



# Economic and Social Council

Distr.: General  
1 February 2019

Original: English

---

## 2019 session

26 July 2018–25 July 2019

### Special meeting on “Pathways to resilience in climate-affected small island developing States: A forward-looking resilience-building agenda: Promises, results and next steps”

#### Summary record of the 5th meeting

Held at Headquarters, New York, on Tuesday, 13 November 2018, at 3 p.m.

*President:* Ms. King . . . . . (Saint Vincent and the Grenadines)

## Contents

Opening of the special meeting

Interactive dialogue: “Taking stock: Commitments and results to date”

Interactive dialogue: “Next steps: Financing a forward-looking resilience-building agenda in small island developing States”

Closure of the special meeting

---

This record is subject to correction.

Corrections should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent as soon as possible to the Chief of the Documents Management Section ([dms@un.org](mailto:dms@un.org)).

Corrected records will be reissued electronically on the Official Document System of the United Nations (<http://documents.un.org/>).

18-19214 (E)



Please recycle



*The meeting was called to order at 3.15 p.m.*

### **Opening of the special meeting**

1. **The President** said that, according to the United Nations Office for Disaster Risk Reduction, climate-related disasters had caused \$2,245 billion in direct economic losses between 1998 and 2017. The 10 countries or territories that had suffered the heaviest cost, in terms of losses as a percentage of gross domestic product (GDP), had been small islands in the Caribbean. The Sendai Framework for Disaster Risk Reduction 2015–2030 called on countries to build back better, which required strengthening disaster risk reduction governance and securing access to adequate financing. Following the devastating hurricane season in 2017, the Caribbean Community (CARICOM) and the United Nations had organized a high-level pledging conference to mobilize the international community and the private sector to assist affected countries and territories.

2. Vulnerability should be used as a criterion for country classification to allow climate-vulnerable small island developing States to access concessional financing. In addition, the international community must continue to support those States by providing official development assistance (ODA). Innovative, risk-informed financing and new instruments, including insurance products, also played an important role in better managing risks.

3. At the same time the international community must employ a holistic notion of resilience that encompassed economic and environmental aspects, since resilience was about more than just effectively managing the risks associated with hurricanes. As small island developing States largely relied on one major export product, economic diversification was essential. However, they would require international support and enhanced South-South collaboration to tap into emerging sectors, including the blue economy. Furthermore, building social resilience required cooperation, particularly in health, given that Pacific and Caribbean States were among the most challenged globally by non-communicable diseases.

4. Participants should reflect on the multidimensional nature of resilience and work together to propose a forward-looking agenda that would help to transform the development trajectory of small island developing States and deliver on the promises of the Sustainable Development Goals.

5. **Mr. de Alba** (Special Envoy of the Secretary-General for the 2019 Climate Summit), speaking on behalf of the Deputy Secretary-General, said that he had been working with many Caribbean countries to assess

and address the devastation from the most recent hurricane seasons. In many countries in the region, 70 to 90 per cent of housing stock had been damaged in 2017. With support from the United Nations, CARICOM had been able to mobilize \$1.6 billion in pledges, as well as over \$1 billion in loans and debt relief. However, more resources were needed and the international community must strengthen its support for the region. The United Nations Development Programme (UNDP), the European Union, the World Bank and the Economic Commission for Latin America and the Caribbean (ECLAC) had partnered to assess the damage and identify opportunities to collaborate with various Governments. In order to build back better, a multifaceted approach to funding was needed and the region's particular vulnerabilities must be recognized. Furthermore, the international community must address the issues that had prevented the region from receiving additional concessional financing. According to the special report on global warming of 1.5° C issued by the Intergovernmental Panel on Climate Change, climate-related impacts would continue to increase. It was therefore urgent to build resilience. Unfortunately, small island developing States had difficulty accessing resources because most were classified as middle-income countries, and high levels of debt increased their vulnerability. Financing for small island developing States must also be considered by the Group of Seven and the Group of 20.

6. Furthermore, the Secretary-General recognized the vulnerabilities of small island developing States and the importance of finding innovative ways to address them. The forthcoming 2019 Climate Summit was an opportunity to discuss a balanced range of adaptation and mitigation measures, to focus on financing, technical assistance and capacity-building needs and to promote the efforts of various United Nations entities, Governments and regional organizations in the fight against climate change. The purpose of the Summit was also to incentivize further action by Governments and to urge the most developed countries to be more ambitious in order to achieve the goals identified in the Paris Agreement under the United Nations Framework Convention on Climate Change. The international community must do more to address climate change as it was still possible to remain within a temperature increase of 1.5°C above pre-industrial levels.

7. **Mr. Granderson** (Assistant Secretary-General for Foreign and Community Relations of the Caribbean Community (CARICOM)) said that very few Caribbean countries had escaped serious disaster-related damage in the past two decades. Approximately three quarters of their populations lived in at-risk areas, and one third

lived in areas with high exposure to hazards, including sea level rise. Following disasters, scarce resources earmarked for development programmes and projects needed to be diverted to relief and reconstruction. The related expenditure could exceed a State's GDP and was a major factor in the region's high level of debt. Losses had even exceeded 100 per cent of GDP in many instances.

8. In response to the widespread devastation in 2017, CARICOM and UNDP had convened a high-level pledging conference to assist the affected territories in building back better, with a view to making CARICOM the first climate-resilient region in the world. The conference had yielded an estimated \$1.6 billion in grant pledges, with an additional \$1 billion in loan commitments and debt relief. However, the estimated cost of recovery was over \$5 billion. In June 2018, a follow-up meeting had been held in Barbados to assess the impact of those commitments on the conditions in affected States and to highlight the key needs, partnership requirements and necessary actions to translate pledges and donations into concrete programmes and initiatives. Affected countries had also reported on their progress and the challenges they faced in the recovery process, including capacity limitations, debris management and the availability of building materials and skilled craftsmen. During CARICOM summit meetings held in February and July 2018, Heads of Government had revisited the Community's resilience agenda and had examined key issues arising from the category 5 hurricanes Irma and Maria.

9. CARICOM had long recognized the critical link between disaster management and sustainable development. In 2001, the Caribbean Disaster Emergency Management Agency had spearheaded the adoption of a strategic comprehensive disaster management framework, which took a whole-of-government approach and also involved CARICOM institutions and associate institutions from agriculture, tourism, health, education, finance and physical and environmental planning. The framework comprised the following five pillars for building resilience: social protection for the most vulnerable; safeguards for key infrastructure, health facilities and public utilities; economic diversification; environmental protection; and operational readiness. Additional actions to improve resilience were included in strategic frameworks at the sectoral level and the 2015–2019 CARICOM Strategic Plan, which focused on economic, social, environmental and technological resilience. Examples of policy responses at the national level included the establishment of the Climate Resilience Execution Agency for Dominica, which would coordinate all

reconstruction work in the country to avoid duplication, maximize economies of scale, identify and fill critical gaps, and ensure that all activities were focused on a single climate-resilient recovery plan.

10. The catastrophic multi-island impacts of the 2017 hurricanes had highlighted the limits of the regional response mechanism of the Caribbean Disaster Emergency Management Agency in terms of financial resources, staffing and the ability to readily identify and mobilize regional construction skills and technical expertise for planning and implementing long-term recovery and reconstruction. There was also a need to revise existing protocols for the region and draft new ones, including for evacuation, and to improve telecommunications, airport and seaport management and the provision of building materials. In that connection, CARICOM was considering the establishment of a Resilient Caribbean Recovery Facility to allow countries to find skilled building professionals, seek technical expertise and share best practices.

11. Investing in preparedness for natural disasters and climate change was a key step in building resilience and reducing the resulting high economic and human cost. However, there were currently insurmountable impediments to financing resilience in the region. The graduation threshold and middle-income categorization denied Caribbean small island developing States access to low-cost development and concessional financing despite their high levels of vulnerability. High indebtedness and burdensome repayment costs left little fiscal space to build climate-resilient infrastructure and address climate change mitigation and adaptation. Borrowing at market rates to meet recovery and reconstruction costs was prohibitive and increased indebtedness. In addition, coverage under the Caribbean Catastrophe Risk Insurance Facility was constrained by the amount deemed affordable. As a result, there was a clear need to explore innovative financial instruments and more open-minded policy approaches such as using vulnerability as an additional criterion for accessing concessional financing; reclassifying debt resulting from recovery, reconstruction and resilience-building; building capacity to navigate the complexities of accessing climate funds; creating fiscal space through debt relief; converting bilateral and multilateral debt into special funds to address natural disasters and economic shocks; and producing new insurance products and instruments and providing higher levels of coverage for government exposure.

12. **Ms. Bárcena** (Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC)), speaking via video link, said that

the Samoa Declaration on Climate Change, adopted by the Alliance of Small Island States at the recent interregional preparatory meeting for the midterm review of the SIDS Accelerated Modalities of Action (SAMOA) Pathway (Samoa Pathway), underscored the critical linkages between climate action and the Sustainable Development Goals. Given that adaptation was one of the most pressing issues for the Caribbean, the region must prioritize the tools, measures and financing needed to improve preparedness, recovery and resilience-building. ECLAC had 29-member States and associate members that were small island developing States. They would be unable to achieve sustainable development if they could not effectively adapt to climate change.

13. Having undertaken damage and loss assessments in five of the countries that had been most directly impacted by the 2017 hurricane season, ECLAC sought to offer technical advice on reconstruction and rehabilitation. The pre-existing economic, social and environmental vulnerabilities exposed by those assessments highlighted the need for Governments to prioritize reconstruction, human settlements and infrastructure relocation and restoration. Their quantified financial costs and risks not only provided useful tools for planning, public spending and future investments, but also helped to reduce vulnerabilities, strengthen institutions and collect and analyse relevant data. While the urgency and necessity of mitigation measures was largely recognized, the implementation of adaptation measures was imperative for the survival of small island developing States.

14. Caribbean countries were among the most highly indebted in the world, with a total debt burden of 70 per cent of subregional GDP. However, as they were classified as middle- and high-income countries on the basis of GDP per capita, they did not qualify for concessionary funding, ODA or special treatment in trade. As a result, they were obliged to dedicate their foreign income to servicing high debts that were compounded by United States dollar appreciation and increasing interest rates. Exogenous shocks resulting from climate change had also contributed significantly to their accumulated debt burden. As credit ratings had fallen, the debt overhang had narrowed options for borrowing, and debt servicing had left little fiscal space to finance resilience-building measures, restore infrastructure or stimulate growth. Caribbean countries had also incurred high transaction costs as a result of the withdrawal of correspondent banks from the region.

15. In order to address those challenges, ECLAC had developed the debt for climate adaptation swap initiative. Under the initiative, the Green Climate Fund

would purchase debt from the Caribbean's major creditors at a discount, and debt repayments would be placed in a resilience fund to finance projects that promoted climate resilience and green growth. The fund would be managed either by CARICOM or the Caribbean Development Bank, most likely in conjunction with UNDP. ECLAC was currently preparing detailed debt profiles for Antigua and Barbuda, Saint Lucia and Saint Vincent and the Grenadines, which would pioneer the proposal. It was also preparing a proposal for consideration by the Green Climate Fund Board and had already initiated informal consultations with the International Monetary Fund and the World Bank. The initiative would transform the growth and development trajectory of heavily indebted countries in the Caribbean while providing them with the fiscal breathing space to focus on vital resilience-building strategies.

16. ECLAC had been advancing a "Caribbean First" strategy to draw greater attention to the issues impacting the region and was developing a set of indicators to help the international community better understand the special status of middle-income small island developing States. In that regard, ECLAC looked forward to presenting its strategy for development in transition at the high-level meeting of the General Assembly on middle-income countries to be held in December 2018.

17. **Mr. López-Calva** (Director of the Regional Bureau for Latin America and the Caribbean, United Nations Development Programme (UNDP)) said that category 5 hurricanes Irma and Maria had left a trail of unprecedented destruction across the Caribbean. The United Nations system had responded immediately, and UNDP remained highly engaged at the regional and national levels. In Dominica, the Programme had helped to repair approximately 500 structures and was working with partners to develop an innovative insurance scheme that associated good-quality repairs with lower premiums and subsidies for the most vulnerable households. With a view to building long-term resilience, UNDP had assisted in revising and disseminating building codes and housing standards and providing training in Dominica, Antigua and Barbuda and Sint Maarten. It was also working closely with Governments in the affected islands to augment their implementation capacity and had established four project offices to assist in implementing "build back better" recovery projects. As a result, over 700 buildings had been reroofed and 750 construction professionals had been trained in "build back better" techniques.

18. Those results had only been possible with the strong leadership of key recovery partners, including Denmark, Kuwait, New Zealand and the United

Kingdom. China had committed \$5 million for strategic housing projects, and the European Union had committed €5 million for housing repairs in Barbuda. In addition, the Government of India had promoted innovative South-South cooperation for early recovery interventions in post-disaster contexts. UNDP had also advanced partnerships with CARICOM and regional institutions, including the Caribbean Disaster Emergency Management Agency, the Organisation of Eastern Caribbean States (OECS), the Caribbean Community Climate Change Centre and the University of the West Indies. The Caribbean Development Bank was testing a partnership with UNDP to accelerate loan implementation.

19. In order to build the pathway for resilience in small island developing States, it was critical, first of all, to build strong partnerships. At the high-level pledging conference organized by CARICOM and the United Nations in November 2017, \$3.2 billion had been pledged for the Caribbean, including \$1.6 billion in grant pledges. While that was a good start, there was still a need for an enduring partnership at the global, regional and national levels.

20. Second, financing for development was essential. The vulnerability of small island developing States must be recognized as a criterion in country classification to allow them to access concessional financing. The international community must also provide support to improve the ease of doing business, as most small island developing States were lagging behind according to the World Bank's 2019 ease of doing business rankings. Furthermore, small island developing States must work with development partners to transform the structure of remittances to support more investment-related activities. While remittances accounted for more financial flows annually than foreign direct investment and ODA combined, they were largely used for consumption.

21. Third, building economic resilience through diversification helped create buffers to exogenous shocks, and many small island developing States had embraced the blue economy to improve economic diversification while protecting and preserving the ocean. Nevertheless, there was no quick fix for building resilience. In order to avoid the reversal of hard-fought developing gains, building back better must be more than a slogan; it required a broad set of well-coordinated policies and investments that could balance short-term imperatives and long-term resilience.

### **Interactive dialogue: “Taking stock: Commitments and results to date”**

22. **Mr. Webson** (Permanent Representative of Antigua and Barbuda to the United Nations), panellist, said that the Caribbean's vulnerability had been further exacerbated by climate change. In that connection, the International Monetary Fund had estimated that the region had lost approximately \$2 billion in GDP annually between 1990 and 2014. For many countries, such losses had exceeded 100 per cent of GDP. In 2017, Antigua and Barbuda had suffered unprecedented devastation from Hurricanes Irma and Maria. The island of Barbuda had been completely evacuated for the first time in its 300-year history. The damage had been estimated to be over 300 million East Caribbean dollars. Every business on the island had been flattened and had ground to a halt. As a result, the Government of Antigua had been fully responsible for completely rehabilitating the island and meeting the social and psychosocial needs of the individuals from Barbuda.

23. While his Government had welcomed the pledges made at the high-level pledging conference organized by CARICOM and its partners, quicker action was needed following fundraising events. For example, work on rebuilding the Hanna Thomas Hospital had only just begun, over 12 months after the hurricanes. Given that the weather patterns of 2017 had become the new normal, the international community must put in place machinery that would allow resources to be directed to the islands quickly and easily based on their vulnerability. His Government was extremely grateful to the many countries, especially from the Global South, and development partners that had responded rapidly and creatively to its call for assistance, allowing it to meet the needs of the citizens of Barbuda. The lessons learned from such South-South cooperation should be applied to Caribbean States' relationships with larger development partners.

24. His Government appreciated the inclusion of an article on loss and damage in the Paris Agreement and understood that risk insurance facilities were being addressed. However, creative models and other forms of development assistance must be created so that Caribbean States would not be forced to request money through the same fundraising approaches each year. New models should allow countries to be more independent in creating innovative ways to respond quickly and efficiently to the needs on the ground. His Government endorsed the proposals made by ECLAC in that regard and encouraged further research into larger resilience fund programmes for the region.

25. **Ms. Bannis-Roberts** (Permanent Representative of Dominica to the United Nations), panellist, said that, in 2017, Hurricane Maria had decimated her country's social and economic infrastructure, with the total damage estimated at 226 per cent of its GDP. Two years earlier, Tropical Storm Erika had inflicted damage equivalent to 90 per cent of the country's GDP in a matter of hours. In response, the Government had committed to making all sectors of society climate resilient in an effort to extricate the country from a seemingly endless cycle of destruction and recovery and with a view to becoming a pioneering climate-resilient nation. To that end, the Climate Resilience Execution Agency for Dominica had been established. With committed partners at the local and international levels, the Agency would be able to adapt the energy, food and transport sectors. The Government had already recruited experienced leadership for the Agency and had identified critical priority projects. Furthermore, the strategic and operational plans of all government ministries now included a focus on resilience and sustainability, thereby laying the groundwork for strong collaboration with the Agency.

26. Much progress had already been made in the national recovery effort. Hundreds of structures, including homes, hospitals and schools, had been fully restored. With the help of UNDP, the World Food Programme and other partner agencies, over 400 contractors and construction workers had been trained in resilient construction methods and building codes had been revised. Electricity and water had been restored to over 95 per cent of the island. With regard to critical hurricane shelters, the Government was building more secure purpose-designed shelters and ensuring that they were adequately stocked. It had rebuilt the power grids and invested in fibre-optic cables. Changes to the grid also allowed network traffic to be rerouted in the event of a targeted outage. Additionally, underground cables were being laid in newly developed areas. A number of countries, donor agencies and non-governmental organizations had pledged financial support to the recovery effort. In addition, CARICOM, UNDP, the United Nations Children's Fund and the World Food Programme had provided invaluable technical and material aid.

27. **Mr. Salina** (Chairman of the Global Business Leadership Forum), panellist, said that, following Hurricanes Irma and Maria, the private sector had immediately begun a massive mobilization to determine how to assist the Caribbean islands. What had begun as an ad hoc operation quickly became a systematic operation to provide support. The contractors and other support staff deployed to Dominica in the immediate

aftermath of the hurricanes had already helped to rebuild a school in Pointe Michel so that over 300 children could return to their classrooms. Projects were now under way to build hurricane-resilient homes for people in need, including single parents and older persons.

28. A group of business sector leaders, including the Chairman of the largest bank in the region and the President and Chief Executive Officer of the largest insurance company, had visited the islands to determine how to support rebuilding and assist with economic recovery. They had been able to attract investors and other private-sector companies to the region and had held three multi-stakeholder meetings. In addition, a business forum would be hosted in 2019 with the United States Chamber of Commerce, the Canadian Chamber of Commerce and major Caribbean Chambers of Commerce with a view to stimulating economic growth and determining how the business community could continue to support the islands.

29. Some of the major technology companies in the region and from the United States of America had partnered with the World Bank and other agencies to establish a Caribbean centre for digital transformation and resilience. Members of the private sector were also working with UNDP to provide innovative insurance products. In partnership with the European Union, work would begin on schools, multipurpose centres and other projects in the second quarter of 2019. A documentary film had also been produced by the Cable News Network (CNN) to keep the islands in the spotlight and showcase both the devastation and the resilience of the Caribbean people.

30. In the face of the greatest threat to the human race, a new type of partnership focused on communication, collaboration and cooperation was needed between the private sector and multilateral, bilateral, non-governmental and other organizations.

31. **Ms. Elgarf** (Observer for Egypt), speaking on behalf of the Group of 77 and China, expressed full support to those countries still working to recover from disaster in recent years and said that the international community must recognize the grave vulnerabilities and developmental challenges facing many countries and prioritize support for disaster risk reduction and preparedness. In order to make progress in achieving the Sustainable Development Goals, the negative consequences of climate change must be acknowledged, particularly for vulnerable developing countries and those with less resilience. In order to leave no one behind, it was also important to address the diverse needs and challenges of countries in special situations, particularly African countries, least developed

countries, landlocked developing countries, small island developing States, middle-income countries, countries in conflict and post-conflict situations, and countries and people under foreign occupation. Bold action at the international, regional and national levels was needed to boost progress. The 2019 midterm review of the Samoa Pathway was a means of gathering political momentum at the highest level.

32. Building resilient cities and communities required a wide range of means of implementation, including access to science, technology, innovation, enhanced knowledge-sharing on mutually agreed terms, capacity development and financial resources. Better policies and greater stakeholder participation could also make a valuable contribution. ODA must continue to play an important role in achieving sustainable development, particularly in countries where basic infrastructure was lacking, and all relevant stakeholders should support developing countries in building capacity to appropriately reduce disaster risk.

33. Lastly, the international community must share best practices on early warning systems, preparedness, prevention and rebuilding while ensuring that impacted countries were able to take the lead and determine what was needed in their circumstances.

34. **Ms. Thompson** (Observer for Barbados), speaking on behalf of the Caribbean Community (CARICOM), said that serious flooding was once again taking place across the Caribbean, and Antigua and Barbuda and Haiti had recently suffered earthquakes. There was little doubt that those unusual weather systems were directly related to climate change.

35. While small island developing States across the globe remained the most vulnerable to the impacts of climate change, they had contributed least to its cause and were now forced to redirect much of their financing to address that phenomenon, which compromised their ability to implement the 2030 Agenda for Sustainable Development. Societies, economies, environments and the quality of life in all small island developing States had been and continued to be adversely impacted. CARICOM underscored the findings in the recent special report of the Intergovernmental Panel on Climate Change, which clearly showed that global warming of 1.5°C above pre-industrial levels and the related global greenhouse emissions posed significant threats to development. The Panel had also reported that global costs of climate change would reach approximately \$54 trillion by 2040. The international community must therefore act with urgency; half of the world's 25 million refugees had been displaced as a result of climate events.

36. Many leaders in the Caribbean subregion had referred to the fact that attaining middle-income status based on GDP per capita meant losing access to concessionary financing. Countries had taken on significant debt to finance resilience, resulting in high debt-to-GDP ratios, which further compounded challenges. CARICOM therefore called on the international community to reconsider the metrics for determining access to financing, including the establishment of an appropriate vulnerability index. Given the region's new focus on the green and blue economy, the time had come to introduce a financing mechanism that was calculated on the basis of States' extensive maritime territory, rather than their limited land space. The Community also welcomed the debt-for-nature swaps proposed by ECLAC and the holding of the high-level meeting of the General Assembly on middle-income countries in December 2018, from which it anticipated an action-oriented outcome that would provide the much-needed building blocks to move forward in creating a new mechanism to measure vulnerability. CARICOM also looked forward to the 2019 Climate Summit and hoped for the support of all Member States in reviewing the Samoa Pathway.

37. **Mr. Hattrem** (Norway) said that his delegation looked forward to deepening dialogue with small island developing State partners to build an even better pathway to resilience. Climate change was outpacing the international community's response, which was insufficient and had come too late. In its special report, the Intergovernmental Panel on Climate Change had called for immediate action, illustrating the dramatic difference between global warming of 1.5°C and 2°C above pre-industrial levels and the impact that would have on people, societies and biodiversity.

38. As part of the High Ambition Coalition for climate negotiations, his Government had consistently called for more ambitious global climate action. It advocated simplified access to the Green Climate Fund Board for smaller States and their projects and contributed to the World Health Organization initiative to address the health effects of climate change in small island developing States. Norway also supported those States in converting fossil fuel-based power systems to renewable energy through the Small Island Developing States – Lighthouses Initiative and the Clinton Climate Initiative. Furthermore, it supported capacity-building on climate change in the Alliance of Small Island States and had provided half of the budget required in preparation for the midterm review of the Samoa Pathway. At the United Nations and on the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee, Norway strongly

supported the idea that graduated countries should be eligible for ODA when their economic base was ruined by catastrophes. According to the World Bank, investments in weather, climate and water services were highly cost-efficient and provided social and economic returns of over 300 per cent. Technical and financial support for early warning systems was also an important part of Norwegian cooperation to build resilience in vulnerable areas and States.

39. **Mr. Chumakov** (Russian Federation) said that his country was engaged in multifaceted development cooperation with small island States, particularly in the South Pacific region. It was important that countries should engage in such cooperation on a transparent basis and refrain from cooperation that was directed against third countries. The Russian Federation was working to build a democratic and fair world order, including for the Asia-Pacific region, on the basis of equal and indivisible security for all, sustainable development and the right of every State, irrespective of its size, to participate in decisions on the most important issues within its given region.

40. The Russian Federation understood the specific concerns of vulnerable small island States in the face of climate change. It was a leader in international climate processes, not only in terms of its contribution to reducing greenhouse gas emissions, but also as a donor. In particular, it had supported a UNDP project to build resilience in small island Pacific States by creating the necessary infrastructure and training qualified personnel. It was also important to build human capacity for the meteorological services in the region.

41. **Mr. Fialho Rocha** (Observer for Cabo Verde) said that, although the situation of small island developing States had long been recognized, they continued to struggle to receive consistent support, which compromised their ability to achieve the Sustainable Development Goals. The midterm review of the Samoa Pathway and the high-level political forum on sustainable development to be convened under the auspices of the General Assembly would provide the international community with a unique opportunity to create a global framework to support those States in an integrated way. The overarching aim should be to create resilience, build capacity, implement the 2030 Agenda and provide economic opportunities for sustainable development. The United Nations could play a catalytic role by proposing universal consensus-based guidelines in that connection.

42. Like many African States, Cabo Verde was experiencing a high level of fragility because of drought. The country's dry climate meant that

freshwater resources were extremely limited. His Government was therefore working to promote integrated water resources, implement soil and water conservation, prevent the degradation of coastal zones and develop renewable energies, which already met 30 per cent of the country's needs. As a small island developing State, Cabo Verde faced the economic, social and environmental vulnerabilities common to that group, and as a result of its low middle-income country status, it also faced funding vulnerabilities resulting from cuts in ODA and difficulties in accessing concessional funding. His Government was aligning its development strategy with the 2030 Agenda and would welcome international partnerships to support sustainable development for Cabo Verde. National efforts and domestic funding must be complemented by adequate international support.

43. **Ms. Blais** (Canada) said that the particular needs and perspectives of small island developing States must be heard and understood. The international community must better recognize the vulnerabilities of all developing countries to ensure that they had the necessary support to build resilience. In that connection, Canada had been engaging with its multilateral partners to better support climate-affected small island developing States.

44. Her Government applauded the OECD Development Assistance Committee's recent decision to allow countries to be reinstated on the list of ODA recipients if their per capita income fell below the high-income threshold. During its presidency of the Group of Seven, her Government had worked to break down silos. It had also invited developing countries, including small island developing States, to participate in discussions on climate resilience to ensure that the voices of those who were most impacted would be heard.

45. The international community must ensure that financing was risk-informed and considered the realities of highly indebted small countries with limited access to concessional financing. One potential solution was to expand the global risk insurance architecture, in partnership with international and regional organizations and national Governments.

46. **Ms. Leyva Regueira** (Observer for Cuba) said that all States must implement the relevant frameworks for action on climate change, including the Sendai Framework, the Samoa Pathway and the 2030 Agenda. Disaster risk reduction had been incorporated into her Government's national development policies and much progress had been made as a result of its political will and the active participation of all citizens. The Government highly valued international collaboration



on disaster risk reduction, particularly the exchange of experiences and good practices in prevention, management and resilience, and reaffirmed the need for solidarity, cooperation and integration at the international and regional levels in that regard. It stood ready to provide assistance to States in need, particularly small island developing States in the Caribbean. The international community must mobilize to assist the States and territories that would face the biggest challenges in recovering from natural disasters as a result of their size, population, geographic location or limited capacity to generate resources.

**Interactive dialogue: “Next steps: Financing a forward-looking resilience-building agenda in small island developing States”**

47. **Mr. Oquist Kelley** (Minister and Private Secretary for National Policies of the President of the Republic of Nicaragua), panellist, said that, in addition to rising sea levels and extreme weather events, small island developing States also faced rising debt levels and interest rates. According to the Intergovernmental Group of Experts on Financing for Development of the United Nations Conference on Trade and Development, the total external debt shocks of those States had more than doubled between 2008 and 2017, their average debt-to-GDP ratios had risen from 23.3 per cent to 58.2 per cent and the ratio of external debt to exports had increased to 163.8 per cent. While the additional debt had been incurred under low interest rates, the current federal funds rate of the United States was 2.25 per cent and was expected to increase further. Given the asymmetries of the hegemonic economic structure, developing countries faced significant disadvantages. In the last three decades, net transfers from developing to developed countries had reached \$16 trillion. With regard to climate finance, President Ortega Saavedra had proposed that the countries that had caused the problem should compensate those that were suffering the consequences. Responsibility for damages was a part of every ethical and legal system in the world. However, the international community was far from a rule-based multilateralism when illegal, unilateral and extraterritorial administrative sanctions were imposed without judicial recourse, violating the rights of individuals, organizations and entire nations.

48. In order to increase resilience, the international community should support the Principles on Promoting Responsible Sovereign Lending and Borrowing issued by the United Nations Conference on Trade and Development and General Assembly resolution 69/319, which stressed the responsibility of both lenders and borrowers for sustainable debt. Debt relief, cancellation

and restructuring should be facilitated on a case-by-case basis to prevent, manage and resolve debt crises. There should be support for debt for resilience swaps and the ECLAC debt for climate adaptation swap initiative.

49. Governments should encourage debtors and creditors to work together to draft bond agreements that avoided or minimized vulture fund attacks. They should also recognize the role of special drawing rights as an international reserve asset and acknowledge that such allocations helped to supplement reserves in response to crises, thus contributing to the stability of the international financial system. While capital controls remained a useful tool for sovereign States, they should be used in a way that did not eliminate inflows but rather carefully managed the impact and cost of capital reversals. Furthermore, measures introduced to respond to evolving debt crises should seek to reduce and not exacerbate poverty, inequalities and other factors.

50. Developed countries must fulfil their commitment of 0.7 per cent for ODA and 0.15–0.20 per cent for least developed countries, and a concerted effort should be made to assist in formulating projects to apply for funding. The international community should also support the replenishment of the Green Climate Fund, as it was the only real source of new, additional and accessible climate finance that could provide grants and concessional financing for small island developing States.

51. In terms of resilience, if the world’s average temperature increase was not limited to 1.5°C, there would be significant ecosystem damage. At 2°C, all the coral reefs would disappear. Moreover, all the gains made under the 2030 Agenda would be lost because there would be less food, water and nutrition and more disease, poverty and inequality.

52. Water management and food storage were essential for resilience in small island developing States. In that regard, strategic food reserves should be created and stored underground, along with strategic water tanks and reinforced pumps. Oversized reservoirs should also be used to collect excess rainfall during a hurricane. Additionally, some schools and community centres in hurricane-prone areas should be built or upgraded to double as shelters and powerlines should be rebuilt underground. The incremental costs of those projects could be financed through the Green Climate Fund. Underground water and electric lines allowed services to be restored rapidly, which also provided public health benefits.

53. Similarly, energy efficiency should be encouraged, and geothermal energy could open possibilities for wind and solar energy. Electric vehicles should be promoted

with tariff and tax incentives, as they also generated macroeconomic savings by reducing oil imports. Furthermore, Governments should promote reforestation of degraded land, community forestry, agroforestry, silvopastoral projects and plantations, which could improve mitigation, adaptation, livelihood opportunities, poverty reduction and regional development. The best way to adapt to climate change was to strengthen the resilience of ecosystems by restoring flora and fauna, recreating habitat and addressing soil issues to avoid fast runoffs, which caused flooding and fatal mudslides. All humanity would eventually need to increase resilience to climate change, and the experiences accumulated by the small island developing States would be vital for all.

54. **Ms. Moses** (Permanent Representative of Nauru to the United Nations and Chair of the group of Pacific Small Island Developing States), panellist, speaking on behalf of the Pacific small island developing States, said that, according to numerous scientific projections, the negative impacts of climate change would only continue to worsen. In the Pacific region, extreme weather events had occurred with alarming frequency in recent years, undermining livelihoods and sustainable development aspirations and testing the resilience of small island communities. Record-breaking storms were stark reminders of the urgent need to adopt far-reaching changes to limit global warming and adapt to its impacts.

55. In order to assist Pacific small island developing States in addressing those challenges, the international community must make a concerted effort to ensure that funds were more accessible to capacity-constrained small island developing States. They did not always have the domestic expertise to draft detailed project proposals or the resources to bring in outside experts. Streamlined and harmonized application and reporting requirements would significantly reduce their burden when attempting to access much-needed resources. Furthermore, direct access modalities and direct budgetary support seemed to yield better results than project-by-project financing. In 2016, the Joint Inspection Unit had recommended tailor-made solutions and eligibility parameters to address the special case of small island developing States and improve their access to development financing. In that connection, the Pacific region's partnership with the Government of Italy had been a resounding success. Through a streamlined application process, 37 initiatives in the area of climate resilience had been funded, totalling over \$22 million.

56. Financing for climate adaptation still lagged far behind financing for mitigation. However, it was clear

from the recent special report of the Intergovernmental Panel on Climate Change that vulnerable countries would need to dramatically scale up their adaptation efforts, even under a best-case scenario. Pacific small island developing States were open to supplementary sources of funding, including innovative blue and green bonds. However, most finance for climate adaptation should be grant-based, given that private markets were largely uninterested in funding adaptation. Small island developing States bore very little responsibility for creating the climate crisis but suffered some of its worst impacts; they should not also have to bear the cost of adaptation alone.

57. Many had hoped that the Green Climate Fund would become the primary multilateral fund for mobilizing climate financing. Although the initial capitalization of the Fund had been modest in scale, relative to need, it had been an important milestone in international efforts. While some growing pains were to be expected, the slow progress in replenishing the Fund and the fact that some countries had stated that they would no longer contribute to it were a growing concern. Climate financing was the linchpin of the Paris Agreement, and the Fund was its largest source. However, it had too often been used as a bargaining chip in political games. The Pacific small island developing States strongly urged the Green Climate Fund Board to agree to a reliable and predictable replenishment process without delay to ensure that adequate levels of climate financing were available to meet the urgent needs of developing countries.

58. Lastly, the Pacific small island developing States had long fought for the creation of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts but expressed deep concern that the issue had waned as a political priority.

59. **Mr. Emmanuel** (Head of the Environmental Sustainability Cluster at the Organisation of Eastern Caribbean States (OECS)), panellist, said that the international community must create a narrative of small island developing State exceptionalism pinned on their unique vulnerabilities. The OECS Commission was designing a comprehensive resilience framework and had adopted a consultative and inclusive approach in order to incorporate expertise from all regional institutions and ensure that the framework was truly Caribbean. The Commission was leading the Caribbean Nationally Determined Contributions Finance Initiative, in collaboration with a number of partners. Caribbean States had set an ambitious platform for action with regard to climate change, but its implementation was dependent on external support. The Initiative therefore

sought to catalyse investments in resilient and low-carbon infrastructure across priority sectors, and its support mechanisms addressed technical aspects in the early stages of developing bankable projects. In addition, capacity-building and matchmaking services were made available for infrastructure projects that advanced and accelerated the implementation of nationally determined contributions.

60. The first Nationally Determined Contributions Finance Initiative Forum, held in October 2018 in Saint Lucia, had been a major milestone. Forum participants had concluded that the region must establish more robust collaboration mechanisms and communication strategies in order to consolidate and leverage existing technical capacity, research, case studies and best practices. It had also been concluded that a more integrated, strategic approach to public-private partnership should be taken to urgently improve the quality and quantity of bankable projects in the region. The immediate priority was to establish effective policies, frameworks, processes and procurement mechanisms to develop and execute eligible projects. Furthermore, it was agreed that working groups in identified priority areas, including energy, transport, water and critical infrastructure, would serve as a platform for continued dialogue to identify further actions.

61. OECS had already implemented a number of concrete initiatives to support its member States. It was providing technical assistance and helping to strengthen administrative and legislative frameworks to update and implement new building codes. OECS was also in the process of designing the necessary frameworks and systems to ensure that human mobility could be properly managed.

62. With regard to innovative economic models, OECS had partnered with the Caribbean Natural Resources Institute to conduct studies to understand the opportunities and challenges in moving towards a green economy. It was also partnering with the World Bank to develop marine spatial plans and coastal master plans to assist in transitioning to a blue economy.

63. **Mr. Jordy** (Lead Disaster Risk Management Specialist at the Global Facility for Disaster Reduction and Recovery, World Bank Group), panellist, said that the World Bank had significantly changed its approach to climate and disaster risk management in small island developing States. With regard to its traditional approach of reconstructing after disasters, it had increased its focus on building back better, which meant building more inclusively to ensure that no one was left behind by post-disaster assistance. According to the research team of the

Global Facility for Disaster Reduction and Recovery, that approach had been particularly successful for small island developing States. For example, following Hurricane Maria, the World Bank had promptly released \$10 million in funding from an ongoing project to address the immediate needs of vulnerable populations directly affected by the hurricane, particularly farmers, in Dominica. It was also currently implementing a \$100 million package to support housing reconstruction, agriculture recovery and infrastructure rehabilitation. In Sint Maarten, the Netherlands had channelled €470 million through the World Bank to help implement the national recovery and resilience plan in various sectors, including housing, tourism, solid waste management, transport and education, with a focus on training and income support. In addition, Canada had announced that it would provide 20 million Canadian dollars to create a Canada-Caribbean Resilience Facility, which would provide implementation assistance to help accelerate reconstruction, build resilience and integrate disaster preparedness into key areas of public financial management.

64. While building back better remained a critical pillar of resilience-building, the World Bank approach had evolved to include proactive disaster risk management and the development of new financial instruments, partnerships and innovation. For instance, early warning systems had been improved in all regions and had contributed to limiting casualties in Vanuatu and Tonga during Cyclones Pam and Gita. In the Caribbean, the World Bank had supported a number of resilience projects to help maintain access to critical services following disasters. It had also developed a new suite of financial instruments with the scale and flexibility to support small island developing States. Core International Development Association (IDA) resources to eligible small States had more than doubled, from \$0.7 billion in fiscal year 2017 to \$1.5 billion in fiscal year 2018. In Dominica, the World Bank had also mobilized an IDA crisis response window, which had provided \$50 million in additional financing to support recovery. The Catastrophe Deferred Drawdown Option allowed countries to access contingent financing within 48 hours of declaring a national emergency. Furthermore, the World Bank had helped to create and capitalize catastrophic risk pools in the Caribbean and the Pacific. The Caribbean Catastrophe Risk Insurance Facility had paid out approximately \$53 million to 10 countries during the previous hurricane season, and the Pacific Catastrophe Risk Assessment and Financing Initiative had paid approximately \$3.5 million to Tonga following cyclone Gita.

65. Knowledge, innovation and partnerships were fundamental to climate and disaster risk efforts in small island developing States. In 2014, the Global Facility for Disaster Reduction and Recovery had created the Small Island States Resilience Initiative to connect those working on resilience within and outside of the World Bank in order to offer the best possible technical and financial services to small island developing States and to promote innovation. Donor coordination was also critical to support resilience, reduce aid fragmentation and increase impacts.

66. **Mr. Mohamed** (Observer for Maldives), speaking on behalf of the Alliance of Small Island States, said that building resilience through climate adaptation could help small island developing States to overcome the impacts of climate change, which was the single greatest development challenge they faced. While projects had been implemented to promote mitigation efforts, adaptation was also needed to address the causes of disasters and reduce risk. Small island developing States had been advocating for closer international partnerships in order to build infrastructure that could withstand those impacts.

67. Direct intervention and partnership, particularly direct budget support, had been successful in reducing costs and increasing the visibility and effectiveness of investments. Small island developing States should not be expected to establish independent mechanisms to access donor funding. They had suggested creating a framework in which international financial institutions and bilateral development partners could work side by side with their Governments, inter alia, to improve and increase investments, particularly in infrastructure projects; to promote technology transfer; to provide access to concessional financing; and to reduce external debt burdens.

68. **Mr. Ogilvy** (Observer for the Organization for Economic Cooperation and Development (OECD)) said that the urgency and scale of the challenges associated with climate change required the international community to look beyond existing tools and consider new and innovative approaches that built resilience, provided support in the face of disasters and recognized not only the exceptional situation of small island developing States but also the shortcomings in international mitigation efforts.

69. While ODA had steadily increased since 2013, reaching \$12.5 billion in 2016, it was not enough. Concessional financing to small island developing States, particularly in the Caribbean, tended to be ad hoc, one-time interventions. As that approach was not sustainable, climate and disaster resilience must be

further mainstreamed in overall concessional financing. The international community must also develop innovative approaches and financing instruments that built resilience as well as measures that provided innovative debt relief options or debt for climate swaps.

70. OECD was committed to fostering accountability, both with respect to the development finance commitments of its members and efforts to address the root causes of climate change. Too little was being done to support the transition to low-emission economies. In fact, globally, more money was spent on subsidizing carbon than on ODA. The work of OECD was part of a broader initiative with ECLAC and the European Union to understand the challenges facing middle-income countries, break down artificial labels and silos and design responses that addressed the root causes of climate change.

71. **Mr. Egerton** (World Meteorological Organization (WMO)) said that the 2017 hurricane season had been the costliest on record, and major typhoons had affected Pacific islands in 2018. WMO had been working with the World Bank, the Global Facility for Disaster Reduction and Recovery, the Green Climate Fund and other partners to enhance capacity-building in small island States in the Caribbean and Pacific with a view to building climate resilience and early warning systems. It was also advising the Green Climate Fund on climate rationale in projects related to resilience and adaptation and had stationed a meteorologist at United Nations Headquarters to provide the United Nations system and Member States with early warning information more directly.

72. **Mr. Toscano-Rivalta** (United Nations Office for Disaster Risk Reduction) said that small island developing States had demonstrated a strong commitment to recover and build back better. Reconstruction efforts and public-private investments across all relevant sectors must be disaster risk-informed in order to achieve the Sustainable Development Goals and significantly reduce the number of lives and livelihoods lost to disasters. Regulations and incentives were needed to ensure that the public and private sectors were guided by disaster risk assessment. By developing national and local disaster risk reduction strategies, countries could pursue a path towards sustainable development that reduced existing disaster risks, avoided the creation of new risks and built resilience. Small island developing States were leading the way in integrating policies and programmes for disaster risk reduction, sustainable development and climate change adaptation. Integrated national financing frameworks and pipelines of investable sustainable

development projects must be risk-informed and aligned with disaster risk reduction strategies.

73. **Mr. Blair** (Observer for Antigua and Barbuda) said that Caribbean countries needed a new and better deal that included access to concessional financing and adequate insurance in order to build climate resilience. In May 2018, the Governments of Antigua and Barbuda and Belgium, in collaboration with UNDP and the Centre of Excellence for the Sustainable Development of Small Island Developing States, had held a two-day conference on financing resilience. The Saint John's Call for Action outcome document resulting from that conference recognized that building resilience in the Caribbean meant managing the risks associated with natural disasters and economic shocks. Innovation, technology transfer, early warning systems and the green and blue economies could assist in resilience-building. While the diaspora could also play a role, as it contributed more to Caribbean economies than ODA, it should not be seen as a replacement for international financial assistance. New international insurance mechanisms should be established for small island developing States, similar to the Caribbean Catastrophe Risk Insurance Facility. The private sector was vital to attract financing to build resilience and to achieve the Sustainable Development Goals. Partnership also played an important role, particularly with United Nations agencies and international financial institutions. Lastly, his Government joined the call for a United Nations task force to provide recommendations in advancing resilience-building for small island developing States.

#### **Closure of the special meeting**

74. **The President** said that the international community must continue to build resilience in all dimensions of sustainable development and ensure that the concerns of small island developing States were heard and addressed at the 2019 high-level political forum on sustainable development, to be convened under the auspices of both the General Assembly and the Economic and Social Council, the 2019 United Nations Climate Summit and the forthcoming midterm review of the Samoa Pathway. She urged Member States, the United Nations system, donors, international financial institutions, civil society, foundations and the private sector to continue to focus on small island developing States and take action to follow up on their commitments.

*The meeting rose at 6.15. p.m.*