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|  | PACIFIC SMALL ISLAND DEVELOPING STATES  **UNITED NATIONS MEMBER STATES** | |
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**Third Preparatory Committee Meeting for the Fourth International Conference on Financing for Development (FfD4)**

**Consideration of the draft outcome document of the Conference**

**10 – 14 February 2025**

**Delivered by Vanuatu on behalf of the Pacific Small Island Developing States**

**Proposals**

1. **Realizing Sustainable Development (Para. 12-27)**

* We call for urgent and targeted investment in resilient infrastructure for SIDS, recognizing the disproportionately high costs of connectivity, transport, and renewable energy. Further, we emphasize the need for international cooperation to support communities displaced by climate change, sea level rise, and natural hazards while ensuring their rights are safeguarded and their ability to access sustainable livelihoods can be affirmed
* It should also be noted that SIDS receive less than two percent (2%) of global development assistance, which makes it challenging given our special situation to realize our development goals, therefore every effort including through targeted investment is critical to address our vulnerabilities.
* Under Para 18 and 20, supports the revitalization of inclusive and sustainable economic growth through sustainable financing to MSMEs, Women Economic Empowerment as well the need to also include creative economy under para 18 as an avenue to revive our traditional knowledge and cultural expressions, and youth start ups under para 20.
* We support under paragraph 18, the mention of "increased investment in culture". Whilst this is positive, it is somewhat vague. We would suggest, if possible, to expand this to reflect emphasis on preserving cultural heritage in the face of development pressures.

We suggest a language that calls for increased investment in culture to safeguard our unique heritage, promote resilience to advance sustainable development.

1. **Digital Finance and Technological Access (Para. 26, 34)**

* To close the digital divide in SIDS, we call for international investment in satellite-based broadband infrastructure and the development of regional fintech platforms to expand digital financial services, including mobile banking and remittances

1. **International tax cooperation and innovative taxes (Para 28)**

* On para 28, domestic efforts must be complemented by ‘ **regional’** in addition to international action. The document does not make reference to **regional efforts which** are critical and is missing in para 28.

References to regional efforts must be recognized, cognizant of its role in enhancing international tax cooperation, combatting illicit financial flows and addressing corruption at national and regional level.

* Support the recognition of SIDS together with LDCs and SIDS under paragraph 30 which should be included in the text. Our progress in the Pacific towards investment and economic autonomy is shielded by unilateral punitive measures such as such as grey and blacklisting which needs to be recognized under para 30 as a drawback, adding further complexities to our development trajectories
* Para 30 – 32: subheading under 29 (i) to replace “ Capacity support” with Technical Assistance and Capacity Support” cognizant of the urgent need to broaden the scope to bridge the knowledge gaps and to strengthen our tax regimes.

1. **Climate and Biodiversity Financing (Para. 39-40)**

* Loss and Damage finance must be new, additional, and non-debt creating for SIDS. We call for the operationalization of a dedicated Blue Finance Window under multilateral climate and biodiversity funds, recognizing the role of ocean economies in SIDS’ in view of our large ocean space and the potential it has for sustainable development and resilience-building.

1. **International Development Cooperation (Para. 37-41)**

* We support the call for development partners to commit to the target of 0.7% of ODA/GNI and at least 0.2% of ODA/GNI to LDCs is allocated with a clear focus on long-term, sustainable development that is aligned with the priorities and needs of SIDS, ensuring predictable, flexible, and climate-responsive development assistance, this includes directing ODA via national systems and processes, including national budget.
* Additionally, we urge international financial institutions to simplify access procedures for SIDS to enable faster disbursement and uptake of funds for resilience-building and sustainable development[[1]](#footnote-1)

1. **Trade and Economic Diversification for PSIDS (Para. 42-46)**

* We reiterate that special and differential treatment for developing and least developing countries remains central and must be reflected in the chapeau or paragraph 42
* We call for the establishment of a dedicated SIDS Trade Preference Regime under WTO rules for the recognition of SIDS as a Group in WTO that requires flexibility in the application of WTO rules. Trade Preference Regime for SIDS will facilitate fair market access for blue carbon credits, sustainable fisheries, and eco-tourism.

The international trade system must recognize the limited economies of scale and high transport costs faced by SIDS and tailor trade facilitation measures accordingly.

* We thank you for the recognition of our members who are net food importing developing countries (NFIDCs) under 43 (d) which must be safeguarded in this text given the nature of our islands as net food importers and the need to strengthen supply chain to guarantee food security cognizant of our vulnerabilities.
* As large ocean states, fisheries is the life blood of our economies, under 43 (b) we call for the urgent need to finalize the long pending WTO Fisheries Subsidies Agreement Part II that should lead to a comprehensive Agreement that will address subsidies to overfishing and overcapacity. The Pacific supplies more than 60% of tuna globally to address food security, therefore our resource must be fished sustainably, highly subsidized and industrialized distant water fishing vessels harms our resources.

1. **Debt Sustainability and Financing for SIDS (Para. 47-51)**

* We urge the full operationalization of a debt-for-climate and debt-for-nature swap mechanism that allows SIDS to redirect unsustainable debt repayments toward climate resilience and environmental protection.
* We further call for MDBs to integrate the Multidimensional Vulnerability Index (MVI) into their concessional lending frameworks, ensuring that SIDS are not unfairly excluded from crucial financial support.
* While we note that some MDBs like ADBs have integrated such criteria as an assessment tool, we look forward to the broad integration of such criteria in other MDBs

1. Relocation is not the panacea for our low-lying islands and coastal areas. Consultations with some of the worst affected islands such as in Langalanga lagoon and Reef Islands indicated reluctance to move out of islands for very valid reasons (identity, home, cultural significance, way of life etc.). Additionally, we need to shift away from the “victim” narrative that has been perpetuated by SIDS and even PICs as well to the point that relocation has been put us as the solution but it is also a highly contentious one. [↑](#footnote-ref-1)