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Small Island  
Developing States  
2024



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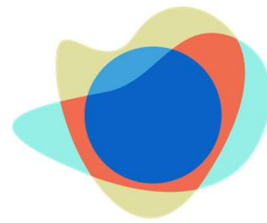


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27-30 MAY, 2024  
ST. JOHN'S, ANTIGUA AND BARBUDA

## **SIDS4 Conference Side Event**

# **Building Resilience Through Fostering Green Productive Capacities, Economic Diversification and Decent Jobs Opportunities: Innovative Strategies and Global Partnerships for Small Island Developing States**

**16:00-17:30, Monday, 27 May 2024  
SIDS4 Conference Venue, Room 3**

**Organized by:**

**UN Trade and Development (UNCTAD)  
Foreign, Commonwealth and Development Office (FCDO),  
United Kingdom**

**International Labour Organization (ILO)  
United Nations Economic and Social Commission  
for Asia and the Pacific (ESCAP)**

## Background

SIDS are at a turning point in their history. They are facing existential threats. Climate change, rising seas, mounting debt, loss of biodiversity and overfishing are just a few of the serious obstacles to their very existence, and thus their sustainable development. In the context of limited fiscal resources, and ever more frequent crises that leave behind ever more burdensome piles of debt, many SIDS have begun to feel like passive actors in their own development narratives. These challenges cannot define the future of SIDS. Building resilience, fostering green productive capacities, economic diversification and decent jobs opportunities are, therefore, becoming critical postulates to amend the status quo. Innovative strategies and global partnerships are urgently needed.

Focusing only on the challenges, however, makes one forget the immense potential that lies within SIDS. This potential should serve as the main asset to address their development predicaments. SIDS should not be passive observers, but active agents of change, brimming with innovation and resilience. To unleash this potential, one must forge a new development pathway – one that empowers SIDS to harness their unique strengths. It means building resilience and investing heavily in sustainable tourism and the blue economy. This new development course must be underpinned by strong partnerships. SIDS cannot walk this path alone, especially when it comes to finance. The international community needs to take decisive action.

This message was echoed in the SIDS4 Interactive Dialogue 1 (ID1) on “Revitalizing SIDS Economies for Accelerated and Sustainable Growth”, with which this side event closely aligned. ID 1 identified structural transformation and building productive capacities, the development of critical infrastructure and the locally owned private sector, and the enabling of strategic investments, as well as a focus on the blue economy, including sustainable tourism, as the main solutions to SIDS’ development challenges.

The side event was chaired by UN Trade and Development (UNCTAD) Secretary General, Ms. Rebeca Grynspan. The panelists included: ESCAP Executive Secretary, Ms. Armida Salsiah Alisjahbana, President of Instituto Camões (Portugal), Ms. Ana Fernandes, ILO Director of the Caribbean Office, Mr. Joni Musabayana, and Economic Adviser, SIDS & Small States Hub, FCDO, Ms. Olivia Goldin.

## Key issues discussed

The discussion of the side event focused on the following questions:

- How can SIDS effectively build and improve their economy-wide productive capacities and institutions to achieve economic diversification, generate decent and productive employment opportunities, and advance structural transformation, as well as enhanced resilience?
- In what ways can SIDS leverage their advantages and strengths such as exclusive economic zones (EEZs) to harness the potential of the blue economy and the ocean economy, ensuring long-term durability and benefits for their citizens, while maintaining environmental sustainability?
- How can multidimensional and coordinated policy frameworks support SIDS in transitioning towards more formal economies, enhancing human capabilities, and establishing strong social protection systems to achieve sustainable growth, full employment, and decent work for all?

Moreover, the topics discussed during the side event included: (i) smallness and remoteness as continuous geographic predicaments, which impact SIDS' trade and development; (ii) the vulnerabilities of SIDS and the role of the development partners to mitigate them; (iii) human capital as key to building resilience; (iv) income levels per capita not reflecting the real economic situation in SIDS due to their vulnerabilities, as well as income inequalities as one of the main factors affecting sustainable development and resilience building; and (v) improving development and technical cooperation to support SIDS, including impactful, long-lasting capacity strengthening, its and related strategies by development partners.

## Key recommendations for action

- The fragmented models of development and international support have run their cycle, and a new approach is required, one which is holistic, comprehensive, multisectoral, gender-balanced, climate-resilient and long term.
- SIDS and partners need to address their inherent development challenges and predicaments with multidimensional and coordinated policies that include industrial development policies, skills development and a transition to formality, as well as those that foster the creation of a conducive enabling environment for sustainable enterprises to generate and unleash productive capacities and opportunities.

- Productive capacities measured through the Productive Capacities Index (PCI) should be explored and considered as the tool for measuring SIDS' resilience, as income alone is not fully reflective of economic conditions. Productive capacities are important for building SIDS' resilience against external shocks, being they economic, environmental or other.
- Achieving sustainable growth, full and productive employment, and decent work requires the expansion of productive capacities and a structural transformation that leads to more employment opportunities, and an improvement in the quality of work and productivity growth.
- Finally, SIDS should be supported in these tasks by a committed multilateral cooperation environment and partnerships that meet the scale of their challenges.