

# SEMINAR

## Building economic resilience in small island developing States

*By: UNCTAD and the Commonwealth Secretariat*

*Online meeting*

*14:00-16:00 GMT, 4 March 2021*

### 1. Rationale

Beginning in early 2020, the COVID-19 pandemic arose as a global health, economic and social crisis. Although most small island developing States (SIDS) were spared the widespread infections and loss of life endured in larger, continental countries, the pandemic has exacerbated SIDS' severe vulnerability to external shocks, unleashing an unprecedented socio-economic and financial crisis.

As a result of COVID-19, the United Nations World Tourism Organization (UNWTO) estimates that international tourist arrivals fell worldwide by 70 per cent from January to August 2020, representing losses of US\$ 730 billion and putting well over 100 million jobs at risk.<sup>1</sup> In parallel, the World Trade Organization (WTO) estimated in October 2020 that total service trade will decline by 23 per cent in 2020.<sup>2</sup> SIDS keenly felt these contractions in tourism and trade, which undercut their main sources of foreign exchange, staples and employment.

The COVID-19 pandemic has also compounded the lingering effects of the 2008-2009 global financial crisis, after which many SIDS borrowed to underwrite deficit spending and spur economic growth. Already burdened with high debt service costs when COVID-19 struck, many SIDS lack the fiscal space to respond to the extraordinary needs created by the pandemic. Despite short-term relief measures from creditors, many SIDS faced liquidity crises as of mid-2020 and, without broader relief through at least 2021, these liquidity problems could escalate into insolvency.<sup>3</sup> As of 25 November 2020, the International Monetary Fund (IMF) classified two SIDS – Grenada and Sao Tome and Principe – as being in debt distress, with a further 12 SIDS at a high risk of the same.<sup>4</sup>

To break this cycle of recurring crises and incomplete recoveries, SIDS need to build their resilience to environmental and economic shocks. The 2014 SIDS Accelerated Modalities of Action (SAMOA) Pathway provides a broad roadmap for international action for the sustainable development of SIDS. As part of this vision, the Pathway, while “taking into account... individual country circumstances”, recognizes the importance of resilience-building strategies and stresses member States' commitment “to take urgent and concrete action to address the vulnerability of SIDS”, while underscoring “the urgency of finding additional solutions to the major challenges facing SIDS”.<sup>5</sup>

Economic development strategies provide a blueprint for governments and incentives for the private sector to invest in new industries and infrastructure, ideally spurring a cycle of economic growth and structural transformation, towards a resilient economy and sustainable long-term development.

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<sup>1</sup> UNWTO. 2020. International tourism down 70% as travel restrictions impact all regions. Blog entry. 27 October. Available at: <https://www.unwto.org/news/international-tourism-down-70-as-travel-restrictions-impact-all-regions>. Retrieved 24 November 2020.

<sup>2</sup> WTO. 2020. Trade shows signs of rebound from COVID-19, recovery still uncertain. Press release 862, 6 October. Available at: [https://www.wto.org/english/news\\_e/pres20\\_e/pr862\\_e.htm](https://www.wto.org/english/news_e/pres20_e/pr862_e.htm). Retrieved 27 October 2020.

<sup>3</sup> United Nations. 2020. Policy Brief 64: The COVID-19 pandemic puts small island developing economies in dire straits. New York: United Nations Department of Economic and Social Affairs. Available at: [https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/PB\\_64.pdf](https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/PB_64.pdf). Retrieved 24 November 2020.

<sup>4</sup> IMF. 2020. List of LIC DSAs for PRGT-Eligible Countries. As at 25 November 2020. Available at: [www.imf.org](http://www.imf.org). Retrieved 8 December 2020.

<sup>5</sup> United Nations General Assembly. 2014. Resolution 69/15: Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway. Paragraphs 22 and 27. Available at: <https://sustainabledevelopment.un.org/sids2014/samoapathway>. Retrieved 24 November 2020.

The United Nations Conference on Trade and Development (UNCTAD) and the Commonwealth Secretariat have worked for decades to assist SIDS and other small States in achieving sustainable development. In the current context, the two agencies are cooperating to renew international commitment to building SIDS' economic resilience, by assisting in identifying and implementing development strategies, adapted to their unique circumstances.

As part of this effort, UNCTAD and the Commonwealth Secretariat propose a seminar for member States on "building economic resilience in SIDS", to present their ongoing work, and exchange views with member States on development strategies for SIDS and small States.

## 2. Objectives

The specific objectives of the seminar are to:

- Inform SIDS and small States of assistance provided by UNCTAD and the Commonwealth;
- Foster debate on "alternative development strategies for diverse SIDS" based on joint UNCTAD-Commonwealth research; and
- Identify next steps, including further research, policy analysis and technical assistance.

## 3. Participants

This seminar on "building economic resilience in SIDS" is open to all and will be of particular interest to the following groups:

- Permanent missions of SIDS in Geneva
- Permanent missions of small States in London
- Organizations with an interest in SIDS

## 4. Programme

Time	Speaker	Topic
14:00-14:05	Mr. Paul Akiwumi Director, Division for Africa, LDCs and Special Programmes (ALDC), UNCTAD	Welcome remarks
14:05-14:10	Dr. Arjoon Suddhoo Deputy Secretary-General, Commonwealth Secretariat	Welcome remarks
14:15-14:20	HE Mr. Chad Blackman PR of Barbados to the UN in Geneva Coordinator of the SIDS Group in Geneva	Introductory remarks
14:20-14:35	Mr. Pierre Encontre Chief, SIDS and Status Issues Section, UNCTAD	UNCTAD's assistance to SIDS
14:35-14:50	Dr. Ruth Kattumuri Senior Director, Economic, Youth & Sustainable Development Directorate, Commonwealth Secretariat	Commonwealth's assistance to small States
14:50-15:05	Mr. Kris Terauds Economist, SIDS and Status Issues Section, UNCTAD	Alternative development strategies for SIDS
15:05-15:55	Q&A	
15:55-16:00	Mr. Paul Akiwumi UNCTAD	Closing remarks

## **5. Contacts**

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