



Effectively addressing the vulnerabilities and development needs of small island developing States*

As requested by the Council in its resolution 2011/44 on the review of the United Nations support for small island developing States, the Committee considered how to further the implementation of the Barbados Programme of Action and the Mauritius Strategy. The Committee noted that the urgency of implementing the Programme of Action and the Strategy has been heightened as a result of the growing threats posed by climate change and the observed negative impact on small island developing States of the 2008/09 global financial and economic crisis. The Committee recommends that the Council give consideration to the merits of creating a small island developing States category, defined by appropriate criteria, based on the specific vulnerabilities experienced by this group of countries. The Committee recommends that support measures for any group of countries be differentiated according to the specific vulnerabilities they face

The Committee noted that action on climate change, including a meaningful outcome to global negotiations on a new climate change treaty and on enhancing global macroeconomic stability is of particular interest to small island developing States. It is essential to provide international support to these States to help them adapt to environmental shocks arising from negative global impacts; this includes support for the resettlement costs of involuntary migrants from small island developing States affected by climate change. An effective monitoring mechanism for the implementation of the Barbados Programme of Action and the Mauritius Strategy needs to be established, building as appropriate on existing national and regional mechanisms, to ensure adequate and timely analysis of the adequacy and effectiveness of such implementation..

1. Introduction

In its resolution 2011/44, adopted on 5 December 2011, the Economic and Social Council requested the Committee for Development Policy to submit its independent views and perspectives on how to further the full and effective implementation of the Barbados Programme of Action and the Mauritius Strategy, including by refocusing efforts towards a results-oriented approach and considering what improved and additional measures might be needed to more effectively address the unique and particular vulnerabilities and development needs of small island developing States.

The Committee considered the vulnerabilities and development needs of small island developing States, building upon its previous review on United Nations support to such States, prepared in 2010 at the Council's request¹. Its analysis reconfirms that the intrinsic vulnerabilities and development needs of small island

developing States are related to their smallness, isolation and fragmentation, narrow resource and export base, exposure to environmental and natural shocks (including climate change and natural disasters), and exposure to external economic shocks².

Whereas most of these structural constraints also pose challenges for many non-island developing countries, small island developing States are typically particularly vulnerable since a higher share of the population is negatively affected by shocks compared with other developing economies. In addition, a number of small island developing States composed of low-lying atolls could face an existential risk of becoming uninhabitable owing to climate change impacts, in particular a rise in sea level. In this regard, the Committee emphasizes that challenges faced by small island developing States continue to intensify, as evidenced by

¹ See Official Records of the Economic and Social Council, 2010, Supplement No. 13 (E/2010/33), chap. V.

² Matthias Bruckner, "Effectively addressing the vulnerabilities and development needs of small island developing States", Committee for Development Policy Background Paper, No. 17, available from www.un.org/en/development/desa/policy/cdp/cdp_bg_papers.shtml.

* Excerpt from Committee for Development Policy, Report on the eighteenth session, See Official Records of the Economic and Social Council, 2013, Supplement No. 13 (E/2013/33)

the mounting threats associated with climate change, the negative impacts of the recent global economic and financial crisis on many such States and the heightened competitive challenges owing to increased globalization. These persistent and increasing challenges highlight the structural nature of the vulnerabilities of small island developing States as well as the lack of effective response measures.

2. Scaling up support measures

Both the Barbados Programme of Action and the Mauritius Strategy initiatives include a wide range of international support measures to support action at the national level to address the vulnerability and development needs of small island developing States. In addition, there are several instruments, conventions, agreements and strategies that also tackle challenges directly related to the vulnerabilities of these States, including the Convention on Biological Diversity, the Hyogo Framework for Action and the United Nations Framework Convention on Climate Change. However, there is an urgent need for scaled-up international measures, in some instances, substantially. This is particularly true with respect to climate change adaptation in small island developing States, since these countries contribute the least to the problem yet some will be among those that suffer most from the consequences. Implementation of adaptation programmes and projects is still at an early or pilot stage and it is not clear whether adequate resources are being provided. The Committee also highlights the responsibility of the international community to finance climate change adaptation in small island developing States, since the contribution of these countries to the global problem is negligible.

Disaster risk reduction and sustainable resource management also require scaled-up support. While regional and international disaster risk insurance schemes can play an important role, they need to be embedded in comprehensive disaster risk reduction strategies. Existing mechanisms such as the Caribbean Catastrophic Risk Insurance Facility could be enhanced by covering broader economic damage, in particular damage endured by the poor, and not only damage to Government property. Additionally, the piloted new mechanisms in the Pacific urgently need to be implemented. International support is needed to set up disaster insurance mechanisms and to subsidize the cost of insurance policies for poorer small island developing States.

Increased support is also needed to address the high costs of providing goods and administrative services in small island developing States. These high costs are associated with very small populations and the resulting absence of economies of scale as well as geographic dispersion in the case of archipelagic small island developing States. Where feasible, the joint provision of public goods on a regional basis could be expanded and supported internationally. Positive results have been achieved in areas such as tertiary education, monetary policy or fisheries management, while additional measures need to be explored in certain areas such as the provision of transport services to remote islands.

Whereas economic diversification is important to address risks that arise from a small export base, the structurally limited production base of small island developing States constrains the effectiveness of such measures. Since lack of export diversification heightens exposure to economic shocks, there is a need to strengthen (official and market-based) contingent financing mechanisms that such States can utilize in response. However, the high levels of indebtedness of many small island developing States limit their access to international capital markets. Hence, there is also a need to address the problematic debt in affected countries.

In many small island developing States, migration is a common response to external shocks, particularly in smaller ones where the whole country can be affected. Major destination countries could further facilitate the temporary mobility of labour from affected countries in the aftermath of severe shocks. Linking unilateral, bilateral and regional measures in this regard to a global migration framework could further enhance the realization of benefits and limit the costs associated with migration.

3. Reducing global shocks

Environmental, economic and financial shocks are external events from the perspective of small island developing States and pose development constraints for all countries. The special vulnerabilities of small island developing States, however, make them particularly dependent on effective international responses aimed at tackling the causes of such shocks.

The world is not on track to achieve the internationally agreed goal of limiting the global temperature increase to 2 degrees Celsius compared to the temperature in pre-industrial times, but even this agreed limit is expected to lead to detrimental development consequences in small island developing States. Adaptation measures in these States are critical to limit negative impacts, but will not suffice to completely mitigate the negative consequences of climate change. Furthermore, adaptation measures reduce the resources otherwise available for the sustainable development of small island developing States. A global treaty that ensures that global carbon emissions peak in the near future and later massively decline and that guarantees a fair and equitable distribution of responsibilities and costs is needed³. Its implementation will require a transformation of socioeconomic development paradigms, since purely technological fixes will not be sufficient.

For most small island developing States, ocean ecosystems are critical for food security, employment and tourism but are increasingly threatened. Sustainable management practices at the national and regional levels need to be supported, including the development and implementation of appropriate fishing licensing regimes and the establishment and enforcement of marine-protected areas. However, additional international measures

³ See Official Records of the Economic and Social Council, 2007, Supplement No. 13 (E/2007/33), chap. II and Official Records of the Economic and Social Council, 2010, Supplement No. 13 (E/2010/33), chap. VI.

are needed to reduce threats from global overfishing, stop unsustainable fishing practices, prevent illegal, unreported and unregulated fisheries, reduce global capacity in the fisheries sector, including through subsidy reforms, and ensure a fair distribution of benefits of international fishing licences.

The 2008/2009 economic and financial crisis demonstrated the vulnerability of small island developing States to a sudden decline in global aggregate demand. Many, although not all, have been hit harder by the crisis than most other developing countries. Generally, the strong and lasting negative impact from the crisis is owing to their high exposure to trade shocks, their export concentration in developed country markets and their limited scope for domestic countercyclical stabilization policies. Hence, international stabilization of economic and financial systems would play a major role in reducing the vulnerability of small island developing States. Improved regulation of international and financial markets, an increased countercyclical orientation of macroeconomic policies in major markets and improved international coordination would be important.

The world food and energy price crisis also highlighted the vulnerability of many small island developing States associated with high import dependency. Stabilizing and ensuring the affordability of global food prices would make important contributions to reducing the food insecurity of these States. Whereas controlling volatility in global energy markets (particularly oil markets) could also play a role in reducing the vulnerability of small island developing States, moving towards renewable energy systems in these States is an even more effective approach to addressing their vulnerabilities.

In sum, without robust global measures by the international community, the vulnerability of small island developing States cannot be effectively addressed. Increasing resilience and reducing exposure will not be sufficient and may not be effective in reducing vulnerabilities if the sources of shocks are not tackled as well. These response measures must be seen in the overall context of sustainable development as well as the development needs of all developing countries in order to ensure the coherence of the global support system.

4. Implications of the heterogeneity of small island developing States

A wide range of appropriate indicators reveals that small island developing States are indeed, on average, more vulnerable than other developing countries, whereas the higher per capita income and higher human capital make them more resilient to shocks in general. However, looking at averages masks the important heterogeneity among small island developing States and non-small island developing States. There are highly vulnerable non-small island developing States as well as only moderately vulnerable small island developing States. Moreover, vulnerability rankings vary across indicators. Overall, the heterogeneity of small island

developing States is smaller within regional groupings such as the Caribbean or the Pacific Islands, whereas there is more regional diversity among these in the Atlantic, Indian Ocean and South China Sea region. At the same time, even intraregional heterogeneity is substantial and, in some areas, there is noticeable similarity across regions.

The heterogeneity of small island developing States has implications for the optimal design of and access to response measures, if these are to be effective and efficient. The creation of a small island developing States category based on appropriate criteria measuring specific vulnerabilities is an option that warrants further consideration by the Council, which should include differentiating the support to small island developing States according to the kind of specific vulnerabilities they face. A differentiated approach to international support could also depoliticize some of the controversies surrounding the creation and composition of a formal small island developing States category.

5. Global monitoring mechanism

The establishment of a robust global monitoring system could help to strengthen accountability and ensure adequate and timely analysis of the implementation of the Barbados Programme of Action and the Mauritius Strategy. The upcoming international conference on small island developing States, to be held in Samoa in 2014, will provide an opportunity to agree on the principles and an implementation plan for the system. The monitoring framework should be based on existing regional and national monitoring frameworks. At the same time, it should also fully utilize readily available international data on vulnerabilities, development needs and policy responses relevant for small island developing States, including the relevant indicators used in the economic vulnerability index developed by the Committee for Development Policy.

A comprehensive monitoring system could be instrumental for an evaluation of the whole set of response measures, taking into account the interlinkages between policies. The creation of feedback instruments in respect of national, regional and international policymaking could lead to the design of better-integrated response measures. The system should also facilitate the exchange of experiences and include capacity-building activities for the generation and interpretation of statistical information.

Whereas the adoption of concrete policy recommendations, targets and milestones on the sustainable development of small island developing States would facilitate the development of a monitoring framework, the latter could add value even on the basis of existing national, regional and international targets. In order to improve data availability, regional cooperation could complement national efforts. International agencies should allocate sufficient resources to include all small island developing States in their data collection and estimation activities. Adequate resources need to be provided for the global monitoring system.