

**COMMONWEALTH PARLIAMENTARY ASSOCIATION**  
**SMALL COUNTRIES CONFERENCE**  
***SEPTEMBER 2004 - Quebec***

**Concerns & Conclusions**

A recurrent theme of the conference was the lack of effective representation for small countries at international meetings. This was seen as a serious obstacle to registering concerns with the bodies that make decisions that directly affect the populations of small countries.

Delegates agreed on a range of recommendations relating to the impact of environmental factors, the enhanced use of vulnerability and resilience indices, the effect of WTO, and OECD regulations, the actions of larger states and the lack of equitable distribution of revenue from the exploitation of natural resources. In order to address these issues in a timely manner it was proposed that the CPA facilitate the transmission of the concerns of small countries to the Mauritius meeting in January 2005:

- The economic vulnerability index (EVI) confirmed that SIDS, as a group, were more economically vulnerable than other groups;
- inherent vulnerability was best addressed by good governance and sound economic practices;
- the building of economic resilience should be the core element of sustainable development strategies for small states;
- increased aid from donor communities was required to accelerate resilience-building; and,
- international organizations in particular the WTO should give special treatment to SIDS in respect to removal of trade preferences and the removal of incentives in attracting foreign direct investment.

While proposing conclusions and recommendations, a range of sustainable economic development strategies for achieving resilience were noted:

- forging strategic alliances;
- capacity building;
- developing competitiveness strategies;
- establishing a stable macro-economic environment for attracting foreign direct investment;
- economic diversification; and,
- reducing dependency on imported energy.

Concern was expressed that such solutions suited some but not all states and regions. After further discussion delegates agreed to submit the following conclusions:

- That each country has its own vulnerability profile arising from the interplay of economic, environmental and social factors and that vulnerability profiles be

developed which take into consideration the sets of circumstances of each particular region.

- That small island states are particularly vulnerable to environmental factors such as climate change and rising sea levels and decreasing bio-diversity that are outside of their control and to which they have not contributed. Delegates requested that particular consideration be given to these states when considering their graduation from Least Developed Country status and other concessional multilateral arrangements.

## **TRADE & SIDS**

Discussion and debate ensued on the definition and criteria to be considered small and vulnerable. There were divergent views on what indicators characterize small and vulnerable. One of the delegates opined that dependence on a single economic base such as tourism, to sustain the economic development of a small state, render it vulnerable.

Delegates after much discussion finally agreed that the following should be considered in determining the characteristics of small and vulnerable states:

- physical size
- population
- human resource development
- concentration of markets and production
- vulnerability to natural disasters
- vulnerability to external shocks
- location in relation to significant markets
- lack of economies of scale.

In attempting to determine indicators of vulnerability, including the foregoing they agreed that while one or two of those factors alone may not indicate vulnerability, a combination of factors could be sufficient.

Based on the above discussion it was agreed that some of the issues of concern to the small vulnerable states include:

- difficulties in ensuring adequate representation in Geneva and at Ministerial Meetings;
- problems experienced by the small states, such as making required notifications, establishing the institutions e.g. for sanitary and phytosanitary protection and standards;
- difficulties posed by having to meet obligations for Trade Policy Reviews and Trade Related Intellectual Property Rights (TRIPS) Reviews;
- the extent to which states can benefit from Technical Assistance;
- impact of globalization;
- erosion of trade preferences;
- removal of incentives;
- market access challenges for goods as well as services;

- effect of the reduction of the revenue base with the reduction/elimination of tariffs; and
- difficulties of accessing and exploiting the dispute settlement mechanism.

Factors most overemphasized were the practical difficulties confronting small vulnerable economies when they do not have the ability to participate in negotiations nor the ability to retaliate.

### **The Doha Agenda**

Delegates discussed the Doha Ministerial (2001) and the declaration that emanated from that meeting. In particular they considered the provisions which reaffirms that international trade can play a major role in the promotion of economic development and the alleviation of poverty by continuing to make positive efforts designed to ensure that developing countries secure a share of the growth of world trade commensurate with the needs of their economic development; the Ministers agreed to a work programme to examine issues relating to the trade of small economies with the objective to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading systems and not to create a sub-category of WTO members; that provisions for special and differential treatment are an integral part of the WTO Agreement.

### **The July Package**

The Group considered briefly the provisions of the July package adopted in August 2004. This package reaffirmed provisions of the Doha Agenda and set July 2005 as the deadline for the successful conclusion of the negotiations launched at Doha. The Group noted in particular that the July package reaffirms the Doha Declaration as regards the full integration of small vulnerable economies into the international trading system, as well as the fact that a new subcategory of WTO Members will not be created to facilitate their participation.

The Group noted that while the WTO mandated work on small vulnerable economies, related to their trade issues, the WTO did not give any possibilities for establishing a special category for these countries. The Group expressed deep concern about this and called for the re-consideration of this position by the WTO given that small vulnerable economies are highly dependent on trade and continue to face serious problems of adjustment to trade liberalization and that providing a special category for them would not in any way significantly affect global trade, given the small percentage of total world trade for which these economies account.

### **SUSTAINABLE TOURISM RESOURCES**

Delegates discussed how small states, who did not always want to develop high volume tourism industries, could target niche markets. Sports tourism, with, for example, marathons being run in remote locations was a growing market and heritage and specialist holidays could attract new visitors especially as the international tourist trade was always seeking 'new' destinations. It was suggested that destinations that were no longer considered a high volume destination because

of the decline in the number of staying visitors, needed to diversify into short breaks together with wildlife and ecotourism.

In concluding the Conference, delegates agreed that sustainable tourism was best seen within the context of an overall strategy for sustainable development that linked economic delivery, environmental preservation and social inclusion. Delegates also agreed that small countries needed to take concrete action, rather than simply discussing issues, to ensure that states could achieve the development they were seeking. Pressure needed to be brought to ensure that adequate investment was made in such areas.