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**Statement by Dr. Mukhisa Kituyi, Secretary-General of UNCTAD  
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AS PREPARED FOR DELIVERY

Excellencies,  
Distinguished Colleagues,  
Ladies and Gentlemen,

I am very encouraged to see the renewed focus on SIDS this year, which also marks UNCTAD's fiftieth anniversary. Forty years ago in 1974, UNCTAD first called attention to the special circumstances of island developing countries by creating a unit in the UNCTAD secretariat, and in 1976 at UNCTAD IV in Nairobi, Kenya, Member States adopted a first resolution on the subject.

Today as we work towards a transformative Sustainable Development Agenda for post-2015, it is fitting we renew efforts to address the challenges facing small island developing states. SIDS are the beachhead in our fight against climate change and rising global temperatures. Islands are ecologically fragile and vulnerable, and are particularly exposed to adverse natural disasters, such as hurricanes and floods. Global warming and sea level rise already affect many SIDS. Efforts to overcome SIDS vulnerability thus foreshadow the steps we may need to take in all countries across the world, if environmental sustainability is not achieved.

As you know, SIDS are not the poorest countries in the world, but they are some of the most vulnerable. This is due to two structural characteristics – smallness and remoteness – which make SIDS one-third more vulnerable to external shocks than other developing countries. Small size limits economies of scale, implies higher

per-capita production and trading costs, and may lead to undue specialization. Small size also hampers domestic market development, and leads to dependence on foreign trade and remittances. At the same time, remoteness leads to extra transport costs, costly duplication of infrastructure and low energy efficiency. These fundamental disadvantages hold back SIDS development prospects. Unfortunately, in spite of all good intentions, these disadvantages have not yet been effectively addressed by the international community after 40 years of discussion.

What can be done? While many SIDS receive external support in the form of aid, or market access or technical assistance, none of these measures was ever granted on the grounds of SIDS status. After decades of SIDS advocacy in the UN, the status still does not exist. There are forms of external support to SIDS, but they are neither reserved for SIDS, nor specifically designed to address their particular problems. Regrettably, there still is no internationally accepted procedure or agreed criteria for identifying these countries. This needs to be resolved to pave the way for "SIDS-specific treatment". For this to happen, we need a clear, easily recognizable notion of SIDS status, based on credible identification criteria.

At UNCTAD we use four criteria to identify SIDS: 1) they must have small populations, 2) they must be islands, 3) they must have the income levels or income distribution of developing countries, and 4) they must be self-governing independent states. In a nutshell, these criteria come from the four letters of the SIDS acronym (small size, island-ness, developing status, statehood.

According to these criteria, we have identified 29 SIDS. I am not claiming that UNCTAD's list is better than any other list. However, unless we are clear about

what countries are at stake, any proclaimed SIDS programme will lack focus. We must therefore agree on a process to create a SIDS category.

SIDS status is also very important to post-LDC treatment for SIDS that will graduate from the Least Developed Country category. At the UN we advocate a "smooth transition" for graduating LDCs, but we have not sufficiently answered the question: A smooth transition to what? Why not to some form of SIDS treatment? I suggest that an official SIDS status with specific international support measures could represent a powerful incentive for LDC graduation.

At UNCTAD, we are working on improved and additional international support measures to strengthen resilience in SIDS. In a forthcoming joint publication with the Indian Ocean Commission, we advocate a number of workable measures, including a programme of technical assistance for SIDS in the area of trade development and economic specialization.

Sound specialization is important for any country. When that country is small and remote the range of possibilities to specialize or "re-specialize" is always narrow. However, if there is a vision for structural transformation, and a policy framework to harness the transformation, there are always options to specialize smartly.

Through UNCTAD's advisory services, we have helped countries such as Cabo Verde, Kiribati, Maldives, St. Lucia, Sao Tome and Principe, Tuvalu and Vanuatu to enhance their economic specialization through institutional and productive capacity-building activities. In sectors such as tourism, offshore services and cultural industries, we have witnessed progress in these countries as a result of UNCTAD assistance. In some of these states, such as Cape Verde and Sao Tome

and Principe, UNCTAD has also partnered with other UN System entities, namely UNDP, FAO, ILO, UNIDO and ITC to provide joint assistance in relevant UNDAF areas through the Inter-Agency Cluster on Trade and Productive Capacity.

Fishery subsidies are another area where SIDS can benefit from global action. The international community has already recognized that subsidies which contribute to overcapacity and overfishing are detrimental to fish stocks, food security, marine ecosystems and to the livelihood of coastal populations.

It is time to make an urgent call to phase out these subsidies. First we need an immediate and enforceable standstill on the increase of any subsidy to industrial fishing fleets or activities. We also need a pledge to immediately phase out the most detrimental fishery subsidies, including subsidies for capitalization, operational costs and fleet modernization and in particular for fuel subsidies. UNCTAD and UNEP are closely cooperating to identifying a clear course of action on this and other sustainable development challenges.

Ladies and Gentlemen,

I look forward to the deliberations of this important Conference and to its outcome. I truly believe that we have a chance today to make our international efforts to support SIDS central to the new development paradigm that we all are working for.

Thank you.