

**AIS SIDS Regional Preparatory Meeting
24-26 July 2023
Balaclava, Mauritius**

Addressing SIDS Economic Priorities

24 July 2023, 1:15 PM – 3:00 PM

Background Note

Social and Human Capital development Priorities

Executive Summary

Besides their spectacular landscapes and biodiversity, SIDS are known worldwide for their outstanding social and human capital. SIDS have based their successful sustainable development pathways on one of their major sources of wealth: their people. Being islands, often remote, with relatively small populations and strong, specific local cultures, they have also developed solid social contracts, with a strong sense of belonging and a tight socioeconomic fabric.

Since Independence, SIDS have consistently invested in education, health, and social protection, for human and social capital to thrive. By doing so, they have significantly advanced the resilience of their countries, institutions, and people.

Maintaining these high standards in times of multiple crises proving challenging for SIDS, particularly in a context of limited fiscal space for public investment and high per capita cost of services. However, profound social, cultural, economic and environmental paradigm shifts at global, regional and national levels demand, more than ever, coherent public policy and strategic planning to upgrade education and health services. Extending sustainable social protection systems, to strengthen social contracts and continue building resilience, is also critical.

The session will aim to discuss the **challenges** faced by SIDS and the **solutions** they are developing to **ensure social justice, social inclusion and sustainable livelihoods** for all, especially their youth, by guaranteeing access to essential goods, services and rights,

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including access to quality education and health services, as well as **employment opportunities for youth**.

Introduction: Main Challenges faced by SIDS and needed paradigm shifts

There are **key challenges** to achieving the ambitious goal of keeping the pace in social and human capital development in a context of multiple, overlapping crises including climate change, COVID-19 crisis, inflation and food and energy crisis, the looming debt crisis and incipient global economic slowdown. Among these challenges are the following:

1. Maintaining the financial **sustainability of the social protection systems** in SIDS, which are facing competing priorities between costly crisis response, building climate resilience, and longer-term investments in sustainable development;
2. Adapting to the epidemiological transition and the rise of **Non-Communicable Diseases (NCD)**, including through the promotion of **healthy lifestyles**, and enhancing **preparedness to pandemics**, among other health risks;
3. Transforming education to **provide the youth with the life skills and technical abilities** needed for the future of society and work;
4. Improving **economic opportunities for all**, especially **decent work for the youth**, to fully use their skills locally, and avoid brain drain, by offering alternatives to immigration.
5. Advancing **gender equality** in all aspects and dimensions of sustainable development, in terms access to services, opportunities, and assets; including contributory and non-contributory **social protection**, equal **wages**, **sexual and reproductive health** services, and **gender-responsive education**, higher-education and vocational training.

These challenges call for urgent, profound **paradigm shifts**, among them:

1. Ensuring that all children have access to **quality education**, regardless of their gender or socioeconomic status, and providing opportunities for lifelong learning and skills development for adults;
2. Providing **universal access to affordable healthcare** and investing in **preventive healthcare** measures;

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3. Addressing **youth unemployment** by creating more **employment opportunities** for young people, and providing them with the **skills** and training they need to succeed in the labor market;
4. Promoting **gender equality** by ensuring that women have equal access to education, healthcare, and employment opportunities;
5. Reviewing **education System curricula** to ensure skills acquired responds to future jobs for youth.
6. Combating **social exclusion** by addressing the root causes of poverty, discrimination, and marginalization; while allowing SIDS populations to adapt to the impacts of climate change.

Proposed guiding questions for the discussion

The session will last 2 hours and will feature eight speakers from AIS SIDS and their multilateral and bilateral partners.

The four guiding questions below, will serve as inspiration for the presentation of each speaker on the challenges faced by their institutions in addressing social development in SIDS, and the solutions they are piloting.

The moderator will ensure the smooth rollout of the discussion, allowing the different speakers to interact in a coherent manner, and highlighting the main elements of each intervention, and overall takeaways to be included in the outcome document.

Emphasis will be put on key drivers of change and building resilience, among them the **interlinkages** between challenges and solutions; **synergies and trade-offs** in developing and implementing these development solutions; **sustainability** of the development process, even in times of multiple, overlapping crises, and **resilience** to shocks and stresses; **partnerships**, to boost **access to finance and technology transfer**, as well as trade arrangements, to fuel socioeconomic development.

The main guiding questions will be as follows:

- What are the entry points for SIDS to convert the current crises into actionable opportunities for a more inclusive, resilient and sustainable recovery?

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- How can the international community best support SIDS recovery and transformation for accelerated SDG implementation?
- What are the necessary strategies to address debt vulnerabilities, ensure better financing for SIDS, and align development co-operation with SIDS sustainable development priorities?
- How can resilience building and the development of proactive and preventative strategies, become more central in the lending policies applied in development cooperation and by international financial institutions (IFIs) and multilateral development banks (MDBs)?