

**BUILDING PRODUCTIVE CAPACITY
IN
SMALL ISLAND DEVELOPING STATES
SIDE EVENT AT UNGA79**

BACKGROUND

In order for small island developing States (SIDS) “to achieve sustainable development and resilient prosperity”, the Antigua and Barbuda Agenda for SIDS (ABAS), adopted at the Fourth International Conference for SIDS (SIDS4), asserts that the international community “must assist SIDS to diversify economies and strengthen State and productive capacities”.

Developing productive capacities in SIDS should focus on productive resources, enhancing entrepreneurial capabilities, development of production linkages that ensure diversification, value addition and sufficient job creation, development of sustainable infrastructure and protection of the environment to achieve sustainable and inclusive development.

The need for productive capacities in SIDS was most clearly crystalized during the Covid-19 pandemic and its recovery phase. The nature and structure of SIDS economies, make them more prone to external shocks, and the dispersed nature of their geography necessitates stronger levels of State and productive capacities to remain resilient in delivering public service and in recovering from external shocks.

At SIDS4, the President of the Maldives, Dr Mohamed Muizzu highlighted the importance of economic diversification, promoting investments in sustainable tourism, the blue economy, and technology, and called for partnerships and support to develop climate-resilient infrastructure and enhance resilience to external shocks.

OBJECTIVES

The main objective of the event is to catalyze early implementation of ABAS by emphasizing the critical role of State and productive capacities in driving sustainable development and resilience in SIDS.

Objective one: Catalyze early implementation of ABAS by enhancing productive capacities through comprehensive assessments, targeted development programs both within private and public sector, strategic investments in economic diversification to develop new high-productivity industries, generate better-paying jobs while reducing brain drain within SIDS.

Outcomes:

- i. **Diversified Economic Base:** Development of new and diverse economic industries, including sustainable tourism, blue economy, and technology-driven industries, leading to reduced dependency on traditional sectors, greater economic stability and access to the global digital economy.
- ii. **Increased Employment and Skills Development:** Creation of high-quality jobs and promotion of skill development programs, focusing on sectors with high growth potential as well as increasing education and training and professional development programs for public servants to develop a highly skilled public sector to maintain good governance within SIDS while reducing involuntary unemployment.
- iii. **Strengthened Value Chains:** Improved production linkages and value-addition processes within and between sectors, enhancing economic resilience and capacity to compete in regional and global markets.
- iv. **Commitment to take concrete action to scale-up** international support measures for SIDS dedicated to fostering SIDS-specific productive capacities and kick-starting the process of structural transformation

Objective two: Invest in resilient and sustainable infrastructure to support economic growth and enhance the productivity and adaptability of key sectors.

Outcomes:

- i. **Modernized Infrastructure:** Upgraded and climate-resilient infrastructure in transportation, energy, and digital connectivity, facilitating better integration into global supply chains and improving access to markets and resources.
- ii. **Sustainable Resource Utilization:** Implementation of sustainable practices in resource management, ensuring efficient use of natural resources and environmental protection.
- iii. **Enhanced Institutional Capacities:** Strengthened local and national institutions to effectively manage and promote investment in infrastructure projects, fostering a stable and conducive environment for private sector growth and public-private partnerships.

THE PANEL DISCUSSION

The panel session at the event will emphasize:

- (a) the importance of international cooperation and partnerships in building climate-resilient economies in SIDS; and
- (b) explore how tools like UNCTAD's Productive Capacities Index (PCI) can support SIDS in assessing and improving their productive capacities; and
- (c) explore routes to how SIDS can manage their public debt more efficiently; and
- (d) highlight the role of the early implementation of ABAS in enhancing productive capacities and economic diversification.

Questions:

1. How can international partnerships and cooperation be leveraged to enhance the productive capacities of SIDS, particularly in building a climate-resilient economy?
2. How can UNCTAD's Productive Capacities Index (PCI) be effectively utilized by SIDS to identify gaps and opportunities in their productive capacities, and what role does early implementation of ABAS play in this context?

EVENT

A side event titled "Building Productive Capacity in SIDS" is proposed to be co-hosted by the Maldives, St Vincent and the Grenadines, and UNCTAD. This event will take place on the sidelines of the high-level week of UNGA79 on 22 September 2024 in conference room 5 of the UN.

The event will have an opening segment with a keynote address by President Dr Muizzu and Prime Minister Ralph Gonsalves followed by a panel discussion. The panel will include high-level participants from SIDS, UNCTAD, and the United Kingdom.

PROGRAM

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| 13:15 – 13:35 | <p>Opening Remarks:</p> <ul style="list-style-type: none"> • Moderator <p>Keynote:</p> <ul style="list-style-type: none"> • H.E. Dr Mohamed Muizzu, President of the Maldives • Dr. The Honourable Ralph Everard Gonsalves, Prime Minister of St Vincent and the Grenadines |
| 13:35 – 14:10 | <p>Panel Session:</p> <ul style="list-style-type: none"> • DSG (UNCTAD) • Ministerial Level (Maldives) • Ministerial level (Cabo Verde) • Ministerial Level (United Kingdom) |
| 14:10 – 14:25 | <p>Closing Remarks</p> <ul style="list-style-type: none"> • Moderator |
