

**SIDS UNCTAD
G E N E V A**

**Statement delivered by Barbados
on behalf of the Group of Small Island Developing States (SIDS)
on the occasion of the 64th Executive Session of the Trade and Development Board**

Geneva, 6 February 2017

Mr. President, H.E. Mr. Christopher Aparr (Uganda)
Mr. Joakim Reiter, Deputy Secretary-General of UNCTAD,
Mr. Paul Akiwumi, Director, Division for Africa, Least Developed Countries, and Special Programmes,
Excellencies,
Distinguished delegates,

Barbados delivers this statement on behalf of the Group of Small Island Developing States (SIDS) at this the sixty-fourth Executive Session of the Trade and Development Board.

Mister President.

2. The SIDS Group would like to thank Deputy Secretary-General Reiter for his opening remarks and commend the UNCTAD Secretariat for the publication of this iteration of its 2016 Least Developed Countries report which is aptly themed “*The path to graduation and beyond: Making the most of the process*”. It is testament to the valuable contribution that UNCTAD makes to developing countries and particularly in this instance to least developing countries (LDC).

3. Mister President, as you are aware, the umbrella Division for issues relating to SIDS and LDCs, falls within the scope of the Division for Africa, Least Developed Countries, and Special Programmes. It is therefore a pleasure for our Group to welcome the new Director of that Division. We look forward to working with him and the entire UNCTAD Secretariat on issues related to SIDS as we seek to fully and faithfully implement the outcomes of the UNCTAD XIV Conference as set out in the Nairobi Maafikiano.

Mister President.

4. The global economy today is fraught with uncertainty. Depressed world trade, sharp declines in growth, high debt levels in both developed and developing countries has contributed to the bleak outlook for the future growth of LDCs in the short-run, averaging some 3.6 per cent in 2015 - well below the 7 per cent growth target.

5. The Group therefore commends the UNCTAD Secretariat for the inquiry, statistics and policy recommendations outlined in the Report. The report is indeed timely and pertinent to realities facing LDCs today and gives, though conceptual in nature, some insight into the

considerations that may be required to be taken, if LDCs are to indeed make most out of sustainable development and the process towards graduation, and beyond.

6. The Report therefore reinforces the need for UNCTAD, as has been reiterated in the Nairobi Maafikiano, to continue its important role of strengthening its special focus on the trade and development needs of the least developed countries, in accordance with the Istanbul Programme of Action.

7. The Group can concur with many of the main recommendations of the 2016 Report. However, we would wish to highlight a few important points which we consider to be pertinent to the issues before us.

8. We would first wish to highlight at least one of the main analytical references in the Report, that is, in terms of graduation, based on the past and projected evidence, SIDS generally perform well owing to their diversification towards services, investment in human capital and high per capita incomes – relative to other non-SIDS LDCs. In this regard, we do take note that in terms of the projections of the simulation in the report, all but one of the SIDS would graduate out of LDC status by 2025.

9. We would wish to reiterate that per capita income is not the most effective measure especially for small island developing states which have disproportionately high economic and environmental vulnerability. We note that economic vulnerability is not taken into account in the computation of the per capital income indicator. We therefore continue to commend the work by the international institutions to develop vulnerability and other indices. We are aware that UNCTAD is already contributing to these and we commend them on their work in this regard. UNCTAD's work on statistics is therefore of vital importance to the development of these measures.

10. Small size and vulnerability to climatic and other environmental hazards, are factors which should also be considered in the pre-and post-graduation phases for LDC SIDS. Positive trends of economic growth and development in these countries, could change significantly in these countries with the interference of devastating events. We would therefore suggest that coupled with the inclusion of climate change adaptation and mitigation and disaster risk reduction strategies, in the overall development thrust of LDC SIDS, there must be a tailored approach at the international level which includes the consideration the development, levels of economic and environmental vulnerability and productive capacities of these countries.

11. Secondly, the global landscape now tends towards risk avoidance rather than risk management. As a consequence of this regulatory decision, the issue of de-risking and correspondent banking has been brought to the forefront of the discussions within global financial institutions including, the World Bank, the Financial Stability Board and the Global Forum on Transparency and Exchange of Information for Tax Purposes. These issues have also been a small part of the discussion here in Geneva. Small jurisdictions including a number of SIDS, which because of their size, generally have low volumes of business/transactions and are among those which have been negatively impacted by the decision by banks to withdraw correspondent banking relationships or other services from these countries. This can have far-

reaching consequences impacting on trade, the ability to conduct basic everyday activities and the country's financial services sector.

Mister President.

12. The SIDS group concurs with the report and with other statements read today, that graduation from LDC status should not be viewed as an end in itself, but rather as a small step towards sustained development. The notion of "Graduating with momentum" which has been coined in the Report, will therefore be key to sustaining growth and development in the post-graduation phase of newly termed "other developing countries".

13. Mister President, the SIDS Group considers that the next few months will be critical to ensuring that we revitalise and maintain the relevance of this organisation - one that it is fit for purpose. This will require our collective efforts and shared perspectives and indeed expectations on UNCTAD's future direction. We look forward to embarking on Phase II of our work and stand ready and willing to contribute in this regard. As for the outcomes of our meeting this week, it is hoped that we see beyond the Report and reflect on the livelihoods and people in these countries. It is therefore our wish that the agreed conclusions would be substantive and beneficial to LDCs and would set the backdrop for our engagement in the months to come.

Mister President, I thank you.