

4TH INTERNATIONAL
CONFERENCE ON
**Small Island
Developing States**
2024



UN-OHRLLS

Debt Crisis in SIDS: A Call for Rapid Concerted Action as we look towards SIDS4

17 April 2024
8:30 - 10:00 am

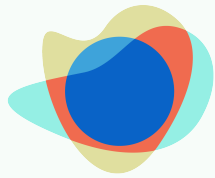
**Spring Meetings of the World Bank Group
& the International Monetary Fund
Washington DC
Room: MC 13-400 (EDS Lounge)**

JOIN VIRTUALLY

Supported by:



Ireland



4TH INTERNATIONAL
CONFERENCE ON
**Small Island
Developing States**
2024



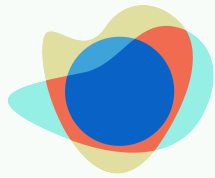
UN-OHRLLS

Join us for a critical and time sensitive event aimed at tackling the urgent economic and debt crises currently facing Small Island Developing States (SIDS). SIDS have long faced debt sustainability challenges, due to their unique circumstances and vulnerabilities. The recent confluence of global crises and shocks have further exacerbated the situation: over 40% of SIDS are now on the edge of or already grappling with unsustainable levels of debt, creating a vicious cycle of fiscal stress and climate vulnerability. This severely constrains their ability to invest in resilience, climate action and the SDGs, and would severely limit the implementation of their new 10-year framework.

In the past three decades, the frequency and intensity of high-impact disasters affecting SIDS have surged, with over a 133% increase witnessed in 2020 alone. Due to limited resource bases, geographic isolation, and heavy dependence on food imports, SIDS face escalating economic and financial risks, compounded by their heightened exposure to environmental adversities. The COVID pandemic has only worsened the debt situation in SIDS: whereas between 2011 and 2019 SIDS' debt fluctuated between 48% and 51%, between 2020 and 2021, external debt across SIDS increased to 59.7% and 60.4% respectively. Swift and concrete actions are imperative.

Conventional income-based metrics often fail to fully grasp the multifaceted vulnerabilities confronting SIDS. Despite relying on external borrowing to fund development and respond to crises, SIDS frequently lack access to adequate development resources, including concessional finance or mechanisms for effective debt relief. Notably, private external debt in SIDS tends to rise during or after major disasters. In the Seychelles, the level of private external debt is over 88% of their total external debt, with Trinidad and Tobago at almost 64% and Papua New Guinea and approximately 58%. For these and other SIDS, the private external debt was seen to increase in the years of a major disaster or in the years after.





4TH INTERNATIONAL
CONFERENCE ON
**Small Island
Developing States**
2024



UN-OHRLLS

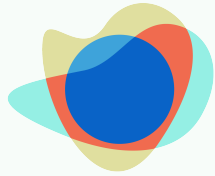
The recently introduced Multidimensional Vulnerability Index (MVI) substantiates what has long been recognized - SIDS are exceptionally vulnerable. The MVI unequivocally reveals that 70% of all SIDS score above the median, underscoring their inclination to grapple with high structural vulnerability and a lack of structural resilience across multiple dimensions of sustainable development.

We urge major stakeholders, such as the World Bank Group, the International Monetary Fund, multilateral and regional development banks, bilateral creditors, and private creditors, to proactively take decisive actions. These actions should encompass the creation of new financial instruments and the enhancement of existing ones to provide essential debt relief, encompassing debt cancellation, suspension, rescheduling, and other supportive measures, including through the Pan-SIDS debt sustainability support service.

SIDS require particular attention, notably in the context of this year's Fourth UN Conference on Small Island Developing States that will take place from May 27-30 in Antigua and Barbuda. At the Conference the United Nations Secretary-General, Antonio Guterres will convene a High-level meeting on resource mobilization for SIDS. The meeting will address the high level structural vulnerability and lack of structural resilience that limits concessional financing or mechanisms for effective debt relief. The Secretary-General will lead decisive action toward the creation of new and enhanced financial instruments for sustainable development.

Your active engagement and participation in this event will significantly contribute to addressing the urgent issue of debt vulnerabilities in SIDS, including proposals on immediate and medium-term solutions.





Programme

Date: 17 April 2024, 8:30-10:00am

Moderator: Tishka Francis, Head of SIDS Sub-Programme, UN-OHRLLS

8:30-8:50

Welcome and Opening Remarks

- *H.E. Fatumanava-o-Upolu III, Dr. Pa'olelei Luteru, Permanent Representative of Samoa to the United Nations and Chair of AOSIS*
- *Ms. Rasona Davis-Crump, Financial Secretary of Antigua and Barbuda*
- *Mr. Christopher Sinkler, Alternate Executive Director, Barbados*

Keynote Remarks

- *Mr. E Courtenay Rattray, Chef de Cabinet, Executive Office of the United Nations Secretary-General (EOSG)*

8:50-9:00

Scene Setting and Moderator for Panel Discussion:

Ms. Shari Spiegel, Director, FFSD, UN-DESA

9:00-9:10

Interventions by SIDS Representatives:

- *H.E. Mr. Va'inga Tone, Permanent Representative of Tonga to the United Nations*
- *H.E. Mr. Ali Naseer Mohamed, Permanent Representative of Maldives to the United Nations and Co-Chair of the Bureau of the SIDS4 Preparatory Committee*

9:10-9:30

Insights from IFIs and Development Partners:

- *Ms. Manuela Francisco, Global Director for Macroeconomics, Trade & Investment, World Bank*
- *Mr. Mark Flanagan, Deputy Director, Strategy Policy and Review Department, IMP*
- *Ms. Aine Hearn, Director of Multilateral, UN and IFIs, Ireland*

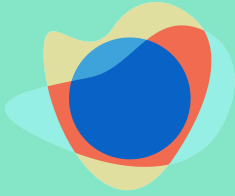
9:30-9:55

Discussions

9:55-10:00

Closing by Moderator:

Ms. Shari Spiegel, Director, FFSD, UN-DESA



4TH INTERNATIONAL
CONFERENCE ON
**Small Island
Developing States**
2024



UN-OHRLLS

Supported by:



Ireland