



PERMANENT MISSION OF SAINT LUCIA TO THE UNITED NATIONS

STATEMENT BY

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AND MINISTER FOR FINANCE, ECONOMIC GROWTH, JOB CREATION EXTERNAL
AFFAIRS AND THE PUBLIC SERVICE

TO THE MEETING OF THE HEADS OF STATE AND GOVERNMENT ON FINANCING THE
2030 AGENDA IN THE ERA OF COVID-19 AND BEYOND

NEW YORK

TUESDAY 29th SEPTEMBER, 2020

I wish to commend my colleague Prime Ministers of Canada and Jamaica and the United Nations Secretary General for bringing together Heads of State and Government, International organisations, and other key stakeholders to discuss and consider concrete financing solutions to the COVID19 crisis.

While I applaud the work done over the summer months to deliver the menu of options before us, which offers a wide and varied selection that would allow member states to choose options that best suit their national circumstances. It is my considered view that the menu does not effectively address the systemic inequities that have long plagued and prevented small Island developing states like Saint Lucia from achieving meaningful sustainable development.

When we gathered in the Spring I called for a holistic approach that would address SIDS challenges with SIDS solutions, focused on our systematic constraints. I highlighted that it is an imperative that a dynamic approach be taken to treat with the recognised vulnerabilities of SIDS as an issue that cuts across the international financing architecture. This approach must deviate from the income only measure of need and the utilisation of a multidimensional vulnerability index.

This holistic approach, a compact for the SIDS, would aid in designing innovative response mechanisms and enhance existing financial instruments to guide SIDS economies through this period of crisis and create a responsive system where gains can be maintained, resilience to climate change can be reinforced, and development achieved.

Saint Lucia has been working diligently, learning how best to co-exist with COVID19 through innovative measures. Those of us who are highly dependent on tourism, cannot leave our economies closed off, we have to re-open. There is an urgent need to identify the solutions that will facilitate an effective recovery. We need the political will to advance the SIDS compact, the pen holders and architects of this international financial system, must act to adequately incorporate the needs of SIDS into the economic recovery mechanisms.

As we move our discussions from this high level meeting to feed this effort into and mobilise action at the fall meetings of the World Bank and the IMF in October and the G20 Leaders Summit in November, it is necessary that our ambitions and partnership align for the cause of SIDs and that the following measures be included not just for consideration but as measures to be actioned and achieved.

Short-term

- a. **Expanding the scope of the DSSI.** Increasing liquidity, through expanded quotas and SDRs. Alternative and additional measures (not tied to income only measures) should be developed to allow effective access to resources on concessional terms.
- b. **Debt moratoriums.** Engagement by creditors (bilateral and private) for forbearance for those that request it, and for two years in the first instance. These moratoriums should also apply to legal remedies from creditors.

- c. **Enabling favorable trade conditions for SIDS.** Supporting the maintenance of trade markets and engaging on diversification options for SIDS and a possible export quota to be allocated to SIDS
- d. **Establishing a resilience fund.** Establishing a dedicated funding facility through assistance from philanthropic partners/organizations and development partners specifically to subsidize the debt servicing cost of green/blue bonds issued by SIDS. The proposed facility to be administered by a Multilateral Development Bank based on prescribed terms and conditions.

Medium-term

- e. **Reducing external debt** to a sustainable level in the medium term through a multilateral debt workout mechanism. More systematic, transparent and coordinated steps towards restructuring external debt obligations are critical.
- f. **Ensuring financial inclusion.** Addressing the pressing challenges of de-risking and the maintenance of critical correspondent banking relationships in SIDS.

Mid- to long-term

- g. **Devising a toolkit of innovative financial instruments,** such as debt swap mechanisms and state contingent debt instruments, with the aim of contributing to a long-term and comprehensive solutions towards debt sustainability. Engaging possible donors early on is essential as is building capacity in SIDS to navigate these mechanisms.
- h. **Aligning recovery packages with the Paris Agreement.** The only manner in which alignment can and must occur is to bring forward COVID recovery plans, ambitious NDCs and low emissions carbon resilient strategies or plans that mutually reinforce each other.
- i. **Developing investment and implementation plans.** Translating national plans into specific policies and investment plans integrated into national budget and planning processes, in line with the SDGs and Paris Agreement.