

QUESTIONNAIRE

Implementation of the SAMOA Pathway and the MSI, BPOA for the Sustainable Development of SIDS

Please note that <u>strict word limits</u> have been established for each question. The Secretariat is unable to consider any information beyond these established word limits. In this regard, you are requested to report only on new or updated information. Information conveyed in previous surveys will not be considered. Previous surveys can be accessed at XXXX under reports.

PART A VULNERABILITY REDUCTION AND RESILIENCE BUILDING IN SIDS

1. Enhanced Support for a resilient Post COVID 19 Recovery in SIDS

Vulnerability reduction and resilience building are critical issues that must be addressed by SIDS. Briefly elaborate on any resilience building interventions or strategies (proactive or preventative) that have been or are being implemented at national or regional levels that aim specifically at improving resilience in SIDS. Please include financial resources expended in this regard, if available (**750 words**).

UNIDO has been contributing to resilience-building in small island developing States (SIDS), notably on climate and economic resilience, supporting them in accessing affordable and sustainable energy systems, with the twin goals of reducing dependence on imported fossil fuels and making SIDS' production systems greener and more sustainable.

UNIDO is recognized as strong technical assistance partner in the promotion of innovative renewable energy and energy efficiency business models and approaches, in particular through the Global Network of Regional Sustainable Energy Centres (GN-SEC) network active in the Caribbean (Barbados); in the Pacific (Tonga); and in the ECOWAS region (Cabo Verde)¹.

As concrete initiatives to improve resilience in SIDS, UNIDO is implementing the GEF-funded (\$1.8 million) Energy-Water Nexus project in Cabo Verde, which promotes renewable energy use in water production processes. Thanks to the project, the local PPP utility has implemented a

¹ UNIDO reported about the GN-SEC Network in 2020 and 2021.

55 KW solar photovoltaic power plant to increase the efficiency of its seawater desalination plant in Porto Novo. The desalination plant itself has a production capacity of 1,000m³/day of fresh water that is distributed to the city's 10,000 inhabitants. In addition, the project co-financed the installation of a portable desalination plant on the island of Boa Vista. The plant, which is fully powered by an off-grid photovoltaic solar system, produces between 95 and 105m³/day of fresh water so that the local farmers' association can now irrigate cropland and cater for its livestock. In addition, the island's utility can now distribute potable water to the remote village of Povoação Velha that previously suffered from an alarming deficit of water for households. The project single-handedly permitted the regeneration of agricultural activities in the area, thereby providing subsistence to over 20 farming families as well as enabling Povoação Velha to benefit from a reliable source of water with a significant cost reduction (over 60%).

In Sao Tome and Principe, UNIDO assisted the Government in mobilising funding from the Global Environment Facility and Green Climate Fund for the energy transition. UNIDO supported the development of the National Renewable Energy and Energy Efficiency Action Plans and co-financed the installation of the first grid-connected solar PV project Santo Amaro with a capacity of 2.2 MW and an investment volume of USD 2.5 million in partnership with UNDP and AfDB. Moreover, the support included the development of minimum energy performance standards for electric appliance, including lighting, air conditioning and refrigeration. The latter paved the way for the long-term sustainability of LED lighting programme of the World Bank. Moreover, the project assisted the country to develop quality guidelines for small hydro power plants and min-grids and facilitated the development of the national energy information system. In partnership with private promoters, UNIDO supports the country in the development of an innovative 1.5 MW Ocean Energy Thermal Conversion Project, which will be a model of replication in other SIDS.

UNIDO is also promoting entrepreneurial attitudes and skills among the youth of Sao Tome and Principe by introducing entrepreneurship as a subject in secondary schools in the country.

UNIDO supports resilience in SIDS also by strengthening the technical capacities and competitiveness of MSMEs, so as to create a value addition locally, new jobs and economic security. Among others, the *Programme d'appui à la production, à l'industrialisation et au libre-échange* (APILE) *aux Comores*, aims to encourage and facilitate at the national level the production of consumer goods of sufficient quality to be marketed in the Comoros as well as in the regional and international markets by strengthening local capacities of SMEs and incubators, with a specific focus on women-owned companies.

Another key driver of recovery for SIDS is investment promotion. The <u>"ACP Business-Friendly:</u> <u>Supporting value chains through inclusive policies, investment promotion and alliances</u>" is an inter-regional action in Africa, Caribbean and Pacific regions (ACP) funded by the EU and the OACPS Within this Programme, UNIDO has been entrusted to implement a EUR 15 million share until the end of the year 2025, targeting meso-level capacity-building actions (such as support for Investment Promotion Agencies). There are 8 national-level interventions of which two target SIDS countries: the Dominican Republic and Papua New Guinea.

The related <u>"Invest in ACP</u>" platform acts as a one-stop-shop for investors and investment promotion agencies in the ACP regions, thus enabling SIDS to reach a wider global network of investors and entrepreneurs, and to increase investment flows. With UNIDO's support, the Dominican Republic actively promotes <u>48 investment opportunities</u>, <u>while Papua New Guinea</u> <u>promotes 37 investment opportunities</u>. This ties into UNIDO's wider portfolio of services including subcontracting and partnership exchange, impact investment, gender lens investing and technology capacity building.

Another strategic angle to build resilience in SIDS is advancing climate technologies that are explicitly focused on reducing GHG emissions, or addressing the impacts of global warming.

Under the Bloom Regional Clean Tech Cluster Programme,² UNIDO assists regional economic communities (RECs) in the establishment of regional hubs, which support developing countries in the creation of national sustainable energy and climate technology (cleantech) clusters. The focus lies on countries with weakly developed cleantech eco-systems, particularly on low income and lower middle-income countries as well as on SIDS. Cleantech includes a broad range of energy and environmental technologies (e.g. renewable energy, energy efficiency, waste disposal, treatment and recycling, circular economy), cleantech services and related business models.

As a concrete example and in line with the national vision of Barbados to become carbon-neutral by 2030 and an export leader of green products, UNIDO supported the Government in the establishment of the BLOOM Cleantech Cluster, the first of its kind in the Caribbean Community. Institutionalized as a public-private partnership, the cluster offers a makerspace for entrepreneurs, corporates, academia, capital and government to work jointly on the commercialisation of cleantech innovations, ultimately creating local green jobs and revenues. Currently, UNIDO is making efforts to replicate the BLOOM model in other SIDS and low-income countries through a regional approach.

2. Enhanced and Tailored Development Cooperation for SIDS

Improved, tailored development co-operation approaches, calibrated to the specific needs, capacity constraints, and economic challenges facing SIDS are necessary if SIDS are to effectively recover from the COVID Pandemic. Briefly elaborate on any planned or ongoing strategies/approaches to improve and deliver on more tailored development support to SIDS. What are the expected results from these interventions in the targeted countries. Please include indications of resource allocations if available (**850 words**)

Given common vulnerabilities in SIDS and their peculiar geographic profile (remoteness, dispersion of population), and given UNIDO's limited presence in SIDS, the Organization tends to devise interventions in SIDS regionally. Regional and sub-regional programmes aim to

² The Bloom initiative was also introduced in UNIDO's inputs to the 2022 report

strengthen inter-governmental partnerships for increased synergies, resource-sharing and knowledge and technology transfer. Such an approach allows to deliver tailored development support for a specific region, with then punctual intervention that can be replicated in specific countries.

In 2020, UNIDO issued a dedicated strategy, aiming to address the multi-faceted barriers to inclusive and sustainable industrial development in SIDS, namely "Operationalizing UNIDO's Strategic Support to Small Island Developing States in line with the SAMOA Pathway". This framework has guided the Organization's technical cooperation and programmatic support to SIDS across a variety of thematic areas, including capacity building efforts to education; food safety and nutrition; economic growth; climate change; energy; trade and investment; and oceans and seas, as well as strengthening knowledge and institutions.

As mandated by its Member States, UNIDO is currently developing its own dedicated Climate Change Strategy. Based on the guiding principle of promoting low-emission, climate-resilient development, the strategy aims to maximize synergies with other thematic priority areas of UNIDO, such as energy, innovation, agribusiness development and food security, circular economy and biodiversity. A detailed action and resource mobilization plan – to be developed in concert with the strategy by the end of 2023 – will flesh out the specific activities and support for different regions and country groupings, including of particular relevance to SIDS, which are among the most vulnerable countries to climate change.

A major area of work supported by UNIDO, as part of its normative work, is strengthening quality infrastructure system in selected value chains relevant to SIDS to ensure sustainability, promote competitiveness, create branding and facilitate global market access.

Against this backdrop, in the Caribbean, UNIDO launched in 2022 the regional component of the project *Supporting quality and regulatory infrastructure, value chain-specific quality infrastructure services and quality culture promotion in the African, Caribbean and Pacific Group of States (ACP).* This project, abbreviated as the "ACP QI (Quality Infrastructure) Project", is an intra-ACP action funded by the European Union (EU) and the Organization of African, Caribbean and Pacific States (OACPS) to the amount of EUR 7 million.

The ACP QI Project complements other UNIDO projects aimed at strengthening quality infrastructure in ACP countries, which are mostly SIDS. The ACP QI Project aims to improve the competitiveness of SMEs and their products on local, regional and international markets, increase consumer safety with the ACP, and increase the contribution of OACPS to the operation of the multi-lateral trading system.

The approach chosen is threefold: enhancing regional quality and regulatory infrastructure governance; strengthening the availability of value chain-specific quality infrastructure services; and promoting quality culture and practices. Building on the results of the Caribbean component, the project will expand operations in African and Pacific SIDS.

PART B

IDENTIFYING POLICY PRORITIES IN SIDS FOR THE NEW AGENDA

The SAMOA Pathway contains a number of action areas which require policy formulation, programmes or projects to implemented at national, sub regional and/or regional levels. While SIDS have made a fair amount of progress with actioning these over the last decade, a number of gaps remain. As the international community prepares for the 4th International Conference on SIDS, what are the key priority policies, programes and projects that are needed to further advance the SIDS development agenda and why? (750 words)

To improve the fiscal macro-economic situation of SIDS, there is need for approaches to support them in their economic diversification aspirations towards higher added value manufacturing and servicing, as well as emerging sectors of the blue and green economy. Therefore, there is need to focus on resource efficiency, circularity and sustainable energy. Energy security, accessibility and lower energy prices, coupled with positive environmental impact is key for countries that are affected by remoteness, energy dependence and isolation. Tackling the access to energy issue will help stimulating SIDS economies and simultaneously accelerate the decarbonization of productive activities.

UNIDO has a strong position in advancing renewable energy and energy efficiency solutions, circular economy and innovative clean technology. Advancing clean, reliable and sustainable energy solutions should be a central priority for the SIDS development agenda.

Efforts to accelerate the transition to a sustainable energy future through the application of renewable energy solutions for productive uses, adoption of the efficient concepts of energy use by industry and the introduction of low-carbon technologies and processes should be made. In fact, in transitioning to a sustainable energy future, the challenges of addressing energy poverty and climate change are an integral part of SIDS' development plans and should be discussed and adequately financed in the framework of the 4th International Conference on SIDS.

Furthermore, ocean-based solutions and blue economy are also important for SIDS as they offer opportunities for economic diversification, food security, and employment generation. By promoting sustainable fisheries, aquaculture, marine renewable energy, and marine tourism, SIDS can reduce their dependence on limited sectors, enhance resilience to external shocks, ensure a stable food supply, and create new livelihood options for coastal communities. UNIDO can contribute to the development of the blue economy in SIDS by providing technical assistance, policy support, access to finance, technology transfer, and value chain development, thus enabling SIDS to harness their ocean resources sustainably for economic growth and environmental conservation.

In particular, UNIDO is well suited to lead actions in the following fields, given the strong correlation between blue economy and UNIDO's mandate of inclusive and sustainable

industrial development and the acceleration of SDG 9:

- Ocean industries as a driver for economic diversification, innovation and higher added value manufacturing, incl. nature-based solutions such as sustainable seaweed and ocean energy
- Discussions on multidisciplinary approaches to the blue economy concept, as a means to progress on the SDG 14 targets by creating sustainable economic development opportunities locally
- Focus on environmental/climate sustainability and reduction of local/global externalities of industries on the marine environment (e.g. plastics, effluent).

None of these objectives can be fulfilled without robust capacity-building programmes and pathways for industrialization, trade and investment, particularly given the adverse effects of the COVID-19 pandemic on SIDS. UNIDO's Investment and Technology Promotion (ITPO) network can also act as a gateway to forge partnerships and targeted programmes and technical cooperation actions to this end, utilizing its global network to create added opportunities for FDI in small island developing States. Additionally, UNIDO provides a variety of support measures for increasing the capacities of Investment Promotion Agencies in SIDS to compete in an increasingly competitive global industrial marketplace, most notably in terms of bolstering visibility, augmenting data and statistical capacities, forging strong partnerships with other global actors (such as the World Association of Investment Promotion Agencies, UNCTAD, and major industrial fora like AIM Dubai and Hannover Messe inter alia) and assisting with policy support measures.