



## **Statement by AOSIS on the humanitarian, social and economic impacts of the COVID-19 Pandemic**

(9 April 2020)

### Introduction

1. In his novel “A Tale of Two Cities” Charles Dickens wrote: *“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair.”* Those words written over a century ago seem prophetic as we stand today apart yet united in a cascade of crises of global proportion.
2. The unrelenting threat of climate change is now compounded by the Novel Coronavirus sweeping through the world causing death, destruction of livelihoods, whole economies in some cases, while we stand by helpless and witness our development gains begin to crumble. The Managing Director of the IMF stated a few days ago that “We are now in recession. It is way worse than the global financial crisis.” The Paris Agreement, the 2030 Agenda for Sustainable Development, and other global aspirations hang in the balance. This is indeed a season of darkness challenging a technologically advanced world.
3. The COVID-19 pandemic has taken a global toll and the most vulnerable countries, particularly Small Island Developing States (SIDS), which stand to suffer the most. This is an additional battle we must now fight even while we are situated on the frontlines of climate change, leading the charge to reverse its negative impact. Multilateralism and securing the support of the international community are more critical now than ever lest the most vulnerable are swept into oblivion.

### Immediate responses to the COVID-19 Pandemic

4. Most countries are stretched to their medical and financial limits. We SIDS have taken proactive national responses, like other countries, by closing our borders, limiting local movement and following the WHO’s guidelines. But there is still grave risk that the virus will surge in our countries, placing immense strain on our weak healthcare systems. It is no secret that we lack medical equipment including ventilators, essential medical supplies, including the capacity to test for COVID-19, ventilators, hospital beds and protective medical gear for our healthcare workers. The obstacles to our accessing supply chains are now becoming legion include a shortage of foreign exchange and high procurement costs. If we can manage the surge when it comes, we will be able to protect our people from spiraling into a death trap and in our hopeful recovery stave off any entrenchment of the poverty trap.

5. Covid-19 poses both immediate global economic and financial challenges, and is causing social and societal damage particularly relating to women, children and the youth. For small vulnerable economies these challenges will persist well beyond the recovery. Even as we struggle to contain the virus, Governments must provide the social safety nets that our poorest and most vulnerable desperately need. We are faced with saving lives and safeguarding livelihoods within our limited fiscal space. It has now become a matter of robbing Peter to pay Paul as we are forced to redirect loans originally intended for development purposes to Covid-19 relief, to seek additional loans and solicit some support from partners.
6. We appreciate the efforts of the World Health Organization (WHO) in leading and coordinating the global effort, including through the establishment of the COVID-19 Solidarity Respond Fund. We also appreciate the complementary work of agencies such as the UNDP in providing country-specific support, including situation assessments and procurement assistance. We commend country donors, corporations, institutions and philanthropies that have come together to contribute to these efforts. We respectfully ask the UN for a cataloguing of these initiatives in a straightforward user-friendly form to assist our governments in accessing what resources may be available. We especially encourage that this support be made available to all our small island developing states without onerous conditions that would make access infeasible.

#### Response to the broader impacts of the COVID-19 Pandemic

7. SIDS have always been inherently susceptible to external economic and financial shocks. We are small, remote, have a narrow resource bases, and exhibit high reliance on imports, high levels of public debt and challenging economic growth prospects. This not only impacts our current situation but will bear heavy burdens in the medium to long-term. Disruptions to our tourism and other service industries result in sudden unemployment and foreign exchange loss. The impacts to those already in vulnerable situations, including persons who operate in the informal sector, are significant. The level of fiscal measures required to preserve whatever development gains we made before the start of 2020 is now out of our reach.
8. Urgent and fundamental global measures are needed to respond to the instability and uncertainty that currently clouds our future. This pandemic is occurring in the midst of a category 5 cyclone in the Pacific, which is already posing obstacles to the COVID-19 response, and just barely two months before the start of the hurricane season in the Caribbean. We urge the World Bank, IMF, regional development banks and commercial lenders to identify fiscal response measures that are innovative and of a different order of magnitude. They should include a special window in the IMF for SIDS, debt relief and restructuring, greater flexibility in the assessment of developing countries' fiscal situations, and extended credit facilities. These are not new asks from SIDS but they are of utmost importance now more than ever. Furthermore, we strongly believe that the UN Development System and IFIs should not be looking into the size of the population as a primary indicator of need. In the allocation of funds and programmes by multilateral institutions, critical

factors such as economic base and high dependency on vulnerable industries should be considered as alternative allocation practices for resource mobilization.

9. We urge that in the face of this pandemic essential cooperation and solidarity should prevail between nations so as not to prolong the “winter of despair” for our sisterly nation of Cuba caused by the enactment and application of unilateral coercive economic measures against her. There is no doubt that such measures impact on the capacity of States to respond efficiently, specifically in the acquisition of medical equipment and supplies, to adequately treat the population of entire peoples in the face of this pandemic.
10. We also need to revive the global momentum for implementation of the Paris Agreement and the 2030 Agenda for Sustainable Development. This crisis has inevitably affected progress across a number of the interrelated Sustainable Development Goals, compounded by the challenges posed by climate change. We cannot afford to lose sight of the bigger picture at this critical junction, as these multilateral frameworks are designed specifically to build resilience against crises such as this one.

#### Future outlook

11. Despite the devastation caused by the COVID-19 crisis, there is a “spring of hope”. The crisis has opened up the doorway for a new frontier of multilateralism and international cooperation. Over the last 75 years, we have overcome every global challenge we have faced with a spirit of unity, solidarity and goodwill. The challenge before us is no different. As the statement issued by the G-77 noted, “this is a time for the international community, developed and developing countries alike, to demonstrate our capability to work together in solidarity”. We need this spirit to enable us to emerge from this crisis unimpaired. The lessons that we have learnt from this should pave the path to a more resilient future.