEZs.

There are many reasons for this, but it principally comes down to the lack of meaningfully operationalising the **“SIDS Special Case for Sustainable Development”**.

This **Special Case was negotiated and agreed to as a cornerstone principle of equity in a fair Rio Agreement over 3 decades ago. And it has been embedded in every** subsequent review and iteration, and all other MEAs and the SDGs.

The special case of SIDS recognizes our extreme isolation, extreme exposure to natural disasters (Cyclone's costing up to 6 times the GDP of a country, and sea level rise which is already on an existential path for some of our islands within the next 20 years); high exposure to global shocks; narrow resource bases and significant capacity limitations.

Despite this recognition finance, is still delivered largely through one size fits all, and this most often means that a sensible project that can be sustained in SIDS, is not considered a bankable project to most donors or investors.

To meaningfully Derisk investment for SIDS, and ensure finance flows effectively, the “SIDS special case for sustainable development” must be operationalized.

What this means in practice is the cost structure of projects in our region needs to factor in for example, that the **cost of shipping a water tank to an outer island in Micronesia costs 4 times more than the water tank itself**. Air and sea freight is on average 4 times that of anywhere else in the world.

Capacity supplementation and retention must but be a key part of capacity building. You simply cannot workshop up the capability of 10 people to do the work of 50. You have to fund staff, not just consultants that fly in and fly out. And we must build the workforces of SIDS and retain them to maintain ownership of this challenging journey.

And short-term disjointed projects will not deliver the long-term transformational change we need for the Blue Pacific Continent or the world. Climate change is not going away any time soon, **we need long term programmatic investment** that is simplified and delivered through countries own systems and mechanisms. Rather than the current financial gymnastics we have to perform to access the current financial architecture.

Please use our regions and countries own systems to deliver this finance. We have no more time to wait. On average it is taking us 6- 8 years to get GCF and other global fund projects. We do not have the luxury of those timelines ... the science is clear! What we do as a planet in this decade will last for thousands of years.

So if we are to build a One Ocean Financing architecture that is fit for purpose it must have a SIDS special window built in at the outset.

If we fail to do this, we are just mopping the floor while the tap is turned on.

I thank you.

Invest in.

The Pacific Resilience Facility – A Fund set up by Pacific Leaders to support community-based resilience in perpetuity.

Unlocking Blue Pacific Prosperity - uniting 22 Pacific nations and territories to sustainably manage 100% of the Blue Pacific Continent, and creating the largest conglomerate of conservation areas in the history of the world.

Micronesian Conservation Trust (MCT) – A mature and excellent example of a number of countries in the Northern Pacific committing both globally significant conservation areas and consolidating funding to minimize administrative burden and maximise impact.

Niue Ocean Wide (NOW) Trust – Niue has developed the innovative Ocean Conservation Commitment (OCC) probably the world's first nature type credit that has been sold internationally, to effectively manage its large Marine Protected Areas, quarter the size of France, in perpetuity and in a way that builds their resilient sustainable Blue economy at the same time.

Fiji's Blue Bonds. Raised \$20m and starting to fund community restoration activities and large waste management projects in Fiji.

Tuvalu's Survival Fund... and many more

All have been designed and developed by SIDS themselves to suit their unique challenges and absorptive capacities, and importantly to address long term sustainable efforts.