

Financing sustainable development in Small Island Developing States

Wednesday 25th April 2018

1.15-2.30pm

Conference Room 7 - UN Headquarters, New York

BACKGROUND

The cost of achieving sustainable and climate-resilient development will be high for small island developing states (SIDS). While natural disasters – storms, hurricanes, cyclones, etc. – have been a feature of life in SIDS for centuries, the effects of climate change are exacerbating their intensity and even putting an existential threat on some of these countries. SIDS' climate vulnerabilities add up to the large development challenges that SIDS draw from their structural characteristics (e.g. small populations, spatial dispersion, remoteness) and which include: high perceived risks and little attractiveness to foreign investors; small and undiversified economies to generate foreign exchange, incomes and tax receipts; large recurrent costs and, for some, large debt and narrow fiscal space for development investments. This complex set of challenges leads to higher levels of overall economic vulnerability in SIDS than in larger countries with comparable income levels.

Therefore, to achieve sustainable development, SIDS will need to invest resources to respond and build resilience to increasingly devastating natural disasters, rising sea levels and other impacts of climate change. SIDS will also need resources to invest in new development models and solutions that can address their specific vulnerabilities, turning some of their weaknesses into strengths, and charting the course to a new era of sustainable development. SIDS are already starting to do this, demonstrating an ambition to exploit renewable energies – sun, wind and ocean waves, all abundant in SIDS – to break dependence on fossil fuels, and to use their vast marine resources sustainably and innovatively to boost economic growth, employment and food security (e.g. the “blue economy”).

Development partners can play a better role than they have in the past to help SIDS secure and invest resources for sustainable development. As highlighted in the OECD report “Making Development Co-operation Work for SIDS”, concessional finance from the international community remains a vital source of financing for development for many SIDS. However, significant challenges remain to enhance access to it, to use it more catalytically to attract a broader set of public and private resources, and to channel it where it is most needed, including towards breaking dependence from fossil fuels, enhancing infrastructure, managing debt, and building resilience. Positive examples exist of new approaches and financing instruments that could be further tested and brought to scale to effectively help SIDS embark on sustainable development pathways.

Objective and expected outcomes

This side event will be informed by the findings of the OECD report “Making Development Cooperation Work Better for Small Island Developing States”, which will be launched during the event.

The objective of the side event is to bring together knowledge and experience from different stakeholders in order to explore approaches and financial instruments that can help SIDS maximise resources for sustainable development from a broader array of resources, in line with the comprehensive and integrated financing framework for sustainable development provided by the Addis Ababa Action Agenda.

The expected outcomes of the event are to discuss solutions and to identify further actions, as well as partnerships and networks, to scale up efforts in support of financing for development in SIDS, with a particular focus on:

- **Enhancing access to concessional finance and broadening partnerships**, including through innovative approaches to release absorptive capacity constraints and enhance the ability to mobilise, manage and spend financial resources from a wider array of sources to decrease dependence on a single provider.
- **Using concessional finance more catalytically to mobilise a wider set of public and private resources for development**, through innovative financial instruments such as green bonds, blue bonds, and blending arrangements, and through measures to expand fiscal revenues.
- **Channelling resources where they are needed the most and to help move, at least some SIDS, closer to self-sufficiency**, including: breaking dependence from fossil fuels, building climate resilience, fostering the blue economy.

Format and panellists

MC: welcomes the audience and panellists	01.15-01.16 (1 min)
<i>HE Ms Tegan Brink, Ambassador and Deputy Permanent Representative of Australia to the United Nations</i>	
Opening remarks	01.16-01.21 (5mins)
<i>Jorge Moreira da Silva, Director, OECD</i>	
Presentation of OECD report 'Making Development Cooperation Work for Small Island Developing States'	01.21-01.31 (10 min)
<i>Piera Tortora, Advisor on financing for development, OECD</i>	
MC introduces panellists and discussion	01.31-01.34 (3 mins)
Panel / SIDS country experiences	01.34-02.04(30 mins)
<i>HE Fekitamoeloa 'Utoikamanu, United Nations Under-Secretary-General and High Representative for SIDS, LDCS, LLDCS</i>	
<i>HE Mr Craig Hawke, Ambassador and Permanent Representative of New Zealand to the United Nations</i>	
<i>HE José Luis Rocha, Ambassador of Cabo Verde to the United Nations (tbc)</i>	
<i>HE Mr Angus Friday, Ambassador of Grenada to the United States and Mexico</i>	
<i>HE Mr Aliioaiga Feturi Elisaia, Ambassador and Permanent Representative of Samoa to the United Nations</i>	
Q&A	2.04-2.28 (24 mins)
Wrap up and closing	2.28-2.30 (2 mins)