

South-South cooperation and regional integration for sustainable development of SIDS

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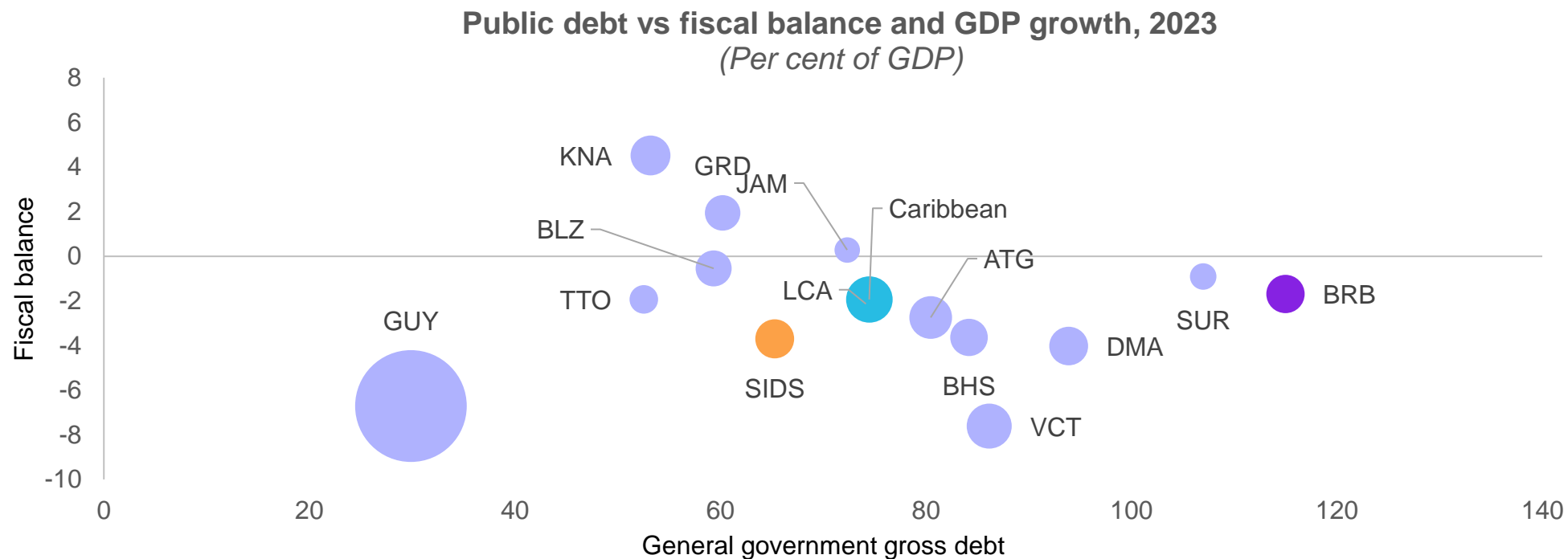
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Macroeconomic challenges of Caribbean SIDS



Source: IMF WEO database October 2023

Note: Area of bubbles reflects GDP growth value



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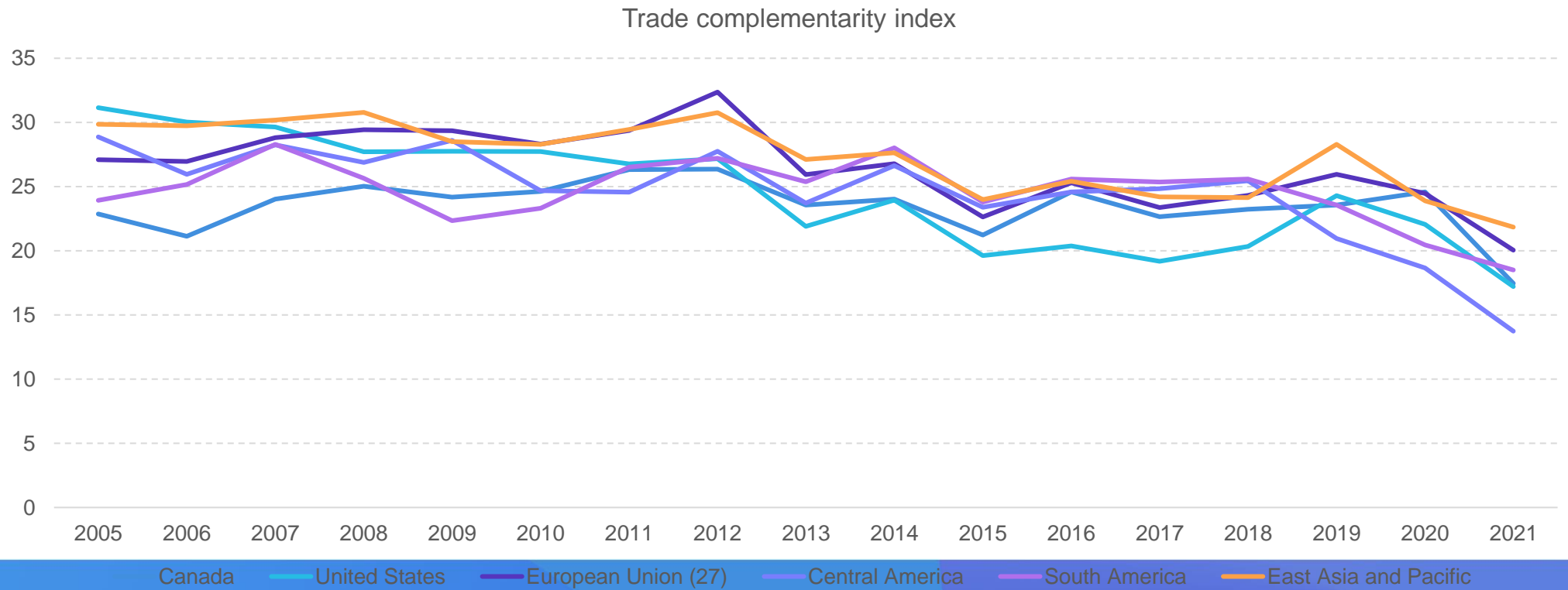
How can regional integration among SIDS enhance collective capacity to address common challenges and capitalize on shared opportunities?

Grubel-Lloyd Index

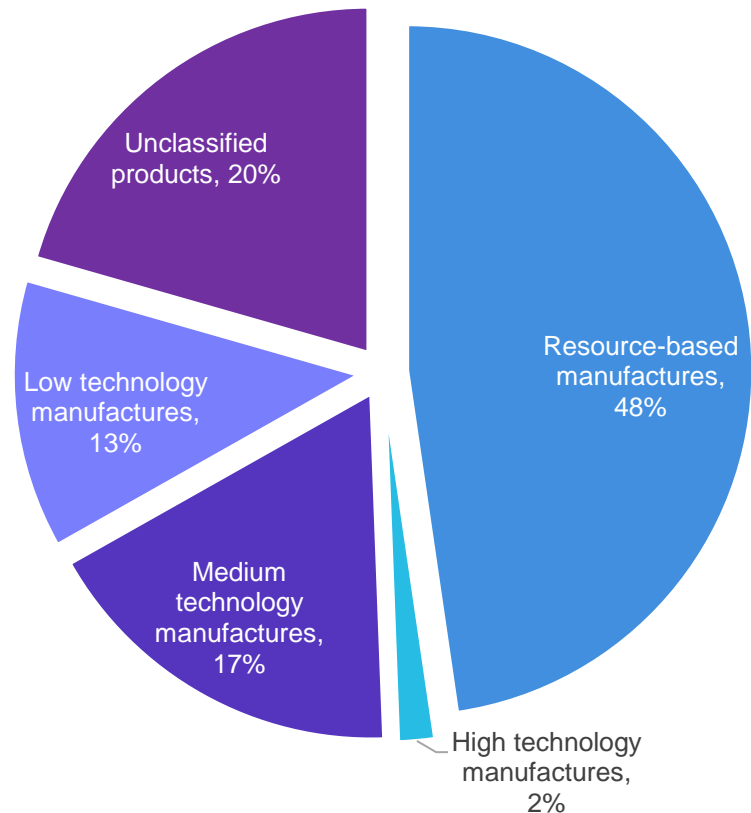
Country	Year	CARICOM	United States	Canada	European Union (excluding UK)	SICA	Mercosur	World excluding Caribbean
Antigua and Barbuda	2015	●	●	●	●			●
Bahamas, The	2015	●	●	●	●		●	●
Barbados	2021	●	●	●	●	●	●	●
Belize	2021	●	●	●	●	●		●
Grenada	2021	●	●	●	●	●		●
Guyana	2021	●	●	●	●	●	●	●
Jamaica	2020	●	●	●	●	●	●	●
St. Kitts and Nevis	2015	●	●		●	●	●	●
St. Lucia	2015	●	●	●	●	●	●	●
St. Vincent and the Grenadi	2021	●	●	●	●			●
Suriname	2021	●	●	●	●	●	●	●
Trinidad and Tobago	2021	●	●	●	●	●	●	●

- Indication of intra-industry trade
- Potential intra-industry trade
- Inter-industrial relations

Trade complementarity has been declining



ECLAC proposes the establishment of an industrial restructuring framework for the sharing of technology, research and development and innovation to promote resilience building



- Only a small percentage of the Caribbean's technological intensity of exports focused on high technology manufactures (2%) which increases value added to the economy
- The Caribbean needs substantial development and financial support to diversify their exports towards high-value goods and services needed to promote economic development
- Development partners could assist with innovation, transfer of productive technologies, digital technologies, green energy and climate-resilient infrastructure
- SSC should also focus on broadening regional integration and facilitating industrial restructuring in Caribbean economies

How can South-South cooperation be effectively leveraged to address the unique challenges faced by Small Island Developing States (SIDS)?

Key pillars of support to SIDS

Climate Resilience Building

- Promote South-South investment in climate mitigation and adaptation projects
- Establish Regional Emissions Trading Scheme
- Scaling up parametric insurance in the event of a natural disaster
- Providing technical cooperation for climate resilient infrastructure
- Share knowledge to advance policy reform
- Develop early warning systems
- Promote joint disaster response mechanism
- Pooling of renewable energy and disaster relief resources

Innovative Financing Mechanisms

- Working collectively with development partners to advance debt for climate adaptation swaps for SIDS
- Developing innovative financing mechanisms for providing liquidity support for highly indebted SIDS
- South-South Cooperation in advancing the construct of a global architecture for debt restructuring for highly indebted SIDS

Regional integration and economic diversification

- Promoting production and export of capital services in Caribbean SIDS
- Incentivizing investment in the blue and green industries
- Modernizing economic infrastructure to boost productivity and growth
- Provide support to MSME and the informal economy
- Promote South-South partnerships in international negotiations
- Establish South-South knowledge hubs

Lessons of South-South cooperation and integration of other regions that can be learnt by Barbados and Caribbean region



- **Alignment with national and regional priorities:** *This is vital to ensure cooperation initiatives address the most pressing needs and contribute to sustainable development.*
- **Sustainability and long-term commitment:** *Sustaining South-South cooperation requires long-term commitment and dedicated funding mechanisms.*
- **A unified assessment framework:** *Measuring and monitoring South–South cooperation’s contribution to economic development would enhance comparability, access to data, and provide clearer evidence on its contribution to development*
- **Cultural and institutional differences:** *Careful communication and collaboration strategies needed to address cultural and institutional differences.*
- **Establishment of regional centers of excellence:** *Focus on education and skills development to promote innovation , entrepreneurship and address skills gap, using PPPs to establish South-South Knowledge Hubs and vocational learning centers*