

---

# **Building Economic Resilience in Small Island Developing States**

**UNCTAD and Commonwealth Secretariat  
Seminar**

**4 March 2021**



**The Commonwealth**

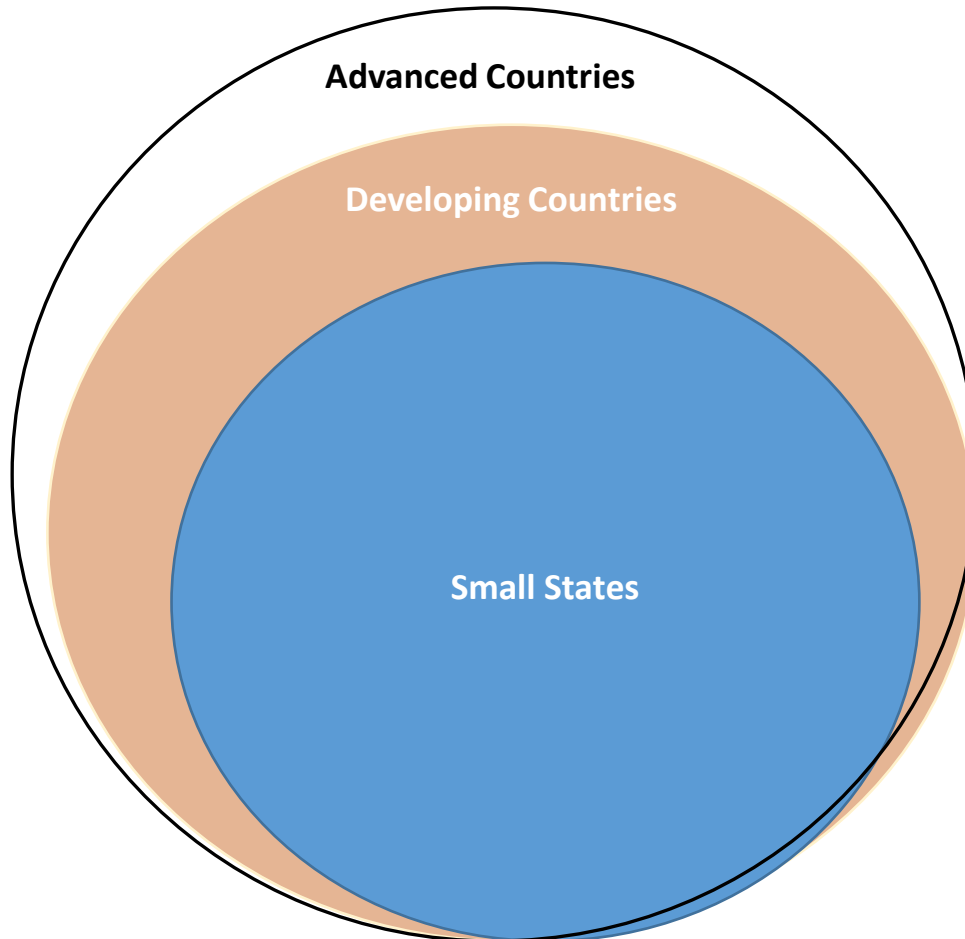
# OUTLINE

## I. Programme Objectives

## II. Implementation and Impact

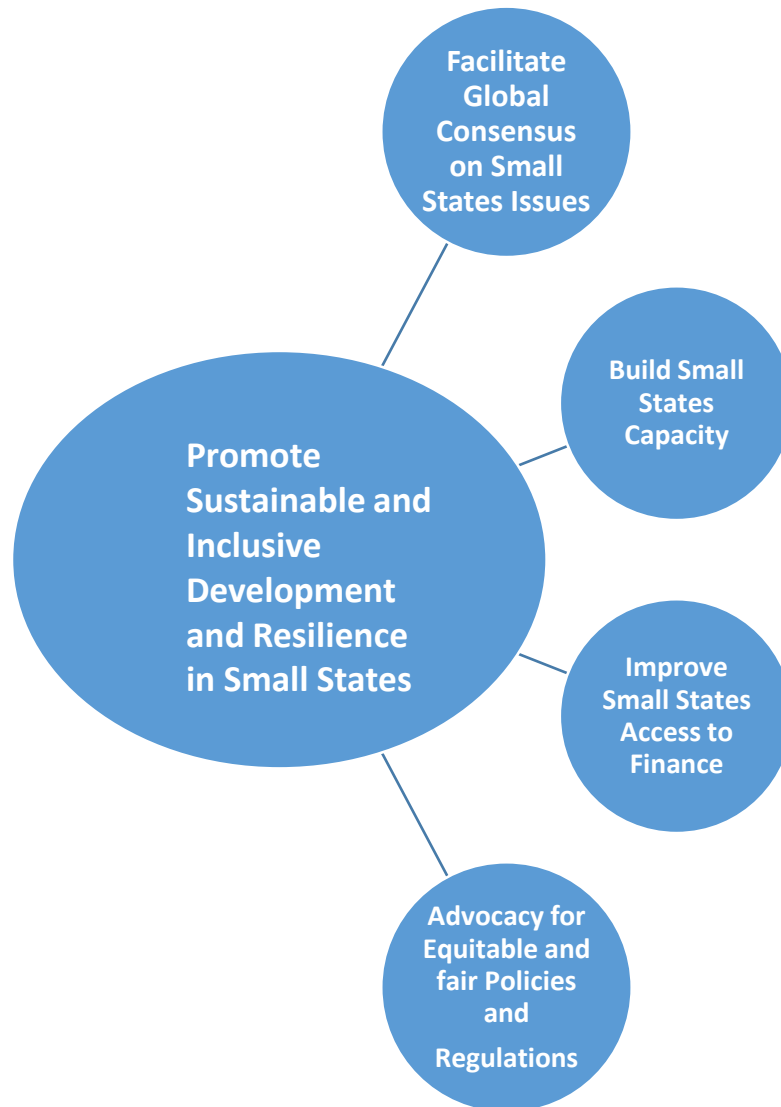
- Technical Assistance and Capacity building
- Evidence based Research and Product Development
- Advocacy, Convening Discussions & Building consensus
- Partnerships & enabling Resource Mobilization
- Aligning with UN SDGs

# Relevance of Small States



- Small states **comprise 60%** of Commonwealth members countries
- Programme related to **small states** are central to the work of the Commonwealth Secretariat and add value to global discussions.
- Small states' face similar **economic policy challenges** – vulnerabilities due to small populations, geographic location, limited trade potential, high debt levels and poor access to affordable finance and other emerging issues exacerbated due to COVID-19.
- Finding solutions **to** these common challenges of small states could be addressed through **co-ordinated efforts and consensus** to find **policy solutions and impact remedial action/support involving tailored programmes; knowledge sharing and capacity building.**

# Programme Objectives



- The Commonwealth aims to **promote inclusive development and to build resilience in small states**.
- Achieving this goal requires addressing the following **major challenges** for small states:
  - **Limited influence** on global policy, which has direct consequences for small states' **ability** to respond to economic, climatic shocks and currently COVID-19 in their countries.
  - **Limited technical capabilities**, which constrains their ability to build national resilience as well as to effectively engage with international policy discussions
  - **Disproportionate access to affordable finance** that is much needed to sustain growth and build resilience
  - **Limited capacity to respond** to under represented international policies and regulations

# Implementation and Impact



# Technical Assistance



## Fintech

- Capacity building in fintech activities to promote financial inclusion.
- Development of Fintech toolkit.
- Training offered by Cambridge and Oxford universities and 42 participants were from 20 small states.
- Development of framework to create an enabling environment for FinTech



## Virtual Centre for Small States

- Response measure to tackle the effects of COVID-19.
- Provide support through information exchange, experience and innovation sharing.
- Hub for collating up-to-date data and information
- Small states offices and partner organisations will use VCSS to reach out to SS.



## Diaspora investment

- Leverage diaspora finance and savings to enhance investment and support development
- Technical assistance to help member states develop diaspora investment strategies and policies

## Technical Assistance

### Universal Economic Vulnerability Index

- Developing a universal measure of vulnerability that could better track and quantify the challenges faced by small states relative to other groups of countries.
- An important feature of the UVI is that it seeks to unpack the structural and non-structural aspects of vulnerability and resilience.
- It will form the basis for an annual Commonwealth vulnerability survey

### Disaster Risk Finance Portal

- Repository of disaster risk finance instruments available.
- Facilitate easy access of information on financing.
- Provision for learning and exchange of information on disaster risk management.
- Developing a disaster risk management programme to underpin the functionality of the portal.

### Debt Sustainability Toolkit

- Toolkit to complement the IMF Debt Sustainability Analysis Framework but will be tailor-made to assess member countries capacity to finance national policy objectives and service debt.
- The Toolkit would be stochastic and take into account uncertainty and macroeconomic dynamics in debt sustainability.
- To be completed by September 2021.

# Technical Assistance

## Climate finance Access Hub

- Small states and vulnerable countries face acute impacts of climate change in a disproportional way.
- 
- These countries have limited capacity to access climate finance due to complexity of the finance architecture.
- The Hub helps countries to unlock the available climate finance.
- Since 2016, the Hub has secured USD35.96 million (23 projects in 6 countries) with USD638 million in the pipeline.
- The Hub is based in Mauritius and has deployed Advisers in 12 countries.

## CW Meridian for Debt Management

- The system is used in 63 countries 17 of which are non-Commonwealth countries.
- A total of 28 out of the 32 Commonwealth small states use the Secretariat Debt Management System for recording their public and publicly guaranteed debt.
- Nine(9) Small states use the system for reporting the World IMF debt data databases (QEDS, QPSD) - Voluntary Requirement
- New feature of the Meridian include:
  - (i) comprehensive recording of sovereign debt;
  - (ii) improved controls for data quality;
  - (iii) dashboard for real-time monitoring debt limits and sustainability indicators;
  - (iv) integration of systems such as financial management systems, Treasury systems, SWIFT payment systems as well as auction systems.

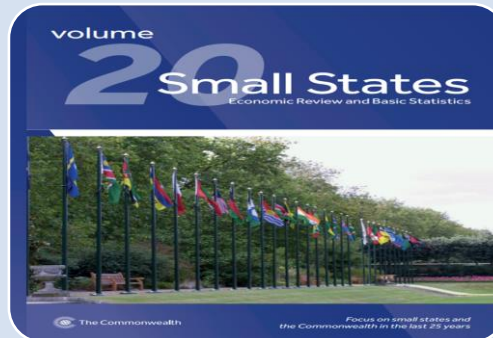


# Research and Product Development



Annual Economic Development Report.

2021 report will focus on the economic effect of COVID-19.



Small States Bulletin produced biennially.

2021 Bulletin focusing on rebuilding small States Post-Covid-19: challenges and opportunities with a special focus on tourism.



Quarterly publication relevant to small states issues.

Presented to staff, High Commissions and other stakeholders through 'brown bag lunch' events.

## Advocacy, Convening discussions and Building Consensus



### CFMM

Extraordinary meeting  
of Small States Finance  
Ministers

Commonwealth  
Ministerial Meeting on  
Small States - CHOGM

### Global biennial Conference on Small States

Research  
Conference on  
Strengthening  
Resilience of Small  
States

Participation at  
various  
international  
platforms to  
advocate for  
international  
recognition of  
vulnerabilities and  
challenges relevant  
for small states .



---

Presented by: Dr Ruth Kattumuri  
Senior Director  
Economic, Youth & Sustainable  
Development Directorate

Commonwealth Secretariat

Email: [r.kattumuri@commonwealth.int](mailto:r.kattumuri@commonwealth.int)

Tel: +44 20 7747 6467



The Commonwealth