



ECOSOC

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TAKING ACTION TO IMPROVE LIVES

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Virtual Interactive Dialogue between the President of the ECOSOC and Permanent Representatives of the PSIDS (Pacific Small Island Developing States)

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First of all, I would like to thank members of the Pacific Island Development States (PSIDS) for providing me this opportunity to interact and exchange ideas on issues of common interest to us. The PSIDS, as you called is an important component of the Group of 77 and China. And within the SIDS group you are of course also an important component, which is facing the greatest distress as a result of current crisis.

I have taken time to review some of the discussions and documents, which have identified some of the priorities of the PSIDS, such as Samoa pathway and other

related documents. I thought this meeting would focus on seeking your guidance first of all on how best we can utilize the mandate and the machinery of ECOSOC to enhance the realization of the priorities that you have in during the coming year.

I think you have summarized the challenges that has been faced by the PSIDS from climate change, declining tourism and declining revenues. PSIDS also face problems of distance in transportation, sustainable energy, water and sanitation. I think these are the known challenges you have, and these have been sharply and suddenly, multiplied by the COVID-19 crisis.

Even though, as you said, the virus may not have reached your shores but the economic impact of lockdowns, of disruption in supply chains, disruption in tourism, and air travel, all of this, obviously have had a deep impact on your countries. So, my question is what can we do to respond to these dire circumstances? And of course I would welcome your views and contributions in this discussion. But before I do so. Perhaps I should give you some thoughts about what I think and what our priorities could be in the ECOSOC context.

I think the first issue is finance, and as you know, and in my national capacity, I have been involved in some of these discussions in which one of the issues is the coverage of the Debt Service Suspension Initiative (DSSI) of G20. The discussions on debt vulnerability started in response to Prime Minister of Pakistan's Global Initiative on Debt Relief, and later transcended in the debt vulnerability group.

Within the Discussion Group, we have argued for the expansion of the coverage of the DSSI on the basis of the criteria of vulnerability rather than on income. This is also our approach for coverage of concessional finance. I am hopeful that there will be wide support for this at least for the official debt. The problem of course is that some of the debt or large portion of the debt is private debt and coverage of the private debt is still unclear. Therefore we will need to find some mechanisms to address that. There are also various proposals on debt swaps, state contingent debt instrument, debt reprofiling, and so forth. All these options are there at the moment.

I think it is not obvious that the financial support that we are talking about has to go beyond this debt suspension and debt relief.

In this context, I think there are two proposals, which I think ought to gain our attention in the discussion on liquidity and finance. If we are going to cover the private sector. I feel that the proposal which has been made by the Economic Commission for Africa for the creation of a special financing facility, would be very useful because it would cover private debt particularly for middle income countries, which have not benefited either from the IMF's cancellation of 27 countries or the G20 DSSI's coverage of 73 countries. Those who have been left out could be covered by this loan facility.

I think that this is an idea, which seems viable. I have had a conversation with the Executive Director of ECA Ms. Vera Songwe as well as with PIMCO, which helped to formulate this proposal. And it seems that the market players seem to feel that this is doable. Therefore, perhaps, we should focus on that as one solution to the problem faced by the PSIDS and other countries.

The second focus, I think should be on the SDRs. Creation of new SDRs is of course a political issue, and we will need to convince people in Washington with regard to the creation of at least half a trillion new SDRs. However, at the moment, I understand about \$320 and \$350 billion are available in unallocated quotas of a number of advanced countries. I believe that in this mechanism of partnerships, there could be room for some of these unallocated SDR quotas, to be shifted to members of the PSIDS and other developing countries. These I think are two important things to focus in our discussions.

We will have the summit meeting on 29 September on SDG Financing in the Era of COVID-19 and Beyond. I think some practical options from the Summit could be brought into the Economic and Social Council (ECOSSOC) and perhaps in the General Assembly as political proposals.

Apart from financing, I have also proposed to focus on sustainable infrastructure and science and technology for ECOSOC this year. On infrastructure, I am working on a proposal for a facility, which would be a public private partnership facility, to mobilize investments in sustainable infrastructure. This facility as, conceived at the moment, would have a component to generate financing for commercial projects or commercially viable projects from the private sector, but it would also need to have a component, which would generate ODA and public money for those projects which are not commercially viable. I am aware that there are certain projects in the PSIDS which are too small to be commercially viable and therefore, these would have to rely on some form of public financing. The facility would also help in the preparation of projects, presentation of projects, identifying the sources of financing, and sources of execution. I look forward to discussing this with your group as soon as we move a little forward and get this into some semblance of maturity.

Lastly, science and technology of course is a very large area, but I felt that there are three things that we could try to do in the ECOSOC this year on science and technology. I think the first exercise could be to see how we can align the intellectual property regime with the SDGs. I think for this we have a living example for search for vaccine. This is obviously something that will contribute to the SDGs. Likewise, there are objectives, such as poverty alleviation, gender equality etc., where we could find ways to ease the constraints of the IP regime in order to advance the development objectives of developing countries.

Secondly, and again using the COVID vaccine as an example, it is evident that when we are clear about the objective of scientific research the money can be mobilized, when there is a compulsion for a scientific objective the money can be mobilized and you see how much money had been mobilized for the COVID-19 vaccine. Similarly, I think we should do an exercise of identifying the need for scientific breakthroughs in order to advance the SDGs. Exact targets for research and development could be mobilized with public money if not with private money.

Thirdly, I think we need to have a concerted effort to bridge the digital divide. I think the digital economy could be an answer for many problems particularly for the PSIDS who are at a disadvantage because of distance. There is no reason why

somebody working on a manufacturing design of a car ought to be located in Chicago, or in New York; he could be located anywhere on the basis of digitalization. So, digital economy could be something that could lead to the creation of jobs in countries that are far away from the centers of production and consumption. This is something on which we have to do some focused work. I know that the Secretary General has put out a roadmap for bridging the digital divide, but I think for developing countries and for your group, perhaps a more focused approach is required on what and how jobs could be created in countries like yours and countries like mine where we do not need to have the physical presence.

These are some ideas that I hope to promote in the Economic and Social Council this year. I know that your countries have got priorities on climate change and management of the oceans to pursue at the COP26 and the ocean conference.

I believe, one of the things that we have to focus on is how to keep our advanced country partners to fulfill that commitment for the hundred billion dollars in climate finance and how to mobilize support for that.

These are some ideas that I thought I would share with you and with the members of your group. I look forward to working with you through organizing special meetings with focused objectives. We could include components of the UN system, private sector, and specialized experts to discuss specific issues. The forums of ECOSOC as I said, are open and available for such discussions. I look forward to your cooperation in these forums.

Thank you so much.
