

**Draft Statement to be delivered by H. E. Mr Chad Blackman
Ambassador and Permanent Representative of Barbados
on behalf of the SIDS Group in Geneva
at the 70th Executive Session of the Trade and Development Board**

3- 5 February 2021

**Item 2: The Least Developed Countries Report 2020: Productive Capacities for
the New Decade**

President of the Trade and Development Board, H. E. Mr. Federico Villegas,
Secretary-General of UNCTAD, Dr. Mukhisa Kituyi,
Deputy Secretary-General of UNCTAD, Ms. Isabelle Durant,
Director of the Division on Africa, Least Developed Countries and Special Programmes,
Mr. Paul Akiwumi,
Excellencies,
Ladies and gentlemen,

It is a distinct honour for Barbados to deliver this statement on behalf of the Group of Small Island Developing States in UNCTAD.

The year 2020 was unparalleled in many ways. Perhaps one of the main highlights was that as countries organised to respond to what initially started as a health crisis, it soon became clear that there would be an urgent need to respond to an economic crisis, the magnitude of which had not been felt in the recent past. It is with against this backdrop that the SIDS Group would therefore wish to take the opportunity to thank Director Akiwumi for his thought provoking presentation, and to commend him and the rest of the UNCTAD team for the 2020 edition of the Least Developed Countries Report.

The Report titled, “Productive Capacities for the New Decade” is timely, and is a reflection of the empirical data and analytical rigor that UNCTAD has over the years become known for. It is also a reflection of the current challenges facing LCDs and critically, some options in terms of policy recommendations that could assist these countries to address their structural challenges, build their productive capacities, and by extension, enhance their sustainable development. The SIDS Group is particularly pleased to see that although the report focuses on LDCs as a defined grouping, it also highlights the special peculiarities of island LDCs and justifies the need for specific analysis for this group of countries. We would particularly wish to thank the UNCTAD Secretariat for this disaggregated analysis.

The report highlights what we all knew early on in the pandemic, that COVID 19 had less of a calamitous health impact on LDCs. In fact, LDCs seemed to have weathered the health crisis better than some other non-LDC countries. What is however worrisome and even more pronounced is that beyond the health impact, the COVID-19 pandemic has resulted in LDC economies experiencing their strongest economic shock in several

decades. It has been noted that the only LDCs that reported not having any cases of COVID-19 by late August 2020 were Island LDCs, and that their insularity as well as the border measures taken to curb the spread of the pandemic contributed to this phenomenon. Their location and economic structure however, made them more vulnerable to sharp declines in tourism, the sector in which many SIDS depend on for the vast majority of their employment and foreign exchange earnings. The differentiated profile of island LDCs which reflects an economic structure typical of other small island developing states and reflective of their diversification towards trade in services, namely tourism. It is therefore not surprising that measures put in place to curb the spread of the pandemic has had a detrimental effect on the tourism sector and by extension the economies of most small island developing states, including LDC SIDS.

Mister President.

The COVID pandemic has highlighted vulnerabilities in all countries, developed and developing alike. For LDCs however, the pandemic has exacerbated pre-existing vulnerabilities and has highlighted the low level of resilience of LDC economies. It therefore necessitates the clear need for vulnerability and resilience to be central to the response and post-crisis recovery processes for LDCS, particularly SIDS LDCs.

The SIDS Group commends UNCTAD on the development of its Productive Capacities Index (PCI) and in what is being regarded as “the first comprehensive attempt to measure productive capacities in all economies”. We note that the index has been described as multidimensional and country-specific, and allows for a comparison of progress made over time and across countries or regions. We are cautiously aware that the PCI scores for the seven island LDCs have been classified in the Report as a special case given the above average scores attained by these countries. These higher than average scores have been attributed to the use of per capita and other measurement criteria which tend to skew the scores for countries with smaller populations. The inadequacy of per capita income as a criterion was one of the chief reasons why the SIDS have championed the call for a multidimensional vulnerability index which could be used in determining the criteria for accessing concessional loans and financing, particularly in light of the graduation of a number of SIDS from accessing these essential financing mechanisms despite their high vulnerability. We look forward to seeing the full rollout of the Productive Capacities Index and to being able to examine how it could be effectively applied to the wider SIDS Group of countries.

In December, the international community celebrated the graduation of Vanuatu from LDC status. We noted then, that despite this elevation in development status, Vanuatu continues to be highly susceptible and vulnerable to external shocks, particularly economic and environmental shocks, including climate change and typhoons as well as the detrimental impact of the COVID-19 crisis. We remain cognizant that such vulnerabilities, all too often highlight the fragility of our economies. There must

therefore be careful monitoring and the provision of technical assistance and capacity building to ensure that Vanuatu and other LDC SIDS on the verge of graduation do not regress in terms of the development gains that they have achieved over the last few years. UNCTAD's role in this regard in promoting "graduation with momentum" is necessary and indispensable.

Mr. President,

In closing, the SIDS Group aligns itself with the statement that was delivered by Afghanistan on behalf of the Group of 77 and China.