

# Islands of Change: Building fiscal resilience in the face of climate crisis

## When

**Date:** 3 December 2023

**Time:** 9:00 to 10:00 AM

**Location:** Antigua and Barbuda Pavilion

**Duration:** 60 minutes

## Context

Despite contributing less than 1% to global greenhouse gas emissions, Small Island Developing States (SIDS) are disproportionately affected by climate change. Their geographical characteristics make them especially susceptible to disasters, whose frequency and impact have escalated dramatically. IIED's most recent research [Sinking islands, Rising debts](#) (2023) shows that from 2011 to 2022, the affected population in SIDS increased by around 120%, and deaths per million rose by about 60%. These disasters have devastating economic consequences. SIDS constitute two-thirds of countries experiencing the highest relative annual losses from such events, with disaster-related damage as a percentage of GDP surging by nearly 90% over the same period.

SIDS often have to resort to debt to recover from these recurring disasters. Our analysis shows that the financial stability of SIDS is getting compromised by escalating debt levels. Over 40% are nearing or already in debt distress, and an alarming 70% surpass the debt-to-GDP sustainability threshold of 40%. Six SIDS have debt-to-GDP ratios exceeding 100%.

Additionally, private debt has swelled from an average of 6.47% of GDP in the 2000s to 35.85% in the 2020s, often carrying higher interest rates. The impact of rising debt level is more than just economic. It constrains the fiscal space of the governments and limits investment in social services, social protection and resilience-building, exacerbating poverty and inequality. Furthermore, it hampers progress towards global Sustainable Development Goals (SDGs).

For the SIDS, breaking free from this vicious cycle is not just an economic imperative but a question of survival. The interconnected challenges of climate change and debt require a concerted, multifaceted response.

Working together with key stakeholders, especially the Government of Antigua and Barbuda as SIDS4 hosts, IIED will facilitate the design process for an initiative that aims to create a new financial compact for SIDS that will ensure SIDS debt sustainability, greater investments in resilience-building measures and support resilient prosperity with the aim of launching it at the SIDS 4 Conference in May 2024 and integrating it with the agreement and implementation of the Antigua and Barbuda Accord (2024-2034).

Specifically, the event will introduce the idea of a debt sustainability support service that is SIDS owned and led and gives SIDS access to pro bono support on the legal, commercial and data analysis needed to proactively advance debt sustainability and long-term capability building. The event serves as a launch of the design process of this element.

## Objectives

The event has the following objectives:

1. Raise Awareness and understanding of the unique financial and environmental challenges faced by SIDS due to climate change and the pressing need for creation of fiscal space to ensure investment in climate resilience.
2. Introduce the objectives of the new initiative for SIDS, focusing on debt sustainability, legal empowerment, and financial mobilisation. This involves outlining how the initiative will provide

practical, impactful solutions for debt sustainability, enhance legal negotiation capacities, and unlock financial resources for climate resilience and sustainable development.

3. Engage and seek active participation and collaboration of a diverse group of stakeholders, including government representatives, financial experts, legal practitioners, climate activists, and international organisations. The goal is to create a platform for dialogue, share best practices, and foster partnerships that will support the initiative's implementation and success.
4. 'Call to Action' and commitment from global, regional and local leaders, financial institutions, and other key stakeholders. This includes advocating for financial investment, technical assistance, and policy support to ensure the initiative's effective rollout and sustained impact in enhancing the resilience and prosperity of SIDS in the face of climate challenges.

## Proposed agenda and format

### 1. Opening Remarks (5 minutes)

Welcome and introduction- Tom Mitchell, Executive Director, IIED and Tumasie Blair, Deputy Permanent Representative of Antigua and Barbuda to the UN / Ambassador Aubrey, Antigua and Barbuda

### 2. Keynote Addresses (15 minutes)

- **Gaston Browne, Prime Minister of Antigua and Barbuda (7 minutes):** Addressing the importance of the initiative for SIDS, focusing on climate change and debt sustainability.
- **Chair of AOSIS (7 minutes):** Discussing the broader implications for SIDS globally and the role of AOSIS in this initiative.

### 3. Presentation of the Initiative (5 minutes)

Detailed presentation on the design and objectives of the 'Global SIDS Debt Sustainability and Investment Support Service' Ritu Bharadwaj, Team Leader and Principal Researcher, IIED

4. **Panel Discussion (30 minutes)** Challenges faced by SIDS, innovative solutions, and the role of local, regional and international cooperation.

**Moderator:** Tom Mitchell, Executive Director, IIED

**Panellists:** *Suggestions*

- Tiofilusi Tiueti, Minister of Finance, Tonga
- Kavydass Ramano, Minister of Environment - Government of Mauritius or Quincia Gumbs Marie, Minister of Innovation, Sustainability and the Environment - Government of Anguilla
- Hyginus Gene Leon, President of Caribbean Development Bank (CDB)/ Daniel Best, Director of Projects, CDB
- Aren Palik, President, Pacific Islands Development Bank
- Dr. Mahmoud Mohieldin, UN Climate Change High-Level Champion and IMF RST Chair or Barbara Buchner, Global Managing Director, Climate Policy Initiative
- Simon Young, Senior Director, Caribbean Catastrophe Risk Insurance Facility (CCRIF)

5. **Closing Remarks (5 minutes)** Summarising key points and next steps.

## To join the event

- Registration link:
- For further details: