

## Meeting of National Focal Points (NFPs) of Small Island Developing States (SIDS)

05 06 August 2022, St Johns, Antigua

**Theme:** *Enhancing coherence in the implementation of the SAMOA Pathway, and SDGs: A Focus on SIDS Finance issues and the Fourth SIDS International Conference*

I would like to thank **Mr Justin Ram for an overview of the SIDS Development Finance Report**. We have carefully read the report which gives a detailed analysis of the serious challenges SIDS are facing especially in the aftermath of the Covid-19 pandemic. The recommendations contained therein are pertinent.

Hard earned progress has been destroyed overnight by the pandemic. Most of the 38 states, if not all, have faced serious GDP contraction. **Mauritius is no exception**. The GDP contraction of our key economic sectors will have serious implications on our ability to achieving the SDGs and SAMOA Pathway commitments.

I will not go through each and every aspect of the findings in the report, but will discuss a few challenges we are facing back home and measures we are taking.

**Qu 1. What immediate steps should SIDS and their development partners take to addressing finance needs for effective COVID and recovery response?**

**1. The Pandemic has shown that building more resilient economies is critical and indeed the public sector cannot do it alone. If we are to build forward better, private sector investment, tapping the capital market and innovative strategies are key to overcoming the challenges ahead.**

1. Let me highlight one example from Mauritius. The COVID 19 pandemic has singled out the need to **maintain a fully responsive and modern health system at all times** to better deal with the complexities of health hazards.

2. there is urgent need to reinforce our health infrastructure and associated amenities.

3. **Government CANNOT do it alone. Governments should be proactive in their approach.** We

What do we expect from our developing Partners for example in the area of climate financing?

6. For example, developed countries should enhance climate financial support to assist developing countries with respect to implementation of both mitigation and adaptation measures.

This support should also include technology transfer and capacity-building. A meaningful global response is required to implement the promises of the Paris Convention. Resource mobilization continues to remain an important component in financing development of SIDS.

7. For example, in our updated NDC submitted to the UNFCCC, Mauritius raised its ambition to reduce greenhouse emissions by 40% in 2030 instead of its initial NDC target of 30%. We will increase the share of renewable energy in our electricity mix to 60% and phase out the use of coal for electricity generation by 2030. Mauritius has also embarked on a decarbonisation of the transport sector.

Our commitments under the NDC will require a funding of 6.5 billion USD for the period 2021-2030 for mitigation and adaptation measures.

provide a detailed overview of the current support available to middle-income countries. This will address the multidimensional nature of sustainable development and facilitating sustainable development cooperation and coordinate inclusive support to middle-income countries.

## Qu 2. What lessons can be drawn from SIDS that have effectively weathered the economic impacts of COVID-19?

1. Mauritius, like other Small Island Developing States (SIDS), is largely dependent on **international trade and tourism**. With the outbreak of the COVID-19 pandemic early 2020, national borders were closed to international tourism for 18 months.

Despite the downturn due to the impact of COVID-19 pandemic in 2020 which resulted in a **contraction of 14.6%**, the Mauritian economy has showed resilience. It grew by 3.6% in 2021.

2. **Measures introduced by Government:** This has been possible to the various urgent measures introduced by Government to mitigate the impact of the COVID-19 pandemic.

Some **MUR 27billion** were disbursed in the form of *Government Wage Assistance Support* and the *Self-employed Assistance Scheme* to support businesses and self-employed.

These key measures have allowed the economy to withstand the impact of the COVID-19 pandemic by safeguarding employment and protecting the most vulnerable.

Other stimulus packages, grants, loans and revolving credit to Micro, Small and Medium Enterprises (MSMEs) were provided through the Development Bank of Mauritius to ensure business continuity across sectors. Taxes and levies on imports and freight were reduced. In addition, an elaborate vaccination programme was implemented. Other social protection measures, such as distribution of basic food items, to the vulnerable segment of the population were provided.

Based on policy measures announced by Budget 2022/23, and considering the target of reaching 1 million tourists during 2022 and the easing of

adopted a new short-term strategy with the aim of attracting one million tourists in 2022.

ICT Mauritius, like other countries, experienced a spur in online platforms and other IT-related products and services, resulting in a growth of 5.9% of the ICT sector compared to 4.9% in 2019, pre-pandemic.

During the lockdown period, the national service provider increased bandwidth, thus allowing *work-from-home*.

**Education** With the closure of schools, Government adopted the **Education Resilience Strategy** to ensure continuity in learning for secondary school students. These included a mix of distance learning and online classes broadcast on national television.

Digital tablets and free internet access were provided to students from vulnerable groups.

**Food Security** Mauritius, being a net food importer, was deeply impacted by the disruptions in global supply chain. To ensure long-term food security, Government has introduced a number of schemes to boost local crop production. These include financial incentives to cooperatives and SMEs for food production, purchase of livestock and acquisition of equipment and machinery. A number of grants and loan facilities were also introduced in Budget 2020/21 to encourage fishers to acquire semi-industrial fishing vessels to allow them venture for off-lagoon fishing.

### Qu 3. Investing in resilience against future shocks will be critical for SIDS. What role can financing solutions like blue bonds, debt for climate swaps, improved access to capital markets and others, play in strengthening island economies against future shocks?

Following the COVID-19 pandemic, Mauritius introduced a Sustainable Bonds framework in 2021, which African Governments and private companies could leverage on to raise capital from the international investor community.

This was supplemented by the issuance of a Guidelines for the Issue of Corporate and Green Bonds by the Mauritius Financial Services Commission.

Cim Finance, the first company in Mauritius to develop a **Green Bond Framework** and issue green bonds in a concrete way, plans to raise funds worth Rs 3 billion over the next five years.

A first portion of Rs 500 million is being used to finance the company's Green Lease product,

02 August 2022

Statistics Mauritius

<b>Sn</b>	<b>Sector</b>	<b>Facts and Figures</b>	<b>Remarks</b>
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5	FINANCIAL SERVICES	<b><u>Growth Rate</u></b> 2019: 5.2% 2020: 1.0 % 2021: 4.6%	This sector contributed 12.3% of the GVA in 2021.
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