

**DRAFT INTRODUCTORY REMARKS BY HE MR. CHAD BLACKMAN,
AMBASSADOR AND PERMANENT REPRESENTATIVE OF BARBADOS AT
GENEVA AND COORDINATOR OF THE SIDS GROUP IN UNCTAD**

UNCTAD AND THE COMMONWEALTH SECRETARIAT

ONLINE SEMINAR:

**BUILDING ECONOMIC RESILIENCE IN SMALL ISLAND DEVELOPING
STATES**

15:00-17:00 CET (14:00-16:00 GMT), 4 MARCH 2021

Mr. Paul Akiwumi, Director, Division for Africa, LDCs and Special Programmes (ALDC), UNCTAD,

Dr. Arjoon Suddhoo, Deputy Secretary-General, Commonwealth Secretariat

Fellow speakers,

Ladies and Gentlemen,

Good morning or Good evening or perhaps Good night, depending on where you are in the world. Certainly, it is a pleasure to be speaking with you at this moment.

I want to begin by thanking UNCTAD and the Commonwealth Secretariat for organising this online seminar on Small Island Developing States (SIDS), and more specifically on the topic of building the economic resilience of these countries. If there ever was a time for this to be discussed, certainly that time is now.

It is a precarious time for SIDS, not only in light of the current challenges that are facing these countries, but also and more importantly, those that are inevitable if there is a failure to shift from rhetoric to concrete action at the international level. I am therefore heartened by this event and the evolution of the body of work undertaken on SIDS and small states by both UNCTAD and the Commonwealth Secretariat over time.

Now, whether we consider it to be “the perfect storm” or “twin threat”, the fact is that SIDS are currently confronted by two impossible situations at the same time. Firstly, confronting the realities of what it means to be on the frontline of climate change; and secondly, enduring the harsh veracities of the economic crisis which has been induced by the COVID-19 pandemic. These have severe consequences on the achievement of sustainable development objectives in SIDS as well as the state and quality of life for future generations.

SIDS are defined by the inherent challenges which are associated with smallness and high economic and environmental vulnerability and there is a clear understanding that if SIDS are to rise above the challenges that I would have outlined, there will need to be a strong emphasis placed on building resilience and capacities in small island developing states.

Therefore, the international community has recognised that in light of their peculiar circumstances and vulnerabilities, as well as the need to build resilience in SIDS, there is an urgent need to strengthen international cooperation and also to ensure that there is a genuine

and durable partnership at all levels. Unfortunately, in assessing the progress made since adopting the SAMOA Pathways, this has not necessarily redound to enhanced access to finance and other necessary resources that would invariably ensure the implementation of the SAMOA Pathways itself. Rather, what has been seen in some instances is a reduction in the acceleration the means of implementation of the SAMOA Pathways at the international level. This is particularly important to bear in mind as we go forward with this.

The pandemic has forced developing countries to make difficult choices on how to allocate, or in some circumstances divert, their limited financial resources which now has to be weighed against their COVID-19 response, climate change adaptation, development objectives and other critical budget expenses. The pandemic has also exacerbated the level of external debt taken on by developing countries over the last year and in circumstances where many of these countries already had high debt challenges prior to the pandemic and therefore the level of external debt taken on by developing countries has to be looked at in that regard.

The international community, including the World Bank and the IMF, should be commended on establishing debt relief programmes and funds to assist low-income countries in easing their debt burden and to assist in their recovery from the economic crisis. What is needed however is a broader mechanism of debt relief which would allow for vulnerable states, despite their income level and that lack the necessary fiscal space to respond to the extraordinary need for liquidity in the economy to also be afforded the opportunity for debt relief. The absence of more all-encompassing debt relief facilities in the near future, or the reversal of the current trends coupled with a dramatic increase in financial inflows could result in severe debt distress and unsustainable cycles of debt for some SIDS countries.

The use of income per capita criteria as criteria for accessing finance at affordable rates has become a sore point for many small island developing states, particularly for those that have graduated out of receiving Official Donor Assistance (ODA) as well as concessional loans and grants as it has meant that a number of SIDS are increasingly being marginalised. This is likely to increase as more bilateral donor countries and agencies shift to criteria that are determined on the basis of income per capita. SIDS have argued that metrics which take only per capita criteria into account marginalises countries with smaller population sizes. SIDS have also argued that such metrics do not take account high vulnerability to economic and environmental shocks. There has been some recognition at the level of international organisations that per capita measures ought not to be an effective measure when it comes to countries with smaller populations, particularly when comparing the results of the same metric with those calculated for a country with a significantly higher population size. This was recently pointed out by UNCTAD in its analysis of productive capacities for island LDCs when compared to the same calculations for non-island LDCs. In that case, figures suggested that island LDCs considerably outperformed non-island LDCs in terms of productive capacities.

The measures imposed by countries to curb the spread and impact of the pandemic have had a significant impact on the Group. Due to their dependence on tourism for foreign exchange and employment many SIDS have seen their tourism sectors dissipate overnight. I can tell you for example, that in the Caribbean region - where I am from - where tourism receipts for many of the economies make up a significant percentage of their GDP, this is something that we are experiencing currently - and we understand this acutely and first hand in our part of the world.

The United Nations World Tourism Organisation (UNWTO) in its January 2021 World Tourism Barometer has reported that international tourist arrivals were drastically reduced by 74 percent in 2020 when compared to 2019, the year prior, and was attributed to the widespread travel restrictions and a substantial fall in global demand. We can see that if there is not a high level of change soon, this may last a little while longer. Additionally, there is much scepticism surrounding whether the rebound from the fallout in tourism and travel will be realised in the last quarter of 2021 or delayed until 2022. SIDS have however been cautioned that a prolonged delay in the current global situation could result in a loss of investment in the tourism sector.

Trade, climate change and natural disasters, COVID-19, debt, vulnerability as mentioned, are all issues therefore, that have been identified by SIDS for dedicated attention in UNCTAD and are being discussed within the context of our preparations for UNCTAD 15, which as you heard, will be held later in Barbados this year. I recognise that the background study which has been prepared and will be presented later is only an aspect of the analytical work that will be required to fully advance on building resilience in SIDS. I do hope however, that this is the first of many engagements that we will have on the issue and to a greater extent on issues of importance to SIDS and small states.

Certainly, I must take this opportunity to commend the Director on his strong leadership on the issue of SIDS, and also the Commonwealth Secretariat which has been at the vanguard of fighting for issues of SIDS throughout the years.

I thank you.