



**Remarks by Ambassador Satyendra Prasad, Permanent Representative of Fiji to the UN
Informal virtual Meeting of ECOSOC on Financing for Development follow-up on
“Financing a Sustainable Recovery from COVID-19”**

New York, Tuesday 2 June, 2020

**Madam President; and
Deputy Secretary-General.**

Thank you for convening this timely discussion at an extra-ordinary time in our history.

All countries across the world – rich and poor; large and small; Island and landlocked face pressing challenges as a result of the COVID-19 pandemic. We now know that a global health crisis has now morphed into a full blown multidimensional human crisis.

Small island developing states, like large states and rich states, also need large scale injection of funds to contain the human suffering that now confronts them. Fiji’s Prime Minister, Honourable Josaia Voreqe Bainimarama called on the UN last week to help mobilize an economic stimulus to small states that is equal to 0.5 percent of the stimulus in G7.

We need World’s leaders to focus on this singular goal – at the G20; at the G7 and at the UN High Level Summit.

I do not need to tell this audience that small states plainly do not have the means to borrow on scale that is needed in their domestic markets. They cannot cut themselves off from the global economies. They need to trade. They cannot recreate supply chains on their own. They need to import. Many, because of rising sea levels have less and less arable lands to enhance their food security.

It is absolutely right for the UN to lead in forging a new international solidarity and for bold action.

Allow me to make four propositions.

First, for most Small Island Developing States (SIDS); the UN's COVID-19 Response and Recovery Fund will become the main instrument for restoring stability over the next several years. This Fund may become the lead instrument for building new economic opportunities. This Fund, should in my view, have an ambition for least 10 billion over a 5-year period. Properly structured; this Fund will enable small states to catalyze other development resources.

The global social and economic crisis demands a significant grant stimulus; not a debt stimulus.

In time, the **COVID-19 Response and Recovery Fund** should become the core financing vehicle for SDG's. Consistent with the UN's SG's call to World Leaders last week, I hope that advanced economies can channel some of their domestic stimulus for this purpose as the damage suffered by the SIDs is asymmetrical and far beyond their capacity to respond in a measured manner.

Second, we heard the views of the IFI's at the UN Summit last week. The resources that they are capable and authorized to mobilize are nowhere near what is needed. The shortfall is in the order of several hundred billions of dollars. COVID-19 recovery funds should be on scale mirroring the magnitude of confluence of shocks – social; health; economic and growing in many countries security as well. They are not so today. They should be on highly concessionary terms for SIDS – regardless of the income level. They are not so today.

Many leaders of developing countries last week asked searching questions about the international economic governance architecture. The time for serious discussions has now arrived. The UN must rise to this challenge in taking this discussion forward.

Thirdly, there can be no retreat from our climate battle. An important way in which many island states have chosen to protect their oceans and biodiversity was by developing their tourism industry. The tourism industry depends on protection of marine resources, on healthy reefs; on pristine forests and on preservation of natural habitats. These are what drives the commerce of SIDS tourism.

This industry is in near total shut down mode. As it recovers, there are opportunities to think afresh what the industry may look like going forward. The Global Climate Fund, the Global Environment Fund; the RPSF can be considerably enhanced to support their recovery. But these can go much further.

Investments via these existing instruments can be fast-tracked; front loaded and focus on green and blue job creating; safety net boosting and livelihood expanding opportunities in and around the tourism sector.

Such an approach should be part of a global climate-oceans-ecological recovery response. A green and blue stimulus on scale and speed is within sight.

Several countries are already repurposing and re-modelling existing industries. Significant parts of SIDS tourism industry be repurposed to focus on environmental; biodiversity and ecological services; including digital services. Job creating opportunities for forest; mangrove; coral regeneration are already being ramped up in several countries. The tools for financing these already exist.

Fourthly, I return to the question of debt. Our leaders have discussed this extensively last week. I do not need to remind this audience of how much of the debt burden of SIDS are climate induced. Hurricane Dorian caused \$3 billion damage on the economy of Bahamas last year. The total grant and humanitarian assistance that it received was in the order of \$300 million. That effectively means that a higher burden of costs for recovery was met through domestic savings and international borrowing. Vanuatu; Solomon Islands; Jamaica and nearly all other SIDS will each have their own such story.

G7 and G20 leaders need a new green and blue recovery consensus. The COVID-19 presents an opportunity to think afresh; think bold and act with speed.

Debt swaps for protection of oceans; debt swaps for primary forest protection; debt swaps for ecological services are instruments that already exist. With political consensus; these are ready to go to scale. They need a helping hand and the necessary political momentum from G20 and the G7.

The UN needs to reshape how the World and financial markets look at sovereign debt.

The time for repurposing debt and leveraging debt for a green and blue recovery has surely arrived.

Many SIDS need to prepare for a recovery over the medium term. There is no switch on and off button for a speedy economic recovery sadly.

Madam President; for many SIDS; the means through which you operate an economy require higher levels of Government support than in large economies. They need to

maintain inter-island shipping even when commercial demand has collapsed. Their banks need to maintain services in towns and areas with small populations; airports and ports in islands need to be kept operational. Their health services are provided in relation to community access – and not based on population density.

All of these, by their very nature mean that small economies have high operating costs. The levels of government financing needed to maintain each service is high. The unit costs for achieving the SDG, in short are much higher in SIDS.

The time for debt swaps for SDG's outcomes has surely arrived.

Madam President

The UN reports over the last few weeks on the social and economic impacts of COVID-19 are startling. But behind these numbers of 300 million jobs losses globally; 1 billion children being out of school is the face of families that are making very hard choices.

Across the SIDS; our families and communities are hurting. Mothers make daily choices on whether to buy milk for babies or rice for family; many parents are choosing which one child out of several should continue to go to school. Across informal settlements, families every few days choose how much more to borrow for yet another time from the neighborhood money lender at a yet higher interest rates than the week before.

To these women, children and men; these discussions at the UN cannot be too distant. Our discussions about a global economic stimulus of size and speed cannot be too remote. They look to us to forge a consensus and a pathway to speedy recovery for all countries – not only some. Thank you for giving me this opportunity to talk about what our discussions are exactly about this morning.

Vinaka vaka levu.