



UNCTAD’s Contribution to the Report of the Secretary-General on “Follow-up to and implementation of the SIDS Accelerated Modalities of Action (SAMOA) Pathway and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States”

PART A

VULNERABILITY REDUCTION AND RESILIENCE BUILDING IN SIDS

1. Enhanced Support for a resilient Post COVID 19 Recovery in SIDS

Vulnerability reduction and resilience building are critical issues that must be addressed by SIDS. Briefly elaborate on any resilience building interventions or strategies (proactive or preventative) that have been or are being implemented at national or regional levels that aim specifically at improving resilience in SIDS. Please include financial resources expended in this regard, if available (Limit: 750 words).

In 2022, UNCTAD, in collaboration with national and international partners, carried out country-specific and activities aimed at building human, institutional and productive capacities to boost export capabilities of small island developing States (SIDS) and thus increase their resilience to shocks.

UNCTAD, in cooperation with the UN Office for the Coordination of Humanitarian Affairs, developed the Automated System for Relief Consignments (ASYREC). The tool facilitates and expedites the processing of international relief during humanitarian crises, natural disasters, and complex emergencies such as the COVID-19 pandemic. The project was officially launched in Vanuatu in May 2022 during a virtual event that was attended by Vanuatu’s National Disaster Management Office (NDMO), customs, Australian Agency for International Development, non-governmental organizations involved in delivering humanitarian relief supplies in the country, and UNCTAD staff. ASYREC will help the Vanuatu NDMO and other humanitarian relief actors to effectively coordinate, facilitate and monitor the import and distribution of humanitarian supplies during an emergency. The project is funded by Australia’s Governance for Growth Programme.

E-commerce and ICT have immense potential for supporting the participation of SIDS in international and regional markets, expanding economic opportunities and building resilience. The COVID-19 pandemic has

reinforced pre-existing bottlenecks in the e-commerce ecosystem of these countries. In response to these challenges, in 2022, UNCTAD launched a Development Account project “TrainForTrade blended learning strategy to boost the digital economy in SIDS of Africa, the Caribbean and Asia and the Pacific” that will contribute to strengthening the capacities of participating countries to adopt trade policies that foster digital economy development and enhance crisis responsiveness.

Several publications produced by UNCTAD in 2022 are dedicated to issues of post-pandemic recovery of SIDS. The compendium of research on “Building resilience in small island developing States” provides analysis and policy recommendations for alternative economic development strategies in SIDS, intersectoral linkages in tourism, debt sustainability, and water policies. Water policies are elaborated in further detail in UNCTAD’s study “Aligning economic development and water policies in small island developing States” which discusses how water scarcity constrains economic development in many SIDS and analyses how these countries can better align their economic development and water management policies to support the productive transformation of their economies, in particular by incorporating water security and water productivity into their economic plans. Furthermore, UNCTAD elaborated a country case study on “Prospects for the post-pandemic tourism and economic recovery in Vanuatu”, which provides analysis and policy options for Vanuatu and also serves as a useful tool for policymakers in other tourism-dependent SIDS.

In 2022, the “Oceans Economy and Trade Strategies” project by UNCTAD and the Division for Ocean Affairs and the Law of the Sea supported Barbados and Belize in assessing the impacts of the COVID-19 pandemic and designing redevelopment of the selected ocean based-value chains in the post-pandemic period. Online country consultations and a cross-country study, entitled “Impact and implications of COVID-19 for the ocean economy and trade strategy: Case studies from Barbados, Belize and Costa Rica”, were undertaken to compare impact, experiences and responses within ocean-based value chains.

Under the maritime supply chain component of the UN Development Account project on “Transport and trade connectivity in the age of pandemics”, UNCTAD developed a capacity-building guidebook to manage risks and enhance resilience for ports. The Handbook was published in August 2022 and is supported by a dedicated UNCTAD website and training material on resilient maritime logistics. The UNCTAD guidebook for ports features selected case studies and best practices pertaining to port disruption and response from different regions and SIDS. Three regional webinars were delivered in 2021 and 2022 focusing on Africa, Asia and Latin America and the Caribbean, including SIDS.

On 14 November 2022, Seychelles adopted a national entrepreneurship strategy as part of its broader efforts towards achieving the government’s “Vision 2033” for a resilient, responsible, and prosperous nation. The strategy incorporates key components of UNCTAD’s entrepreneurship policy framework, such as optimizing business regulations, enhancing entrepreneurship education, investing in technology and innovation, improving entrepreneurs’ access to finance, and promoting a culture of entrepreneurship and networking. Seychelles’ national entrepreneurship strategy is the result of collaboration with many partners and the country also received support from the UNCTAD-led MSME Surge project which aims at strengthening the capacity of micro, small and medium-sized enterprises (MSMEs) to counter the socioeconomic fallout from COVID-19.

In 2022, UNCTAD expended US\$ 3'479'513 in total for national projects in SIDS, and further US\$ 3'853'834 for interregional and regional projects involving SIDS.¹

2. Enhanced and Tailored Development Cooperation for SIDS

Improved, tailored development co-operation approaches, calibrated to the specific needs, capacity constraints, and economic challenges facing SIDS are necessary if SIDS are to effectively recover from the COVID Pandemic. Briefly elaborate on any planned or ongoing strategies/approaches to improve and deliver on more tailored development support to SIDS. What are the expected results from these interventions in the targeted countries. Please include indications of resource allocations if available (Limit: 850 words).

In 2022, UNCTAD started implementing the Development Account project entitled “Mobilizing external financial resources beyond COVID-19 for greener, more equal and sustainable development in selected vulnerable small island developing States in Africa and Latin America and the Caribbean”. This project focuses on selected SIDS especially hit by the COVID-19 pandemic, namely Belize, Cabo Verde, Comoros and Saint Vincent and the Grenadines. The objective of this project is to strengthen the national capacities of the four beneficiary countries to mobilize affordable external financial resources for greener, more equal and sustainable development. This will support sustainable development beyond the COVID-19 pandemic and help achieve climate priorities while ensuring external financial sustainability.

UNCTAD has implemented two UN Joint Programmes, funded by the SDG Fund, and aimed at supporting Haiti to develop an Integrated National Financial Framework for SDG financing, building productive capacities towards structural transformation and strengthening the resilience to external shocks. The two programmes include the UNCTAD-UNDP “Haiti in Crisis: A National Consultation on Reform Priorities and Financing Options for Accelerated SDG Achievement and the UNCTAD-International Labour Organization “Global Crisis Emergency support for Haiti: sustainable trade and value chain development for diversification of the economy, improved working conditions, rural employment creation, and food security Haiti”.

In response to a request from the Dominican Republic’s investment promotion agency, training was organized in March 2022 on the utilization of the Investment Policy Review Live implementation matrix — an online tool designed to assist member States to better address the challenges of a dynamic investment policymaking process at country-level and improve prospects for achieving the Agenda 2030 for Sustainable Development. Furthermore, UNCTAD provided comments on the draft Investment Law. The Investment Policy Review of Cabo Verde, published in 2018, continues to drive discussions on investment policymaking in the country. On numerous occasions, UNCTAD was invited to participate in United Nations Country Team meetings, including a strategic retreat (24-25 January 2022) aimed at developing the new country programme and fund mobilization efforts. Several elements of the report were highlighted as key for the recovery and fostering of sustainable development.

In 2022 activities commenced as part of the newly established multi-agency capacity development programme aimed at actively assisting Investment Promotion Agencies from targeted least developed

¹ These figures are provisional. Inter-regional and regional projects may include countries other than SIDS.

countries – including five SIDS, namely Haiti, Kiribati, Sao Tome and Principe, Timor-Leste and Tuvalu – by providing tailored capacity building activities, taking into account the diverse needs of participation countries with respect to foreign direct investment (FDI) attraction and facilitation during the unprecedented challenge of the COVID-19 crisis, and by fostering increased collaboration between the private sector and the respective governments.

The investment guides (iGuides) were developed in 2022 for Mauritius and the Dominican Republic. The iGuides programme provides developing country governments with the necessary capacity to better market their countries or territories as investment destinations to the global investment community, in order to attract quality FDI in pursuit of their development goals. Providing transparency on the investment process is fundamental for effective investment facilitation. The iGuides online platforms, designed by UNCTAD and the International Chamber of Commerce, provide international investors with essential up-to-date information on rules, economic conditions, procedures, business costs and investment opportunities in developing countries.

Special economic zones (SEZ) are an important tool for attracting investment and fostering structural transformation, which ultimately contributes to resilience building through more rapid economic growth, employment opportunities and stronger diversification of exports and production. UNCTAD and the World Free Zones Organization are co-chairs of the newly established Global Alliance of Special Economic Zones. The alliance is dedicated to advancing a new generation of SEZs to support sustainable development objectives. It represents 7,000 special economic zones, employing over 100 million people in 145 countries. The First Annual Conference of the Global Alliance of Special Economic Zones took place on 13 June 2022 at the Montego Bay Convention Centre in Jamaica and attracted 750 participants.

PART B

IDENTIFYING POLICY PRIORITIES IN SIDS FOR THE NEW AGENDA

The SAMOA Pathway contains a number of action areas which require policy formulation, programmes or projects to implemented at national, sub regional and/or regional levels. While SIDS have made a fair amount of progress with actioning these over the last decade, a number of gaps remain. As the international community prepares for the 4th International Conference on SIDS, what are the key priority policies, programmes and projects that are needed to further advance the SIDS development agenda and why? (Limit: 750 words).

The SAMOA Pathway provides comprehensive coverage of action areas necessary for the sustainable development of SIDS. While these nations have achieved progress in many areas of the SAMOA Pathway, their efforts have been undermined by crises that are often outside of their control, such as the COVID-19 pandemic, natural disasters, rising international prices of food and fuel and increasing debt burden. These compounding crises have led to an unprecedented distress level, putting the development aspirations of these nations at risk and calling for a new generation of international support measures. These new support measures should include (i) renewed political commitment by all countries to address the specific needs and vulnerabilities of SIDS, (ii) a significant increase in the implementation rate of identified or ongoing programmes, projects or activities, particularly through increased mobilization of targeted resources, and

(iii) design and implementation of new development approaches and strategies, which require strengthened partnerships across national stakeholders, development organizations and financial institutions.

Lessons learned from the past activities of UNCTAD show the importance of diversified and productive economic activities for sustained growth and resilience building in SIDS. Consequently, building of productive capacities and structural transformation of SIDS, and concrete actions in this regard, should feature more prominently in the next Programme of Action. Furthermore, the development of knowledge-based industries can be included as one of the paths towards structural transformation. Knowledge-based industries represent a viable development model for SIDS because they offer a dual advantage of offering technology transfer opportunities while relying less on economies of scale or geographic proximity to markets.

UNCTAD held the “Expert Meeting on Revisiting Development Strategies for Small Island Developing States in the Post-Pandemic Competitive Landscape” on the 24th of October 2022 in Geneva, with physical and remote participation. The meeting elaborated on pathways towards more diversified, sustainable and resilient economies and societies, through structural transformation, integration of disaster risk management into development strategies, entrepreneurship and innovation, connectivity and ICT infrastructure, with an overarching need for a better access to concessional finance and a coordinated engagement with the multilateral system. The meeting also underscored the importance of a reformulation of the “need” conditions for access to concessional finance, away from a narrow focus on income, to include the extreme levels of vulnerability that characterize many SIDS. In conclusions, the meeting called for urgent actions from policymakers and the international community to preserve the socio-economic progress and achieve long-term development aspirations of SIDS. The next Programme of Action should therefore include new approaches for concessional finance.

Transport infrastructure is a matter of strategic economic importance, particularly for SIDS, which depend on their ports and airports as lifelines for external trade, food and energy security, as well as tourism, and in the context of disaster risk reduction. To enhance the ability of SIDS to respond to shocks and disruptions that undermine their maritime transportation systems, efforts are needed to future-proof their maritime supply chains through sustainability and resilience-building measures. These measures include investing in risk management and emergency response preparedness, transitioning to clean energy sources, supporting ports to promote energy transition, improving regional connectivity, as well as leveraging new sources of finance, including sustainable/green finance and public-private partnerships, and new technologies. In this context, the new Programme of Action should prioritize the protection of maritime transportation systems.

The ocean economy is a major asset and represents an opportunity for SIDS to formulate development strategies adapted to their unique advantage. Advances in technology open possibilities for a wider application of the blue economy concept, including activities such as subsea mining of rare earth minerals, bioprospecting of resources for use in pharmaceuticals or cosmetics, mariculture, and renewable energy sources such as solar, wave and wind. To capitalize on these opportunities, the next Programme of Action should expand and concretise the actions required for building a sustainable ocean economy. It can build on the recommendations developed by the 4th UN Oceans Forum on trade-related aspects of SDG 14 Life below water, organized in 2022 by UNCTAD and its partners, including (i) promoting non-polluting substitutes to reduce dependence on plastics, support the circular economy and develop new industries, (ii) implementing the WTO Fisheries Subsidies Agreement while providing sufficient technical support to ensure its implementation is sustainable and development friendly, (iii) addressing social sustainability issues and ensuring that benefits from the commercialization of ocean resources are shared fairly and equitably, (iv)

scaling up access and use of technology, and (v) building sustainable and resilient supply chains, including support for small-scale fishers and promotion of economic diversification.