Workshop on Innovative Climate Financing Instruments:
Supporting Post Covid-19 Pandemic Recovery in Asia-Pacific Small Island Developing States

Wednesday, 23 June 2021; 14:00 – 17:00 (Fiji Time: UTC + 12)

Closing statement – Mr Iosefa Maiava, Head, ESCAP Pacific Office

- On behalf of United Nations Economic and Social Commission for Asia and the Pacific, I wish to again thank all the participants of today’s event, our high-level speakers at the opening, our expert presenters and moderators of the sessions, and the organizers.
- I think we can all agree that the workshop, co-organised with the Pacific Islands Forum Secretariat, is quite timely given the urgent need to adapt to climate change and to adopt more “Innovative Climate Financing Instruments” especially in our context as front-liners small islands developing states here in Asia-Pacific. As the Chairman of the PIF told the UN General Assembly last year, it is critical that we respond to COVID-19 in a manner that accelerate climate actions.
- And I trust that we have all gained a better understanding of the different types of innovative instruments for financing climate actions and the importance of mobilizing the various stakeholders, including government officials, experts, development partners and the private sector, and our friends from various UN offices and regional organizations.

Key takeaways

- Some key takeaway messages from the sessions:
  - In Asia-Pacific SIDS, sustainability bonds are a viable option to fill the financing gap and to finance climate resilient investment. In saying this, capacity challenges and limited financial markets in SIDS are recognised constraints to be addressed when considering the raising of finance through bonds. At the same time, domestic resource mobilisation from public and private sector has been underutilized, and
has potential to be tapped further in SIDS to complement other innovative financing measures.

- In the face of the COVID-19 pandemic, and as more Asia-Pacific SIDS come under debt stress, debt-for-climate swaps can play a role in enhancing climate spending, boosting economic recovery, and reducing external sovereign debt. In addition, debt-for-resilience swaps could provide benefit for SIDS as they build community resilience to climate change impacts and reduce debt stock at the same time.

- The key challenge in arranging debt swaps for development is engaging with relevant stakeholders, and reaching consensus on both supply and demand aspects of the swap. The associated complex processes and high transaction cost will require appropriate capacity and institutional arrangements in place in SIDS, with coordinated efforts of many stakeholders especially of creditors’, to realize the potential of this instrument.

**Way forward**

- Your discussion today will feed into several upcoming events, including the Pacific Islands Forum Economic Ministers’ Meeting in July 2021, the Pacific Forum on Sustainable Development in October 2021, and at the ESCAP regional workshop on resource mobilization in Asia-Pacific countries in special situations in December 2021.

- Furthermore, the outcomes document from this Workshop will be used to inform global processes such as the Financing for Development in the Era of COVID-19 and Beyond Initiative.

- The results of this Workshop will also help ESCAP and Pacific Islands Forum Secretariat to produce relevant knowledge resources, and to establish a network of experts for follow-up purposes.

- We move forward with the clear mandate already from the SIDS Member States to provide policy support for financing for development, develop instruments and tools addressing the specific financing needs of SIDS, produce country case studies and convene sub-regional or regional SDG financing conferences.
To conclude

- Let me reiterate our sincere gratitude to the Pacific Islands Forum Secretariat for co-organizing this workshop with ESCAP.
- Thank you very much for your active participation today.
- It’s my pleasure to now bring this Workshop to a close.

ENDS