

Call to Action on Mobilization of Resources for Small Island Developing States

Jointly issued by United Nations Secretary-General António Guterres and Prime Minister Gaston Browne of Antigua and Barbuda

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As we gather in the margins of the Fourth International Conference on Small Island Developing States (SIDS), hosted by the Government of Antigua and Barbuda, we recognise that SIDS are caught in a cycle of crisis and recovery, impacting their ability to achieve resilient development and make progress towards the Sustainable Development Goals (SDGs).

SIDS are on the frontlines of the global climate crisis, which for many represents an existential threat. The rapidly accelerating impacts of climate change not only threaten SIDS' overall sustainable development but have contributed to unsustainable levels of debt to finance recovery from climate shocks, extreme weather events and other external shocks.

Despite their vulnerabilities, SIDS, including middle and high-income SIDS, are not receiving the benefits of critical debt relief and access to concessional funding. This must change.

We welcome *The Antigua and Barbuda Agenda for SIDS – A Renewed Declaration for Resilient Prosperity*, which will guide the international community's partnership with SIDS over the next ten years.

Concerted and urgent action is needed to enable SIDS to finance implementation of this new programme of action.

We call on leaders of international financial institutions, development banks, UN entities, the private sector, as well as donor partners, to accelerate their efforts in the following priority areas:

- Work in unity to address the multifaceted challenges confronting SIDS, including climate change, economic vulnerability and lack of social resilience.
- Provide tailored support to help SIDS build resilience, taking into account their unique vulnerability to external shocks and stressors.
- Increase SIDS' representation and meaningful participation in the governance of the international financial architecture, including by creating dedicated seats for SIDS in their boards.
- Reform the international financial architecture to address gaps and shortfalls so that it is inclusive, fair and responsive to the unique challenges and vulnerabilities of SIDS.
- Increase SIDS' access to concessional finance by integrating vulnerability into eligibility criteria, as well as considering vulnerability in efforts to enhance debt sustainability, taking into account the UN's Multidimensional Vulnerability Index.
- Strengthen debt-restructuring mechanisms and systems and allow all SIDS to access the G20's Common Framework.
- Implement and support the uptake of tailored solutions, such as debt for climate and debt for SDG swaps, to enable SIDS to meet their obligations while pursuing climate action and sustainable development, and implement measures and mechanisms to better prevent debt distress, such as

adoption of debt repayment pauses for countries facing liquidity crises and inclusion of climate resilient debt clauses in all sovereign lending.

- Contribute technical assistance and expertise to support the establishment and implementation of the Debt Sustainability Support Service for SIDS to enable SIDS to manage their own debt effectively.
- Reform credit rating methodologies to create long-term ratings, increase transparency and recognise the long-term growth potential of SIDS and the positive implications of both investment in the SDGs and measures to reduce debt distress on credit worthiness, and encourage investors to reduce their reliance on ratings and take a more nuanced approach to the graduated ratings scale.
- Scale-up climate finance to SIDS and urgently capitalize the new fund for responding to loss and damage, ensuring that SIDS priorities and needs are considered in the context of access and resource allocation.

The SDG Stimulus, endorsed by world leaders in September 2023, has the potential to be transformative for SIDS. We call for its urgent implementation to deliver affordable, long-term financing for SIDS and all developing countries.

Finally, we call on world leaders, to seize the opportunity of the upcoming Summit of the Future and next year's Fourth International Conference on Financing for Development to advance critical reforms to the global financial architecture so that it better serves the needs of SIDS.