



## 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

*12<sup>TH</sup> 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 what major features of our lives, livelihoods, and the global order will change permanently or indeed already have 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, is 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 by 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, associated with achieving 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 vaccination nationalism.

Ensuring widespread global access to COVID-19 vaccines, which is necessary for preventing cases and deaths and contributing to global population immunity, is a critical challenge, and one that could threaten the ability to control the pandemic, especially in the case of 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 Cuba is leading the efforts in the development of a vaccine and recently received excellent reviews by the WHO. Small Island States will continue to be pioneers in all aspect of society and will continue to advocate for a fairer, more just and equal world.

Excellencies,

SIDS have always been inherently susceptible to external economic and financial shocks. We are small, remote, have a narrow resource bases, and exhibit high reliance on imports, high levels of public debt and challenging economic growth prospects.

COVID-19 pandemic poses both immediate economic and financial challenges to our small states and is causing social and societal damage.

For our small vulnerable economies, these challenges will persist well beyond the recovery.

Even as we struggle to contain the virus, our governments must provide the social safety nets that our poorest and most vulnerable desperately need.

As small states, we are faced with enormous pressures in saving lives and safeguarding livelihoods within our limited fiscal space.



It has now become a matter of deciding how to re-align finances, should we pay Peter or do we pay Paul?

These are our realities, Excellencies - we are forced to redirect loans originally intended for development purposes to now addressing COVID-19 relief measures.

And at the same time, we are further forced to acquire new loans to service existing loans.

As tourism-dependent economies, we remain concerned about the adverse impact of the travel restrictions 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 citizens, we are also burdened with enormous economic decline. We therefore encourage Governments to facilitate the resumption of safe cross-border travel that would begin to revive our struggling economies.

Continued travel restrictions and other harmful economic measures not only impacts our current situation but will bear heavy burdens in the medium to long-term. Urgent and fundamental global policies are needed to respond to the instability and uncertainty that currently clouds our future.

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, but 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 those banks' 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 as 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 the enhancement of existing financial instruments to provide debt relief including through debt cancellation, debt suspensions, debt rescheduling and restructuring, 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.

We further reaffirm that official development assistance (ODA) is critical in supporting our countries' efforts to implement the 2030 Agenda. We urge the donor countries to honor their ODA commitments.

we strongly believe that the UN Development System and IFIs should not be looking into the size of the population as a primary indicator of need.

In the allocation of funds and programmes by multilateral institutions, critical factors such as economic base and high dependency on vulnerable industries should be considered as alternative allocation practices for resource mobilization.

The implementation and utilization of a multi-dimensional vulnerability index for SIDS is therefore 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, and that we look forward to constructive discussions under the UNFCCC to setting a new collective quantified goal from a floor of USD 100 billion per year, taking into account the limited climate finance flows to SIDS and the need to increase climate finance to our vulnerable states.

Moreover, we firmly reject the imposition of unilateral coercive economic measures against developing countries, as stated in the Agenda 2030. 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,

Whilst no one can yet predict whether COVID-19 itself, or the damage to economies and livelihoods due to the lack of comprehensive global policy responses will provide the lessons for future multilateral responses, we do know that history will offer a somber reminder that the most vulnerable of countries were left wanting, and for that, history may never forgive us.

