SIDS4 Side Event

Global SIDS Debt Sustainability and Investment Support Service: Towards resilient prosperity of SIDS

Date: 29 May 2024
Time: 8:00 to 9:30 AM

Hosted by: Co-Chairs of the Strategic Advisory Group, H.E. Gaston Alphonso Browne, Prime Minister of Antigua and Barbuda, and H.E. Dr. Mohamed Muizzu, President of the Maldives

Context

At the heart of the global climate conversation are the Small Island Developing States (SIDS), whose very existence is imperilled by the disproportionate impact of climate change. Despite contributing less than 1% to global greenhouse gas emissions, SIDS face devastating consequences. IIED’s most recent research Sinking islands, Rising debts shows that the mounting frequency of climate-induced disasters not only threatens their environmental integrity but have devastating economic consequences. SIDS constitute two-thirds of countries experiencing the highest relative annual losses from such events creating a ripple effect that manifests into escalating debt. 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%. This debt crisis impacts more than just finances, it limits investment in social services, social protection and resilience-building, exacerbating poverty and inequality. Furthermore, it hampers progress towards global Sustainable Development Goals (SDGs) by diverting funds to debt servicing.

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.

To address these urgent needs, the Strategic Advisory Group (SAG) was established, co-chaired by H.E. Prime Minister Gaston Alphonso Browne of Antigua and Barbuda and H.E. President Mohamed Muizzu of the Maldives. The SAG is tasked with guiding the creation of the ‘Global SIDS Debt Sustainability and Investment Support Service’.

The design process of the Support Service was launched at COP 28 with the SAG’s formation. Through the concerted effort of the SAG, comprising of SIDS finance and environment ministries, key global, regional and local financial institutions, and civil society organisations, the design has been shaped by collaborative dialogue sessions, engaging a spectrum of stakeholders in a transparent, inclusive process.

Through a series of deliberative dialogues with stakeholders across various sectors, the SAG has been gathering input to shape an effective and actionable design for the Support Service which aims to deliver a comprehensive response combining debt sustainability, future protection, investment in resilience, and legal support for SIDS.

Objectives

The official launch of the Global SIDS Debt Sustainability and Investment Support Service will be done at this side event at SIDS 4 Conference. We aim to present the design document of the service along with the plan for operationalisation of the service.

Stakeholders will engage in panel discussions on how the service structure, governance, financial mechanisms of the support structure will work and how it can integrate with the SIDS new programme of action.

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**

2. **Keynote Addresses**
   - Gaston Browne, Prime Minister of Antigua and Barbuda and H.E. President Mohamed Muizzu of the Maldives: Addressing the importance of the initiative for SIDS, focusing on climate change and debt sustainability.

3. **Presentation of the Initiative**
   - Detailed presentation on the design and objectives of the ‘Global SIDS Debt Sustainability and Investment Support Service’

4. **Panel Discussion**

5. **Closing Remarks** Summarising key points and next steps.