

**THE MINISTER OF FINANCE AND ECONOMIC AFFAIRS
ATTENDED THE FIRST CLIMATE VULNERABLES FINANCE
SUMMIT AND V20 MINISTERIAL DIALOGUE VII**



On the 8th July 2021, The Honourable Minister of Finance and Economic Affairs virtually took part in the First Climate Vulnerables Finance Summit and V20 Ministerial Dialogue VII and delivered a statement at this very important event where economies systematically vulnerable to the global climate crisis come together to exchange and build partnership aimed at, among others, the sustainable financing of development.

According to Hon. Mambury Njie, The Gambia has been ranked as the 28th most vulnerable country to the impacts of climate change. As such, most of the country's economic productive base including agriculture, tourism, and fisheries are vulnerable to extreme climate events, such as droughts and prolonged dry spells, windstorms, flooding, intense heat, and coastal erosion. These have hindered progress on socioeconomic development and negatively impact our poverty reduction efforts.

Speaking further, the Minister said that The Gambia has continued to demonstrate strong leadership in tackling the climate crisis despite contributing the least to causing it. This has been manifested by the Climate Action Tracker rating which shows that the Gambia's unconditional Nationally Determined Contribution (NDC) targets are among the most ambitious. It further affirms that they are compatible with the Paris Agreement target of keeping global warming below 1.5 degrees Celsius by 2050.

Similarly, The Gambia's second NDC has been set to further improve upon this by increasing its emissions reduction target to 49.7 percent by 2030, indicating strong mitigation potential through circular economy actions.

Honourable Njie pointed that achieving this target could be challenging as the COVID-19 pandemic has caused an urgent increase in health and welfare spending. This resulted in the diversion or redirection of scarce and limited resources to respond to the immediate needs of the pandemic. Thus, the COVID-19 pandemic poses additional constraint to our development process.

The pandemic has negatively impacted the implementation and attainment of the National Development Plan objectives through its effects on the people and the economy including the operations of businesses.

“Going forward, the government intends to reprioritize its National Development Plan into a COVID-19 recovery plan that is people centered, resilient, green and leaves no one behind. This COVID-19 recovery plan will transcend human health to encompass multi-sectoral elements while simultaneously addressing the triple crisis of the pandemic, climate change and the destruction of nature”. He added.

However, it is important to note that, as at the end of 2020, the present value of The Gambia's overall debt-to-GDP was estimated at 67.5 percent. As the pandemic continues to put pressure on our economic system, this ratio could worsen. Additionally, the ever-narrowing sovereign fiscal space and the need for increased borrowing is diverting funding away from other underlying priorities, including climate and nature activities, and intensifying the need to manage our debt.

He used this opportunity to call on the international community to support the climate vulnerable countries in undertaking approaches for debt management and for supporting financing for climate and nature priorities.

“The international community can support this situation through the upcoming Special Drawing Rights (SDR) allocation. These SDRs can support the poorest and most climate vulnerable countries in overcoming the significant liquidity shortfalls stemming from the COVID-19 crises. The SDRs are allocated in proportion to member countries’ IMF quotas, which are low for LDCs. Low-income countries would receive only \$21 billion of the total \$650 billion SDR issuance. This is at variance with the spirit of the Paris Agreement”. The Minister reiterated.

As part of their commitments behind the Paris Agreement, he has called on the developed countries to reallocate their allocations of the special drawing rights to countries with the greatest climate vulnerability.

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