

64<sup>th</sup> session of the Trade and Development Board

Item 10: Activities of UNCTAD in support of small island developing countries (SIDS)

Opening Statement

**Mr. Paul Akiwumi**

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Excellencies

Ladies and Gentlemen,

This is the first time that the Trade and Development Board has placed a discussion of the activities of UNCTAD in support of small island developing States (SIDS) and landlocked developing countries (LLDCs) on its agenda, and we welcome the opportunity to present our work in these areas and benefit from your guidance.

To support your deliberations today, you have in front of you a detailed report of UNCTAD's work on SIDS, outlining the history of UNCTAD's role in recognizing the challenges facing these countries, our research and analysis work on their situation, as well as our activities to support them in overcoming the challenges. My colleague, Mr. Pierre Encontre will provide you with a summary of UNCTAD's activities in a minute. However, before then, allow me to say a few words to put our work in context.

Firstly, the vulnerabilities of the SIDS are real and addressing them must be a priority for development partners. Even if the SIDS have not been recognized as a formal category by the United Nations membership, no-one disputes that the disadvantages arising from small but growing populations, limited resources, geographical remoteness and heavy dependence on maritime trade are significant, and merit special attention. These factors alone are condemning SIDS to limited opportunities for economies of scale, as well as high transport costs, discouraging both much-needed imports and exports.

Yet these challenges are further compounded by the particular vulnerabilities of SIDS to external shocks, especially extreme weather events as well as the effects of climate change, such as rising sea levels. The recent events in the Caribbean serve to highlight some of the risks that many SIDS are exposed to. Before making landfall in the United States, Hurricane Irma caused devastation in several islands. According to the Prime Minister of Antigua and Barbuda, for example, 95% of houses in Barbuda have been damaged, and the cost of rebuilding has been estimated at 65 million US\$. And many of you will remember the horrific effects of the 2004 tsunami in many islands in the Indian Ocean.

UNCTAD has been instrumental in first highlighting the special development challenges facing SIDS in the 1970s, and continues to be committed to their cause. Thus, when the Division for Africa, LDCs and Special Programmes was created, dedicated resources were allocated to support SIDS. Our work can broadly be divided into two core areas:

The first of these is raising the visibility of the special vulnerabilities of these countries, and supporting this with research and analysis. In particular, UNCTAD has collaborated with the Committee on Development Policy to create an economic vulnerability index and to ensure the adoption of a vulnerability criterion in the graduation procedures for LDCs. Since then, UNCTAD

has regularly prepared economic vulnerability profiles for SIDS that were LDCs and were being considered for graduation. Currently, UNCTAD is undertaking such reviews for Sao Tome and Principe, the Solomon Islands and Timor-Leste.

The second focus of our work has been to support SIDS in addressing their vulnerabilities and achieving the SDGs. Here, UNCTAD has been providing analytical inputs to the SAMOA Pathway, agreed in Apia in 2014, building on the experience from the implementation of the Mauritius and Barbados Programmes of Action. Our analysis has shown that for these countries to overcome their vulnerabilities, they must focus on building productive capacities and building resilience. In this context, UNCTAD has implemented a number of targeted technical assistance projects to support these goals in SIDS. For example, UNCTAD has promoted economic diversification in Sao Tome and Principe, with a focus on the blue economy. Furthermore, UNCTAD currently piloting a project to carry out a review of the domestic productive-capacity-building policies in Vanuatu. With regard to strengthening resilience, UNCTAD is working to support adaptation to climate change in Tuvalu and Vanuatu.

Beyond these specifically targeted projects, many SIDS are also benefiting from broader UNCTAD assistance projects. The project outlined this morning on strengthening the fisheries sector in selected LDCs, for example, is benefiting Comoros and Mauritius. Furthermore, 18 SIDS have installed UNCTAD's ASYCUDA system, and many have benefited from a variety of UNCTAD projects in the areas of trade, trade logistics, and investment.

Given the scale of the needs, however, UNCTAD has long argued that for SIDS to build productive capacities and strengthen resilience, stronger international support will be required. In this context, consideration could be given to the creation of dedicated international support mechanisms for SIDS.

UNCTAD's mandate on SIDS has recently received new impetus with the adoption of the Nairobi Maafikiano, and we stand ready to strengthen and sharpen our work to support these countries. We look forward to hearing your comments and suggestions.

Thank you very much.

I would now like to ask my colleague, Mr. Pierre Encontre, to provide you with an outline of the report.