

UNCTAD's input to the SG's report on SIDS

PART A VULNERABILITY REDUCTION AND RESILIENCE BUILDING IN SIDS

1. Enhanced Support for achieving Resilient Prosperity in SIDS

The theme for the SIDS4 Conference is “Charting a Course toward Resilient Prosperity” as such resilience building will be at the core of the new Programme of Action for SIDS. Briefly elaborate on any resilience building interventions or strategies (proactive or preventative) that will be implemented at national or regional levels aimed specifically at improving resilience in SIDS. Please include indications of resource allocations, if available (750 words).

Resilience building interventions and strategies in SIDS are among UNCTAD's priorities as depicted in the new UNCTAD Strategy to support SIDS, particularly pillar interventions 6.1., 6.2, 6.7. In line with UNCTAD's mandate and its new SIDS strategy (pillar 6.2), UNCTAD will continue to assist SIDS in enhancing the sustainability and climate resilience of their transport systems and infrastructure, including coastal transport infrastructure and services; and contribute to policy dialogue and cooperation mechanisms in support of sustainable and resilient transport, green and energy efficient transport, climate change adaptation and disaster risk reduction for transport infrastructure, services and operations, including collaborative efforts to support and strengthen the conservation and sustainable use of oceans and their resources. Relevant issues are among the key areas discussed at the 1st Global Supply Chain Forum (21-24 May 2024), organized by UNCTAD in collaboration with the Government of Barbados and focusing particularly on SIDS.

Achieving resilient prosperity in SIDS relies significantly on their ability to identify their financing needs and gaps to achieve the 2030 Agenda goals, which take into consideration the country specific circumstances. In this vein UNCTAD continued the implementation of its DA project “Mobilizing external financial resources beyond COVID-19 for greener, more equal and sustainable development in selected vulnerable SIDS in Africa and Latin America and the Caribbean”. The project focusses on SIDS hit by the Covid-19 pandemic – Belize, Cabo Verde, Comoros and Saint Vincent and the Grenadines. Its objectives are: enhancing the understanding on how to diagnose funding gaps and reconcile them with external financial sustainability; strengthening the capacities to design policies that would enable mobilization of affordable external financial resources for a greener, more equal, and sustainable development without jeopardizing external financial sustainability; improving the knowledge and information on the outcomes of the project following dissemination.

In 2023 UNCTAD further refined its Sustainable Development Framework Assessment (SDFA) to include consideration of climate change costs, which are highly pertinent to SIDS. This analysis framework will be implemented for each of the beneficiary countries taking into consideration their country specific circumstances. The climate adaptation and mitigation report for each beneficiary country will consider the climate risks and design the climate adaptation and mitigation strategies to face these risks and achieve SDGs 17.4 and 13.b - as determined by the country size, productive structure, and possible development. Work is currently underway to finalize the assessments of the climate costs, which will be integrated into the final SDFAs. These assessments will offer country-specific analyses of financing needs and resource constraints. Country-level consultations commenced in 2023 and missions engaging directly with government and development stakeholders will be held throughout 2024. This ongoing work is being closely coordinated in

partnership with the regional commissions, ECLAC and ECA, as well as RCOs to ensure unified collaboration and comprehensive insights.

UNCTAD also developed a capacity building guidebook to Manage Risks and Enhance Resilience for Ports and supported by a dedicated UNCTAD website on Resilient Maritime Logistics as well as training material. The UNCTAD guidebook for ports features selected case studies and best practices pertaining to port disruption and response from different regions and the SIDS.

Moreover, UNCTAD and UNDESA are developing a project (2024-28) to enhance the statistical and analytical capacities of selected Caribbean nations in utilizing data science and AI in combination with novel and national sources for the timely monitoring of maritime transport, tourism, trade, fisheries and ecosystem services related to the coastal areas and the analysis of their CO2 emissions, as well as the associated environmental-economic accounts, to formulate and promote evidence-based national and regional climate change and trade policies.

In collaboration with ECLAC, CARICOM, and OECS, UNCTAD is also launching a DA project in Antigua and Barbuda, Barbados, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines on trade in services and development. The project “Strengthening capacity for evidence-based policymaking and the economic resilience of CARICOM”, aims to strengthen the capacity and data infrastructure of these member States to improve their evidence-based policymaking.

UNCTAD, through the European Union-funded “Improving Pacific Islands Customs and Trade” (IMPACT) project, assists Pacific Islands countries in enhancing trade transparency and integration to the international trading system. A key component of the project is to raise awareness and improve access to non-tariff measures (NTMs), as well as to deepen understanding of trade and trade information. Furthermore, expanding knowledge about NTMs enables policymakers to make well-informed decisions concerning trade and strengthens their ability to support traders in accessing regional and international markets, ultimately enhancing resilience in the Pacific.

2. Enhanced and Tailored Development Cooperation for SIDS

The New SIDS Programme of Action will require improved, tailored development co-operation approaches, calibrated to the specific needs, capacity constraints, and economic challenges facing SIDS. 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 (750 words)

In 2023, UNCTAD has adopted its new multidimensional strategy to support Small Island Developing States. It is framed along the pillar interventions, which include: (i) building productive capacities; (ii) enhancing connectivity, reducing transport costs, and promoting sustainable and resilient transport; (iii) facilitating customs modernisation (ASYCUDA); (iv) facilitating digital transformation; (v) supporting investment, including FDI; (vi) tapping the potential of the ocean economy; (vii) supporting private sector development; (viii) supporting the mobilisation of external financial resources; and (ix) advancing South-South and triangular cooperation to enhance development strategies and economic integration, (x) implementing trade facilitation reforms. These will be mapped and realigned with sectoral interventions covering tourism, the blue economy, agriculture, manufacturing, and other services sectors, including, financial intermediation, banking, ICTs, and real estate, etc., and through a new generation of revamped international support mechanisms

(ISMs). The full and effective implementation of this comprehensive strategy also seeks innovative financing mechanisms, clearly defined incentive structures and new development financing models that recognize structural vulnerabilities, systemic risks and the fragility of SIDS.

At the core of UNCTAD's strategy lies the building of economy-wide productive capacities understood as the productive resources, entrepreneurial capabilities and production linkages that together determine a country's ability to produce goods and services that will help it grow and develop. In this vein UNCTAD is commencing the programme to support SIDS in building productive capacities through a DA project focused on Caribbean islands "Strengthening and greening productive capacities for just transitions in selected Caribbean Small Island Developing States". Earlier on, in the context of the process of graduation from the LDC status, UNCTAD prepared a National Productive Capacities Gap Assessment of Comoros depicting its sectoral development challenges and proposing policy interventions.

In the context of SIDS4 conference, UNCTAD prepared, together with UNIDO and UNCDF and with assistance of other UN entities, a background note for the Interactive Dialogue on "Revitalising SIDS Economies for Accelerated and Sustainable Growth", providing technical expertise on the policy directions to build productive capacities in and ensure structural transformation of SIDS. To support further sectoral efforts, it organised a side event entitled "Building resilience through fostering green productive capacities, economic diversification and decent jobs opportunities: Innovative strategies and global partnerships for small island developing States".

Moreover, to help address the broad range of transport-related challenges facing SIDS, the Global Supply Chain Forum, organized by UNCTAD in collaboration with the Government of Barbados, was held in Bridgetown from 21-24 May 2024, responding to a call by Prime Minister Mia Mottley at the UNCTAD XV Conference in 2021. Outcomes and recommendations of the GSCF are expected to inform a number of IG processes, including the SIDS4 Conference.

UNCTAD and partners are also planning to organize the 5th Ocean Forum on Trade related aspects of SDG 14, in March 2025 and in the road to the United Nations Ocean Conference in Nice France scheduled for June 2025. The Oceans Forum is a unique multistakeholder platform that aims to identify ways to align economic and trade policies with the sustainable use of our oceans and their resources. This is necessary to achieve the trade-related targets of Sustainable Development Goal 14, namely targets 1, 4, 6, 7. The proposed topic for the 5th Ocean Forum is "Oceans economy, trade policy and the climate and development nexus".

In addition, UNCTAD is conducting a sustainable freight transport assessment for Fiji which has been initiated as part of the DA project (Tranche 12) "Promoting a shift towards sustainable freight transport in the Asia-Pacific region". In the area of sustainable ports, UNCTAD continued the implementation of the DA project on Sustainable Smart Ports (SSP) for African countries, including Small Island Developing States, to "recover better" from COVID-19, involving Mauritius. The project includes the development of a diagnostic/assessment methodology that will serve as the basis for assessing the SSP status of ports. The methodology will assess the potential for port energy transition, which includes the production and consumption of renewable energy at the port level (facilities and operations), as well as the capacity of ports to supply and distribute renewable energy for ship bunkering, and will support the implementation of selected key recommendations and priority actions resulting from the UNCTAD SSP assessments as part of the project's capacity building activities.

PART B
MULTIDIMENSIONAL VULNERABILITY IN THE WORK OF THE UN SYSTEM

Paragraph 13 of Resolution 78/232 Requests the Secretary-General to assess how multidimensional vulnerability is currently considered by the United Nations system. Please indicate how your entity considers multidimensional vulnerability in your policies, practices and Programmes (1000 words)

Addressing multidimensional vulnerability is at the core of UNCTAD's work as per the new UNCTAD Strategy to support Small Island Developing States. A lack of resilience and vulnerability towards external shocks has been identified among the key development challenges in the Strategy. Subsequently, a number of pillar interventions within the Strategy relate to policies and practices aimed enhancing multidimensional vulnerability. The pillar intervention 6.1. "Building productive capacities" refers to strengthening SIDS' statistical capacity for improving data collection on and measurement of productive capacities and related vulnerabilities. The pillar intervention 6.2. focuses on "Enhancing connectivity, reducing transport costs, and promoting sustainable and resilient transport". Within the pillar intervention 6.3. "Managing and expanding the Automated System for Customs Data (ASYCUDA)" and in response to SIDS vulnerability towards climate change and subsequent natural disasters, ASYCUDA developed ASYREC, the Automated System for Relief Consignments. TrainforTrade programme, within the pillar intervention 6.4. "Facilitating digital transformation" promotes digital transformation for its expected effects on better integration into the multilateral trading system, sustainable development, economic diversification, MSMEs promotion, and the reduction of SIDS' vulnerability to shocks.

Furthermore, the Bridgetown Covenant stipulates the role of UNCTAD in support SIDS, most notably in addressing their specific vulnerabilities, building resilience and promoting structural economic transformation and productive capacities (art. 127(iii)) and contributing to the discussion within the United Nations system on an appropriate multidimensional vulnerability index for small island developing States, including on its potential finalization and use (art. 127(uu)). Overall, the mandates in the Bridgetown Covenant of relevance to priority areas of support, concern vulnerability indices (art. 127(uu)), debt vulnerability (indicated in art. 32). Consistent with this call, the SIDS Ministerial Declaration to UNCTAD 15 elaborates the key trade and development concerns of SIDS and areas in which UNCTAD should undertake work to address those concerns, including continued work on vulnerability indices.

Indeed, following the COVID-19 pandemic, UNCTAD revisited its development approach to SIDS by emphasising the importance of addressing vulnerabilities related to climate change, COVID-19, debt, and economic vulnerability.

For example, for SIDS, ports are lifelines for external trade, food and energy security, as well as tourism, but these critical infrastructure assets are projected to be at high and increasing risk of climate change impacts, including coastal flooding, from as early as in the 2030s, unless effective adaptation action is taken. Enhancing the sustainability and climate-resilience of seaports is therefore of strategic importance for the sustainable trade, tourism and development of SIDS. Drawing on UNCTAD/PLS longstanding work on climate change adaptation, DRR and resilience-building for seaports, with particular reference to SIDS, related activities will be strengthened as part of the UNCTAD SIDS strategy (Pillar 6.2. Enhancing connectivity, reducing transport costs, and promoting sustainable and resilient transport). Relevant UNCTAD work responds to UNCTAD's specific related mandate in the Maafikiano (paras. 55 (l) and (k)) as reconfirmed in the Bridgetown Covenant (paras. 5 and 127 (v)(iii)) and contributes to implementation of a number of SDGs/targets

(1.5, 9, 13, 14, 17) as well AAAA, Paris Agreement (Art. 7) and Sendai Framework (all targets, especially (b)-(f)). It supports implementation of the SAMOA Pathway (building on the MSI and the BPOA) objectives/key priority areas on climate change, DRR and oceans and seas (paras. 92, 106(c), 15, 32, 39, 44(a), 52 (e), 27 (b), 50 (d), 67 (c)).