



## **PACIFIC SMALL ISLAND DEVELOPING STATES United Nations Member States**

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### **Statement by Dr. T. Suka Mangisi, Charge' d'Affaires a.i. and Deputy Permanent Representative of the Kingdom of Tonga to the United Nations on Behalf of the Pacific Small Island Developing States on the Preparatory Process for the Third International Conference on Financing for Development,**

**New York, Tuesday, 11<sup>th</sup> November 2014**

"Check against delivery"

#### **Distinguished Co-Facilitators,**

I have the honor to speak on behalf of the 12 Pacific Small Island Developing States (PSIDS) with presence at the United Nations namely the Federated States of Micronesia, Fiji, Kiribati, Nauru, Palau, Papua New Guinea, the Republic of the Marshall Islands, Samoa, Solomon Islands, Tuvalu, Vanuatu, and my own country Tonga. We align ourselves with the statement delivered by Nauru as Chair of the Alliance of Small Island States (AOSIS), and for those of us who are members of the Group of 77 and China, with the statement delivered by the Plurinational State of Bolivia as Chair of that Group.

#### **Co-Facilitators,**

We welcome the convening of the second substantive informal session focused on the "The Global Context" in the Preparatory Process for the third International Conference on Financing for Development, in the lead up to Addis Ababa next July.

As this is our first occasion to speak at this forum, PSIDS congratulates the Co-Facilitators for your respective appointment and also thank you for your commitment, leadership and guidance.

We also thank the UN Secretariat for the useful briefing notes to guide our discussions.

PSIDS also joins other delegations in commending the UNDP Administrator Helen Clark for her constructive Keynote address and also the other distinguished panelists for their rich and thought-provoking briefings yesterday afternoon on financing for development in the global context.

On the process, PSIDS share the view of other delegations that this must be an open, transparent and inclusive process involving a multitude of all stakeholders and capital-based participants, where Member States taking a lead role whilst encouraging collective ownership of the outcome. On the substance and scope, for PSIDS, financing for development is an important and integral cornerstone amongst other crucial Means of Implementation (MoI) for the post-2015 development agenda.

It is therefore imperative that we get this right, at the outset, for a successful third International Conference on Financing for Development outcome that will facilitate the effective implementation of the post-2015 development agenda that we set.

### **Co-Facilitators,**

For PSIDS, we know all too well, like many other delegations in special situations, the nexus between adequate and sustained availability of resources, including financing for development, and a successful national, regional and international development agenda.

The lessons we have learnt from the unfinished business of the MDGs and also from the BPoA and MSI for Small Island Developing States (SIDS) are cases in point and a strong reminder to us all on the seminal importance of ensuring that the Means of Implementation, including financing for development remains a central pillar, if we are to deliver the promise of a transformative post-2015 sustainable development goals.

We firmly believe that the Monterey Consensus, the Doha Declaration, the Rio Plus 20 Outcome "The Future We Want", the Report of the Open Working Group on SDGs as contained in General Assembly resolution 68/309, and the Report of the Intergovernmental Committee of Experts on Sustainable Development Financing as well as the SAMOA Pathway, and the Secretary-General's Climate Summit last September provides the international community with solid guiding platforms that we can further distill and harness to reconstruct our collective needs for a meaningful and robust financing for development architecture that accounts for all stakeholders.

In this regard, PSIDS would note the utility of proposed Goal 17 on MoIs in the Report of the OWG on SDGs and also for SIDS, the SAMOA Pathway paragraphs 96 - 120, which speaks directly to inter alia financing for development and genuine and durable partnerships at all levels as catalyst for sustainable development, requiring due consideration.

We would draw to this meeting's attention the relevance of the overarching theme of "genuine and durable partnerships" for sustainable development in the Samoa Third International Conference on Small Island Developing States (SIDS) last September, that speaks to the substantive issues now under consideration in this session.

### **Co-Facilitators,**

We cannot overemphasize the importance of financing from all sources, domestic and international, public and private and innovative financing, as key MoI components needed to successfully support the global post-2015 sustainable development agenda. This therefore deserves focused attention in the preparatory process and the Conference itself.

Despite PSIDS small and fragmented domestic resource base, we value internal resource mobilization as an important source of financing for development. We continue to harness this through policy and legislative measures such as strengthening governance and accountability mechanisms, tax reforms, debt sustainability management, and public-private partnership that is mutually accountable.



The challenge for us however, is that this is insufficient for the delivery of our national development priorities and therefore the relevance of complementary international financing is a necessity.

Though we are cognizant of the present ongoing depressed global economic environment and the impact this has had on mobilizing international public and private finance including ODA, we urge developed countries to fulfill their ODA commitments of 0.7 percent of gross national income to developing countries, including SIDS, and meeting the target of 0.15 to 0.20 percent of GNI for ODA to least developed countries.

ODA remains a critically important tool for PSIDS sustainable development. Limited financial resources have hampered the ability of our governments to implement sustainable development solutions. The mutually beneficial and durable partnerships that PSIDS have cultivated with development partners have helped drive forward our development agenda.

Too often ODA is inefficiently deployed, travelling through too many middlemen or unproductively earmarked. We call for streamlining mechanisms of financing so that they reach targeted communities to positively impact their lives. To that end, more multilateral finance should be drawn from core sources, in contrast to the current situation where between 50 and 80 percent of Pacific regional program funds are earmarked by donors. Making financing work for SIDS means it must be accessible and predictable. Such changes to the way assistance is given and received goes hand in hand with strengthened monitoring and accountability mechanisms, to make sure that development assistance is truly having its desired impact.

We would also underscore that the improved domestic resources mobilization and South-South cooperation should not be seen as a catalyst for developed countries to replace their ODA or halt or reduce North-South and triangular cooperation but rather deem it as a complementary support.

### **Co-Facilitators,**

This is also an opportunity to ensure that the new development agenda addresses the shortcomings of the international financial architecture in the wake of the global financial crisis, including reforms of the existing unfair multilateral trade system.

The global crisis adversely affected economic growth outcomes internationally, including in the Pacific region, derailing progress on the MDGs. This is a lesson that we must learn from and work towards a new framework that is less crisis-prone international financial architecture and also supports a rules-based, fair and just multilateral trade system.

For PSIDS, trade partnerships are directly linked to food and energy security as well as health issues such as medical supply, where unfavorable trade terms imposes burdens on Pacific households. Trade enhancement capacity building investment would contribute to boosting trade, strengthening domestic economies and complement the sustainable development of PSIDS.

The new global partnership arrangements must also improve access to finance for developing countries, especially SIDS, particularly concessionary finance for infrastructure development, as well as for disaster risk reduction and resilience building.



At the same time, multilateral institutions and developed countries must do more to alleviate the debt burden of countries in special situations, including SIDS in the new development agenda. International financial institutions must assist SIDS in ensuring long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate.

### **Co-Facilitators,**

Governance and accountability issues are also critical in the new development framework. Strengthening public financial management will remain an important priority. Another important area to highlight is the importance of creating decent jobs, given the large youth bulge in the working age population.

Creation of decent jobs, both in the formal and informal sector, is the most critical component of inclusive growth. In addition, investment in human capital development will be important to meet the acute skills and capacity gap in PSIDS. The economic empowerment of women must also continue to feature strongly in the post-2015 agenda and require adequate level of financing. We also welcome the recognition of the importance of addressing financing for development in the context of climate change adaptation and mitigation in the background briefing notes.

The impact of climate change and natural disasters and also the cost of energy for development have a heavy toll on many developing countries, particularly SIDS economies, including from the Pacific region. This needs to be recognized in the financing for development of the post-2015 agenda, in particular, the need to factor in the impact of climate change on key development and poverty dimensions. The relationship between climate and energy makes the latter a natural sector for productive investment. Funds targeted to the development of renewable energy can help in spurring growth alongside a healthy and productive population.

It is important that financial commitments made through all other mechanisms that have impacts on sustainable development, such as those made through the UNFCCC, be up-scaled, fully mobilized and honored so that their intended objectives in sustainable development are achieved in time to avert calamitous or disastrous setbacks.

For PSIDS, like many other countries, climate change remains an existential threat and a nemesis to our sustainable development pathway. This is why we have been a strong advocate for a stand-alone SDG on Climate Change and we are pleased that the OWG on SDGs has accounted for this but we recognize that this is still work in progress.

Given the PSIDS reliance on Oceans for economic growth and sustainable livelihoods, it is also important to ensure that the new post-2015 development agenda framework encourages the conservation and sustainable use of the Oceans.

This must be supported by an appropriate level of financing for development, including appropriate marine technology transfer on mutually agreed terms and fair and equitable returns for the exploitation of the fisheries sector.

**Co-Facilitators,**

Finally, The Third International Conference on Financing for Development has the promise to be a momentous step forward as all Member States work in partnership to address the financial requirements associated with making sustainable development a global reality.

In closing, PSIDS reaffirms its commitment to engage constructively in an open, transparent and inclusive manner, going forward to Addis Ababa and beyond.

Thank you.