

Distr.: General 8 August 2011 Original: English

Sixty-sixth session

Item 20 (b) of the provisional agenda \*

## **Concrete recommendations to enhance the implementation of the Barbados Programme of Action and the Mauritius Strategy**

#### **Report of the Secretary-General**

#### Summary

The Barbados Programme of Action and the Mauritius Strategy were adopted to assist small island developing States to achieve sustainable development goals in line with the implementation of Agenda 21. In the years following the two landmark documents, small island developing States have faced challenges in their implementation. These challenges reflect the structural disadvantages and special characteristics of these countries, as well as the global financial, food, energy and environmental crises which have hit the small island developing States especially hard and exposed their various vulnerabilities.

The present Report provides integrated views and recommendations received from Member States, experts and UN agencies on how some of the key vulnerabilities faced by small island developing States could be effectively addressed for the consideration of Member States at the sixty-sixth session of the General Assembly.

<sup>\*</sup> A/66/100

#### <u>A</u>/66/...

## Contents

I.	INTRODUCTION	4
II.	MEASURES TO MORE EFFECTIVELY ADDRESS THE VULNERABILITIES AND DEVELOPMENT NEEDS OF SIDS	5
	A. Promoting Climate Change Adaptation	5
	B. Strengthening Disaster Risk Management Capabilities in SIDS	8
	C. Biodiversity	11
	D. Addressing Energy Challenges	15
	E. Addressing Economic Structural Disadvantages of SIDS	18
	F. Addressing Food Security	21
	G. Promoting Sustainable Tourism	22
	H. Achieving Debt Sustainability	24
	I. Recommendations from Member States and Intergovernmental Agencies	26
III	STRENGTHENING COLLECTION AND DISSEMINATION OF DATA ON THE SUSTAINABLE DEVELOPMENT OF SIDS	29
	A. Data Shortcomings and Impeding Factors	29
	B. The Role of SIDSNet in Data Analysis and Dissemination	35
	C. Analysis and Dissemination of Data: Analytical Framework for Assessing Vulnerability-Resilience Country Profiles	36
IV	CONCLUSION	37

### I. INTRODUCTION

1. The General Assembly resolution A/65/2 represented the Outcome of the five-year High Level Review of the Implementation of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States. The Outcome Document acknowledged and outlined various challenges and constraints faced by small island developing States in achieving sustainable development.

2. The same resolution requested the Secretary General to submit a Report that puts forward concrete recommendations to enhance the implementation of the Mauritius Strategy, and refocus efforts towards a results-oriented approach. This mandate is the first of its kind to call for measures to address SIDS vulnerabilities as opposed to only recognising these vulnerabilities.

3. The present Report was prepared jointly with several relevant UN agencies, and also reflects inputs received from Member States and UN system organizations. The report is structured around the key categories of vulnerabilities faced by small island developing States as highlighted by the MSI+5 High-Level Review and is based on the information and analysis available. It also contains a number of concrete but preliminary recommendations, being mindful of the longer term needs to keep addressing these issues through continuous intergovernmental and inter-agency consultations, research, and technical cooperation.

4. The Barbados Program of Action and the Mauritius Strategy outlined the many challenges that small island developing States face limiting their potential to achieve sustainable development goals. The major challenges specific to small island developing States focused on their special characteristics and their vulnerabilities to external shocks and natural disasters, as well as their limited capacity to adapt and be resilient to these vulnerabilities.

5. The challenges of small island developing States encompass a wide spectrum of issues. Structural disadvantages, environmental vulnerabilities, insufficient data and monitoring and evaluation mechanisms, and heavy migration from the countries have had significant impact on their sustainable development, as has the impact of the global financial crisis on small states specifically. Whereas these claims do not tell the complete story, they do begin to address the deeper challenges of small island developing States that hinder their ability to adapt to changes and crises that are often beyond their control.

6. Following the adoption of resolution A/65/2, the UN system conducted an interactive consultative process in order to consider concrete strategies to enhance the implementation of the Barbados Programme of Action (BPOA) and the Mauritius Strategy (MSI). The following sections of this Report will highlight the recommendations provided pursuant to addressing the means to overcome the constraints of small island developing States in achieving sustainable development.

# II. MEASURES TO MORE EFFECTIVELY ADDRESS THE VULNERABILITIES AND DEVELOPMENT NEEDS OF SIDS

#### A. Promoting Climate Change Adaptation

7. Climate change impacts the physical characteristics of small island developing States and influences socio-economic trends in these countries, which together affect their sustainable development prospects and ability to implement the Mauritius Strategy. There is a need for scaling up adaptation efforts within the context of sustainable development, and enhancing the capacity of the vulnerable countries to cope with, and adapt to, the adverse effects of climate change.

8. In order to implement the UN Framework Convention on Climate Change, Parties have agreed on a range of initiatives, including:

- The Cancun Adaptation Framework, which resulted from the negotiations on enhanced action on adaptation as part of the Bali Action Plan;
- The Nairobi work programme on impacts, vulnerability and adaptation to climate change, research and systematic observation under the Subsidiary Body for Scientific and Technological Advice (SBSTA)
- The national adaptation programmes of action (NAPAs), and decision 1/CP.10 Buenos Aires programme of work on adaptation and response measure under the Subsidiary Body for Implementation (SBI).

9. These initiatives reinforce each other and build on the need for partnership and cooperation to address critical issues related to climate change. Vulnerability to climate change can become catastrophic for small island developing States, and the upcoming COP should be viewed as the opportunity for Member States to implement the agreements adopted in previous sessions, particularly the most recent Cancun Adaptation Framework. This initiative would go a long way in assisting small island developing States.

10. The objective of the Cancun Adaptation Framework is to enhance action on adaptation, including through international cooperation and coherent consideration of matters relating to adaptation under the Convention. Ultimately, enhanced action on adaptation seeks to reduce vulnerability and build resilience in developing countries that are particularly vulnerable.

#### **Security Implications of Climate Change**

11. The concept of the security implications of climate change is relatively new, but it is an important aspect of the threat of climate change. There are environmental, socioeconomic, political and legal dimensions and these all have the potential to impact on small island developing States.

12. On 20 July 2011, the Security Council held a debate on climate change and its possible security implications, which generated extensive discussion. The possibility of the existence of environmental refugees one day was underscored as was the need for climate finance. It was also felt that a new challenge of climate change is the inability to predict the magnitude of its acceleration and thus how to adapt to its unknown impacts and some Member States highlighted a potential security threat resulting from climate change.

13. The discussions in the United Nations have helped to highlight the severity of the issue for small island developing States, particularly when considering the destabilising nature that sea level rise, food insecurity, soil erosion, drought, and environment-related migration have on countries with limited resources, limited space, and sustainable development constraints.

14. Addressing the potential security dimension of climate change on small island developing States is a proactive, preventative approach that will go a long way to preserve the very existence of these countries.

15. Member States and the international community have to prepare for the very real possibility of a security threat due to climate change. Promoting further scientific research and preventative measures, as well as pursuing a legal framework to protect persons destabilised by climate change, will help to offset any socio-economic and political crises that may occur if the possible threat were left to become a reality.

16. Within the international arena, collection of data, trends analysis and other related studies will need to be conducted by all relevant agencies to examine the impact thus far and the projections of potential occurrences. This should be pursued within the realm of food security, migration, and possible conflict over scarce resources, along with climate change and sustainable development.

#### **B.** Strengthening Disaster Risk Management Capabilities in SIDS

17. Natural hazards often affecting small island developing States include hurricanes, volcanoes, earthquakes, tsunami, tropical cyclones, drought and heavy rains. Several of these hazards affect the coastal zone and most of the countries are also threatened by sea-level rise. In the last decade, small island developing States have suffered great loss of life and livelihoods from natural disasters. The impact of such events on livelihoods can be quite devastating, causing economic impact of over 100% of GDP. Even if the impact of an event is smaller, the repeated effect of many events over time erodes development.

18. With few exceptions, small island developing States are located in geographically vulnerable locations. The majority of SIDS populations and infrastructure, including the majority of vital civil infrastructure pertaining to health and transportation, are exposed to natural hazards. They are located near the coast or on flood plains, and small size limits the options that island populations have in terms of avoidance or relocation of vulnerable locations.

19. Significant proportions of SIDS populations are often vulnerable to natural hazards because of poverty or because the country they live in has a small economy or overwhelmed governance mechanism. Frequently, the main economic activities are carried out in the coastal zone and are thus exposed to a variety of hazards. Small island developing States are also vulnerable to anthropogenic hazards. Their shift from agriculturally-based to tourism-based economies has resulted in more passenger and cargo traffic, raising the risk of oil and chemical spills. About 25% of world oil tanker traffic passes through the Caribbean.

20. Although SIDS governments have become more involved in disaster management activities, disaster risk reduction competes with low employment, high levels of indebtedness, loss of preferred markets and a dearth of economic activities beyond tourism. Once a disaster occurs, funds earmarked for development activities are often diverted to immediate humanitarian relief, cleanup and rebuilding.

21. Despite frequently occurring hazards and the vulnerability of small island developing States it is possible to reduce disaster risk. While it is not possible to reduce the occurrence of meteorological hazards, their ill effects can be reduced by reducing exposure or vulnerability and building resilience. For non-anthropogenic hazards, risk management is achieved by focusing on lessening exposure and vulnerability. This may, in practical terms, mean that physical planners need to be aware of flood plains or the extent to which a storm surge may inundate the coast and that architects and builders may need to build a house on stilts or pitch the roof more steeply. Cuba has demonstrated proactive physical planning in adapting to environmental hazards, which allows this country to lessen the impact to an extent.

22. Several key institutions have been established in small island developing States to address the challenges of natural disasters. Examples of these include: the Caribbean Catastrophic Risk Insurance Facility (CCRIF); the Caribbean Disaster Emergency Management Agency (CDEMA); and the Disaster Reduction Programme (DRP) of the Secretariat of the Pacific Community (SOPAC)

23. There is a need however, for more SIDS-specific studies into the impact of disasters. Much data on hazards is narrative and does not detail causes or long-term impacts.

24. Private insurance coverage of homes and businesses is low. In many cases governments do not insure their buildings; nor do they routinely make other provisions for likely disaster-related losses. Even if facilities similar to CCRIF are established in other regions, Governments will need to develop contingency and continuity plans for small and medium-sized events.

25. It is likely that the most cost-effective and important measure would be to work on reducing risk by improving physical planning and by developing improved building techniques, which will be especially helpful against wind and floods. Storm surges, debris flow, earthquakes and volcanoes may require other strategies such as relocation and/or evacuation plans. Some events may not have solutions beyond evacuation. For risks that are manageable, buildings should be placed and designed accordingly. Coastal planning becomes a necessary activity and strict Building Zones should be enforced. Additionally, each country could establish or strengthen its disaster management plan.

### C. Biodiversity

26. Biodiversity, and the ecosystem services it offers, is a critical component of sustainable development with particular significance to small island developing States. It provides for food security, human health, the provision of clean air and water; it contributes to local livelihoods, and economic development, and is essential for the achievement of the Millennium Development Goals, including poverty reduction, as indicated in the Strategic Plan for Biodiversity 2011-2020 and its Aichi Biodiversity Targets. In small island developing States, biodiversity is faced with direct pressures and threats such as adverse

effects of the introduction of invasive alien species, habitat fragmentation and climate change. Ultimately, the causes of biodiversity erosion and loss lay in inappropriate urbanization, inadequate utilization of science and technology and cultural factors.

27. There is a need to bear the findings of scientific programmes and activities focusing on biodiversity and ecosystem services to the attention of policy-makers, including possible policy responses; educate the public at large; and promote multi-stakeholder dialogues in support of sustainable sectoral planning that be compatible with the conservation and sustainable and equitable use of biodiversity.

28. CBD Parties have identified six priority elements in the implementation of the programme of work on island biodiversity (decision IX/21, paragraph 6). Though not specific to small island developing States, these priority elements would be useful to them:

- management and eradication of invasive alien species
- climate-change adaptation and mitigation activities
- establishment and management of marine protected areas
- capacity-building
- access to, and fair and equitable sharing of the benefits arising out of the utilization of genetic resources, and
- poverty alleviation

29. In the same decision, the CBD COP recognized the Global Island Partnership (GLISPA) as one of the mechanisms to implement the island biodiversity programme of work.

30. Invasive alien species continue to be a major threat to all types of ecosystems and species, with particularly devastating effects on island communities and livelihoods. Formulating strategies to address this threat will help to strengthen and mobilize capacity on islands to address the challenge of invasive species.

31. The global SIDS-focused climate change education and coastal monitoring programme **Sandwatch**, is currently active in more than 50 countries including over 25 SIDS. Sandwatch is a practical, hands-on process through which students record and measure detailed information about their local coastal environment, analyze and share their findings with others, and take action to ensure the sustainable management of local coastal resources.

32. Sandwatch originated over a decade ago and today represents a well-establish network of coastal monitoring teams some with data on the coastal environments of small island developing States going back over ten years. At the present time, a global Sandwatch database is under development, which will allow Sandwatch practitioners to upload data in order to share and further analyze their findings. The Sandwatch database is expected to form a citizen-driven record of changes in coastal morphology, biodiversity, use and access, development and more.

33. There is a strong connection between healthy environments and climate adaptation, livelihoods and food security, particularly through the establishment of marine protected areas. For example, the Coral Triangle Initiative, Caribbean Challenge, Micronesia Challenge, Western Indian Ocean Partnership, Phoenix Islands Protected Area, regional and sub-regional approaches that unite a geographic cluster of "like-minded" and "ecologically

connected" island States, have in many ways been established because of the island biodiversity programme of work.

34. The World Network of Biosphere Reserves has in recent years seen the addition of several new coastal and marine sites in small island developing States, including three new biosphere reserves in the Micronesian sub region alone. These sites are linked with other existing and prospective coastal biosphere reserves and through networks such as the Pacific Man and the Biosphere network (PacMAB). These networks, in turn, have cooperated actively with neighbouring sister networks – for example the Southeast Asian Biosphere Reserve Network (SeaBRNet). This cooperation has resulted in mutual exchanges and South-South bilateral capacity development activities.

35. Through instruments such as the World Heritage Convention and its dedicated small island developing States and marine programmes as well as several SIDS-focused sub regional research and management cooperation networks under the Man and the Biosphere programme, this action can directly support the design and implementation of National Biodiversity strategies and Action Plans.

36. Local action has also been important in these contexts. In various coastal and island regions, the use of community-based protected areas, in which local and indigenous peoples play a lead role in managing and conserving marine resources, are becoming increasingly widespread, and have shown promising results.

#### **Benefit Sharing**

37. With their high level of endemism, islands are repositories of genetic information with an inherent value to humankind the world over. While island governments have recognized access and benefit-sharing as a priority area, and some SIDS governments have made efforts to protect their genetic resources or to ensure that benefits from their use are shared locally, the recently adopted **Nagoya Protocol on Access and Benefit Sharing** will create greater legal certainty and transparency for island providers of genetic resources, providing assistance to SIDS in terms of capacity building and transfer of technologies for the effective implementation of the Convention and its protocol.

38. In view of the increasing role and importance of biodiversity and its associated ecosystem services in development planning, regional cooperation and sustainable development strategies, small island developing States can benefit, within the larger framework of the Mauritius Strategy, from a number of initiatives, including:

(a). **Promoting biodiversity-friendly economies and policy tools, such as payment for ecosystem services, to meet both development and biodiversity targets**: There is a benefit to be gained by incorporating biodiversity in the promotion of green economy in the Rio+20 process as well as its blue aspects in relation to marine and coastal ecosystems.

(b). **In-depth review of the programme of work on island biodiversity** (to be addressed at the CBD SBSTTA-16, May 2012 in Montreal and its COP 11, October 2012 in Hyderabad, India): This review is an excellent opportunity for island countries and countries with islands to focus attention of COP 11 on the links between the CBD island biodiversity programme of work and developments.

#### **D. Addressing Energy Challenges**

39. The almost total dependence of small island developing States on imported petroleum for their commercial energy needs continues to cause severe imbalances in trade, and the rising costs of petroleum imports have put a serious drain on limited national financial resources. Prices of petroleum products in the countries are among the highest in the world. This increase and those projected in the future will exert significant pressure on the SIDS economies if, as expected, the international prices for oil and gas keep rising.

40. The energy sector is the most critical sector for the vast majority of small island developing States, and represents one of the major sources of economic vulnerability. Sustainable development of these small island States is not possible without the existence of a highly integrated energy sector that not only has minimal dependence on external sources, but also synergistic linkages with waste management, water supply, agriculture, tourism, transportation, and general employment.

41. The largest single common renewable energy resource for all small island developing States is ocean energy in its various forms. However, the technology for utilizing this source of energy is still in development and thus expensive.

42. The development of renewable energy resources has been limited by the availability of appropriate technology, technical capacity, poor institutional mechanisms, and the challenges of developing systems for small remote markets at reasonable cost. The kinds of renewable energy technologies available to small island developing States are wind, hydro, and solar. Potential areas that may one day be pursued include ocean energy systems; waste-to-energy technologies; biomass algae (blue-green); solar water heaters (SWH); solar and seawater cooling systems; low carbon footprint buildings; ultra-low water consumption sanitation and waste water recycling systems, and; electric transportation.

43. These new technologies are available, but in different stages of development and demonstration. However, the countries lack the technical and market research expertise required to negotiate technology transfer, commercialization, and the dissemination of innovative technologies and applications that contribute to a low carbon economy.

44. Since 1992, small island developing States have invested billions in their energy sector, very little of which has gone into renewable energy, energy efficiency and conservation. In order for the countries to generate the financial resources needed to transform the energy sector, several options are available, including:

- Explore establishing a special facility within the Climate Technology Centre under development in the UNFCCC process that will have special funding to support SIDS with the assessment and identification of SIDS appropriate renewable energy technologies.
- Explore seed funding to establish a sustainable energy development revolving fund that would be capitalized from various sources including the SIDS populations and Diaspora.
- Study the feasibility of establishing national and regional energy bonds and energy funds to support energy efficiency and energy conservation investments in areas

where growing information shows very profitable returns on investments and significant national economic benefits.

• Establish and seek international support for a technological expertise sharing mechanism that makes for efficient utilization of the unique expertise and generate additional financial benefits for the professionals. Such a mechanism could be implemented jointly through relevant UN specialized agencies or regional organizations with the required expertise and facilitated through the SIDSnet online platform.

45. Energy policies could be followed up by sub-sector policies to promote the appropriate types of renewable energy resources, energy efficiency initiatives and conservation policies. Policy-making should be recognized as a process rather than an event, so policies should be monitored for changes in the planning process. There is need for greater policy coherence to ensure synergy between sectors which have significant impact and influence on the energy sector and socio-economic development.

46. In addition to financing, partnership initiatives to address the energy challenges can be useful. The objective is to consider different options which can be beneficial. The SIDS Dock initiative is an example of partnerships to effectively address the energy challenges of small island developing States. Additionally, the facilitation of new partnerships and the profiling of successful partnerships in SIDS is one of the primary objectives of SIDSnet, which aims to provide a web-based platform for sharing experiences and expertise and establishing connections.

#### E. Addressing Economic Structural Disadvantages of SIDS

47. Many SIDS are vulnerable to trade-related shocks beyond domestic control not only because they may have incurred measurable shocks, such as a decrease in Official Development Assistance and remittances, contraction in industries with ties to external markets, and an increase in unemployment, but also because, in the long run, they may face higher risks from such shocks, as a result of smallness in size and/or remoteness, and often due to its limited opportunities for economic specialization. This occurs typically when economies are highly dependent on one or few exports, and imports products highly susceptible to shocks.

48. One intermediate objective in support of the ultimate goal of building economic resilience was recognized by organizations, programmes and entities of the United Nations system as deserving special attention, namely the need to reduce structural disadvantages, with particular reference to the handicaps resulting from smallness and remoteness, which have implications in terms of institutional capacities and economic efficiency.

49. This intermediate objective points to areas to "more effectively address the unique and particular vulnerabilities and development needs" of small island developing States, as contemplated by the General Assembly in resolution 65/2.

50. For small island developing States, three areas of action to reduce structural disadvantages are particularly important:

(i) **Developing the physical infrastructure, notably in the field of transport, with a view to mitigating the adverse impact of remoteness or smallness.** 

(ii) **Developing the human resource base of the economy to allow the "knowledge component" of productive capacities to develop comparatively to that of growing competitors in the global economy.** This would improve capacities of small island developing States to innovate and add value to products and exports in relevant global value chains;

(iii) **Building or strengthening institutional capacities to create the most favourable environment for structural progress**. This area of action and the previous one (ii) are mutually supportive and their combined importance is a facet of the uniqueness of small island developing States in the global economy.

51. For any small island developing State, the "optimum mix" equation that would lead to economic development, will involve improving capacities for the countries to determine their own optimum mix. These countries have a range of unique, SIDS-specific variables. These will include, inter alia, environmental beauty, cultural uniqueness and wealth, and exoticism associated with smallness (and often making smallness an asset as much as a liability). The wide prevalence of political stability and good governance among small island developing States is also one of the strengths to be taken into account in the quest for an optimum specialization mix.

52. A sound economy will not immunize a small island developing State economy against natural disasters or economic shocks beyond control, but it may, by widening the productive base, strengthen the resilience of the island economy.

53. Service industries largely dominate the economies of small island developing States, with tourism standing out as the first source of export earnings in many of the countries; in 2009, the average share of service exports in total exports was 67% in the 26 small island developing States for which relevant data are available<sup>2</sup>. International services other than tourism have risen significantly in the economic structure of most SIDS, with the advent of financial services and other business-related services as promising areas of specialization in some cases (e.g. Samoa, Seychelles, St. Kitts-Nevis, Vanuatu), or established economic pillars in some others (e.g. Bahamas, Barbados, Mauritius).

54. The catalytic impact of a growing service economy can enhance economic growth and development so that diversification becomes possible and, with it, opportunities for investing in and producing a wider range of products. Even with their often intrinsic disadvantages, small island developing States demonstrate potential for achieving economic growth and progress. The potential for developing and pursuing economic growth strategies requires overcoming barriers and structural impediments. Three aspects are important in this respect: the physical infrastructure, human capital, and institutional capacities.

<sup>&</sup>lt;sup>2</sup> Data is available in the IMF and UNCTAD on Antigua and Barbuda, the Bahamas, Barbados, Cape Verde, Comoros, Dominica, Fiji, Grenada, Jamaica, Kiribati, Maldives, Marshall Islands, Micronesia (Federated States of), Mauritius, Nauru, Papua New Guinea, Samoa, Sao Tome and Principe, Seychelles, Solomon Islands, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Tonga, Trinidad and Tobago, and Vanuatu.

#### F. Addressing food security

55. Food security continues to be one of the major concerns of small island developing States. In order to overcome the threat of food insecurity, a strengthening of risk management capabilities is a good strategy to implement.

56. Food security and protecting biodiversity was addressed through the Regional Food Security Project *Promoting CARICOM/CARIFORUM Regional Food Security (Phases I and II)*, with various national Technical Cooperation Programmes (TCPs) in support of the Trust fund project.

57. Small island developing States rely directly or indirectly on agriculture, forestry and fisheries for 80 percent of their livelihoods. Traditional agriculture and food systems can provide resilience against external economic and natural shocks. High food and oil prices have brought a renewed emphasis on domestic production and food self-sufficiency. Small island developing States also depend on healthy oceans and marine conservation making equitable benefits of ocean resources paramount.

58. Forests and trees have huge environmental, cultural and economic significance. Forests continue to provide significant economic wood products, but the value of the environmental services that forests provide is increasingly being recognized.

59. As for fisheries, there is considerable potential for aquaculture for domestic food production and for export trade in marine products including pearls, shrimp, cultured corals and seaweed. Coastal fisheries resources, targeted by commercial and subsistence fishing, are now generally over-fished and subject to increasing pressure from growing populations.

60. Over-fishing is one of the contributors to the erosion of biodiversity. The loss of biodiversity undermines food, water and nutrition security, and is likely to produce higher levels of poverty. It will also increase dependency on food imports and impact on the prospects for economic growth in the long term.

61. The transition to a green economy places a value on biodiversity capital and ecosystem goods and services, particularly food, and can become an important source of sustenance and income. Investing in a green economy thus will contribute to small island developing States improving their capacity to produce their own food and limit the reliance on imports and the vulnerability to food crises.

### G. Promoting Sustainable Tourism

62. For most small island developing States, tourism is the main economic activity in terms of income generation, employment creation, and foreign exchange earnings. However, due to their small size, the countries are quite vulnerable to the negative environmental and social impacts that tourism can sometimes bring. In addition, with its high dependency on the environment and vulnerability to climate change impacts, tourism is considered to be a highly climate-sensitive economic sector. Impacts of climate change on the tourism sector are expected to steadily intensify. Small island developing States might be particularly affected as the rising temperature of oceans have already caused coral bleaching, among other effects.

63. Tourism also relies heavily on the natural capital of intact and functioning ecosystems, not only to attract tourists but also to meet their desire for local food, activities and experiences. The tourism sector can also be a driver that demands more sustainable management and use of resources from the many production and service sectors that supply its needs.

64. However, for some small island developing States, there are the challenges of piracy, drug trafficking, international organized crime and human trafficking, in addition to the environmental threats, affecting the tourism industry.

65. Planning, managing and monitoring tourism development, aimed at sustainability objectives, is therefore essential.

66. It is necessary to actively support the integration of the tourism sector into national adaptation planning processes, as well as the integration of climate change adaptation criteria into national tourism planning processes through, among others, raising awareness in the tourism sector on climate change impacts and adaptation measures.

67. SIDS destinations are very vulnerable to climate change impacts and have low adaptive capacity; therefore they should be given particular attention. Initiatives such as the CARIBSAVE Partnership and the proposed Pacific Green Growth Roadmap have shown some potential, and additional initiatives like these are necessary in other SIDS regions in order to pursue the relevant strategies to achieve sustainable tourism.

68. Some SIDS have explored creative and proactive ways to promote tourism in their countries such as through specialized tourism – medical tourism such as in Cuba and Mauritius, spa-tourism which is expanding in many, eco-tourism promoting bird watching, and cultural tourism.

69. These strategies are useful in diversifying the tourism product while also contributing to the preservation of the environment. They also service the local economies further by being both supply and demand factors in a country's GDP. Additional financing and increased partnerships with the public and private sectors to enhance sustainable tourism will enable the countries to maintain their competitiveness in a market that has diminished following the international crises of recent years.

#### H. Achieving Debt Sustainability

70. High and increasing debt burdens are a cause for concern in some small island developing States and have been a persistent and unresolved problem for some time. There is evidence that debt stocks have significantly worsened since the outbreak of the global economic and financial crisis. Structural constraints, such as large exposure to external shocks, small population base, limited export base and the importance of the public sector as a source of income and employment for many families, mean that these strategies have enjoyed limited success. Several small island developing States are heavily dependent on Official Development Assistance (ODA). Nevertheless, ODA has been heavily skewed towards just a few countries and low levels of aid to other SIDS have exacerbated a dependence on more volatile and expensive market-based forms of external finance.

71. In contrast to many other developing countries, most small island developing states have not benefited from international debt relief measures such as the Heavily Indebted Poor Countries (HIPC) Initiative or Multilateral Debt Relief Initiative (MDRI). Debt relief, where extended, has helped to reduce the debt burden considerably in beneficiary countries. The high (and rising) public debt burdens in many small island developing States has so far been largely unaddressed by the international policy community. This problem is exacerbated by low levels of economic growth in many small island developing States. SIDS are recovering from the global financial and economic crisis more slowly than other countries and the rest of the world, as measured by forecasts of economic growth over the next few years.

72. Several small island developing States benefit from concessional finance from the major multilateral lenders under the 'small island exception' in recognition of the particular development challenges they face. For several countries, the multilateral financial institutions remain the major lending partner. Nevertheless, some small islands do not benefit from this exception. There is evidence to suggest that concessional debt as a proportion of total public debt has declined considerably in many small island developing States over the last decade. This has been substituted with private external and/or domestic debt which is frequently more expensive.

73. Heavy domestic borrowing by the state can crowd out credit available to the private sector which in turn can stifle private sector development and economic growth. It can also be more difficult to restructure because a sovereign default on domestic debt can often be followed by a domestic banking crisis. In view of small island developing States' numerous structural vulnerabilities to external shocks, the suitability of market-based finance to support these countries' economic development can be questioned.

74. SIDS' Governments can take steps to improve debt management capacities and to reduce inefficiencies and waste in public expenditures. Debt relief may also be required by some SIDS. This must be combined with an end to the reverse in aid flows to many small island developing States. The criteria for access to concessional resources from the major multilateral financial institutions should be revised to take into consideration structural constraints to development, as faced by many of the countries. Finally, innovative financing mechanisms such as counter-cyclical loan instruments and debt swaps may be desirable for many small island developing States given their vulnerability to external shocks.

#### I. Recommendations from Member States and Intergovernmental Agencies

75. In addition to the contributions from UN Agencies, recommendations were also received from Member States. And Intergovernmental Agencies.

### Member States<sup>3</sup>

76. In compliance with Resolution A/65/2, the Secretary General wrote to Member States for recommendations on enhancing the implementation of the Mauritius Strategy. Responses, via diplomatic note and letter were received, which underscored the significance of the issue

<sup>&</sup>lt;sup>3</sup> Following the request by the Secretary General for input from Member States, proposals were received from the Alliance of Small Island States (AOSIS), the European Union, Cuba, Finland, Malta, and the United States of America

to Member States. Questionnaires on the implementation of the Mauritius Strategy were also circulated for Member States to complete.

77. Some countries saw the need for greater consultation and communication between the UN system and small island developing States, and suggested the need to develop and implement a formal and holistic coordination mechanism. This recommendation was also echoed by the regional organisations.

78. There was also the recommendation for a comprehensive review of financial support mechanisms available to small island developing States, including the means of access, and recommended the formulation of data to show the commonalities and variations among the countries.

79. The strengthening of those UN agencies with specific responsibilities to small island developing States and increase in resources made available to the organizations dealing with SIDS issues was made by many of the member states responding to the questionnaire. Improvements on the collection and analysis of accurate data to better assess the state of the sustainable development of small island developing States and their vulnerabilities and better evaluate lessons learned in the implementation of the Barbados Programme of Action and the Mauritius Strategy.

80. There was also a call for the establishment of a concise standard set of common risk-related indicators, and the idea of national ownership of the development process was stressed.

81. The development of renewable energy resources in small island developing States and the establishment of systems resilient to natural disasters and external shocks in the countries were recommended, as well as promoting sustainable marine fisheries and greater support for the Cartagena Convention among the countries. With respect to climate change, it was felt that bilateral and multilateral adaptation assistance to small island developing States needed to be expanded. There was also the recommendation of the implementation of national adaptation strategies and for more cooperation with the UNFCCC framework.

82. The need for strengthening and upgrading of the SIDS Unit in UNDESA was reiterated by several member states, highlighting the importance of the ongoing work to revitalize SIDSnet and the need for developing effective ways to quantitatively profile the vulnerabilities and resilience of small island developing States. Member states also recommended improved and expanded scientific research, as well as technology development and transfer to assist the countries, and that South-South Cooperation be promoted.

83. Greater political commitment to the education system including an increase in resources devoted to education were highlighted as critical elements in an overall strategy for achieving sustainable development goals.

#### UN Agencies, Programmes and Entities and Intergovernmental Organizations<sup>4</sup>

84. Recommendations from UN agencies, programmes and entities and intergovernmental organizations providing input to this report were complementary and often focused on very similar solutions. This suggests that there is a genuine common understanding of the challenges and that broad consensus exists on some of the strategies and actions to be employed in order to assist small island developing States in their implementation of the Mauritius Strategy. Responses also supported recommendations by Member States regarding issues such as financing mechanisms, including setting up a review of the system for determining overseas development assistance; debt relief; a need for more UN attention to the needs of small island developing States and establishing a better system of focal points within the UN System; increased data collection and strengthened databases; resource mobilization and building of national capacity; and more emphasis on addressing the impacts of climate change on small island developing States and the development of climate resilience programmes.

85. In addition to building capacity, some of the regional organisations of small island developing States also saw the need to strengthen the countries' own self reliance, employing best practices for their own development.

86. There were also calls to establish and strengthen the coordinating mechanisms for small island developing States. These were also joined by the recommendation for enhanced national sustainable development strategies or their equivalents.

# III. STRENGTHENING COLLECTION AND DISSEMINATION OF DATA ON THE SUSTAINABLE DEVELOPMENT OF SIDS

#### A. Data shortcomings and impeding factors

87. The official statistics in most countries of this group is insufficient. The available data is frequently of a low quality including in terms of the limited coverage, insufficient compliance with the internationally accepted statistical standards, poor policy relevance, inadequate level of disaggregation and timeliness. The affected areas range from macroeconomic statistics to detailed basic statistics on the structure of SIDS economies, international trade, the environment, energy, social development and tourism. It should be noted that the gravity of the problem is not the same across the group as some SIDS fare significantly better than others.

88. Macroeconomic statistics is a lingering challenge. Only a minority of SIDS are able to provide the minimum data set on national accounts and the data is often not sufficiently current. Detailed data on international merchandise trade is not reported to the United Nations Commodity Trade Statistics database (UN Comtrade). Substantial data on the environment and energy statistics is available only for a handful of small island developing States and data gaps are numerous.

<sup>&</sup>lt;sup>4</sup> The International Agencies that provided comments to the Secretary General's request for strategies on enhancing implementation of the Mauritius Strategy were the CBD, ECLAC, FAO, the UN Country Team for Mauritius and Seychelles, UNCTAD, UNDP, UNESCO, UNFCCC, UNICEF, UNISDR, UNRISD, IFAD, ITU, the World Tourism Organization, the CARICOM Secretariat, the Commonwealth Secretariat, the Small States Forum, SPREP, the World Bank, and the WTO.

89. Most small island developing States lack functional quality assessment frameworks. The dissatisfaction with the data availability and their quality were expressed by both government bodies and other users. In fact, identifying useful information may be challenging, as the information may be too general, superficial and/or not adapted to the reality of small island developing States. Urgent action is required with respect to these domains as they are particularly relevant for the assessment of vulnerabilities.

90. The data gaps and quality issues are the direct result of an inadequate statistical capacity. Inadequate capacity and frequent over-commitment due to ever growing internal and external demands for data lead to process bottlenecks and overload at national statistical offices and other members of the national statistical system. In most small island developing States national statistical offices do not have spare capacity to compile more statistical series or significantly improve quality of the currently disseminated data. To add more work without making significant progress in capacity building would surely put more strain and burden on the overworked National Statistics Officers and other members of national statistical system. This could further compromise the quality of statistics.

91. The impeding factors hampering statistical development in small island developing States are numerous, entrenched and interrelated. They can be broadly grouped in the following categories:

*a). Lack of sustained support from higher levels of government:* While the majority of SIDS governments recognize the importance of evidence-based decision-making and the political commitment to improve the situation is generally expressed, such recognitions and commitments are frequently not implemented or implemented only on an *ad hoc* basis.

**b).** Ineffective management of national statistical system: Many small island developing States suffer from poor management of the national statistical offices and statistical units of other members of national statistical systems. Too often activities of national statistical offices and statistical units of line ministries and other governmental agencies are not seen as integral parts of a unified national statistical system and are not managed as such.

c). Inadequate legal framework: Many of the countries do not have statistical laws and in many other countries such laws are outdated. The statisticians do not have sufficient legal rights to access various administrative sources of data and to ensure the use of international statistical standards by other governmental bodies. The failure to put to a statistical use the existing administrative sources is one of the most significant causes of the high demands placed on the population and businesses to participate in statistical surveys.

*d*). Weak statistical infrastructure: Only a small number of small island developing States have such basic elements of statistical infrastructure as business registers and harmonized systems of statistical censuses and surveys.

*e). Inadequate human resources:* The lack of sufficient human resources is one of the top constraints. Practically all recent studies of the situation in SIDS conclude that the main constraint faced by National Statistics Officers is the lack of qualified, skilled and competent staff.

*f).* Absence of sound strategic planning: Inadequate management and weak statistical infrastructure in general are too frequently exacerbated by the lack of sound strategic planning.

g). Lack of modern integrated system of data processing, database management and quality assurance: While data processing equipment is generally available, most SIDS do not have a modern integrated system for data and metadata collection, data entry, data processing, quality control, storing, analysis and dissemination.

92. Over recent years national statistical offices and other suppliers of national statistics in cooperation with regional and international agencies have undertaken numerous efforts to improve SIDS statistics which yielded some positive results. However, much more work has to be done to ensure that the emerging progress is further advanced. It should be noted from the outset that the focus must be on strengthening national statistical systems while efforts undertaken at the regional and global levels should play important, but supporting roles.

93. The shortcomings of the institutions for data collection and analysis in small island developing States could be addressed further by radically improving functioning of national statistical system, as a way to translate the expressed political commitment for evidence based policy into concrete actions: If not done recently or properly, the appropriate bodies at the higher levels of government in SIDS should initiate the review of the national statistical system aiming at its modernization and to provide the necessary support to national statistical offices and other relevant governmental agencies in the preparation of the relevant action plan. It should be underscored that a successful generation and dissemination of high quality disaggregated statistics can be achieved only if this task is seen as the collective responsibility of all members of national statistical system, not simply as the responsibility of a statistical office alone.

94. Modernizing a national statistical system as an indispensable and integral input to the process of developing and implementing National Sustainable Development Strategies. Ensuring close cooperation of all relevant governmental agencies has the potential to enhance data collection within the entire system of small island developing States, as does promoting a national partnership for statistics. Establishing and maintenance of strong national partnership for statistics is essential for a better alignment of donor support and for the increased mobilization of resources at the country level for statistical development activities. All stakeholders, both governmental and private, should be consulted, for example, by setting up (or reactivating) advisory committees of users within and outside government.

95. Prioritizing data series and defining the core set of data is another strategy that could provide success. In view of the persistent resource constraints it is a good practice to prioritize data series and define the core set of data intended for regular compilation and dissemination. A core set of statistics should be selected by application of such criteria as policy relevance, including the relevance for assessment and monitoring of vulnerability, measurability, methodological soundness and frequency of use. The importance of data timeliness should be emphasized as it is curtailed in the context of vulnerability assessment.

96. The sample fractions needed for reliable survey estimates are disproportionately large in most small island developing States, especially in the smallest ones; hence more

importance should be placed on administrative sources to minimize the need to collect survey data from both households and businesses.

97. The continued support at the global level is vital for SIDS' statistical development as national and regional statistical systems remain weak. This support should include the following actions:

(a). Further enhance the role of UN/DESA in coordinating statistical capacity building including more active engagement of the United Nations Statistical Commission, which is the highest decision making body for international statistical activities including for activities relevant to the countries, and Statistics Division of UN/DESA, which supports the Commission in the implementation of its decisions.

(b). Closer collaboration between the UN/DESA Statistics Division and the UN regional commissions and their national counterparts to build statistical capacities of SIDS.

(c). Strengthen SIDS oriented statistical activities of the UN Specialized agencies, funds and programmes.

(d). Ensure that the countries' statistical needs are better reflected in capacity building activities of PARIS21 and other global players.

#### **B.** The Role of SIDSnet in Data Analysis and Dissemination

98. The Small Islands Developing States Network (SIDSnet) performs an important role in the data analysis of small island developing States. It contributes to filling the gaps in data availability by collating national data and statistical information towards assessment of vulnerability-resilience country profiles.

99. It also focuses on strengthening research and data management by serving as a portal for national and regional statistics. One of the primary objectives of SIDSnet is to make the information provided by national and regional statisticians available and accessible to all stakeholders.

100. With the strengthening of data collection analysis and dissemination capabilities in small island developing States, the national and regional information would feed into SIDSnet and allow for the SIDS and their partners to ascertain the gaps and needs in implementing the Barbados Programme of Action and the Mauritius Strategy. The ongoing revitalization of SIDSnet, therefore, will go a long way in enhancing the strategies of implementation.

## C. Analysis and Dissemination of Data: Analytical Framework for Assessing Vulnerability-Resilience Country Profiles

101. The MSI+5 outcome document not only called for strengthening national disaggregated data and information systems, but also for strengthening analytical capabilities for decision-making, tracking progress, and the development of vulnerability-resilience country profiles. It became clear during the preparatory process for the MSI+5 high-level review, that there is currently no analytical framework with effective indicators or criteria to

comprehensively assess progress in addressing vulnerabilities of SIDS through implementation of the Mauritius Strategy. The key issue is not the availability of reliable data and information only; it is also the analytical frameworks and capacities to answer for the purpose of the data and information.

The SIDS Unit of DESA commissioned a study on vulnerability-resilience assessment 102. profiling of small island developing States, and to develop an analytical framework to assess vulnerabilities of SIDS, building on the vast wealth of work already carried out on SIDS vulnerability indices and assessment methodologies. While the concept of a vulnerability index is well rooted in paragraph 113 of the Barbados Programme of Action, various studies have indicated the need to look at both the vulnerability and resilience/coping capacity of countries. In addition, while there are advantages of developing a single composite index, the approach is fraught with technical complexities and there is a tendency to focus on a single number, and forget the practical implications of what the number means for policy development, implementation and decision-making. An alternative and preferred approach is to develop assessment profiles for countries based on a series of criteria that cover environmental, economic and social dimensions, and that reflect both a country's vulnerabilities to exogenous and endogenous risks and threats, and its resilience or coping capabilities - the latter would include policies and actions by policymakers, communities and the private sector to mitigate or manage these risks and threats.

103. The above methodology for assessing the vulnerability-resilience country profiles in small island developing States has already undergone peer review and the next steps will focus on refinement of indicators and criteria and piloting in a few countries. UN-DESA in collaboration with the Indian Ocean Commission has secured funding from the Commission of the European Union to develop a Monitoring and Evaluation system for the Mauritius Strategy that will be underpinned by this methodology, and will strengthen the framework for developing data and statistics in small island developing States.

### **IV. CONCLUSION**

104. The proposals put forward in this Report, pursuant to Resolution A/65/2, have sought to address different areas as highlighted in the Mauritius Strategy. Though compartmentalized in this instance, the challenges are cross cutting, as are the strategies to address them.

105. Access to finances remains an ideal option to assist small island developing States to enhance the implementation of the MSI. Scientific research and technological capacity will also contribute to the measures to augment implementation.

106. Increased and efficient human resources will help to build capacity in small island developing States, and the development of new initiatives can be a useful strategy. However, best practices that have been proven successful could also be expanded and implemented in other small island developing States.

107. Improved and expanded collection of data, as well as additional Monitoring and Evaluation strategies are important initiatives that could also be applied.

108. Political commitment and international cooperation remain critical elements in the implementation of the strategies for the sustainable development in SIDS. When considering international cooperation, North-South, South-South, SIDS-SIDS and partnerships among diverse stakeholders each have merit.

109. The challenges for small island developing States, though varied and extensive, are not insurmountable. This Report has highlighted significant opportunities for a pragmatic approach that would guide the countries along the path of sustainable development.

110. The recommendations provided in this Report are not exhaustive. Rather, as requested for in Resolution A/65/2, they will help to promote a results-oriented approach towards addressing unique vulnerabilities faced by small island developing States, and to build their resilience in the process of the implementation of the Mauritius Strategy.