



UN-OHRLS

PROMISING SECTORS FOR ECONOMIC TRANSFORMATION OF SMALL ISLAND DEVELOPING STATES

FINAL REPORT



Promising Sectors for Economic Transformation of the SIDS

Table of Contents

Acronyms	4
Acknowledgements	6
I: Executive Summary	8
Chapter 1: Review of the SIDS Accelerated Modalities of Action (SAMOA) Pathway 2014	12
1. Introduction	12
1.1 Overview of the SAMOA Pathway	12
1.2 Main trade-related provisions of the SAMOA Pathway	16
1.3 Macroeconomic performance of the SIDS since adoption of the SAMOA Pathway 2014	18
1.3.1 Macroeconomic Overview of SIDS	18
1.3.2 Caribbean	19
1.3.3 Pacific	23
1.3.4 AIMS	26
1.4 Assessment of the promising sectors in the SIDS since adoption of the SAMOA Pathway	27
1.4.1 Blue Economy.....	28
1.4.2 Cosmetics Production	31
1.4.3 E-Commerce.....	32
1.4.4 Sustainable and Inclusive Tourism	34
1.5 Conclusion.....	35
Chapter 2: Mapping of Trade and Economic Development Reports, Publications, Projects, and Programmes post the Adoption of the SAMOA Pathway Plans.	37
Introduction	37
2.1 Publications and Reports	37
2.1.1 Publications and Reports by the International Labour Organisation and the United Nations Capital Development Fund.....	37
2.1.2 Publications and Reports by the International Trade Centre	38
2.1.3 Publications and Reports by the United Nations Conference on Trade and Development	39
2.1.4 Summary Overview of Reports and Publications	40
2.2 Projects and Programmes.....	57
2.2.1 Projects and Programmes by United Nations Conference on Trade and Development (UNCTAD) - ASYCUDA World Projects	57
2.2.2 Summary Overview of Projects and Programmes.....	59
2.2.3 Projects and Programmes by the International Labor Organization.....	68
2.2.4 Summary Overview of Projects and Programmes.....	70

Promising Sectors for Economic Transformation of the SIDS

Chapter 3: Charting the Development Path: Advancing growth and development in E-Commerce, Blue Economy, Sustainable and Inclusive Tourism, and Cosmetics Production

.....	76
3.1 Blue economy	76
3.1.1 Introduction to Blue Economy.....	76
3.1.2 Summary overview of policies, strategies, among the SIDS.	77
3.1.3 Case Studies on Blue Economy	77
3.1.3.1 Case study 1 – Fiji’s Blue Bonds Framework.....	77
3.1.3.2 Case study 2 – Barbados’ Initiatives in the Blue Economy	80
3.2 Cosmetics production	82
3.2.1 Introduction to Cosmetics production.	82
3.2.2 Case Studies	82
3.2.2.1 Case study 1 – Vanuatu’s Volcanic Earth.....	82
3.2.2.2 Case study 2 – Jamaica’s Black Castor Oil.....	83
3.2.2.3 Case study 3 – Virgin Coconut Oil from WIBDI Samoa	84
3.2.2.3 Case study 4 – Pure Fiji	85
3.3 E-Commerce.....	86
3.3.1 Case Study 1: Trinidad and Tobago	86
3.3.2 Case Study 2: Samoa	91
3.3.3 E-Commerce Conclusion.....	95
3.4 Sustainable and inclusive tourism	96
3.4.1 Case study 1 – Palau’s Ecotourism	96
3.4.2 Case study 2 – Pacific Sustainable Tourism Policy Framework	99
3.4.3 Case Study 3: Caribbean Sustainable Tourism Policy and Development Framework 2020 and True Blue Bay Resort, Grenada.....	102
3.5 Financing Options for SIDS Enterprises (SMEs and MSMEs)	107
3.5.1 Revenue based financing	108
3.5.2 Merchant cash advance.....	108
3.5.3 Inventory financing/Lines of credit.....	108
3.5.4 Bank loan	109
3.5.5 Bank overdraft	109
3.5.6 Equity financing	109
3.5.7 Crowdfunding	110
3.5.8 Grants.....	110
3.5.9 Invoice financing	110
3.5.10 Asset-based lending.....	111

Promising Sectors for Economic Transformation of the SIDS

Chapter 4: The post-SAMOA Pathway: key considerations and policy recommendations	112
4.1 Blue Economy	112
4.2 Cosmetics Production	113
4.3 E-Commerce	114
4.4 Sustainable and Inclusive Tourism	115
Chapter 5: Conclusions	116
5.1 Conclusion	116
5.2 Areas for Further Research	118
Bibliography	119
Annexes:	122

Promising Sectors for Economic Transformation of the SIDS

Acronyms

ACS	Association of Caribbean States
AIMS	Atlantic, Indian Ocean and South China Sea
AOSIS	Alliance of Small Island States
ASYCUDA	Automated System for Customs Data
BGP	Blue Green Bank
BSI	Body Shop International
CANARI	Caribbean Natural Resources Institute
CARDTP	Caribbean Digital Transformation Project
CARICOM	Caribbean Community
CERMES	Centre for Resource Management and Environmental Studies
CHENACT	Caribbean Hotel Energy Efficiency Action
COP27	27th Conference of the Parties of the United Nations Climate Change Conference
COVID-19	Coronavirus disease
CTO	Caribbean Tourism Organisation
ECCB	Eastern Caribbean Central Bank
E-Commerce	Electronic Commerce
ECROP	Eastern Caribbean Regional Ocean Policy
EFT	Electronic Funds Transfer
E-Government	Electronic Government
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FFA	Forum Fisheries Agency
FinTech	Financial Technology
GBP	Green Bond Principles
GDP	Gross Domestic Product
GSMA	Global System for Mobile Communications Association
HDI	Human Development Index
HDR	Human Development Report
IADB	Inter-American Development Bank
ICMA	International Capital Market Association
ICT	Information, Communications and Technology
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
ILS	International Labour Standards
IOC	Intergovernmental Oceanographic Commission
IOM	International Organization for Migration
IRENA	International Renewable Energy Agency
ITC	International Trade Centre
ITU	International Telecommunications Union
LDC	Least Developed Country
MPTF	Multi Partner Trust Fund
MSG	Melanesian Spearhead Group

Promising Sectors for Economic Transformation of the SIDS

NOP	National Oceans Policy
NRDS	National Resilience Development Strategy
OECS	Organisation of Eastern Caribbean States
PDEP	Pacific Digital Economy Programme
PICS	Pacific Island Countries
PICTs	Pacific Islands Countries and Territories
PIFS	Pacific Islands Forum Secretariat
PPAC	Palau Pacific Adaptation to Climate Change
PPPs	Public Private Partnerships
SAMOA	SIDS Accelerated Modalities of Action
SBP	Social Bond Principles
SDGs	Sustainable Development Goals
SIDS	Small Island Developing States
SJPP	Samuel Jackman Prescod Polytechnic, Barbados Community College
SMEs	Small and Medium sized Enterprises
SPTO	South Pacific Tourism Organisation
STREIT	Support to Rural Entrepreneurship, Investment and Trade in Papua New Guinea
TFA	Trade Facilitation Agreement
TORs	Terms of Reference
UN	United Nations
UNCCF	United Nations Climate Change Conference
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNODC	United Nations Office of Drugs and Crime
UN-OHRRLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
UNWTO	United Nations World Tourism Organisation
VSS	Voluntary Sustainability Standards
WEC	Wave Energy Converter
WIBDI	Women in Business Development Incorporated
WTO	World Trade Organisation

Acknowledgements

This Report was prepared by the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries, and the Small Island Developing States (UN-OHRLLS) per its mandate to coordinate the implementation of the SAMOA Pathway. Dr. Claudius Preville is the lead author of the report under the direction of Ms. Tishka Hope Francis, and Mr Sandagdorj Erdenebileg provided overall guidance. Comments and insightful reviews were provided by Ms. Eva Marie Wüst Vestergaard. The opinions expressed in this publication are those of the author and do not necessarily reflect the views of the United Nations.

The preparation of this report would not have been possible without the assistance and support of several SIDS officials, organisations, and individual experts, with whom the consultant had exchanges at some time or the other and it is very appropriate to acknowledge them. First, the UNOHRLLS team that provided direct oversight: Tishka Hope Francis, and Eva Marie Vestergaard, were very supportive throughout the development of this report from its inception. Eva Marie was particularly helpful in organizing several of the consultations and connecting the consultant with key personnel in the various SIDS.

Consultations were held with several representatives of SIDS including but not limited to Filipino Tarakinikini, Permanent Representative of Fiji to the United Nations in New York; Matthew Wilson, Permanent Representative of Barbados to the United Nations in Geneva; Viktor Alegria, Government of Belize; Delio Rincon, Government of Dominican Republic; Fatouma Abdallah, Government of Comoros; Saadh Aishaadh, Government of Maldives; Jean-Paul D'Offay, Government of Seychelles; Henry Tunupopo, and Peseta Noumea Simi, Government of Samoa; Travis Sinckler, Government of Barbados; Damien Prescod, Export Barbados.

A team from the International Trade Centre (ITC) comprising Robertha Reid, Aissatou Diallo, Barbara Oliveira Ramos, and Rajesh Aggarwal, was very supportive and provided detailed comments on an earlier draft during the peer review process. This is highly appreciated. Sharon Lindo from UN AOSIS also provided some perspective on what is required in the negotiations for which we are grateful.

Representatives from other international organizations consulted include David Jose Vivas Eugui, Mussie Delelegn Arega, Pierre Encontre, and Chantal Line Carpentier, UNCTAD; Raul Torres, and Robertha Allport, World Trade Organization; Giovanni Di Cola, International Labour Organization; Opeyemi Abebe, and Brendan Vickers, Commonwealth Secretariat.

The report has also benefitted from consultations with regional commissions and regional organizations. Representatives of regional commissions included Sudip Ranjan Basu, United Nations Economic and Social Commission for Asia and the Pacific; Laverne Walker, and Sylvester Clauzel, United Nations Economic Commission for Latin America and the Caribbean.

Representatives of regional organizations include Amanda Charles, Caribbean Tourism Organisation; Shanna Emmanuel, Organization of Eastern Caribbean States; Jan Yves Remy and Alicia Nicholls, Shridath Ramphal Centre, University of the West Indies Barbados; Ana Ramirez Cuevas, Safiya Reif, Cherrisse Braithwaite-Joseph, and Khadesha La Touche, Association of Caribbean States; Rahanna Juman, Ruqayyah Thompson, and Kahlil Hassanali, Institute of Marine Affairs, Trinidad and Tobago; Nicole Leotaud, Caribbean Natural Resources Institute; Noah Kouback, Pacific Islands Forum Secretariat; Chris Cocker, and Christina Leala Gale South Pacific Tourism Organisation.

Promising Sectors for Economic Transformation of the SIDS

Several independent experts working on various aspects of the subject of this report were also consulted throughout its development. The author also wishes to acknowledge the invaluable assistance of Nicole Garraway who assisted with the data collection and drafting of the report. Every effort has been made to integrate all perspectives and views shared with the author into this report. However, any omissions remain the responsibility of the author.

Promising Sectors for Economic Transformation of the SIDS

I: Executive Summary

Small Island Developing States (SIDS) are some of the most vulnerable economies in the world. The United Nations (UN) recognises 39 sovereign states and 18 dependent territories that are classified as SIDS. The vulnerabilities extend to external shocks, excessive dependence on international trade due to high trade openness, susceptibility to natural disasters, remoteness from major markets, and limited natural resources, among others. Climate change, and especially the associated global warming and sea level rise are major threats to the SIDS. Despite significant variation in economic performance across SIDS, ranging from some of the least developed countries like Comoros to high income countries like Singapore, all SIDS share similar sustainable development challenges.

With the preceding in mind, this report was developed to provide an overall assessment of the trade performance of the SIDS, with specific attention to promising sectors in the SIDS within the blue economy, cosmetics production, e-commerce, as well as sustainable and inclusive tourism, since the adoption of the SAMOA Pathway in 2014. An assessment of developments in the sectors was undertaken with the view to provide practical policy recommendations that will be considered in preparation for the fourth International Conference on SIDS in 2024.

For this Report, existing secondary materials available in the open domain about the SIDS was used as the basis for the assessment. Moreover, extensive consultations were held with stakeholders in the SIDS at national and regional levels. Consultations were also held with officials of several international organizations within the UN system and other development partners, including AOSIS, UNCTAD, UNECLAC, UNESCAP, UNWTO, ITC, WTO, ILO, and the Commonwealth Secretariat. Consultations were also held with several regional organizations including ACS, CARICOM, CTO, CANARI, OECS, PIFS, and SPTO. Independent experts working on SIDS issues as well as some think tanks/academic institutions were also consulted.

The report has been arranged into 5 chapters.

Chapter 1 provides an overview of the SAMOA Pathway, pointing out its main trade-related provisions, the macroeconomic performance of the SIDS, and a brief assessment of the promising sectors since the adoption of the SAMOA Pathway. Overall, SIDS economies were performing quite well prior to COVID-19, but the pandemic significantly, adversely impacted all economies, especially the heavily tourism-dependent jurisdictions in the Caribbean and Pacific; a decline of an estimated 80% of visitor arrivals was recorded, one quarter of GDP was lost and surges in unemployment, in 2020 were experienced. But many of these economies were already positioning themselves to rebound with emphasis placed on digital transformation efforts and creating enabling frameworks for e-commerce. As such, the pandemic seems to have accelerated, or rather necessitated their e-readiness, with many island nations having introduced digital IDs and adopted e-payment services.

With regards to the blue economy, there are several significant initiatives across all regions: from Seychelles being the first to launch its blue bond in 2018, to Fiji's new and coherent sustainable blue bond framework that was launched in the margins of COP27 in 2022. Other SIDS are innovating with greater participation in the high value-adding sectors of the blue economy including wave energy conversion and innovative uses of sargassum.

Promising Sectors for Economic Transformation of the SIDS

The pandemic has forced the SIDS to rethink tourism in the direction of greater sustainability and inclusiveness. This is well captured in both the national and regional policy and strategy responses in the Caribbean, led by the Caribbean Tourism Organization (CTO), and in the Pacific, led by the South Pacific Tourism Organization (SPTO). In addition, the practices of Palau in building a sustainable and inclusive brand of tourism are also discussed in detail in the corresponding case studies in Chapter 3.

The cosmetics production sector has been developing, largely by the private sectors in both the Caribbean and the Pacific regions, but does not yet enjoy the level of policy and strategy interventions that are needed to bring about the growth potential. SIDS need to see the cosmetics sector as having significant transformative potential, thus inducing them to make the required levels of policy and strategy intervention and investments needed by governments.

Chapter 2 provides a mapping of several reports, publications, projects, and programmes implemented in the SIDS since the SAMOA Pathway in 2014. It is seen that SIDS have received significant levels of technical and financial assistance since 2014, but much of this has been focused on the blue economy; e-commerce; and trade facilitation, including customs automation using ASYCUDA. Very little attention has been paid to the development of cosmetics, whilst some attention has been paid to tourism development.

Chapter 3 is devoted to the development of several case studies in the four promising sectors across the SIDS. With respect to blue economy, the Chapter documents the main features of Fiji's Sustainable Blue Bond framework, as a tractable tool that can be adapted and replicated in other SIDS. It also features an initiative in Barbados for conversion of wave energy to electricity, which can be replicated in other SIDS.

Regarding cosmetics production, information is presented on four companies in the Pacific and Caribbean that are using plant-based oils to produce cosmetics for both local consumption and for participation in global value chains. These initiatives have significant potential for replication and scaling up, if supported by progressive government policy. Also, based on emerging research, sargassum and other marine-based raw materials could become a vital source of oils to be used in the production of cosmetics.

With respect to e-commerce, two cases are presented of good model legislation and practical applications of e-commerce concepts in Trinidad and Tobago and Samoa. Both these approaches have strong elements that can be replicated in other SIDS.

Finally, concerning sustainable and inclusive tourism, the report highlights the innovative approaches to tourism policy and strategy that have been embraced by SIDS of both Caribbean and Pacific regions, with instances of local initiatives in each region – Grenada and Palau, respectively.

The chapter concludes with a brief assessment of financing options open to entrepreneurs and MSMEs operating in the SIDS, to fund businesses and start-up companies in the promising sectors. These include revenue-based financing; merchant cash advances; inventory financing; equity financing; crowd funding; invoice financing; asset-based lending; and grants. Conventional financing using bank loans and bank overdrafts are also discussed.

Chapter 4 articulates the main suggested policy recommendations for each of the promising sectors to be considered by SIDS. With respect to the **Blue Economy**: countries that have not

Promising Sectors for Economic Transformation of the SIDS

yet introduced a Blue Bond should seriously consider doing so, using a framework similar to that developed by Fiji; greater participation in the higher value-added sub sectors of the Blue Economy, like pharmaceuticals and chemicals as opposed to frozen or fresh finfish; wave energy conversion appears to provide an excellent avenue for SIDS to revisit their renewable energy creation efforts; Aquaculture also presents significant opportunities for the SIDS to produce and export, in large and sustainable quantities, all the common types of finfish that are traditionally produced; greater use of raw materials like sargassum in producing various products that can be used directly as final consumption, or as intermediate goods into a larger value chain; and stronger linkages be established between the production activities in the ocean and that of the cosmetics industry.

With regards to **cosmetics production**: governments of the SIDS should pay closer attention to the potential for development of their economies through the transformation of the cosmetics sector; adopt policies that encourage production of cosmetics, including alliances with foreign companies, as a way to expand and strengthen quality and standards; explore the possibility of developing the cosmetics sector as part of the development of Blue Economy products and services; introduce appropriate legal and regulatory frameworks in the SIDS that are conducive to production of high-value cosmetics that meet international standards of safety; a technical assistance fund be established as part of the UN Funds to assist SIDS in the development of their cosmetics sector over the decade 2024 to 2034; and essential technical and vocational knowledge (education and training) be introduced and disseminated in the SIDS through revised education curricula.

Regarding **e-commerce**: SIDS should prioritize the adoption of a holistic approach to the development and uptake of e-commerce as part of a wider digital transformation paradigm shift, which targets all economic actors: governments, private sector, and consumers; targeted approaches for resource mobilization and securing technical assistance should be pursued to facilitate the enhancement of e-commerce industries and the development of the digital economies of SIDS; Governments of SIDS, where Universal Service Funds (USF) exist, should dedicate or repurpose a percentage of the USF for the development and implementation of projects and interventions that serve to develop the digital economy and advance the uptake of e-commerce; a monitoring and evaluation framework should be established to assess the rate of implementation of national ICT and E-Commerce Policies, Programs, and Plans and address shortcomings identified; and a SIDS E-Learning Series should be pursued where SIDS are invited to deliver presentations on winning strategies applied in respect of the thematic area, allowing other SIDS the opportunity to learn from their successes and avoid any shortcomings shared.

Regarding **sustainable and inclusive tourism**: Governments of the SIDS that have not yet established national sustainable tourism policies, should endeavour to do so to guide the development of the tourism industry in a sustainable and inclusive manner, based on model frameworks already developed whether nationally or regionally; SIDS Governments further adopt the approach of Palau by including a strong “learning” element in the monitoring and evaluation framework of Sustainable Tourism Policy and/or Strategy architectures developed; Governments of SIDS should leverage cultural and heritage tourism as key elements within the broader sustainable tourism framework, by strengthening their national legislative regimes governing the protection of intellectual property, to ensure enforcement of rights while promoting and creating an authentic cultural tourism brand; and ensure joint approaches are undertaken to augment tourist arrivals through joint air lift support programmes within regional blocs and joint marketing of destinations as branded sustainable tourism packages.

Promising Sectors for Economic Transformation of the SIDS

Chapter 5 concludes the Report, noting key points in respect of interventions and developments by SIDS in the four sectors of promise. These sectors have been identified further to consideration of previous interventions and programmes of action of which SIDS participated, most notably the SAMOA Pathway. Although these identified sectors do not directly mirror the priority areas under the SAMOA Pathway, they nevertheless complement them, as the implementation of the recommended policy reforms and other initiatives proposed within this Report would serve to achieve the same outcome as the SAMOA Pathway, i.e., sustained economic growth and development. Accordingly, this Report is presented as a post-2024 SIDS Pathway to Sustainable Development. Also, key considerations in respect of areas for further research are presented, given international developments, the economic promise and income potential that these industries may offer to these small island economies.

Chapter 1: Review of the SIDS Accelerated Modalities of Action (SAMOA) Pathway 2014

SIDS are some of the most vulnerable economies in the world, with the UN recognising 39 sovereign states as SIDS. Their vulnerabilities include proneness to external shocks, excessive dependence on international trade due to high trade openness, susceptibility to natural disasters, remoteness from major markets, and limited natural resources, among others. Also, climate change, and especially the associated global warming and sea level rise are major threats to the SIDS. Despite significant variation in economic performance across SIDS, ranging from some of the least developed countries like Comoros to high income countries like Singapore; all SIDS share similar sustainable development challenges. In this context the SAMOA Pathway was adopted in 2014 with the view to address some of these challenges thereby positioning SIDS on a path to more sustainable development.

This chapter undertakes a comprehensive review of the SAMOA Pathway with a focus on the provisions that are directly relevant to trade and economic development. It highlights the main macroeconomic trends in the SIDS since 2014 and how these have been impacted by global developments, whether geopolitical, technological, or scientific. It then focuses on the emerging promising sectors mentioned in the TORs (ecommerce, blue economy, sustainable and inclusive tourism, and cosmetics production), providing an overview of developments and noteworthy considerations. These sectors are therefore discussed and assessed within the context of developments in the SIDS based on available data, obtained primarily during stakeholder consultations and secondary research methodologies. This lays the groundwork for the case studies that are subsequently discussed in detail in Chapter 3.

1. Introduction

S1.1 Overview of the SAMOA Pathway

The SAMOA Pathway was crafted for Small Island Development States (SIDS) to assist with the advancement of national priorities and the implementation of sustainable development objectives, goals, and prescriptions. The SAMOA Pathway further considers development priorities under international instruments and agreed programmes, including commitments made under the Rio Declaration on Environment and Development, the United Nations Programme of Action from Rio (Agenda 21), the Programme for the Further Implementation of Agenda 21, the Plan of Implementation of the World Summit on Sustainable Development, and the Programme of Action for the Sustainable Development of Small Island Developing States. Moreover, the Pathway accords with the principles and precepts of the Charter of the United Nations, while recognizing the inherent vulnerabilities of SIDS which require special considerations to achieve and sustain their development goals.

The SAMOA Pathway was crafted to consider and advance interventions which collectively promote and enable sustained and inclusive growth while ensuring equitableness and recognizing the need to reduce inequality and address the needs of vulnerable and marginalized groups.

With regards to respecting the rights of all Peoples, the SAMOA Pathway recognizes the importance of the Universal Declaration of Human Rights and as such, endeavours to safeguard human rights and fundamental freedoms. Furthermore, cognizant of the resource constraints confronting SIDS, the Pathway endeavours to leverage and strengthen existing cooperation and coordination frameworks with international development partners and other members of the global community. In framing the SAMOA Pathway, acknowledgement is

Promising Sectors for Economic Transformation of the SIDS

made of the fact that while the Programme of Action represents a set of interventions to be pursued by SIDS collectively, real benefits will only be derived through national actions implemented by Government Ministries, Departments, Agencies, and non-governmental organisations.

Promising Sectors for Economic Transformation of the SIDS

Key priority areas of work under the SAMOA Pathway are shown in Box 1 below and explored further thereafter.

Box 1: Key priority areas of work under the SAMOA Pathway

- Sustainable, Inclusive and Equitable Economic Growth with Decent Work for All
- Sustainable Energy Oceans and Seas
- Climate Change
- Food Security and Nutrition
- Water and Sanitation
- Biodiversity
- Sustainable Transportation
- Sustainable Consumption and Production
- Management of Chemicals and Waste, Including Hazardous Waste
- Health and Non-Communicable Diseases
- Gender Equality and Women's Empowerment
- Social Development
- Invasive Alien Species
- Means of Implementation, Including Partnerships



The *Sustainable, Inclusive and Equitable Economic Growth with Decent Work for All* priority area under the SAMOA Pathway endeavours to establish a model framework for SIDS for the achievement of sustainable development and the elimination of poverty. This programme area recognizes the susceptibility of SIDS to exogenous shocks and given the adverse impact of global economic crises on the growth trajectory of SIDS, the crafting of a model framework which pursues sustainable and equitable growth proves immensely beneficial to SIDS. Specific interventions are advanced to achieve inclusivity, equitability, and sustainability in respect of economic growth. Key action items noted under the Pathway in respect of this theme include:

- Augmentation of international cooperation architectures to enable capacity building, technical assistance, and financial support in areas such as entrepreneurial and vocational skills, strengthening of education infrastructure promoting non-discrimination cross various groups and classes of people and inclusive participation in the development of the economy.
- Strengthening of the national and regional enabling environments to create more public private partnerships in core underpinning sectors such as the ICT, energy, financial, and construction services.
- Facilitating innovation and cultivating a culture of entrepreneurship.
- Promotion of environmentally conscious entrepreneurial businesses that pursues the creation of a decent working environment for all persons.
- Creation of an enabling environment that spurs increased public and private sector investment.

Promising Sectors for Economic Transformation of the SIDS

The priority area under the SAMOA Pathway which addresses *Sustainable Energy Oceans and Seas* is featured noting the high reliance of small economies on energy and the even greater dependence on imported fossil fuels to meet the energy demands of small island nations. Given the requirement of SIDS to essentially 'import energy', they are unfavourably positioned as there is a high level of economic vulnerability and susceptibility to exogenous shocks.

Specific to Oceans and Seas, the inextricable link between the oceans and seas, as core components of the natural ecosystem, and sustainable development is highlighted in the SAMOA Pathway and as such, it calls for actions to be undertaken to ensure that oceans, seas, and coasts are healthy, productive, and resilient. Under this priority area, the extent to which oceans and seas interplay with the three dimensions of sustainable development (economic, social and environmental) are underscored, as it is highlighted that oceans and seas contribute to poverty alleviation through the creation of economic opportunities, facilitates food security through sustainable fisheries, provides ecosystem services, inclusive of carbon sequestration and also is an integral part of the social lives of many sub-populations as various fishing and other sea-related events represent a staple for many small island nations.

Key action items tabled within the SAMOA Pathway in respect of oceans and seas include:

- Promoting and supporting interventions, nationally and regionally towards the conservation, protection, sustainable use and management of oceans, seas, and their uses.
- Participation in national and regional efforts to advance the sustainable development of ocean resources to contribute to the livelihoods of people.
- Implementation of the regional seas' programmes.
- Leveraging partnerships to address and arrest marine pollution, particularly under arrangements.
- Protection of coral reefs and other vulnerable marine ecosystems.
- To undertake marine scientific research and develop the associated technological capacity of small island developing States.

Specific to Climate Change, the Pathway advances that efforts toward building resilience to the impacts of climate change are to be undertaken by SIDS and there is also a commitment to enhance baseline monitoring of island systems. Additional interventions to address capacity deficiencies for accessing and managing climate finance are also featured as a key action to be undertaken by SIDS.

In respect of **Food and Nutrition**, the SAMOA Pathway notes that SIDS are net food-importing nations and as such, they are highly susceptible to the importation of inflation which represents a significant vulnerability to the stability of growth and development. Moreover, given the dangers of an unhealthy labour force, food and nutrition are key to the development of economic sectors in small island countries. As a result, the SAMOA Pathway advances the leveraging of sustainable practices to enhance food and nutrition security, enhancement of international cooperation mechanisms to access food markets and the empowerment of small-scale farmers, particularly females, in an effort towards the creation of channels for consistent and good quality food. These actions are intended to contribute towards arresting malnutrition and the impacts thereof.

Closely related, are actions in respect of **Water and Sanitation**. In respect of the Programme of Action thereunder, the SAMOA Pathway recognizes the important role of clean water but

Promising Sectors for Economic Transformation of the SIDS

further notes that SIDS are confronted with challenges in respect of sustained access to freshwater resources. As a result, the Pathway advances that key actions to be undertaken by SIDS in this regard include the development of institutional and human capacities to enhance the management of water resources. Moreover, actions are advanced in relation to the:

- establishment of appropriate physical infrastructure and related facilities for the safe draining, water, and sanitation,
- improvement of water-use efficiency; and
- elimination of practices that lead to over-extraction.

The importance of **sustainable transportation** both within SIDS and between SIDS and other countries to facilitate trade and/or movement of persons, is highlighted within the framework of the SIDS and the challenges confronting SIDS in this regard are also underscored. Accordingly, within the pathway, there is a clear signal by SIDS to access environmentally sound and sustainable transportation, advance safety in respect of land, sea, and air transportation and enhance energy efficiency in the transportation sector. These are some of the several interventions to be advanced as agreed on by SIDS.

Sustainable consumption and production are undoubtedly key to the achievement of sustainable development goals and as such highlighted within the framework of the SAMOA Pathway is the commitment of the SIDS to support and implement interventions under the 10-year framework of programmes on sustainable consumption and production patterns.

In respect of the **Management of Chemicals and Waste, Including Hazardous Waste**, the SIDS agreed to pursue enhanced technical cooperation programmes including those established under the Basel Convention on the Control of Transboundary Movements of Hazardous Waste and other international conventions. Furthermore, for the States that are not signatories to these agreements, consideration is to be given to becoming a Party to them. There are also interventions and actions committed to in respect of:

- Gender Equality and Women's Empowerment
- Health and Non-Communicable Diseases
- Social Development
- Biodiversity
- Partnerships as a Means of Implementation

1.2 Main trade-related provisions of the SAMOA Pathway

The SAMOA Pathway contains several references to the recognition of the importance of trade to the development of Small Island Developing States. In addition, there are specific interventions advanced within the SAMOA Pathway text that explicitly address trade as a thematic area.

While trade is underscored as an enabler of economic growth and development, it is recognized that owing to the vulnerabilities and inherent features of SIDS, there are several interventions required to integrate these island nations, whether regionally or into the global economy. Accordingly, the Pathway advocates for the participation in and honouring of trade and economic agreements, with due regard paid to special and differential treatment to be offered to countries of its economic grouping. In addition, recognizing the capacity constraints of SIDS, securing technical assistance through trade-related assistance facilities, is noted to be of importance with a view to heighten the effective participation of SIDS in the multilateral

Promising Sectors for Economic Transformation of the SIDS

trading arena. Particular focus is to be paid on improving understanding of trade rules and disciplines and the formulation of adequate trade and related policies, among other things.

The Pathway further notes the importance of assessing and mitigating the impact of non-tariff barriers on market access opportunities for SIDS. SIDS have signalled their commitment to the implementation of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) and the ongoing work in respect of small and vulnerable economies within the construct of the WTO.

The importance of partnerships in enhancing the participation of SIDS in the global trading system, both in respect of goods and services is underscored, noting that this can serve to augment productive capacities and address supply-side challenges.

Promising Sectors for Economic Transformation of the SIDS

1.3 Macroeconomic performance of the SIDS since adoption of the SAMOA Pathway 2014

Since the SAMOA Pathway has been in existence for 10 years, it is unsurprising that there have been several developments globally since its formulation, which were not fully explored or considered within the Pathway's framework; although in some cases, there are in fact interrelated themes. Some of the noteworthy developments which impacted SIDS since adopting the SAMOA Pathway and which should be considered in a new carve-out for a post-2024 Programme of Action include:

- The COVID-19 pandemic, which caused significant loss of human life and economic activity throughout the world in 2020 and 2021. SIDS were not spared. According to the WHO just under 7 million deaths have been recorded globally due to COVID-19.¹
- Recognition of the economic potential of the blue economy, beyond the fisheries industry.
- Major advancements in Information Communications and Technology (ICT) that have resulted in the Digital Transformation of Doing Business and Delivering Citizen-Centred Services (E-Commerce and E-Government).
- Russia-Ukraine war.

This section discusses the macroeconomic performance of the SIDS since the adoption of the SAMOA Pathway in the context of the above major global developments. The major indicators of performance for which data are readily available are gross domestic product (GDP), trade, investment, and the balance of payments. It must however be noted that data and statistics were not available for all indicators for all of the SIDS. So, in some cases only a few countries have been used from one region to discuss the assessment of that region, or subregion, as the case may be.

1.3.1 Macroeconomic Overview of SIDS

According to one UN source, SIDS have a combined population of 63.2 million people and a combined gross domestic product (GDP) of \$575.3 billion.² However, in per capita terms, the GDP in SIDS ranges from \$830 in Comoros to \$51,000 in Singapore, demonstrating the huge variation in the standards of living among small islands.

The economies and trade of most SIDS comprise mainly agricultural products; fishery products; tourism; financial services; and other professional services. These economic activities vary considerably across the SIDS regions and even across the countries within a particular SIDS region. However, subsistence agriculture plays a significant role in almost all SIDS contributing to employment even where its share in GDP is very low.

In the Caribbean, tourism, financial services, and other professional services dominate the GDP of most SIDS, except for some of the larger economies like Trinidad and Tobago, Jamaica, Guyana where oil and gas, mining and manufacturing make significant contributions to GDP.

¹ <https://covid19.who.int/?mapFilter=deaths>

²

[https://www.un.org/en/events/islands2014/didyouknow.shtml#:~:text=There%20are%20currently%2039%20sm all.\(GDP\)%20of%20%24575.3%20billion.](https://www.un.org/en/events/islands2014/didyouknow.shtml#:~:text=There%20are%20currently%2039%20sm all.(GDP)%20of%20%24575.3%20billion.)

Promising Sectors for Economic Transformation of the SIDS

In the Pacific, agriculture and fisheries dominate the GDP and provides for most of the employment. Services (esp. tourism and e-commerce) are emerging strongly in Fiji, and manufacturing is very limited in all countries except for Papua New Guinea and Fiji.

The economies of AIMS SIDS for the greater part are also dominated by the services sector, especially tourism and some financial services, and business process outsourcing services in countries like Seychelles and Mauritius.

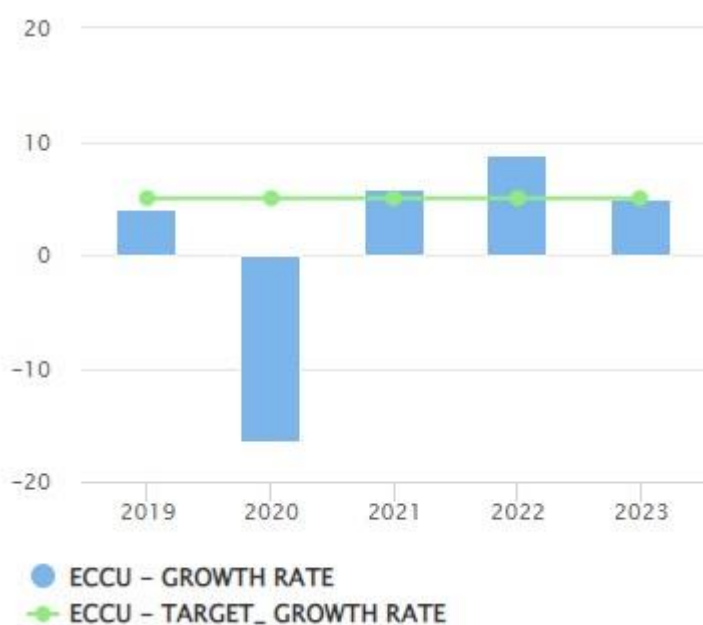
According to a UN source, “the GDP of SIDS was likely to shrink by 4.7% in 2020, 50% more than the predicted global contraction of around 3%. The Bahamas, Maldives, Seychelles and Palau were expected to shrink by 8% or more, making the current crisis the worst in recorded history.”³ But some SIDS, especially those that are highly dependent on Tourism, experienced even worse economic contraction. In the Eastern Caribbean, growth for the economic union was -16.47% in 2020, before returning to positive territory of 5.77% in 2021.

1.3.2 Caribbean

Growth

Economic growth of Caribbean countries was positive, albeit in the low single digit levels for most of them prior to 2019. In Figure 1 below we present the case of the **Eastern Caribbean**

Figure 1: Overview of Economic Growth Performance of OECS States from 2019 to 2023



countries, some of the most vulnerable of all Caribbean SIDS.

Eastern Caribbean States recorded stronger growth of 8.87% in 2022. However, growth is forecast to reduce to only 5% in 2023.

Saint Lucia was the worst hit country in that region, recording negative growth of (-24.36%) in 2020, before resume growth of 12.23% and 15.88% in 2021 and 2022, respectively.

Source: ECCB (<https://www.eccb-centralbank.org/statistics/dashboard-datas/>)

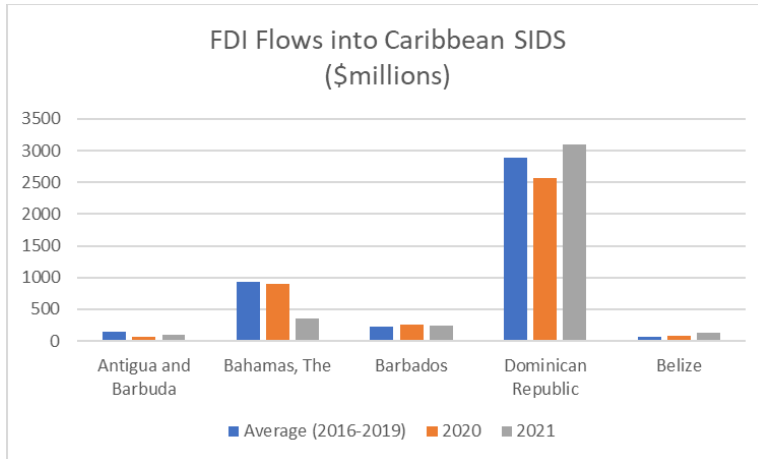
Foreign Direct Investment (FDI)

With regards to foreign direct investment (FDI) SIDS experienced a steady flow of FDI in the period 2016 to 2019, averaging \$7.9 billion. However, the CVOID-19 pandemic caused a sharp decline in FDI flows falling to \$7.3 billion in 2020, before a slight recovery to \$7.66 billion in 2021. FDI flows into the Caribbean also varied significantly among the countries.

³ <https://www.un.org/ohrlls/content/covid-19-sids>

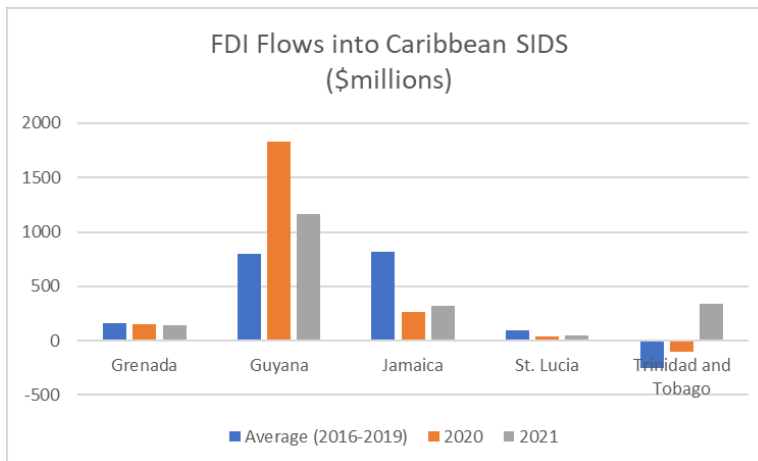
Promising Sectors for Economic Transformation of the SIDS

Figure 2: Foreign Direct Investment Flows into some Caribbean SIDS between 2016 and 2021



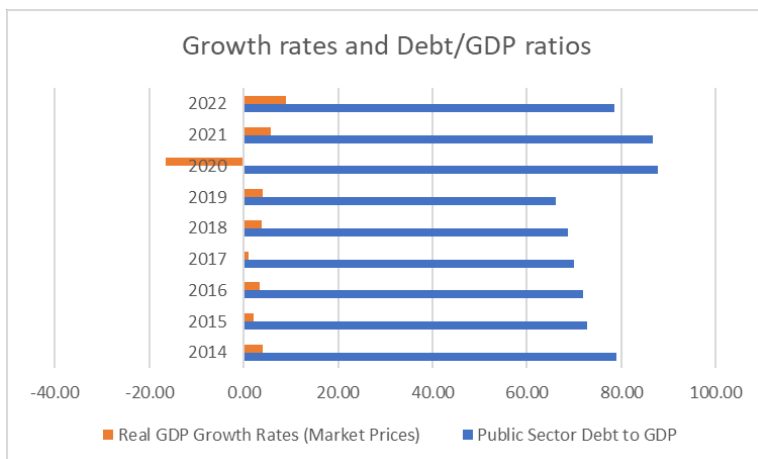
The Dominican Republic's FDI flows show the strongest resilience, having rebounded to surpass their pre-CVOID levels in 2021. Belize's FDI flows had recovered in 2021, despite overall lower levels than other Caribbean countries.

Figure 3: Foreign Direct Investment Flows into additional Caribbean SIDS between 2016 and 2021



FDI inflows into most of the other Caribbean countries were well behind their pre-COVID-19 levels in 2021. Trinidad and Tobago is an exception, having been a net source of FDI before COVID-19, to become a new destination in 2021. Another notable observation was the very strong inflow of FDI into Guyana in 2020, the only country to attract FDI during COVID-19, linked to oil and gas production.

Figure 4: Debt to GDP ratios performance between 2014 and 2022



Source: Author based on data from ECCB (2023).

It is seen that despite a modest average growth rate of 3.04% between 2014-2019, growth was positive for the OECS countries. But the impact of CVODI-19 on growth was severe, with regional growth collapsing to -16.47%. Similarly, the debt/GDP ratio steadily declined between 2014 (78.98%) and 2019

Promising Sectors for Economic Transformation of the SIDS

(66.13%). However, the impact of COVID-19 has been a spike in the debt/GDP ratio to 87.77% in 2020. That ratio has recovered slightly to 78.53% in 2022.

Tourism (visitor arrivals and revenues)

With regards to total visitor expenditure (in Eastern Caribbean dollars), this grew from \$5.4 billion in 2014 to \$7.0 billion in 2019. However, the impact of COVID-19 was a collapse in visitor expenditure to only \$2.4 billion in 2020. Visitor expenditure is recovering to its pre-pandemic levels having reached \$6.7 billion in 2022.

Figure 5: Total Visitor Expenditure between 2015 and 2023

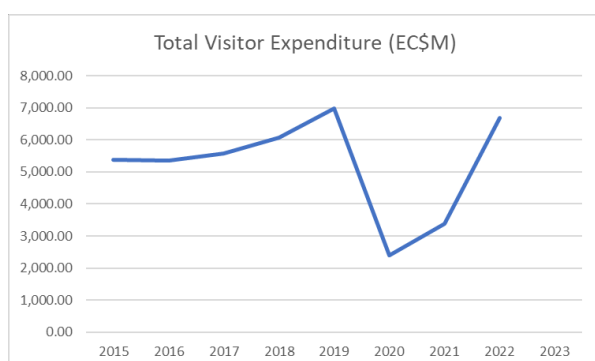
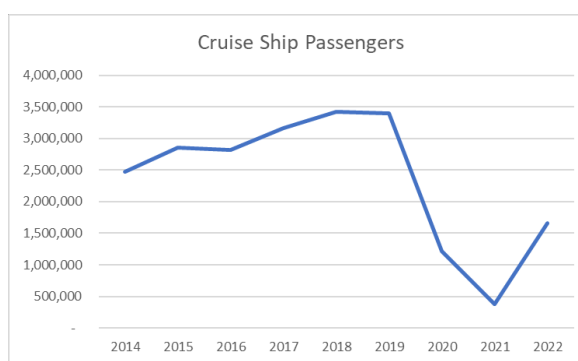


Figure 6: Cruise Ship Passenger Arrivals between 2014 and 2022



Source: Author based on data from ECCB (2023).

Cruise ship passenger arrivals were also severely impacted by COVID-19 pandemic. Having grown from 2.5 million in 2014 to 3.4 million in 2019, cruise passenger arrivals fell significantly in 2020 to 1.2 million, before bottoming-out at just 372,814 passengers in 2021. However, these numbers have recovered somewhat in 2022 to 1.7 million, which is only about half the best ever performance recorded in 2019.

Moreover, stayover visitor arrivals had increased steadily since 2014 from 1,052,963, to 1,288,357 in 2019, their highest ever level for these countries. The average growth rate of stayover visitor arrivals for that period was 4.5%. But stayover visitor arrivals collapsed to 407,387 in 2020, just about one third their 2019 levels before recovery just below their pre-COVID-19 levels of 1,032,340.

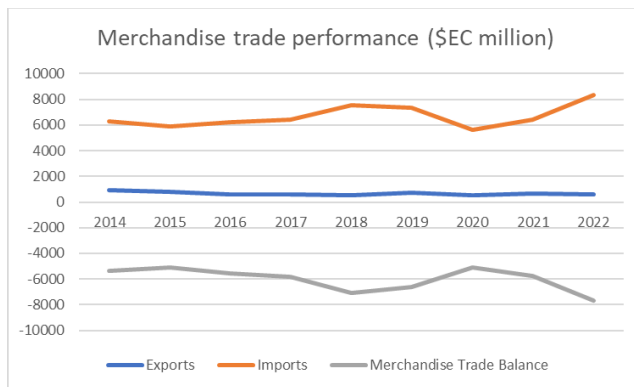
These significant losses in tourism (both stayover arrivals and cruise ship passengers) resulted in major deterioration of the current account balances of central governments, plunging into a deficit of \$ -298.13 million in 2020, compared to a consistent surplus averaging \$570.89 million.

Merchandise Trade

The merchandise trade performance for the Eastern Caribbean countries has been weak over the last decade, due primarily to very sluggish and stagnant export growth.

Promising Sectors for Economic Transformation of the SIDS

Figure 7: Merchandise Trade Performance between 2014 and 2022



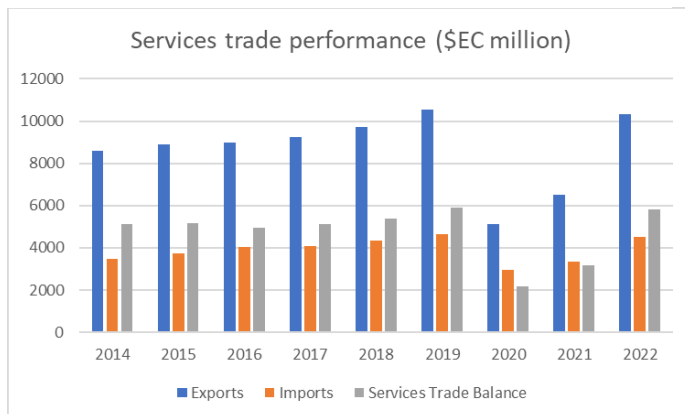
Source: Author based on data from ECCB (2023).

Imports on the other hand tended to increase faster than exports. Prior to COVID-19 the merchandise trade balance reached a deficit of \$-7.1 billion in 2018. This improved somewhat to \$-5.1 billion on the back of a massive reduction in imports in 2020. By 2022, the merchandise trade balance had reached its worst point ever, \$-7.7 billion, due to significant increase in imports.

Services Trade

By contrast, the services trade performance of the Eastern Caribbean countries has been strong over the last decade, due primarily to very strong and consistent export levels and relatively stagnant import levels.

Figure 8: Services Trade Performance between 2014 and 2022



Source: Author based on data from ECCB (2023).

Services exports tended to increase much faster than imports. Prior to COVID-19 the services trade balance reached a surplus of \$5.9 billion in 2019. This weakened significantly to just \$2.2 billion on the back of COVID-19 in 2020. By 2022, the services trade balance was \$5.8 billion, almost at its best ever level in 2019. The ECCB expects the services trade balance to exceed \$6 billion in 2024.

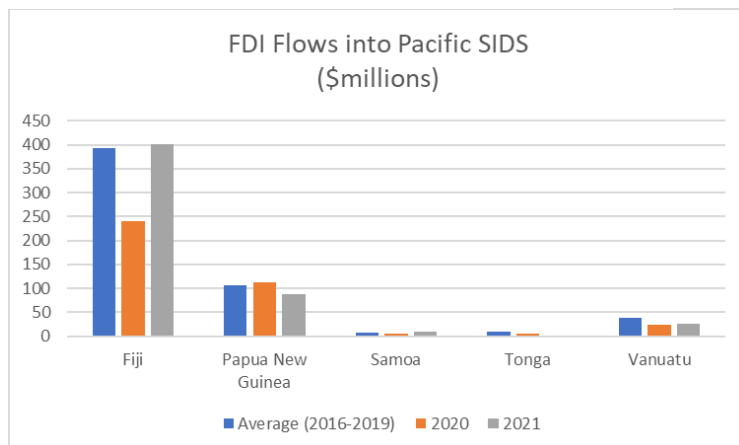
Promising Sectors for Economic Transformation of the SIDS

1.3.3 Pacific

Foreign Direct Investment (FDI)

With regards to the Pacific SIDS there are some interesting observations.

Figure 9: FDI Flows into some Pacific SIDS for the period 2016-2021



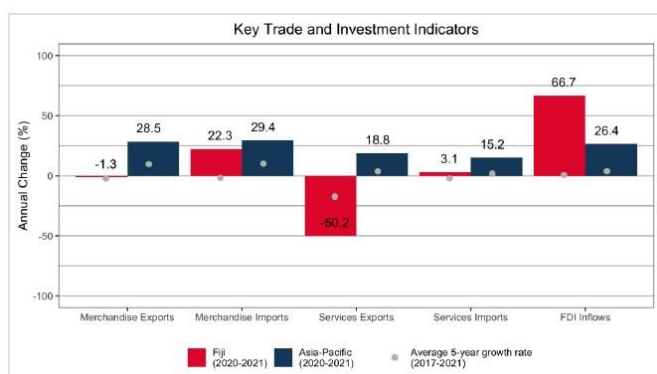
Fiji's FDI inflows show the strongest resilience, having exceeded their pre-COVID-19 levels in 2021. Papua New Guinea's FDI inflows were not affected in 2020, actually increasing relative to the pre COVID-19 period, but it decline slightly in 2021. Other Pacific countries have not recovered from the COVID-19 pandemic.

Source: Author, based on data from Appendix Table 9: FDI inflows to SVES, 2016-2021 WTO document WT/COMTD/SE/W/45

Fiji's – Trade performance⁴

Fiji registered a trade-to-GDP ratio of 78.4%, with merchandise trade accounting for 81.4% of Fiji's total trade in 2021. Between 2017-2021, Fiji's merchandise exports and merchandise imports contracted by 2.4% and 1.7%, respectively, in nominal terms on average. Merchandise exports from Fiji experienced slower growth than the Asia-Pacific region's 9.6% annual growth during the same period. Similarly, merchandise imports for Fiji lagged the Asia-Pacific region's annual growth of 10.1%. In 2021, Fiji's merchandise exports decreased by 1.3%, whilst merchandise imports grew by 22.3% nominally.

Figure 10: Performance of key trade and investment indicators in the Fiji



Services trade accounted for 18.6% of Fiji's total trade in 2021. Moreover, Fiji's commercial services exports contracted by 17.4% annually and commercial services imports decreased by an annual average of 2.1% in nominal terms, over the 2017-2021 period. This was lower than Asia-Pacific's 3.7% and 1.7% average growth, respectively.

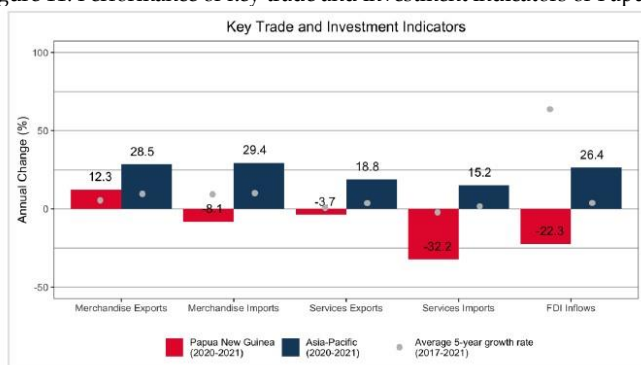
Source: Asia-Pacific Trade and Investment Trends 2022/2023 Country Report

Notably, in 2021, Fiji's services exports contracted by 50.2%, following a year of 77.4% contraction in 2020. By contrast, exports in the Asia-Pacific region grew by 18.8% in 2021, after contracting by 21.4% in 2020, indicating that Fiji was well behind its recovery path. Commercial services imports into Fiji recovered by 3.1% in 2021, compared to 15.2% growth in the Asia-Pacific region.

⁴ This assessment is based upon "Asia-Pacific Trade and Investment Trends 2022/2023 Country Report".

Promising Sectors for Economic Transformation of the SIDS

Figure 11: Performance of key trade and investment indicators of Papua New Guinea⁵



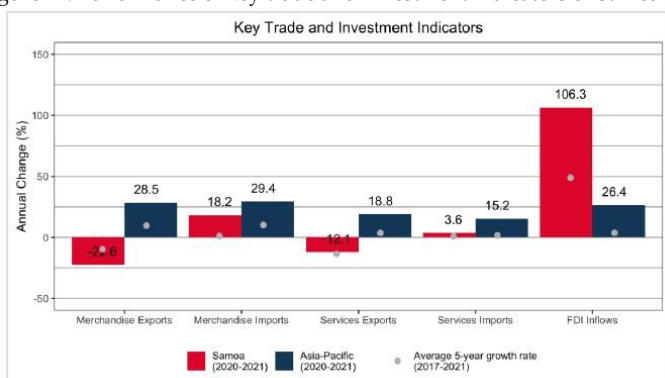
Papua New Guinea registered a trade-to-GDP ratio of 54.5%, with merchandise trade accounting for 92.9% of Papua New Guinea's total trade in 2021. Between 2017 and 2021, Papua New Guinea's merchandise exports grew by 5.5% and merchandise imports increased by 9.3% nominally each year on average.

Source: *Asia-Pacific Trade and Investment Trends 2022/2023 Country Report*

Merchandise exports from Papua New Guinea experienced slower growth than the Asia-Pacific region's 9.6% annual growth during the same period. However, merchandise imports into Papua New Guinea performed similarly to the Asia-Pacific region's annual growth of 10.1%. In 2021, Papua New Guinea's merchandise exports increased by 12.3% and merchandise imports contracted by 8.1%, in nominal terms.

Services trade accounted for 7.1% of Papua New Guinea's total trade in 2021. Over the 2017-2021 period, commercial services exports from Papua New Guinea grew by 0.7% annually and commercial services imports into Papua New Guinea decreased by an annual average of 2.2% in nominal terms, which was lower than the Asia-Pacific's 3.7% and 1.7% average growth, respectively. In 2021, Papua New Guinea's services exports contracted by 3.7%, following a year of 68.1% contraction in 2020. By contrast, services exports from the Asia-Pacific region grew by 18.8% in 2021, after falling by 21.4% in 2020. Commercial services imports into Papua New Guinea declined by 32.2% in 2021, compared to 15.2% growth in the Asia-Pacific region.

Figure 12: Performance of key trade and investment indicators of Samoa⁶



Samoa registered a trade-to-GDP ratio of 70.4%, with merchandise trade accounting for 71.5% of Samoa's total trade in 2021. Between 2017 and 2021, Samoa's merchandise exports contracted by 9.7% and merchandise imports increased by 1.1% nominally, each year on average. Merchandise exports from Samoa experienced slower growth than the Asia-Pacific region's 9.6% annual growth during the same period.

Source: *Asia-Pacific Trade and Investment Trends 2022/2023 Country Report*

Similarly, merchandise imports for Samoa lagged the Asia-Pacific region's annual growth of 10.1%. In 2021, Samoa's merchandise exports decreased by 22.6% and merchandise imports grew by 18.2% in nominal terms.

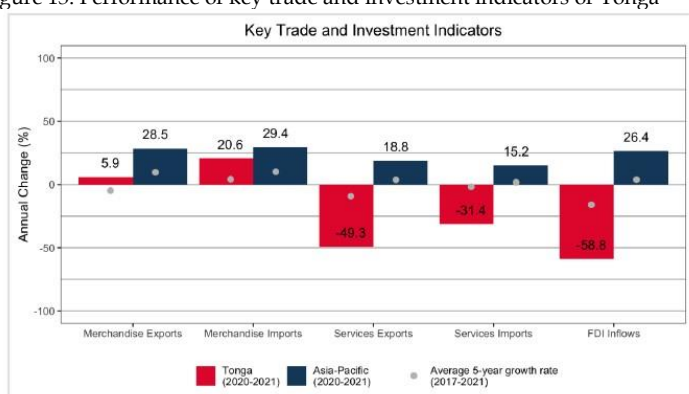
⁵ This assessment is based upon "Asia-Pacific Trade and Investment Trends 2022/2023 Country Report".

⁶ This assessment is based upon "Asia-Pacific Trade and Investment Trends 2022/2023 Country Report".

Promising Sectors for Economic Transformation of the SIDS

Services trade accounted for 28.5% of Samoa’s total trade in 2021. Over the 2017-2021 period, commercial services exports from Samoa contracted by 13.5% annually and commercial services imports increased by an annual average of 0.9% in nominal terms, which was lower than the Asia-Pacific's 3.7% and 1.7% average growth, respectively. In 2021, Samoa's services exports contracted by 12.1%, following a year of 72.7% decline in 2020. By contrast, exports from the Asia-Pacific region grew by 18.8% in 2021, after falling by 21.4% in 2020. Commercial services imports into Samoa recovered by 3.6% in 2021, compared to 15.2% growth in the Asia-Pacific region.

Figure 13: Performance of key trade and investment indicators of Tonga⁷



Tonga registered a trade-to-GDP ratio of 81.1%, with merchandise trade accounting for 73.7% of Tonga's total trade in 2021. Between 2017 and 2021, Tonga's merchandise exports contracted by 4.8% and merchandise imports increased by 4.1% nominally each year on average. Merchandise exports from Tonga experienced slower growth than the Asia-Pacific region's 9.6% annual growth during the same period.

Source: *Asia-Pacific Trade and Investment Trends 2022/2023 Country Report*

Similarly, merchandise imports into Tonga lagged the Asia-Pacific region's annual growth of 10.1%. In 2021, Tonga's merchandise exports increased by 5.9% and merchandise imports grew by 20.6%, in nominal terms.

Services trade accounted for 26.3% of Tonga’s total trade in 2021. Over the 2017-2021 period, commercial services exports for Tonga contracted by 9.3% annually and commercial services imports decreased by an annual average of 1.7% in nominal terms, which was lower than the Asia-Pacific's 3.7% and 1.7% average growth, respectively. In 2021, Tonga's services exports contracted by 49.3%, following a year of 16.5% contraction in 2020. By contrast, services exports from the Asia-Pacific region grew by 18.8% in 2021, after falling by 21.4% in 2020. Commercial services imports into Tonga declined by 31.4% in 2021, compared to 15.2% growth in the Asia-Pacific region.

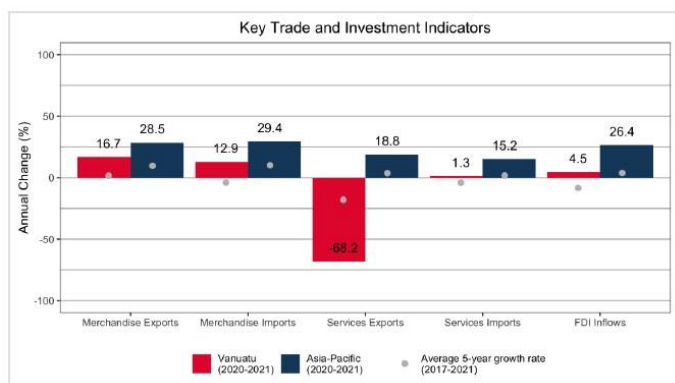
Figure 14: Performance of key trade and investment indicators of Vanuatu⁸

Source: *Asia-Pacific Trade and Investment Trends 2022/2023 Country Report*

⁷ This assessment is based upon “Asia-Pacific Trade and Investment Trends 2022/2023 Country Report”.

⁸ This assessment is based upon “Asia-Pacific Trade and Investment Trends 2022/2023 Country Report”.

Promising Sectors for Economic Transformation of the SIDS



Vanuatu registered a trade-to-GDP ratio of 55.3%, with merchandise trade accounting for 72.3% of Vanuatu's total trade in 2021. Between 2017 and 2021, Vanuatu's merchandise exports grew by 1.5% and merchandise imports decreased by 3.9% nominally each year on average. Merchandise exports from Vanuatu experienced slower growth than the Asia-Pacific region's 9.6% annual growth during the same period.

Similarly, merchandise imports into Vanuatu lagged the Asia-Pacific region's annual growth of 10.1%. In 2021, Vanuatu's merchandise exports increased by 16.7% and merchandise imports grew by 12.9% in nominal terms.

Services trade accounted for 27.7% of Vanuatu's total trade in 2021. Over the 2017-2021 period, commercial services exports from Vanuatu contracted by 18% annually and commercial services imports decreased by an annual average of 4% in nominal terms, which was lower than the Asia-Pacific's 3.7% and 1.7% average growth, respectively. In 2021, Vanuatu's services exports contracted by 68.2%, following a year of 70.9% decline in 2020. By contrast, exports from the Asia-Pacific region grew by 18.8% in 2021, after falling by 21.4% in 2020. Commercial services imports into Vanuatu recovered by 1.3% in 2021, compared to 15.2% growth in the Asia-Pacific region.

1.3.4 AIMS

Foreign Direct Investment (FDI)

The individual AIMS countries all saw a significant decline in their FDI inflows at the height of COVID-19. Maldives experienced the largest decline in both absolute and relative terms in 2020 but recovered somewhat in 2021. The FDI decline in the Seychelles was the least, and it had recovered fully by 2021, exceeding the pre-COVID-19 average.

Figure 15: FDI Flows into SIDS

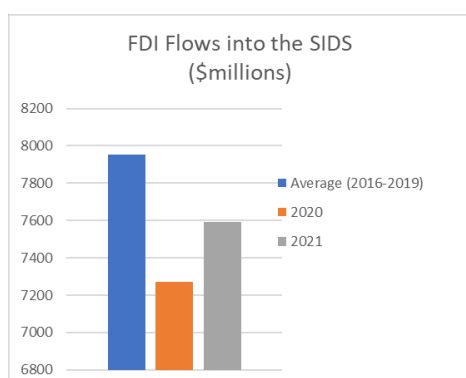
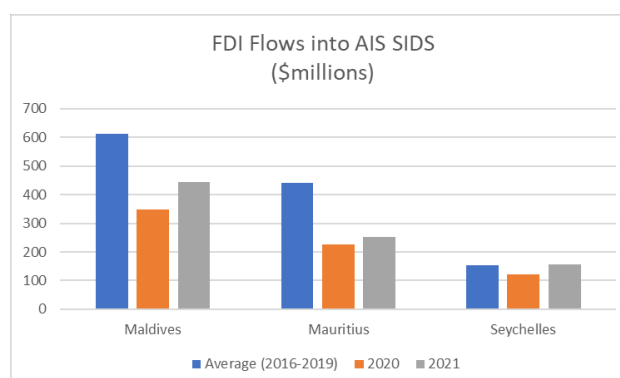


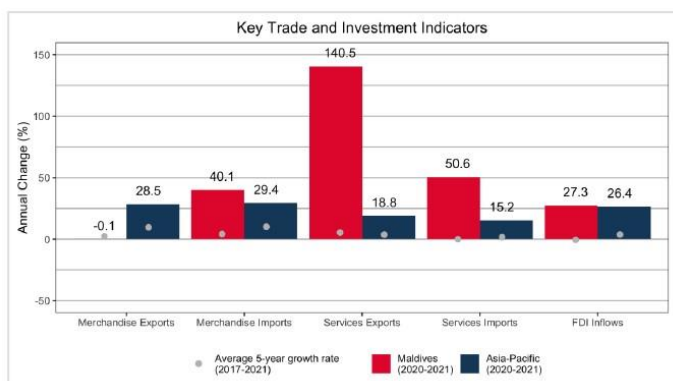
Figure 16: FDI Flows into AIMS SIDS



Source: Author, based on data from Appendix Table 9: FDI inflows to SVES, 2016-2021 WTO document WT/COMTD/SE/W/45

Promising Sectors for Economic Transformation of the SIDS

Figure 17: Key Trade and Investment Performance of the Maldives ⁹



Maldives registered a trade-to-GDP ratio of 155.6% in 2021, with merchandise trade accounting for 37.6% of the Maldives's total trade. Between 2017 and 2021, the Maldives's merchandise exports grew by 2.3% and merchandise imports increased by 4.2% nominally each year on the average.

Source: *Asia-Pacific Trade and Investment Trends 2022/2023 Country Report*

Maldives merchandise exports experienced slower growth than the Asia-Pacific region's 9.6% annual growth during the same period. Similarly, merchandise imports for the Maldives lagged the Asia-Pacific region's annual growth of 10.1%. Notably, in 2021, the Maldives's merchandise exports decreased by 0.1% and merchandise imports grew by 40.1%, nominally.

Services trade accounted for 62.4% of Maldives total trade in 2021 and services exports grew by 140.5%, following a year of 54.9% decline in 2020. Commercial services exports from the Maldives grew by 5.4% annually and commercial services imports increased by an annual average of 0% in nominal terms, over the 2017-2021 period. Commercial services imports into the Maldives recovered by 50.6% in 2021, compared to 15.2% growth in the Asia-Pacific region.

1.4 Assessment of the promising sectors in the SIDS since adoption of the SAMOA Pathway

In accordance with the Terms of Reference (TORs) the consultant was required to focus the analysis on the promising sectors in the SIDS, which were identified as ecommerce, blue economy, sustainable and inclusive tourism, and cosmetics production. Accordingly, these sectors have been the focus of the analysis here. Notwithstanding, the consultant has also included some references made to other sectors during consultations, which could be the subject of future research and studies on the SIDS.

⁹ This assessment is based on "Asia-Pacific Trade and Investment Trends 2022/2023 Country Report".

Promising Sectors for Economic Transformation of the SIDS

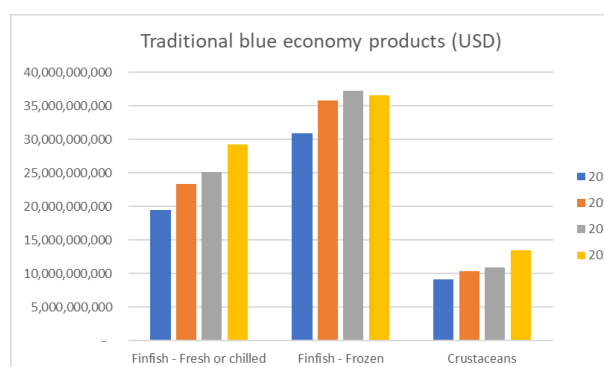
1.4.1 Blue Economy

The Blue Economy refers to the sustainable use of ocean resources for economic growth, improved livelihoods, and jobs, while preserving the health of the ocean ecosystem.¹⁰ The blue economy may also be seen as an evolving development approach focused on sustainable utilisation of the ocean, for its full socio-economic potential. As such, it includes traditional sectors, such as fisheries, marine transport, and marine-based tourism,¹¹ and has expanded to include higher-value emerging sectors, such as sustainable aquaculture, marine biotechnology, seabed mining, and marine renewable energy, among others.¹²

In this section we provide an overview of the components of the Blue Economy for which data are available followed by an overview of key initiatives being undertaken in the various SIDS in the area of Blue Economy, based on interviews held with stakeholders and/or secondary data submitted to the consultant by the respective countries or regional commissions representing the SIDS.

In the traditional blue economy sectors like “crustaceans”, annual exports reached a value of \$13.5 billion; whilst “fresh or chilled finfish”, had reached an export value of \$29.3 billion; and “frozen finfish” had reached a value of \$36.6 billion, respectively, in 2021.

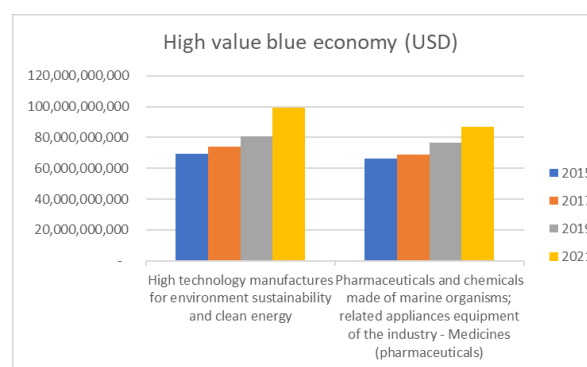
Figure 18: Traditional Blue Economy Products’ export values



Source: Author, based on data from UNCTAD, 2023.

In the higher value blue economy like “High technology manufactures for environment sustainability and clean energy”, annual exports had reached \$99.0 billion in 2021; whilst “Pharmaceuticals and chemicals made of marine organisms; related appliances equipment of the industry”, had reached an export value of \$86.7 billion.

Figure 19: High Value Blue Economy Products’ export values



It is evident that significantly more value of the blue economy is to be realized from production and exports of higher value products like pharmaceuticals and chemicals as opposed to frozen or fresh finfish, despite their continued importance for socioeconomic development. Also, the services connected to the production and delivery of these goods are likely to be of significant value. This includes support services for the extractive industries, marine biotechnology, R&D, distribution services for marine living resources, freight transport, shipbuilding repair, etc. But we have not been able to quantify these for the SIDS in this assignment.

¹⁰United Nations, Sustainable blue economy vital for small countries and coastal populations

<https://www.un.org/en/desa/sustainable-blue-economy-vital-small-countries-and-coastal-populations>

¹¹ Commonwealth Secretariat (2023) “Enabling Sustainable Trade in the OECS: The Ocean and Digital Economies”.

¹² Sustainable Blue Revolution in India: Way Forward:Way Forward,

<https://ebrary.net/184776/environment/sustainable-blue-revolution-in-india-way-forwardway-forward>

Promising Sectors for Economic Transformation of the SIDS

Progress in the blue economy in the SIDS

Barbados is implementing three major initiatives in the areas of Wave Energy; Aquaculture; and Seamoss production. In respect of wave energy, the Wave Energy Converter (WEC) converts kinetic energy from undulating movement inherent in ocean waves into electrical energy. It is being developed at a pilot stage, to supply 10 Mega Watt of sustainable, uninterruptible renewable energy to the electrical grid. The aquaculture project is focused on producing Barbadian Red Snapper; Kampachi/Almaco Jack; Caribbean Grouper; Madai Snapper; and Yellow Fin Tuna for domestic consumption and exports. Under the Seamoss project, Seamoss is being used as raw material thickening ingredient into the BIDC's Landship Company series of condiments (Barbecue Sauces, Pepper Sauces, Meat Marinade Sauces) exported to the United Kingdom.¹³

Among the Eastern Caribbean countries, there are many developments in the blue economy. According to the OECS Commission, tourism, fisheries and maritime transport are the predominant blue sectors operating throughout the region. In many OECS countries, the coastal area is also a source of construction materials.¹⁴ In 2018, the value of marine capture fisheries production reported was approximately US\$66.4 million, while the value of aquaculture production was almost \$183,000. Also, almost 11,000 people were directly employed and about 40,000 indirectly employed in commercial capture fisheries; a further 138 worked in the aquaculture sector; and a total fleet of almost 5,000 fishing vessels were operating in the commercial capture fisheries.¹⁵ The OECS has a Green-Blue Economy Strategy and Action Plan and there is also an Eastern Caribbean Regional Ocean Policy (ECROP), 2020, which provides the policy basis for the sustainable development of the OECS' maritime space.

A study by CERMES shows that pelagic sargassum seaweed, which is otherwise a nuisance for many Eastern Caribbean countries, indeed can be used for many constructive purposes which can contribute to economic growth. These include: animal husbandry; crop production; antifouling; bioenergy; bioplastics; bioremediation and purification; clothing, footwear and accessories; construction materials; cosmetics; electrochemical industry; environmental restoration; food and beverages; lubricants, surfactants and adhesives; paper products; and pharmaceutical and biomedical uses.¹⁶

The Barbadian Government has committed itself to transition completely to renewable energy by 2030 while building resilience to the impacts of climate change. This requires an increase in the risk appetite for climate investments from the local financial sector, and an enabling environment to overcome investment barriers. The Blue Green Bank (BGB) will bring together public, private, and multilateral institutions to ensure that green financing for adaptation and mitigation projects becomes and remains available to the local population. The bank will deliver funds, guarantees, and other financial products to support the existing financial ecosystem of banks, credit unions, and insurance companies that facilitate the funding of

¹³ Based on an interview with Mr. Damien Prescod, Project Coordinator, Oceans Economy Unit.

¹⁴ Commonwealth Secretariat (2023) "Enabling Sustainable Trade in the OECS: The Ocean and Digital Economies".

¹⁵ Ibid. p.6.

¹⁶ Anne Desrochers et al (2020) "Sargassum Uses Guide: A resource for Caribbean researchers, entrepreneurs and policy makers", Centre for Resource Management and Environmental Studies (CERMES) University of the West Indies, Cave Hill Campus, Barbados

Promising Sectors for Economic Transformation of the SIDS

blue/green climate-responsive programs in alignment with Barbados's Nationally Determined Contributions and development plans.¹⁷

Specifically, the Government of Barbados has decided to use US\$10 million from the fiscal space created by the RSF as capital for a new Blue Green Bank. This capital will support five times that lending amount. It will pave the way for other partners, including GCF, CAF and IDB, to support the Blue Green Bank through technical support or capitalization. GCF has proposed to its Board to become a co-founding partner in the bank. Once established, the Blue Green Bank will help finance over US\$250 million of green investments in affordable homes, hurricane-resilient roofs, the electrification of public and private transport, and other Paris-aligned investments.¹⁸

In the Pacific there are several initiatives in the blue economy space. Fiji's Sustainable Bond Framework was successfully launched at COP27 in Sharm El-Sheik, Egypt in 2022. It is the first of its kind developed by a Small Island Developing State with a robust taxonomy for green, blue, and social projects. It is expected to help Fiji better communicate its sustainable development finance priorities with bilateral, multilateral, private and philanthropic investors.¹⁹ Palau is a leader in Blue Economy initiatives aimed at sustainably managing fishery resources and minimizing negative impacts of tourism on natural resources. Tourism and fishing are among the main blue economy activities of Palau bringing tourism earnings of almost 60% of GDP in 2018. In 2015, Palau created a no-take Marine Sanctuary covering 80% of Palau's EEZ intended to protect fish stocks from commercial fishing. Palau has tried to develop aquaculture, to consolidate its national policy on food security and boost exports through the Palau Pacific Adaptation to Climate Change (PACC) program. Aquaculture is being developed as a relatively new marine industry with potential to reduce stress on reef food fish.²⁰ Samoa is exploring opportunities linked with the transshipment of fish, increasing the value of exported fish, and exporting to a wider range of markets. These opportunities could be fully realized with the implementation of Samoa's Agriculture and Fisheries Sector Plan 2022/23-2026/27. It includes the implementation of fisheries and aquaculture projects and the development of value chain infrastructure as well as capacity building for fishers.²¹

Maldives has stepped forward to co-champion the Commonwealth Blue Charter Action Group on sustainable coastal fisheries alongside the current champion country, Kiribati. In that capacity, Maldives will work with Kiribati, as well as the other members of the action group, to develop strategies on the sustainable use of coastal marine resources across the Commonwealth, which covers a third of the world's national waters. Nearly 90 per cent of the world's fisheries have been fully exploited, depleted, or are in a state of collapse. This signals a threat to food security, fishing-dependent livelihoods, and marine ecosystems. Also, research has found that if the world's fisheries were sustainably managed, they could provide six times more food than current levels while creating more than 12 million new jobs.²²

¹⁷ <https://www.greenclimate.fund/project/fp213>

¹⁸ <https://www.imf.org/en/News/Articles/2023/06/22/pr23231-barbados-forms-coalition-multilateral-banks-develop-infras-investments-building-rsf-imf>

¹⁹ <https://fijiclimatechangeportal.gov.fj/fijian-sustainable-development-bond-framework-launched-at-cop27/>

²⁰ Palau CCA, First conducted in October 2021. V. 4.0 Reviewed 10/01/2022. United Nations.P.24.

²¹ Informal Consultation on Trade in SIDS with Samoa Officials on 23 June.

²² <https://thecommonwealth.org/news/maldives-co-champion-action-coastal-fisheries-commonwealth>

Promising Sectors for Economic Transformation of the SIDS

1.4.2 Cosmetics Production

Cosmetics are not ordinarily thought of as a major sector for economic growth and trade in developing countries. This sentiment was captured by some of the reactions of stakeholders consulted in preparation for this report by the consultant. So perhaps it is worth briefly pondering the size of this sector and the major actors to put into perspective the potential opportunity that could be realized by many developing countries that are SIDS.

Table 1: Net Worth of World's Top Ten Cosmetic Brands in 2022

Cosmetic Brands	Worth	Country
Moët Hennessy Louis Vuitton	\$500 billion	France
L'Oreal	\$38.3 billions	France
Estée Lauder	\$14.3 billions	United States
Dior	\$7 billions	France
Clinique	\$6 billions	United States
Yves Rocher	\$2.82 billion	France
Clarins	\$1.74 billions	France
MAC Cosmetics	\$1 billions	United States
Beiersdorf	\$671 millions	Germany
Huda Beauty	\$510 millions	United States

Source: <https://www.edudwar.com/top-cosmetic-brands-in-the-world/>

The table shows the net worth of the World's top ten Cosmetic brands in 2022. A few brands from France heavily dominate the world in the cosmetics sector (Moët Hennessy Louis Vuitton, L'Oreal, Dior, and Yves Rocher) accounting for more than \$550 billion in net worth, followed by the United States (Estee Lauder, Clinique, MAC Cosmetics and Huda Beauty) accounting for \$22 billion, and Germany (Belersdorf) accounting for \$671 million.

Accordingly, the cosmetics sector is by no means small, and it does portend significant opportunity for economic growth and development of SIDS. The raw materials that are used in preparing cosmetics are either derived from chemical reactions in laboratories, or by using natural raw materials readily occurring in nature. As there is an increasing consciousness in the world about the need for humans to live in greater harmony with the environment and the ongoing greening of industry worldwide, the demand for more sustainable and safe production of cosmetics is also on the rise. Therein lies the opportunities for SIDS to become either outright producers of "safe" cosmetics for consumption and exports, or to produce the raw materials needed for supply into global value chains for cosmetics. The major sources of raw material for cosmetics are products from the ocean, like Seamoss and seaweed, or products from tropical plants like coconuts, castor oil and tamanu oils, among others.

Progress in Cosmetics production in the SIDS

In the Caribbean region there are several initiatives in the cosmetics sector. *Jamaican Black Castor Oil* is a popular product used in the production of organic hair and skin care products for women and men of all hair types, skin types, and ethnicities. The product is sold through several established distributors in the United States.²³ *Sascha Cosmetics in Trinidad and Tobago* produces a line of makeup specifically tailored for the diverse ethnicities of the Caribbean. They are considered among the most advanced brands of makeup ever developed for multicultural women - African, Hispanic, Asian, Indian and other women of color.²⁴

Pacific cosmetic producers are also very innovative with their product lines. Samoa's cosmetic industry consists of soaps, body oil and lotion, perfume, and other skincare products. An

²³ <https://jamaicanblackcastoroil.com/>

²⁴ <https://www.sachacosmetics.com/en/content/6-company>

Promising Sectors for Economic Transformation of the SIDS

example of a business from this industry is Women in Business Development Incorporated (WIBDI) Samoa a non-profit organization aimed at improving income generating opportunities for women in Samoa. They have a variety of cosmetic products like virgin coconut oil and organic products like vanilla, coffee, and dried bananas. Other businesses in the cosmetic industry include Mailelani and Kuki.²⁵ Volcanic Earth Vanuatu skincare production is a manufacturer of Fair Trade skin care products and Fair Trade organic, beauty cosmetics. They have been operating in Vanuatu and around the world for the last 20 years formulating Fair Trade skin care products and Fair Trade organic, beauty products. They have major markets in the United States.²⁶ The cosmetics sector is being developed in Fiji under the guidance of “Pharmaceutical Sector Strategic Plan for implementing the Fiji National Medicinal Products Policy 2013-2018”.²⁷

1.4.3 E-Commerce

The United Nations Conference on Trade and Development has been working with developing countries including SIDS, both in assessing the level of their e-readiness and further better positioning them to develop and enhance their digital economy to capitalize on opportunities in respect of digital trade and business. Many of the interventions undertaken by UNCTAD in partnership with other development agencies focus on core areas of digital economy development, including:²⁸

- Assessing the enabling electronic environment.
- Supporting the development of e-commerce strategies.
- Strengthening national legal and regulatory arrangements/regimes.
- Monitoring the development of national and regional e-commerce and digital economy regimes.
- Connecting the dots through multi-stakeholder dialogues and development partners’ roundtables.
- Digital government for business facilitation.
- Capacity building for the production of statistics on the digital economy.
- Facilitation of cross-border e-commerce – implementation of the WTO Trade Facilitation Agreement (TFA) and other related agreements.
- Facilitation of cross-border e-commerce – integrated support for efficient customs procedures.
- Enhancing countries’ readiness to deal with e-commerce in trade negotiations.
- Assistance on legal reforms.
- Strengthening competition and consumer protection.
- Empowerment of women digital entrepreneurs.
- Skills development.

Since the adoption of the SAMOA Pathway, there have been several E-Commerce and ICT Policies and Strategies developed by SIDS (either through support received from UNCTAD or other development partners) which, when complemented with requisite policy actions, have better positioned them to leverage opportunities and prospects for digitalization in their doing business models.

²⁵ Informal Consultation on Trade in SIDS with Samoa Officials on 23 June 2023.

²⁶ Interview with company CEO on 13 July 2023.

²⁷ Fiji Pharmaceutical and Biomedical Services Centre Ministry of Health Fiji.

²⁸ <https://unctad.org/publication/e-commerce-and-digital-economy-programme-year-review-2022>

Promising Sectors for Economic Transformation of the SIDS

Countries comprising the Organization of Eastern Caribbean States undertook an Assessment of Digital Trade and E-commerce Readiness and Associated Capacity-building Needs.²⁹ In addition, there are several initiatives being implemented under the Caribbean Digital Transformation Project (CARDTP), which commenced in 2020 and is being financed through the World Bank. CARDTP has as its beneficiaries, Dominica, Grenada, St. Lucia, St. Vincent and the Grenadines and the broader family of Organization of Eastern Caribbean States. The objective of this regionally scoped Project is to enhance accessibility and skills in respect of digital services and technologies in the participating Eastern Caribbean countries, with a focus on:

- Digital Enabling Environment.
- Digital Government Infrastructure, Platforms, and Services.
- Digital Skills and Technology Adoption.
- Project Implementation Support.

Further afield, within the broader CARICOM space, the efforts of Belize are noted, particularly in respect of the following interventions:

- The launch of Belize's first National Digital Agenda and Action Plan in 2021: Belize's National Digital Agenda.³⁰
- Development and execution of several interrelated sector transformation projects and technology adoption including the Strengthening of Tax Administration Project led by the Belize Tax Service and the launch by the Department of Environment of Online Permitting Application.
- Successful enactment of six (6) e-enabling legislative instruments.
- Launch of online payment for government services using mobile wallets.
- Initiation of the National Digital Inclusion Program intended to enhance Digital Access and Digital Training to citizens.
- Launch of the National Identification Project.

These initiatives coupled with investments in infrastructural development have contributed to the heightened level of digital literacy and the 94.7% ICT penetration rate registered in 2022.³¹ In addition, Belize represents one of the few countries to have women at the helm of E-Government leadership.

The Pacific region has also undertaken efforts in respect of advancing the development of its Pacific Regional E-commerce Strategy and Roadmap, which was developed in 2021 and focuses on seven core areas of intervention:

- National E-commerce Readiness and Strategy Formulation.
- ICT Infrastructure and Services.
- Trade Logistics and Trade Facilitation.
- Legal and Institutional Framework.
- Electronic Payment Solutions.

²⁹ The Commonwealth Secretariat, Assessment of Digital Trade and E-commerce Readiness and Associated Capacity building Needs in Six Member States of the Organization of Eastern Caribbean States (OECS), https://production-new-commonwealth-files.s3.eu-west-2.amazonaws.com/migrated/inline/OECS%20report_final.pdf

³⁰ An intervention undertaken with support received from the Inter-American Development Bank <https://digitalagenda.gov.bz/wp-content/uploads/2022/05/NATIONAL-DIGITAL-AGENDA-FINAL.pdf>

³¹ Digital 2022: Belize <https://datareportal.com/reports/digital-2022-belize>

Promising Sectors for Economic Transformation of the SIDS

- E-commerce Skill Development.
- Access to Finance for E-commerce.³²

There have been noteworthy projects implemented in support of developing e-commerce ecosystem across the Pacific. These projects include interventions such as: Empowering Indigenous Private Sector through e-Commerce, the PIF E-commerce Acceleration Program for the Pacific, the Digital Tourism Program, Digital Economy in Small Island Developing States and the Pacific Digital Economy Program.

Within the AIMS region, there has been significant developments as well. Maldives features approximately 448 thousand internet users at the commencement of 2023. Moreover, the internet penetration was recorded at 85.8%, with 71.3% of the population also representing social media users. These rates position Maldives to capitalise on e-commerce opportunities and to further develop its digital economy, with several e-commerce platforms having been established in Maldives as at the beginning of 2023.

The digital transformation thrust of the Maldives continues with efforts being undertaken to strengthen the national enabling legislative regime. One of the most recent developments is the enactment of Electronic Transactions Act, Law no. 2/2022. This Act develops the architecture to establish and provide legal equivalence and legitimacy of electronic transactions and to encourage the use of trust services in respect of electronic commerce.

1.4.4 Sustainable and Inclusive Tourism

The United Nations World Tourism Organisation (UNWTO) defines sustainable tourism as *"Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities."*³³ UNWTO further establishes that *"Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building."*³⁴

The Global Sustainable Tourism Council on the other hand, defines sustainable tourism as *"sustainable practices in and by the tourism industry. It is an aspiration to acknowledge all impacts of tourism, both positive and negative. It aims to minimize the negative impacts and maximize the positive ones"*.³⁵ The delineations ascribed by both international organizations bear notable similarities; sustainable tourism represents the application of sustainable practices in the development and provision of a tourism product offering, which considers, and at a minimum, does no harm to long term sustainability of the economic, social, and environmental systems.

Statistics and general tourism data are often captured by international development organizations such as the World Bank, the World Tourism Organisation, and regional institutional frameworks such as the Caribbean Tourism Organisation and the Pacific Tourism Organisation. While qualitative information abounds in respect of sustainable practices in the

³² Pacific Islands Forum Secretariat, Pacific Regional E-Commerce Strategy and Roadmap Approved, <https://www.forumsec.org/2021/10/29/pacific-regional-e-commerce-strategy-and-roadmap-approved/>

³³ United Nations World Tourism Organization, Sustainable Tourism, <https://www.unwto.org/sustainable-development#:~:text=Thus%2C%20sustainable%20tourism%20should%3A,conserve%20natural%20heritage%20and%20biodiversity>.

³⁴ United Nations World Tourism Organization, Sustainable Tourism, <https://www.unwto.org/sustainable-development#:~:text=Thus%2C%20sustainable%20tourism%20should%3A,conserve%20natural%20heritage%20and%20biodiversity>.

³⁵ Global Sustainable Tourism Council, <https://www.gstcouncil.org/what-is-sustainable-tourism/>

Promising Sectors for Economic Transformation of the SIDS

tourism sector, quantitative data capture is still in the nascent stages. Notwithstanding, research has illustrated the growing trend of Small Island Developing States to further develop sustainable and inclusive tourism product offerings, not simply as a marketing strategy to enhance foreign revenue receipts, but more so, in pursuit of cultural preservation and environmental conservation for generations to come. This is evident in the regions with a rich and authentic cultural heritage and natural experience opportunities such as the Pacific.

During the COVID-19 pandemic, there were considerable declines in the level of contribution of the tourism industry to economic growth of Pacific economies. Visitor arrivals to the Pacific ACP and SPTO countries were recorded at 7,445 in first quarter of 2021. French Polynesia accounted for 63.7% of the total visitor arrivals in the region, with Fiji following at 32.3% and the remaining 4% made up of Cook Islands at 3.5% and Kiribati at 0.5%.³⁶

There have since been considerable regional interventions and strategic initiatives undertaken to strengthen the tourism sector and enable its rebounding in a more sustainable and inclusive way. These strategic frameworks include, among others, the Pacific Sustainable Tourism Policy Framework, and the Pacific Tourism Organisation Strategic Plan 2020-2024.

Other regions comprising a family of SIDS have also undertaken similar initiatives, led by regional organisations; the Caribbean for example has developed a regional policy framework in pursuit of sustainable tourism as well. Best practices of jurisdictions both within the Pacific region and the Caribbean are featured in the Report, offering other SIDS innovative ideas that can be adapted and incorporated into their national pursuits for sustainable and inclusive tourism.

1.5 Conclusion

This chapter has presented an overview of the SAMOA Pathway since it was adopted in 2014 with respect to the macroeconomic performance of the SIDS. Overall, it was seen that whilst most SIDS economies were on a relatively stable growth path since 2014 having benefitted from several projects and programmes geared towards development, the COVID-19 pandemic caused a severe shock to most economies, and this has been further exacerbated by the ongoing Russia-Ukraine war.

But the pandemic has also brought the possibility for new ways of doing business especially with regards to digital trade and digitalization of SIDS economies. Many of the SIDS have introduced reforms for adoption of e-commerce and are at a heightened level of e-readiness. Also notable are the major developments in the Blue Economy in all regions as well as the emergence of cosmetics production. Cosmetics have for the greater part been produced from plant-based natural resources in the past, but the possibilities of using ocean resources are increasing to include Seamoss, seaweed and other products like sargassum for production of cosmetics. Therein lies the possibility for marrying the contributions of the Blue Economy with Cosmetics; both areas of which portend significant opportunity for the SIDS.

Finally, there are increasing moves and initiatives for the growth of sustainable and inclusive tourism across the SIDS. In all regions, but most notably the Caribbean and Pacific regions, there are comprehensive policies and strategies to transform the tourism industry to make it more inclusive by allowing for greater participation of local individuals and communities in

³⁶ Pacific Tourism Organisation, Quarter 1, 2021 Visitor Arrival Snapshot <https://southpacificislands.travel/wp-content/uploads/2021/09/Pacific-Tourism-Organisation-Quarter-1-2021-Visitor-Arrivals-Snapshot.pdf>

Promising Sectors for Economic Transformation of the SIDS

the tourism value chain. These issues are discussed in greater detail in Chapter 3 where the various case studies that have been used for this assignment are presented and discussed. However, before this, Chapter 2 will first present an overview and mapping of several reports, projects, and programmes that have been implemented in the SIDS since 2014 with emphasis on the types of intervention and the intended results. Whilst not exhaustive, this analysis will serve to underline the types of interventions already undertaken, their effectiveness, and can further inform on the types of interventions that might be required during the post-2024 SIDS strategy.

Promising Sectors for Economic Transformation of the SIDS

Chapter 2: Mapping of Trade and Economic Development Reports, Publications, Projects, and Programmes post the Adoption of the SAMOA Pathway Plans.

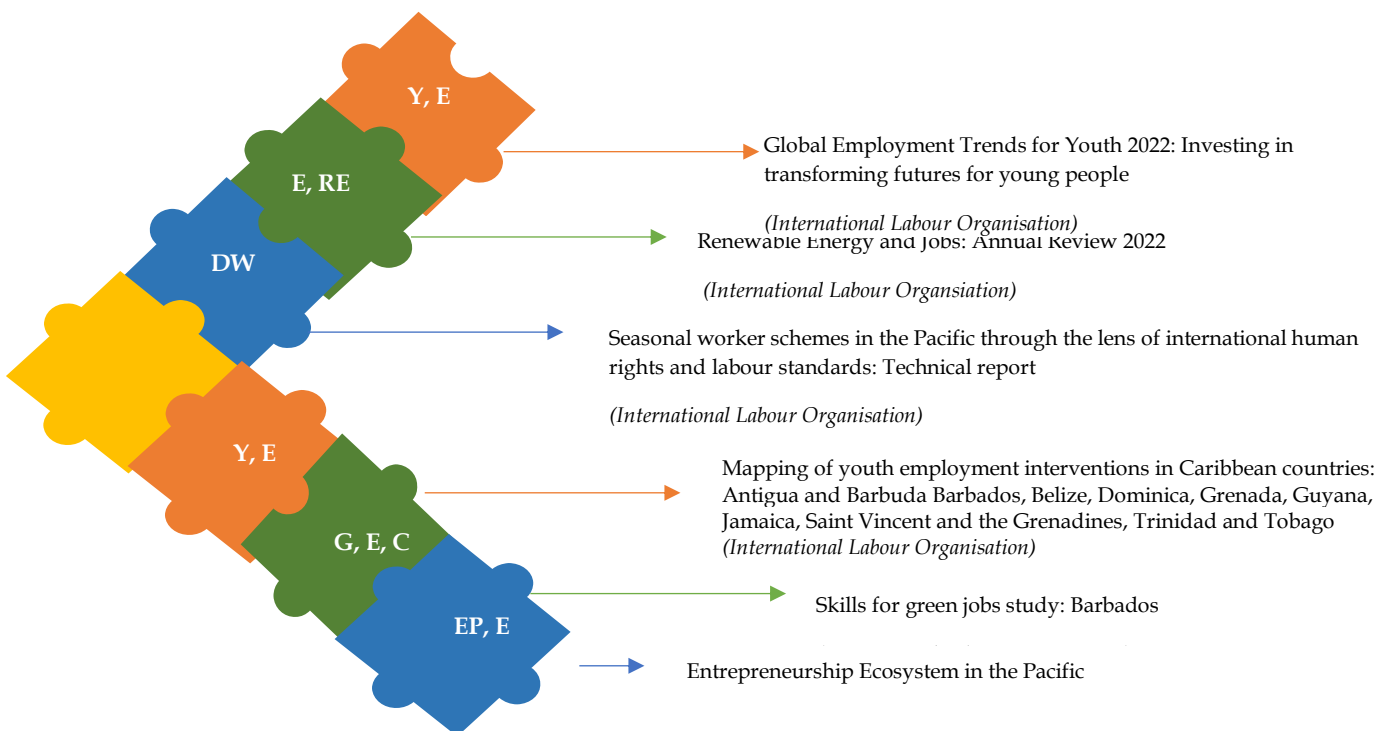
Introduction

Below is a mapping of some of the major reports, publications, projects, and programmes in the SIDS that were made available to the author since the SAMOA Pathway was launched in 2014. It is not exhaustive. The focus is primarily on the assistance that SIDS received from the UN institutions, notably ILO, ITC, and UNCTAD. It does not cover technical assistance through bilateral relations, which is also a significant source of assistance to the SIDS.

In terms of the relevance of these interventions to the promising sectors discussed in this report, there has been significant focus on digital economy and customs automation, which contributes strongly to the e-commerce agenda in the SIDS. There has also been significant work on blue economy and tourism in general (but not so much emphasis on the sustainable and inclusive aspects). However, cosmetics production has not received any notable attention.

2.1 Publications and Reports

2.1.1 Publications and Reports by the International Labour Organisation and the United Nations Capital Development Fund

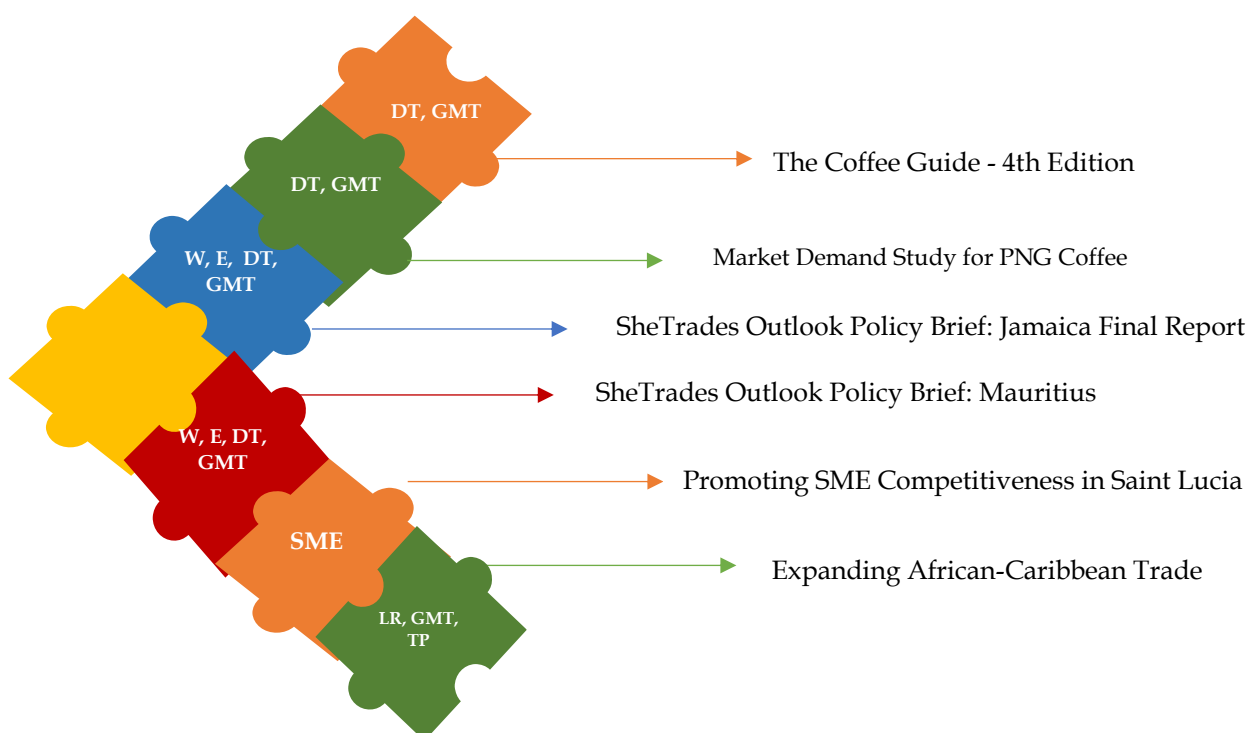


Key

Promising Sectors for Economic Transformation of the SIDS

Abbreviation	Area of Focus of Report/Publication
C	Climate Change
D	Decent Work
E	Employment
EP	Entrepreneurship
G	Greening
RE	Renewable Energy
Y	Youth

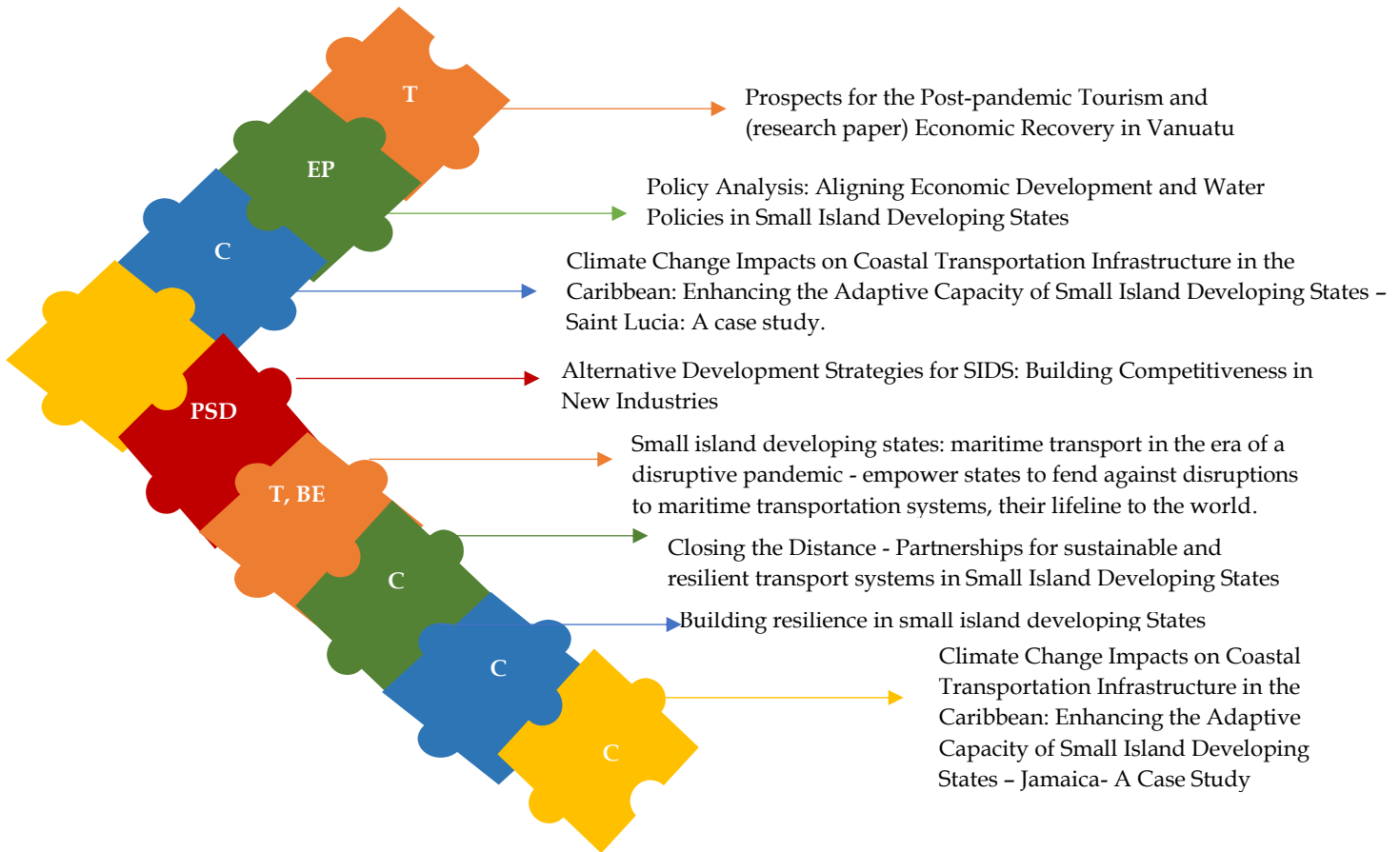
2.1.2 Publications and Reports by the International Trade Centre



Key	
Abbreviation	Area of Focus of Report/Publication
DT	Digitalisation of Trade
E	Entrepreneurship
LR	Legal and Regulatory Framework
GMT	Responding to Global Market Trends and Development
SME	Small and Medium Sized Enterprises
TP	Trade Policy
W	Women

Promising Sectors for Economic Transformation of the SIDS

2.1.3 Publications and Reports by the United Nations Conference on Trade and Development



Key	
Abbreviation	Area of Focus of Report/Publication
BE	Blue Economy
C	Climate Change
EP	Entrepreneurship
PSD	Private Sector Development
T	Transportation

Promising Sectors for Economic Transformation of the SIDS

2.1.4 Summary Overview of Reports and Publications

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
Renewable Energy and Jobs: Annual Review	International Labour Organisation (in collaboration with IRENA)	2022	<p>The report focuses on assessing the global renewable energy employment regime, as of 2021, noting trends, developments and key considerations which impacted employment and activities in the renewable energy sector.</p> <p>The Report determines that employment in renewable energy in 2021 expanded by 12 million as compared to 2020. It is further projected that should countries implement requisite measures, by 2030, there is a possibility that jobs can rise to 139 million. SIDS are not predominantly featured within the analyses.</p>	https://www.ilo.org/wcmstp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_856649.pdf
Global Employment Trends for Youth 2022: Investing in transforming futures for young people	International Labour Organisation	2022	<p>The Report recognises and frontally contextualises the impact of the COVID-19 pandemic on employment globally, especially in respect of the youth population. Furthermore, noting that the pandemic disruptive traditional modes of academic pursuits and training, further impacts are expected to be felt thus pushing the attainment of certain Sustainable Development Goals farther away in reach.</p> <p>The Report further determines that in crafting policy responses to the youth unemployment crisis, focus is to be placed on longer-term transformative approaches that feature dimensions of inclusivity, sustainability and resilience.</p> <p>These are assessed from four perspectives:</p> <ul style="list-style-type: none"> ○ a “green scenario” ○ a “digital scenario”, ○ a “care scenario” and 	https://www.ilo.org/wcmstp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_853321.pdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			<ul style="list-style-type: none"> o a “combined scenario”, which combines the first three, and are further juxtaposed against a “business-as-usual: analysis. 	
Seasonal worker schemes in the Pacific through the lens of international human rights and labour standards: Technical report	International Labour Organisation	2022	<p>This Report presents a review and analysis of the seasonal worker programmes available to Pacific Island Countries (PICs) in Australia and New Zealand. The Report was developed under the aegis of the Project geared towards “Enhancing Protection and Empowerment of Migrants and Communities Affected by Climate Change and Disasters in the Pacific Region.”</p> <p>In assessing the Programme, the Report undertakes a legal review of the Seasonal Workers Programme of Australia and the Recognised Seasonal Employer scheme of New Zealand, focusing on issues in respect of the legal and regulatory framework governing migration and the extent to which international human rights and labour standards are adhered to. In addition, there is an inclusivity dimension to the analysis as focus is also placed on the extent to which women and marginalized groups are included within the scope of the programmes.</p> <p>In addition to the legislative and regulatory analyses undertaken in the Report, a further examination of the seasonal worker schemes is undertaken from a practical perspective, with viewpoints shared by the seasonal workers themselves.</p> <p>The findings of the Report underscore the need to enhance the design and execution of both of the seasonal programmes,</p>	https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-suva/documents/publication/wcms_847010.pdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			particularly in respect of international human rights and labour standards to ensure real benefits are derived by Pacific Small Island Developing States (SIDS), as intended.	
Mapping of youth employment interventions in Caribbean countries: Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Vincent and the Grenadines, Trinidad and Tobago	International Labour Organisation	2018	<p>The Report focuses on the undertaking of a mapping, analytical evaluation and gap assessment of ongoing youth employment interventions in Antigua and Barbuda, Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, St. Vincent and the Grenadines and Trinidad and Tobago. The Report was compiled through information obtained from desk reviews and stakeholder consultations. Based on the analysis of information gathered, the Report concludes that</p> <p>In general, there is good regional coverage of intervention areas except job opportunities and special market shares for youth. Moreover, there are several opportunities in respect of apprenticeships, internships and job attachments, however, there are some challenges which persist and must be addressed, notably more is to be done in respect of job matching assistance and the heightening of awareness in relation to labour rights under youth interventions.</p> <p>The Report also concludes that while there are several merits to the education system across the countries of focus, there is an absence of adequate education and training offered in respect of entrepreneurship education. Compounding this issue, greater focus and targeted interventions are needed in respect of youth-targeted entrepreneurship training and the provision of support services. These are complemented with enhanced mechanisms to access finance, noting that several challenges exist. In addition, there were gaps identified as it relates to inclusivity given that it was uncovered that there</p>	https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---sro-port-of-spain/documents/publication/wcms_632706.pdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			<p>are very few programmes specifically designed for vulnerable female youth. The Report further concluded that more efforts are to be focused on fully implementing the Caribbean Vocational Qualification framework and augmenting coordination mechanisms between and among youth and employment agencies.</p> <p>Noting the principal findings summarized above, the Report offers the following recommendations:</p> <ul style="list-style-type: none"> ○ Enhancement of youth employment intervention coordination ○ Undertaking of a review and reform of all programmes to ensure clear target groups are established and actually benefit from programmes which are to be specifically tailored. ○ Establishment of practical and implementable monitoring and evaluation frameworks ○ Undertaking of a review of current apprenticeship and work experience opportunities with a view to expanding and reforming these initiatives and further integrate these opportunities. ○ into all formal TVET and tertiary education programmes/systems ○ Identify and address labour market distortions through workplace attachment programmes ○ Enhancing awareness in respect of employment related rights and responsibilities ○ Introducing entrepreneurship training in secondary schools and incorporation of Early Entrepreneurial Development Programme in existing school-based extracurricular activities e.g., Junior Achievement 	

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
Skills for green jobs study: Barbados	International Labour Organisation	2018	<p>This Report was developed to gather and document baseline information to inform further policy dialogue and formulation in respect of the green economy.</p> <p>The Report focuses on identifying priorities and challenges of climate change, noting sectors of greening potential. It further assesses skill requirements for green jobs and offers policy proposals to address these requirements and other needs to enhance the development of the green economy in Barbados. The Report has been developed through the extensive review of literature, the administration of semi-structured interviews and review of practical and successful case studies (Barbados Community College, Samuel Jackman Prescod Polytechnic (SJPP), University of the West Indies, Cave Hill Campus, Innogen, Electric Vehicles: MegaPower and Williams Solar)</p> <p>The Report recommends key actions to be undertaken to better position the economy of Barbados on a greening trajectory, notably:</p> <ul style="list-style-type: none"> ○ Creating a national policy that mainstreams the development of green jobs. ○ Developing and implementing a labour market policy which addresses, among other things, the creation and advancement of skills education and training in respect of greening. ○ Developing a formal tripartite arrangement (government, private companies and educational institutions) to address and ensure the supply of “green” skills addresses the demand for them 	https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_706853.pdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			<ul style="list-style-type: none"> ○ Establishing a fiscal incentives regime to encourage private companies to engage in training activities. ○ Carving out of programmes in respect of women in the green economy 	
Entrepreneurship Ecosystem in the Pacific	International Trade Centre	2021	<p>This Report was developed to present the findings, conclusions and recommendations in respect of advancing entrepreneurship in the Pacific. The Report cites 12 specific features of the entrepreneurship ecosystem in the Pacific, notably:</p> <ul style="list-style-type: none"> ○ <i>“Limited access to information creates reliance on peers.</i> ○ <i>Existing services are overlapping and sporadic.</i> ○ <i>Urban-centric services exclude vulnerable groups.</i> ○ <i>Access to finance is rare, cumbersome, and expensive.</i> ○ <i>Stakeholders do not communicate, align nor plan strategically.</i> ○ <i>Entrepreneurs struggle to survive downturns due to climate disasters.</i> ○ <i>Digital IT support is limited, and basic infrastructure is nascent.</i> ○ <i>Lack of in-country and long term programming to build local capacity.</i> ○ <i>Policy and regulatory environment not conducive for entrepreneurship and scaling</i> ○ <i>Entrepreneurship is not seen in a positive light or as aspirational.</i> ○ <i>Entrepreneurship is viewed predominantly as micro-entrepreneurship.</i> ○ <i>Donor-driven mindsets not contextualized and localized”</i> 	https://unctad.org/system/files/information-document/UNCDF_Entrepreneurship-Ecosystem-Pacific-Report.pdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			<p>Emanating from these findings, some targeted recommendations are developed which focus on short, medium and long terms prospects.</p> <p>In the short term, it is recommended that Short-Term Entrepreneurship support services are made available to entrepreneurs. More specifically, it is recommended that structured incubation programmes are also established to support the efforts of entrepreneurs. Another key short term recommendation relates to the building of the entrepreneurship ecosystem, which features, among other things, the establishment of a one stop shop where all relevant information can be accessed by entrepreneurs.</p> <p>A one-stop shop platform should be created where all stakeholders can access information about what institutions are providing what support to which entrepreneurs.</p> <p>In the medium term, it is recommended that entrepreneurs learn from each other and leverage best practices, successes and lessons learnt. Furthermore, in building an ecosystem of entrepreneurship, it is further recommended that entrepreneurship as a discipline is integrated into the formal education and training curriculum at schools and universities.</p> <p>In the long run, notable recommendations include the creation of mechanisms and institutional frameworks that support and enable digitalization in entrepreneurship. This may take the form of the creation of specialized tech support institutions such as tech hubs, robotics, and 3D labs. Additionally, it is also proffered that there should be</p>	

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			formalization of institutional arrangements, communications and information sharing.	
Promoting SME Competitiveness in Saint Lucia	International Trade Centre	2018	<p>This publication focuses on promoting competitiveness of Small and Medium sized Enterprises (SMEs) in Saint Lucia, underscoring their importance to inclusive growth.</p> <p>Four key sectors were assessed within the analysis of the Report:</p> <ul style="list-style-type: none"> ○ Food and beverage industry ○ Tourism ○ Manufacturing industry ○ Creative Industry <p>The Report highlights that Caribbean SMEs account for 70% of GDP and half of employment and notes that SMEs are to focus on themes of competitiveness, connectiveness to suppliers and consumers and adapting to change in an effort remain current and viable.</p>	https://intracen.org/file/itsantaluciabrochure201810192pdf
Expanding African-Caribbean Trade	International Trade Centre	2022	<p>This Report was developed against the background of the recognition of the export potential of Caribbean and African countries; in excess of 1 billion across both goods and services. However, the Report further identifies that to capitalise on opportunities in the international markets, several interventions are to be undertaken to address challenges in respect of trade and to further spur and attract investments in key sectors.</p>	https://intracen.org/file/20220831africancaribbeantradelayoutweballpdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			<p>The Report demonstrates that trade between Africa and the Caribbean is predominantly focused across a few sectors; minerals and chemicals. However, given the COVID-19 pandemic and furthermore the Russia-Ukraine war there is a clear recognition that African and Caribbean countries need to diversify the trade portfolios.</p> <p>The Report highlights key findings and conclusions, notably the following:</p> <p>African-Caribbean trade in goods is negligible with less than 0.1% of African exports finding their way to Caribbean markets; this was recorded in 2020. In respect of Caribbean exports, less than 1% of these are destined to African countries.</p> <p>Unrealized export potential is also concentrated in a few countries, noting that three of the five largest African economies, specifically, South Africa, Egypt and Morocco, account for 79% of the continent’s unrealized export potential to the Caribbean. The same is true for the Caribbean, given that the Dominican Republic, Jamaica and Trinidad and Tobago collectively account for 76% of the Caribbean’s unrealized export potential to Africa.</p> <p>Services exports offer significant opportunities particularly for Caribbean States, noting that the services export potential of the Caribbean to Africa is an estimated 500 million. Despite the opportunities which exist there, there are however interventions and reforms required in respect of connectivity and the servicification’ of value chains.</p>	

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
The Coffee Guide - 4th Edition	International Trade Center	2021	<p>The publication notes the widespread coffee production, citing that over 50 countries produce coffee commercially. Notwithstanding, the coffee industry has been affected by the COVID-19 crisis, but signs of a rebounding sector have been recorded. Additionally, the effects of climate change have also impacted coffee producing countries and there are further challenges in respect of environmental, social and economic inequities within value chains which also confront these countries.</p> <p>Based on research conducted, the Report highlights that efforts undertaken to pursue and secure new partnerships, leverage technology in an effective and efficient way and attract and secure the participation of women and youth have contributed to the development of the sector. In an effort to identify some of the key enablers and factors which affect and impact change in the coffee industry, the Report highlights findings in respect of market dynamics and other key considerations and emerging trends to be borne in mind, which impact and interplay with the industry. Some of the main findings indicate that:</p> <ul style="list-style-type: none"> ○ Environmental and social sustainability must be pursued as a complement to other interventions undertaken. ○ Redefining quality in respect of the coffee industry must be pursued given that varying gradients of coffee are associated with different export destinations. ○ Applying a new approach to quality differentiation and measuring coffee data is needed noting that consideration must be given to three segments of the coffee industry: standard, premium and specialized. 	https://intracen.org/file/itccoffee4threport20210930webpagespdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			<ul style="list-style-type: none"> ○ ICT must be leveraged, and digitalization mechanisms are to be pursued from seed to cup. ○ Adoption of a new approach to the international coffee supply chain which aligns with social, economic and environmental sustainability and further respects the rights of people. 	
Market Demand Study for PNG Coffee	International Trade Center	2020	<p>This Report focuses on assessing value added opportunities which exist for Small and Medium sized Enterprises of the Papua New Guinea coffee industry in an effort to increase market participation in key destination markets, Europe and United Kingdom.</p> <p>The findings of the study revealed that Papua New Guinea coffee has several special and positive characteristics.</p> <p>The paper identifies four key value strategies to be pursued, which are centered on:</p> <ul style="list-style-type: none"> ○ Quality Improvement, including the establishment of a new grading system. ○ Marketing with greater recognition and focus placed on market segmentation. ○ Branding, particularly in respect of promoting and positioning not only of the coffee but also of the country itself. ○ Marketing roasted coffee domestically <p>The paper identifies that much of the work to be done to achieve value addition lies with a new approach to marketing and branding. In addition, some diversification of the country's customers' base is also needed and a more aggressive approach to the penetration of the specialty market should also be pursued. In addition, requisite actions</p>	https://intracen.org/file/marketdemandforpngcoffeepdf-0

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			are to be undertaken to ensure that Papua New Guinea adheres to the legal requirements of its destination markets.	
Prospects for the post-pandemic tourism and economic recovery in Vanuatu (research paper)	United Nations Conference on Trade and Development	2022	<p>This Report acknowledged that tourism is a key economic driver for small island developing States (SIDS) and further represents a major revenue earner and employment generator.</p> <p>The Report further acknowledges the devastating impact of the COVID-19 pandemic on tourism across the globe, which resulted in loss of revenues and further plunged many persons into a state of unemployment. The effects of the pandemic were particularly felt by SIDS, given their high dependence on tourism and furthermore their high level of susceptibility to exogenous shocks.</p> <p>The Report therefore provides considerations and prospects to support post-pandemic recovery policies for the tourism industry.</p> <p>Key recommendations are specifically offered for Vanuatu as it relates to a new strategic approach to tourism and relevant references success cases are also noted to inform policy formulation in other tourism-reliant SIDS, particularly noting that they are all navigating in a post-pandemic context.</p>	https://unctad.org/system/files/official-document/ser-rp-2022d6_en.pdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
Policy analysis: Aligning economic development and water policies in Small Island Developing States	United Nations Conference on Trade and Development	2021	<p>This publication recognizes that the absence and scarcity of water adversely impact growth and economic development, particularly SIDS. The Report also underscores that climate change further compounds the issue as severe weather occurrences can reduce the supply and sustainability of freshwater resources. Water security is therefore advanced to be critically important to SIDS and these small developing islands are also advised to ensure alignment between national economic plans and water security priorities. Accordingly, several recommendations are offered to SIDS in this regard, notably:</p> <ul style="list-style-type: none"> ○ Mainstreaming water security in Economic Planning Processes ○ Implementation of integrated water resource management Practices ○ Heightening data collection and analysis in respect of water supply and consumption ○ Employ a participatory and inclusive approach in respect of water policy formulation. ○ Develop monitoring systems to monitor and assess efficiency and productivity targets. ○ Ensure a synergistic approach in sector-specific policy formulation which align and prioritizes water use considerations. 	https://unctad.org/system/files/official-document/aldc2021d6_en.pdf
Building resilience in small island developing States	United Nations Conference	2022	<p>The Report recognizes Small Island Developing States (SIDS) as a “heterogeneous group of countries, with diverse geographic, demographic, and economic characteristics.” The Report further identifies the inherent vulnerabilities and</p>	https://unctad.org/system/files/official-document/aldcinf2022d2_en.pdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
	on Trade and Development		<p>resulting challenges which conform SIDS, extreme vulnerability to environmental and economic shocks. In addition, their high degree of openness and dependence on large volumes of imports positions them as importers of inflation and receivers of the reverberated effects of economic crises and shocks.</p> <p>The publication analyses key considerations and policy issues which are relevant to SIDS and impact their growth and economic development trajectory. Through its analyses, it notes the productive capacities as at the time of publication and further discusses the extent of structural transformation. Alternative development strategies and considerations in respect of debt sustainability are also explored. The recommendations offered are collectively intended to augment the quality of trade and development policies and address gaps and challenges that impact economic development.</p>	
Alternative Development Strategies for SIDS: Building Competitiveness in New Industries	United Nations Conference on Trade and Development	2021	<p>This publication recognizes Small Island Developing States (SIDS) as countries which are confronted with several challenges which impact their road to sustainable development.</p> <p>The publication directly relates to the SAMOA Pathway and endeavours to build on the parts of the Pathway that focus on resilience in SIDS, while recognizing the importance of economic development strategies. The publication intends to complement the Pathway by providing a more comprehensive review and assessment of alternative development strategies for SIDS, thereby offering additional ideas and perspectives for consideration.</p>	https://unctad.org/system/files/official-document/aldcinf2021d2_en.pdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			The publication firstly justifies the use of economic development strategies as an important dimension of resilience-building and furthermore, the relevance and further proposes a simple framework to evaluate the current national context of SIDS. Alternative strategies for different SIDS are proposed, citing specific sectors, activities and technologies for development. Key policy proposals are further proffered to better position SIDS to enhance their competitiveness. The recommendations and policy prescriptions proposed within the publication are intended to complement the interventions proposed under the SAMOA pathway.	
Small island developing states: maritime transport in the era of a disruptive pandemic - empower states to fend against disruptions to maritime transportation systems, their lifeline to the world	United Nations Conference on Trade and Development	2021	<p>This publication was created as a Policy Brief and focuses on assessing the impacts of the pandemic on connectivity, transport costs and trade. The Brief further highlights the need to future proof maritime transportation systems to ensure sustainability and resilience.</p> <p>The brief underscores the importance of the transportation sector as a facilitator of trade in goods and services and as such, requisite mechanisms must be established to support the development of the sector. In addition, the Brief highlights the relationship between the transportation sector and other industries, notable tourism and fisheries.</p> <p>This policy brief further recommends key priority actions to be undertaken to enhance capacity and address shortcomings in the maritime transportation systems.</p>	https://unctad.org/system/files/official-document/presspb2021d3_en.pdf
Climate Change Impacts on Coastal Transportation	United Nations Conference	2018	This publication essentially focuses on assessing the Jamaican context in respect of climate change impacts on coastal transportation.	https://www.preventionweb.net/files/77843_enhancingtheadaptivecapacityofsmall.pdf

Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
Infrastructure in the Caribbean: Enhancing the Adaptive Capacity of Small Island Developing States - Jamaica: A case study	on Trade and Development		<p>The publication notes that owing to the vulnerabilities of SIDS like Jamaica, developing climate change adaptation strategies and policies are especially important and must be incorporated into national planning processes.</p> <p>The Report examines the impacts of climate change on Jamaica and further records and discusses losses in respect of Gross Domestic Product owing to national disasters.</p>	
Climate Change Impacts on Coastal Transportation Infrastructure in the Caribbean: Enhancing the Adaptive Capacity of Small Island Developing States - Saint Lucia: A case study	United Nations Conference for Trade and Development	2018	<p>This publication is akin to the case study undertaken for Jamaica.</p> <p>The Report advances that key adaptation strategies are to be developed and implemented. Notable recommendations include:</p> <ul style="list-style-type: none"> ○ Enhancing the structural integrity and efficiency of critical facility components ○ Assessing and developing new design standards for hydraulic structures ○ Investing in climate-resilient technologies and equipment ○ Securing adequate insurance for third party coverage 	https://unctad.org/system/files/official-document/dtltlb2018d3_en.pdf
Closing the Distance - Partnerships for sustainable and resilient transport systems in Small Island Developing States	United Nations Conference on Trade and Development	2014	<p>This report focuses on discussing principal issues interplaying with themes of maritime transport, sustainability and resilience. The Report specifically identifies and discusses gaps and challenges confronting the maritime sector in SIDS and further offers practical recommendations to address these in a manner that is sustainable and builds resilience.</p>	https://unctad.org/system/files/official-document/dtltlb2014d2_en.pdf

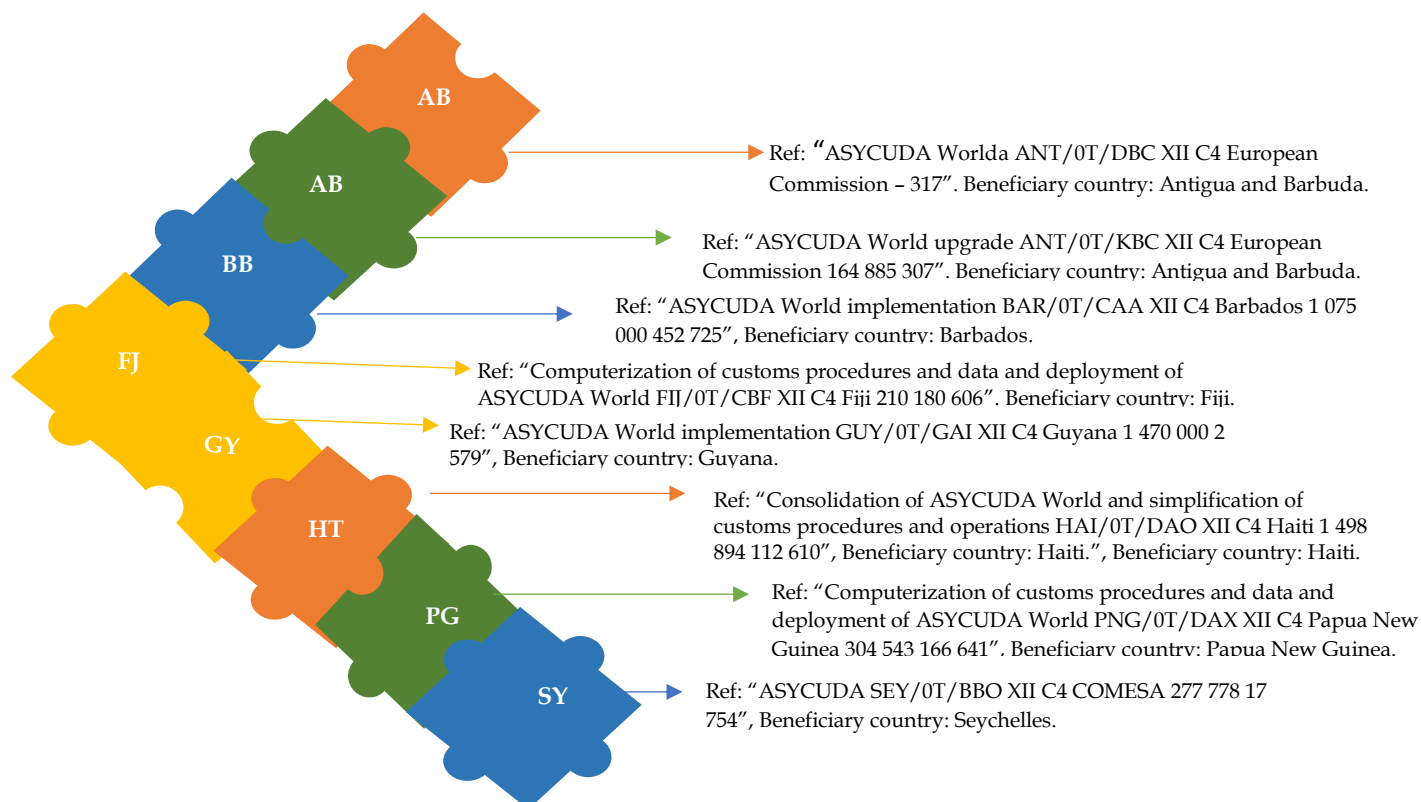
Promising Sectors for Economic Transformation of the SIDS

Table 2: Summary of Reports and Publications by International Development Partners				
Title of Report/Publication	Author Institution	Year of Publication	Summary Overview	Access
			<p>The offerings of the Report fill the information deficit in the maritime transportation sector and further addresses the issue of fragmented information and data in respect of the maritime transport sector.</p> <p>In presenting the analysis, an overview of the SIDS is provided, noting their vulnerabilities and challenges, particularly those which impact and interplay with the maritime transport sector. A description of the maritime transport sector is further presented, with the importance of the sector and linkages to other economic sectors and social activities noted. Cross-cutting issues and considerations are identified and discussed, including matters and themes in respect of climate change, the risk of disasters, energy efficiency, sustainability in and cross-sectoral inter-linkages. Recommendations in respect of some priority interventions to be implemented are identified and potential opportunities specific to better positioning SIDS on a path towards “ocean-based” and “blue growth” development are also discussed.</p>	

Promising Sectors for Economic Transformation of the SIDS

2.2 Projects and Programmes

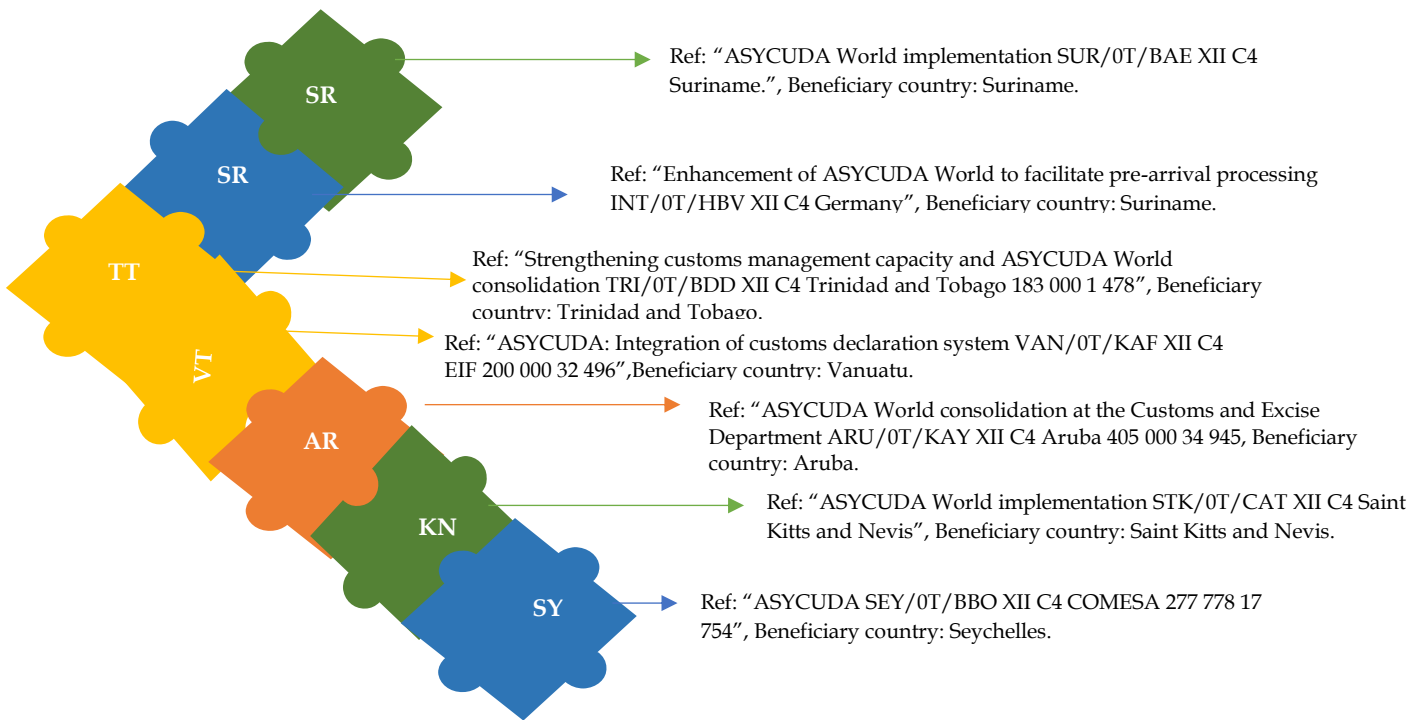
2.2.1 Projects and Programmes by United Nations Conference on Trade and Development (UNCTAD) - ASYCUDA World Projects



Key	
Abbreviation	Description
AB	Antigua and Barbuda
BB	Barbados
FJ	Fiji
GY	Guyana
HT	Haiti
PG	Papua New Guinea
SY	Seychelles

Projects and Programmes by United Nations Conference on Trade and Development (UNCTAD) - ASYCUDA World Projects continued...

Promising Sectors for Economic Transformation of the SIDS



Key	
Abbreviation	Description
AR	Aruba
KN	Saint Kitts and Nevis
FJ	Fiji
GY	Guyana
HT	Haiti
PG	Papua New Guinea
SY	Seychelles

Promising Sectors for Economic Transformation of the SIDS

2.2.2 Summary Overview of Projects and Programmes

Table 3: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
Pacific Digital Economy Programme	UNCTAD, UNCDF, UNDP	2021 to 2023 (with possible extension to 2026)	Development of inclusive digital economies in the Pacific. The PDEP includes both country-specific activities and region-wide research and capacity building activities. The project is funded by Australia and benefits: Fiji; Tonga; Samoa; Vanuatu; and Solomon Islands.	https://unctad.org/topic/ecommerce-and-digital-economy/pacific-digital-economy-programme
Response and Recovery: Mobilising financial resources for development in the time of Covid-19	UNCTAD	2020 to 2022	The objectives are: 1. Provide an analysis of the macro-economic impact of COVID-19 on developing countries. 2. Develop a framework (Sustainable Development Finance Assessment framework) to help beneficiary countries identify development finance needs. 3. Policy recommendations for COVID recovery to the regions: Africa, Asia-Pacific, Latin America, and Caribbean. The project is funded by UN Development Account (12th Tranche) and benefits: Antigua and Barbuda, Capo Verde, Cuba, Dominican Republic, Haiti, Jamaica, Mauritius, Saint Lucia, Saint Vincent, Samoa, and Singapore.	https://unctad.org/project/response-and-recovery-mobilising-financial-resources-development-time-covid-19
Facilitating investment into SDG sectors in developing countries	UNCTAD	2018 to 2022	To improve the capacity of developing countries to attract investments in SDG related sectors by 1. Improving institutional capacity in developing countries in three selected sub-regions to facilitate international investment. 2. Creating international awareness of investment facilitation best practices in SDG priority sectors. The project is funded by UN Development Account and benefits: all developing countries.	https://unctad.org/project/facilitating-investment-sdg-sectors-developing-countries

Promising Sectors for Economic Transformation of the SIDS

Table 3: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
Evidence-based and policy coherent Oceans Economy and Trade Strategies	UNCTAD	2018 to 2021	The project assists SIDS in using marine resources sustainably by 1. Enhancing national implementing capacities. 2. Analysing Oceans Economy Trade Strategies and elaborating on policies coherent with it. The project is funded by UN Development Account and benefits: Barbados and Belize.	https://unctad.org/project/evidence-based-and-policy-coherent-oceans-economy-and-trade-strategies
Enabling policy frameworks for enterprise sustainability and SDG reporting in Africa and Latin America	UNCTAD	2018 to 2022	Enabling policy frameworks for enterprise sustainability and SDG reporting in Africa and Latin America. The project is funded by the UN Development Account and benefits: SIDS in the Africa and Caribbean region.	https://unctad.org/projects/united-nations-development-account-projects
Trade and agricultural policies to support small-scale farmers and enhance food security	UNCTAD	2016 to 2019	The project aims at strengthening national capacities to implement trade and agricultural policies that enable positive economic transformation and include rural areas in sustainable development. The project is funded by the UN Development Account and benefits: Vanuatu.	https://unctad.org/project/trade-and-agricultural-policies-support-small-scale-farmers-and-enhance-food-security
Programme on Statistics and Data: Statistics on Merchandise Trade, Trade Preferences and Non-Tariff Measures	UNCTAD	2016 to 2021 (Original project outlines it will last until 2019 but it is listed in their Oct 2022 stat annex as lasting until 2021).	The 10 implementing entities will work together to strengthen the capacities of national statistical systems of beneficiary countries to be better able to respond to the increased demands for data (resulting from the anticipated adoption of the sustainable development goals in a systematic and strategic way). The project is funded by UN Development Account (10th Tranche) and it benefits: Antigua and Barbuda, Bahamas, Barbados, Belize, Cayman Islands, Dominica, Dominican Republic, Fiji, Grenada, Guadeloupe, Papua New Guinea, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Solomon Islands, Suriname, Trinidad and Tobago, Vanuatu.	https://unctad.org/projects/united-nations-development-account-projects

Promising Sectors for Economic Transformation of the SIDS

Table 3: Summary of Projects and Programmes undertaken by International Development Partners

Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
<p>Strengthening the capacities of developing country policymakers, investment promotion officials and academia in two priority sectors to attract investment for sustainable and inclusive development</p>	UNCTAD	2015 to 2017	<p>The project will identify, design, and implement effective investment policies that aim at increasing the level of corporate investment in priority sectors and maximizing the sustainable development contribution of such investment. The project has a particular focus on private sector participation through new financing opportunities, such as best practices in public-private partnerships (PPPs), and the best possible investment policies (at the national and international levels) in this regard. Three Expected Accomplishments: 1-Increased awareness and understanding among policymakers and investment promotion officials and academia in beneficiary countries of the role international investment could play in sustainable and inclusive development, including awareness of its risks. 2-Increased capacity of government and investment promotion officials, and academia in beneficiary countries to collect, analyse and use investment data in order to be able to make informed evidence-based policy decisions that will boost investment to sustainable development sectors, such as infrastructure and public services. 3- Increased ability among policymakers in beneficiary countries to formulate and implement policies, including public-private partnerships, to attract international investment to sustainable development sectors, such as infrastructure and public services, and to maximize its contribution to sustainable and inclusive development outcomes.</p> <p>The project is funded by UN Development Account and benefits: Cape Verde, Cuba, Dominican Republic, Papua New Guinea, and Timor-Leste.</p>	<p>https://unctad.org/projects/united-nations-development-account-projects</p>

Promising Sectors for Economic Transformation of the SIDS

Table 3: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
Building capacities of developing countries to shift towards sustainable freight transport	UNCTAD	2014 to 2018	UNCTAD assists countries to plan, design, develop and implement tailored sustainable freight transport strategies using the UNCTAD SFT Framework. The project is funded by UN Development Account (9th Tranche) and benefits all SIDS.	https://unctad.org/projects/united-nations-development-account-projects
Climate change impacts on coastal transport infrastructure in the Caribbean: Enhancing the adaptive capacity of Small Island Developing States (SIDS)	UNCTAD	Commencement date not stated until 2017.	UNCTAD aims to strengthen the capacity of policy makers, transport planners, and transport infrastructure managers in SIDS to better understand the climate impacts on coastal transport infrastructure (particularly seaports/airports) and to take appropriate adaptation response measures. The project is funded by UN Development Account and benefits: Barbados, Jamaica, Saint Lucia, Anguilla, Antigua & Barbuda, Bahamas, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Montserrat, St Kitts & Nevis, Saint Vincent and the Grenadines, Suriname, Trinidad & Tobago, Turks & Caicos.	https://unctad.org/project/climate-change-impacts-and-adaptation-coastal-transport-infrastructure-caribbean
Strengthening capacities of policymakers to assess implications of non-tariff measures in international trade and formulate appropriate policy responses	UNCTAD	2014 to 2018.	Increase the capacity of policymakers in developing countries to address the implications of Non-Tariff Measures to improve export performance and integration in the global economy. Done through: collecting and classifying accurate, comprehensive, and up to date NTMs data; translating such data into analytical research, policy messages and recommendations; and disseminating such information and knowledge to policymakers and other relevant stakeholders; ensuring data, information, and analysis on NTMs is readily available in all developing countries. The project is funded by UN Development Account and benefits: Cuba.	https://unctad.org/projects/united-nations-development-account-projects

Promising Sectors for Economic Transformation of the SIDS

Table 3: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
Mobilizing resources for a Green New Deal: partnerships in Asia for a decade of action in the era of Coronavirus	UNCTAD	2021 to 2024	<p>To increase national and regional capacities in Asia to formulate and implement policies to finance a Green New Deal and the SDGs in the Era of Coronavirus and Beyond. Outcomes: At the national level, to help policymakers and leaders from the financial sector and industry enhance their technical capacities to identify and design industrial and public financial sector policies and means of collaboration that can help finance and implement the SDGs, via a Green New Deal, over the next ten years.</p> <p>At the regional level, to enhance cooperation between countries and regional financial institutions (in particular development banks), to support the development of regional industrial and public financial sector policies to help finance and implement the SDGs via a Green New Deal, over the next ten years.</p> <p>The project is funded by the UN Development Account and is intended to benefit three developing countries in Asia, including at least one LDC.</p>	https://unctad.org/project/mobilizing-resources-green-new-deal-partnerships-asia-decade-action-era-coronavirus
Response and Recovery: Mobilising financial resources for development in the time of Covid-19	UNCTAD	2020 to 2022	<p>To create enhanced capability for developing countries to diagnose their financing and liquidity needs arising from the COVID-19 and create enhanced capability to refine and implement sustainable financing to avoid a prolonged depression. 3 clusters: The first cluster will provide analysis of the COVID-19 pandemic fallout on the macro-financial conditions of developing countries in general, with special attention to LICs and MICs. The main aim of this cluster is to provide diagnostics in order to design responses to the pandemic. The second cluster will focus on sustainable recovery in spite of existing and accumulating debt vulnerabilities of selected beneficiary countries. The third cluster will focus on policy recommendations for recovery either</p>	https://unctad.org/project/response-and-recovery-mobilising-financial-resources-development-time-covid-19

Promising Sectors for Economic Transformation of the SIDS

Table 3: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
			<p>for developing countries in general or specifically to the three major developing regions targeted in this project (Africa, Asia-Pacific and Latin American and the Caribbean).</p> <p>The project is funded by the UN Development Account, and it benefits: Antigua and Barbuda, Cabo Verde, Cuba, Dominican Republic, Haiti, Jamaica, Mauritius, Samoa, Singapore, St. Vincent and the Grenadines, St. Lucia.</p>	
Green trade for sustainable development in Pacific small island developing States of the Melanesian Spearhead Group	UNCTAD	2020 to 2023	<p>To increase the capacity by identifying and strengthening synergistic linkages between green trade promotion and their sustainable development in a regionally collaborative manner. Project activity is identifying green trade promotion strategies via selecting effective strategies regarding the voluntary sustainability standards (VSS) and mapping out synergetic linkages between: (1) Green trade promotion and (2) Sustainable development policy.</p> <p>The project is funded by the UN Development Account, and it benefits: Fiji, Papua New Guinea, Solomon Islands, Vanuatu.</p>	https://unctad.org/project/green-trade-sustainable-development-pacific-small-island-developing-states-melanesian
Leapfrogging skills development in e-Commerce in South-East Asia in the Framework of the 2030 Development Agenda	UNCTAD	2018 to 2021	<p>The objective of the project is to promote best practices and evidence-based policies on e-commerce by delivering capacity-building activities at two levels on e-commerce: Best Practices in e-Commerce; and Strengthening Capacities on Digital Authentication Methods.</p> <p>The project is funded by the UN Development Account, and it benefits: Singapore.</p>	https://unctad.org/project/leapfrogging-skills-development-e-commerce-south-east-asia-framework-2030-development
Bangladesh, Bhutan, Lao People's Democratic	UNCTAD	2018 to 2021.	<p>The objective is to help beneficiaries enhance their ability to use the milestone of graduation from LDC status as an opportunity to find new avenues for international support for their development efforts.</p>	https://unctad.org/project/helping-least-developed-countries-achieve-structural-economic-progress-toward-and-beyond

Promising Sectors for Economic Transformation of the SIDS

Table 3: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
Republic, Myanmar, Vanuatu			Done through the creation of vulnerability profiles and ex-ante impact assessments (only for Bangladesh, Lao PDR, Myanmar) and the preparation of smooth transition strategies (for Vanuatu). The project is funded by the UN Development Account, and it benefits: Vanuatu.	
Trade and agricultural policies to support small-scale farmers and enhance food security	UNCTAD	2016 to 2019	The project aims to: 1). Strengthen national capacities to design and implement complementary trade and agricultural policies. 2). Generate knowledge about the social and environmental effects of trade-led structural transformation in agriculture. 3). Increase capacities of policymakers and other stakeholders to integrate the knowledge in trade policy planning and implementation. The project is funded by the UN Development Account, and it benefits: Vanuatu.	https://unctad.org/project/trade-and-agricultural-policies-support-small-scale-farmers-and-enhance-food-security
Fostering the development of “green” exports through Voluntary Sustainability Standards (VSS) in Asia and Pacific	UNCTAD	2017 to 2019	The project aims to help developing countries build their capacity to use Voluntary Sustainability Standards as a tool to achieve inclusive economic growth through fostering green exports, production practices that are complementary to environmental protection, and a business environment that is complementary to better social development. The project is funded by the UN Development Account, and it benefits: Vanuatu.	https://unctad.org/project/fostering-green-exports-through-voluntary-sustainability-standards-developing-countries
Strengthening capacities of policymakers to assess implications of non-tariff measures in international trade and formulate	UNCTAD	2014 to 2018	Increase the capacity of policymakers in developing countries to address the implications of Non-Tariff Measures to improve export performance and integration in the global economy. Done through: collecting and classifying accurate, comprehensive, and up to date NTMs data; translating such data into analytical research, policy messages and recommendations; and disseminating such	https://unctad.org/project/strengthening-capacities-policy-makers-assess-implications-non-tariff-measures

Promising Sectors for Economic Transformation of the SIDS

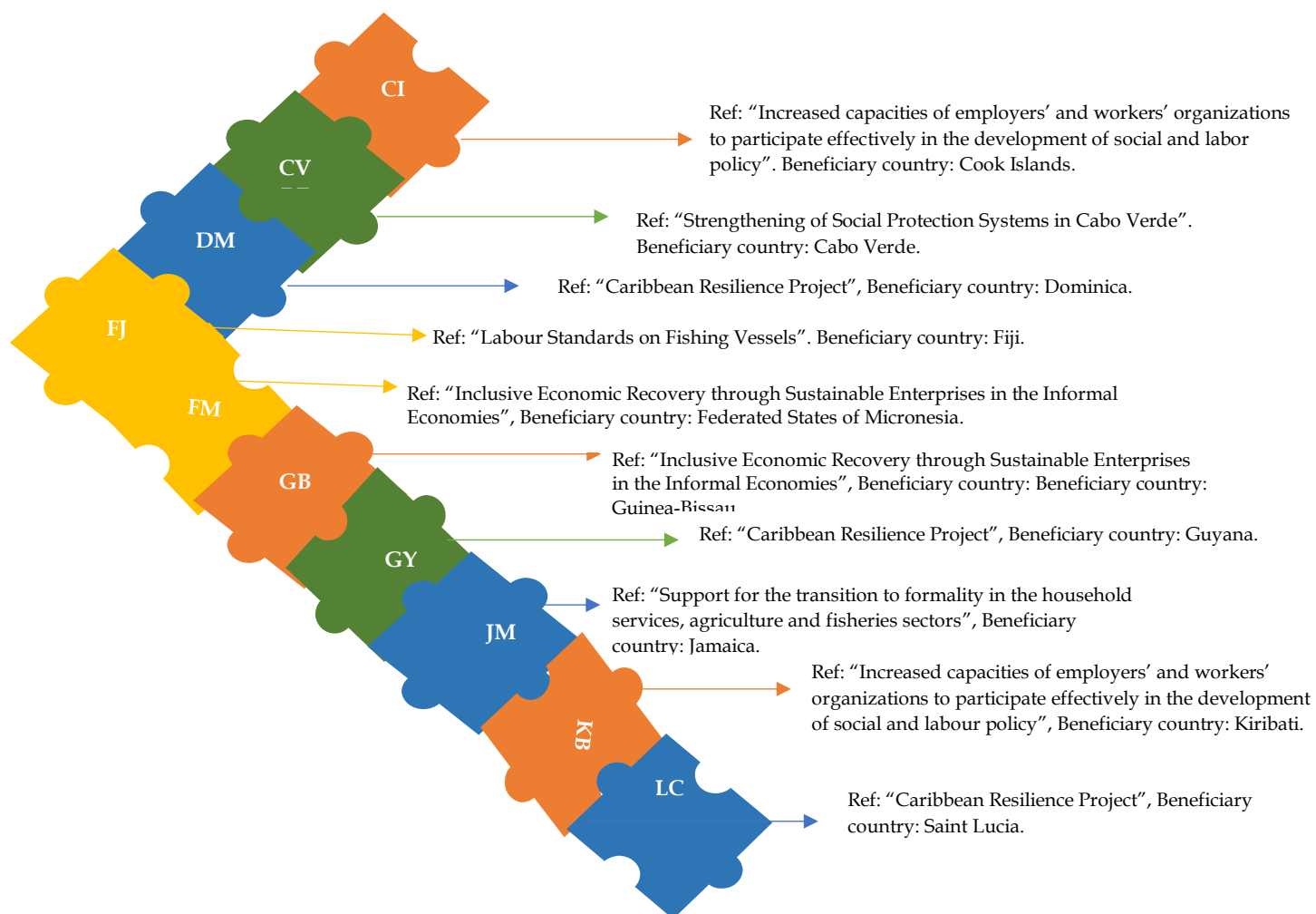
Table 3: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
appropriate policy responses			information and knowledge to policymakers and other relevant stakeholders; ensuring data, information, and analysis on NTMs is readily available in all developing countries. The project is funded by the UN Development Account, and it benefits: Cuba.	
Building the capacities of selected LDCs to upgrade and diversify their fish exports.	UNCTAD	2014 to 2017	Increase the capacity of private/public stakeholders in the fishing industry. Fishing exports should be diversified, sanitary standards improved. The project is funded by the UN Development Account, and it benefits: Comoros.	https://unctad.org/project/building-capacities-selected-ldcs-upgrade-and-diversify-their-fish-exports
Supporting Member States in developing and launching sustainable product export strategies through National Sustainable Product Export Reviews.	UNCTAD	2014 to 2018	To improve the capacity of stakeholders (public/private) to build national productive/export capacity in the area of sustainable products. The project is funded by the UN Development Account, and it benefits: Vanuatu.	https://unctad.org/project/supporting-member-states-developing-and-launching-sustainable-product-export-strategies
Technology assessment in the energy and agricultural sectors in Africa to accelerate progress on science, technology, and innovation	UNCTAD	2021 to 2024	Strengthen the capacity of policymakers in the field of science, technology, and innovation. Improve their capacity for designing/implementing policies that support the learning, diffusion, and adoption of technologies in the energy/agricultural sectors. The project is funded by the UN Development Account, and it benefits: Seychelles.	https://unctad.org/project/technology-assessment-energy-and-agricultural-sectors-africa-accelerate-progress-science
Data and statistics for more gender-responsive trade policies in Africa,	UNCTAD	2020 to 2023	Increased capacity of national statistical authorities, policy makers and other trade stakeholders in the beneficiary countries to develop a conceptual framework that would address the data needs on trade	https://unctad.org/project/data-and-statistics-more-gender-responsive-trade-policies-africa-caucasus-and-central-asia

Promising Sectors for Economic Transformation of the SIDS

Table 3: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
the Caucasus, and Central Asia			and gender and to assess the effects of COVID-19 through trade. Enhanced technical capacity of national statistical authorities to collate data and statistics and formulate plans to improve the availability of data needed for gender-responsive trade policies and for assessing the effects of COVID-19 through trade. The project is funded by the UN Development Account, and it benefits: Seychelles.	
Development Policies for sustainable economic growth in Southern Africa	UNCTAD	2016 to 2020	This project will build the capacity of selected developing countries in Southern Africa in formulating policies for the progressive diversification of the production and export structure of the economy by using UNCTAD research methodologies and tools. The project also aims at facilitating the economic cooperation and integration among the 4 target economies and around South Africa. The project is funded by the UN Development Account, and it benefits: Mauritius.	https://unctad.org/project/development-policies-sustainable-economic-growth-southern-africa
ASYCUDA World - Country Specific Programme	UNCTAD		The ASYCUDA Programme was created to support the efforts of developing countries to modernize and automate their customs clearance processes, which ultimately involved the simplification, reform, and automation of a member country's entire national customs business. The project is funded by the UN Development Account, and it benefits: Antigua and Barbuda, Barbados, Guyana, New Caledonia, Papua New Guinea, Seychelles, Suriname, Vanuatu, Aruba, Saint Kitts.	https://unctad.org/system/files/official-document/wpd317_add2_en.pdf

Promising Sectors for Economic Transformation of the SIDS

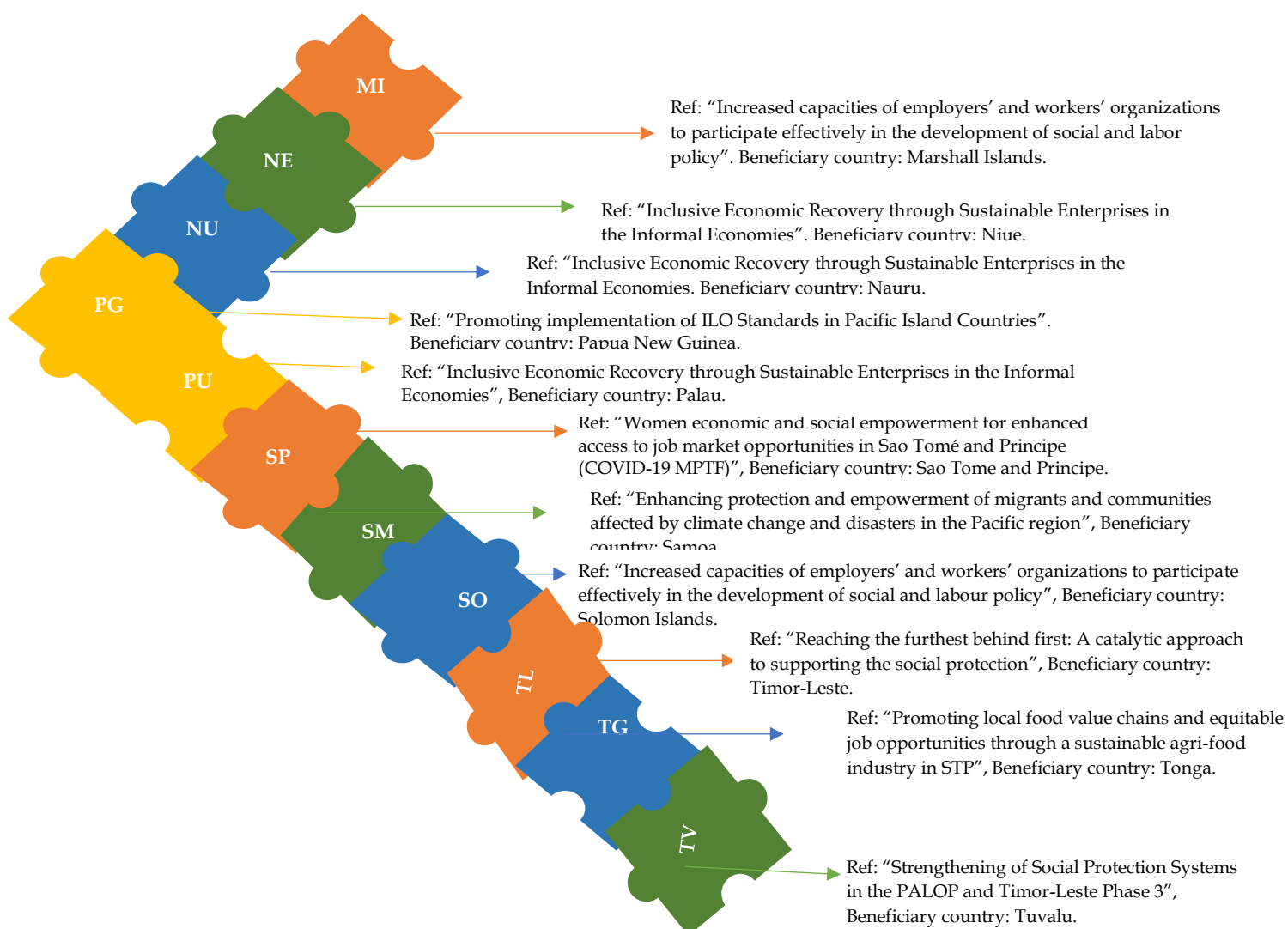
2.2.3 Projects and Programmes by the International Labor Organization



Key	
Abbreviation	Description
CI	Cook Islands
CV	Cabo Verde
DM	Dominica
KB	Kiribati
FJ	Fiji
FM	Federated States of Micronesia
GY	Guyana
GB	Guinea-Bissau
JM	Jamaica
LC	Saint Lucia

Promising Sectors for Economic Transformation of the SIDS

Projects and Programmes Implemented by the International Labor Organization continued...



Key	
Abbreviation	Description
MI	Marshall Islands
NE	Niue
NU	Nauru
PG	Papua New Guinea
PU	Palau
SP	Sao Tome and Principe
SM	Samoa
SO	Solomon Islands
TL	Timor-Leste
TG	Tonga
TV	Tuvalu

Promising Sectors for Economic Transformation of the SIDS

2.2.4 Summary Overview of Projects and Programmes

Table 4: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
Caribbean Resilience Project	ILO	2019 to 2020	Strengthen the capacity of three target countries to become more resilient (in line with R205) by ensuring that the principles embedded in the ILO “Guidelines for a just transition towards environmentally sustainable economies and societies for all” are fully adopted and implemented at national level. The project is funded by ILO and benefits: Guyana; Saint Lucia; Dominica. It targets the green economy.	https://www.ilo.org/caribbean/projects/WCMS_714015/lang--en/index.htm#:~:text=The%20ILO%20Caribbean%20Resilience%20Project,towards%20environmentally%20sustainable%20economies%20and
Support for the transition to formality in the household services, agriculture, and fisheries sectors in Jamaica	ILO	2020 to 2021	Support for the transition to formality in the household services, agriculture, and fisheries sectors in Jamaica. The project is funded by UN Secretary General’s Multi Partner Trust Fund (MPTF) and benefits Jamaica only. The target sectors are agriculture and fisheries.	https://www.ilo.org/caribbean/projects/WCMS_771070/lang--en/index.htm
Labour Standards on Fishing Vessels	ILO	2017 to 2019	Promoting Decent Work and a Just Transition in Automobile Dismantling Sector in Fiji. It is funded by Japan and targets the green economy.	https://www.ilo.org/suva/public-information/videos/WCMS_751954/lang--en/index.htm
Promoting implementation of ILO Standards in Pacific Island Countries	ILO	2020 to 2024	ILO EU Support to Rural Entrepreneurship, Investment and Trade in Papua New Guinea (STREIT). The project is funded by the EU and benefits Papua New Guinea only. It targets the agriculture sector. Partners include FAO, UNDP, ITU, and UNCDF.	https://www.ilo.org/suva/public-information/WCMS_813423/lang--en/index.htm
Enhancing protection and empowerment of migrants and communities affected by climate change and	ILO	2020 to 2020	Support four Pacific Island Countries and Territories (PICTs) (Samoa, Cook Islands, Tokelau, and Niue) in their efforts to strengthen their sustainable, inclusive, and evidence-based social protection systems. It is funded by UN SDG Fund and benefits Samoa, Cook Islands, Tokelau, Niue. Its target is social protection.	None.

Promising Sectors for Economic Transformation of the SIDS

Table 4: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
disasters in the Pacific region				
Inclusive Economic Recovery through Sustainable Enterprises in the Informal Economies of Fiji, Palau, Tonga, and Vanuatu	ILO	2021 to 2024	<p>Supporting Pacific Island Countries to address the issue of poor working conditions, labour rights violations and human trafficking on fishing vessels in the Pacific and contribute to making employment on fishing vessels in the region safe, decent, and worthwhile.</p> <p>It is funded by a partnership of International Organization for Migration (IOM), UN Office of Drugs and Crime (UNODC), Forum Fisheries Agency (FFA), and benefits Cook Islands; Fiji, Kiribati; Marshall Islands; Palau; Papua New Guinea; Samoa; Solomon Islands; Tonga; Tuvalu; Vanuatu; Federated States of Micronesia; Nauru; Niue; and Tokelau. It targets the fisheries sector.</p>	https://www.ilo.org/suva/projects/WCMS_855740/lang--en/index.htm
Increased capacities of employers' and workers' organizations to participate effectively in the development of social and labour policy	ILO	2022 to 2023	<p>Promoting implementation of ILO Standards in Pacific Island Countries (PICs)' objective is to build capacity, knowledge, and consensus on how to implement International Labour Standards (ILS) in the region to address some of the key development and labour market challenges.</p> <p>It is funded by Australia and benefits Palau; Fiji; Marshall Islands; Tonga; Vanuatu; Solomon Islands; Kiribati; Papua New Guinea; Samoa; Tuvalu; Cook Islands.</p>	https://www.ilo.org/suva/projects/WCMS_855716/lang--en/index.htm
Strengthening of Social Protection Systems in the PALOP and Timor-Leste Phase 3	ILO	2019 to 2022	<p>Enhancing protection and empowerment of migrants and communities affected by climate change and disasters in the Pacific region.</p> <p>It is funded by United Nations Trust Fund for Human Security and benefits Kiribati, Tuvalu, Marshall Islands, Vanuatu, Fiji.</p>	https://www.ilo.org/suva/projects/WCMS_714757/lang--en/index.htm

Promising Sectors for Economic Transformation of the SIDS

Table 4: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
Promoting local food value chains and equitable job opportunities through a sustainable agri-food industry in STP	ILO	2020 to 2021	Targeting informal sector enterprises and workers in the creative industries and the agriculture sector, the project is implemented jointly by the International Labour Organization (ILO), United Nations Educational, Scientific and Cultural Organisation (UNESCO), United Nations Development Programme (UNDP) and the International Fund for Agricultural Development (IFAD). It is funded by the UN and benefits Fiji, Palau, Tonga, and Vanuatu. The sectoral targets are Tourism, Creative industries, and Agriculture.	https://www.ilo.org/suva/projects/WCMS776240/lang--en/index.htm
ACTION/Portugal (Phase 2) - Strengthening Social Protection Systems in Sao Tome and Principe	ILO	2019 to 2021	Increased capacities of employers' and workers' organizations to participate effectively in the development of social and labour policy. It is funded by ILO and benefits Fiji, Kiribati, Samoa, and Vanuatu.	https://www.ilo.org/suva/projects/WCMS687334/lang--en/index.htm
Reaching the furthest behind first: A catalytic approach to supporting the social protection in Sao Tome & Principe	ILO	2022 to 2024	Strengthening of Social Protection Systems in the PALOP and Timor-Leste Phase 3. It is funded by ILO and benefits Timor-Leste; Cabo Verde; Sao Tome and Principe; Guinea-Bissau.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsymbol=GLO%2F22%2F15%2FPRT&cid=STP&adf.ctrl-state=1vdxje8xp_153
Women economic and social empowerment for enhanced access to job market opportunities in Sao Tomé and Principe (COVID-19 MPTF)	ILO	2022 to 2024	Promoting local food value chains and equitable job opportunities through a sustainable agri-food industry in STP. It is funded by Multi Partner Trust Fund Office, UNDP, and benefits Sao Tome and Principe.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsymbol=STP%2F22%2F50%2FUND&cid=STP&adf.ctrl-state=1vdxje8xp_202

Promising Sectors for Economic Transformation of the SIDS

Table 4: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
Ensuring the access of most vulnerable families to food and working conditions facilities during COVID-19 Pandemic in Sao Tome and Principe	ILO	2019 to 2022	ACTION/Portugal (Phase 2) – Strengthening Social Protection Systems in Sao Tome and Principe. The project is funded by ILO and benefits Sao Tome and Principe.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsymbol=STP%2F19%2F50%2FPRT&cid=STP&adf.ctrl-state=1vdxje8xp_215
Les capacités des organisations d'employeurs et de travailleurs de participer efficacement à l'élaboration des politiques sociales et du travail sont accrues	ILO	2020 to 2022	Reaching the furthest behind first: A catalytic approach to supporting the social protection in Sao Tome & Principe. It is funded by ILO and benefits Sao Tome and Principe.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsymbol=STP%2F19%2F51%2FUND&cid=STP&adf.ctrl-state=1vdxje8xp_264
Improving Synergies between Social Protection and Public Finance Management (ILO component)	ILO	2020 to 2022	Women economic and social empowerment for enhanced access to job market opportunities in Sao Tomé and Principe (COVID-19 MPTF). It is funded by ILO and benefits Sao Tome and Principe.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsymbol=STP%2F20%2F51%2FUND&cid=STP&adf.ctrl-state=1vdxje8xp_297
SDG Fund: Sustainable, Integrated and Inclusive Finance Framework for Cabo Verde (SIIF-CV)	ILO	2020 to 2022	Ensuring the access of most vulnerable families to food and working conditions facilities during COVID-19 Pandemic in Sao Tome and Principe. It is funded by ILO and benefits Sao Tome and Principe.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsymbol=STP%2F20%2F50%2FUND&cid=STP&adf.ctrl-state=1vdxje8xp_314
Trade for Decent Work	ILO	2018 to 2021	The objective is to ensure that the capacities of employers' and workers' organizations to participate	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsy

Promising Sectors for Economic Transformation of the SIDS

Table 4: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
			effectively in the development of social and labour policies are increased. It is funded by the ILO and benefits Sao Tome and Principe.	mbol=STP%2F18%2F01%2FRBS&cid=STP&_adf.ctrl-state=1vdxje8xp_331
ACTION/Portugal (Phase 2): Strengthening of Social Protection Systems in Cabo Verde and Guinea Bissau	ILO	2019 to 2023	The project aims at Improving Synergies between Social Protection and Public Finance Management (ILO component). It is funded by ILO and benefits Cabo Verde.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsy_mbol=GLO%2F19%2F53%2FEUR&cid=CPV&_adf.ctrl-state=1vdxje8xp_488
SDG Fund: Sustainable, Integrated and Inclusive Finance Framework for Cabo Verde (SIIF-CV)	ILO	2020 to 2023	Increased capacity of constituents to provide adequate labour protection to workers in diverse forms of work arrangements, including on digital labour platforms, and in informal employment. It is funded by SDG Fund and benefits Cabo Verde.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsy_mbol=CPV%2F20%2F51%2FUND&cid=CPV&_adf.ctrl-state=1vdxje8xp_517
Trade for Decent Work	ILO	2019 to 2022	Safety nets and revenue recovery for the poorest households and women informal workers in Cabo Verde (COVID-19). It is funded by ILO and benefits Cabo Verde.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsy_mbol=GLO%2F18%2F30%2FEUR&cid=CPV&_adf.ctrl-state=1vdxje8xp_534
ACTION/Portugal (Phase 2): Strengthening of Social Protection Systems in Cabo Verde and Guinea Bissau	ILO	2019 to 2022	Development of the Blue Economy in Comoros - addressing climate change, building resilience, and promoting a just transition to a greener world of work. The project is funded by ILO and benefits Cabo Verde; and Guinea Bissau.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsy_mbol=RAF%2F19%2F50%2FPRT&cid=CPV&_adf.ctrl-state=1vdxje8xp_563
Strengthening the political and institutional environment for	ILO	2020 to 2021	Increased capacity of constituents to provide adequate labour protection to workers in diverse forms of work arrangements, including on digital labour platforms, and in informal employment.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsy_mbol=GLO%2F20%2F53%2FSWE&cid=CPV&_adf.ctrl-state=1vdxje8xp_584

Promising Sectors for Economic Transformation of the SIDS

Table 4: Summary of Projects and Programmes undertaken by International Development Partners				
Title of Project/Programme	Implementing Institution	Implementation Timeframe	Summary Overview /Beneficiaries/Budget	Access
employment creation			The project is funded by Sweden and benefits Cabo Verde.	
Employability Project (Cabo Verde)	ILO	2020 to 2020	Safety nets and revenue recovery for the poorest households and women informal workers in Cabo Verde (COVID-19). It is funded by ILO and benefits Cabo Verde. The project is funded by the Multi Partner Trust Fund Office, UNDP, and benefits Cabo Verde.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsymbol=CPV%2F20%2F50%2FUND&cid=CPV&_adf.ctrl-state=1vdxje8xp_637
Development of the Blue Economy in Comoros	ILO	2021 to 2023	Development of the Blue Economy in Comoros - addressing climate change, building resilience, and promoting a just transition to a greener world of work. It is funded by ILO and benefits Comoros.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsymbol=COM%2F21%2F01%2FRBS&cid=COM&_adf.ctrl-state=1vdxje8xp_799
Strengthen Political and institutional environment	ILO	2017 to 2022	The project seeks to strengthen the political and institutional environment for employment creation. It is funded by the ILO and benefits Comoros only.	https://www.ilo.org/gateway/faces/home/projects/projectdetails?locale=EN&projectsymbol=COM%2F16%2F01%2FRBS&cid=COM&_adf.ctrl-state=1vdxje8xp_816
Employability Project (Barbados)	ILO	2022 to 2022	Safety nets and revenue recovery for the poorest households and women informal workers in Barbados (COVID-19). The project is funded by the Multi Partner Trust Fund Office, UNDP, and benefits Barbados.	https://www.ilo.org/caribbean/projects/WCMS_751092/lang--en/index.htm

Chapter 3: Charting the Development Path: Advancing growth and development in E-Commerce, Blue Economy, Sustainable and Inclusive Tourism, and Cosmetics Production

It was seen in the previous chapters that most of the SIDS suffered some development setback during the implementation of the SAMOA Pathway, largely due to the impact of COVID-19 on SIDS economies, and, in the aftermath of the pandemic, an ongoing war between Russia and Ukraine that is linked directly to hikes in fuel and food prices since 2022. Yet, during the same implementation period it is noticeable that many of the SIDS experienced some progress especially in implementation of Internet-based technologies, which contributes to increased opportunities for production and trade using e-commerce and facilitation of transactions using online media. Also, many of the SIDS have utilized more innovative ways to develop and promote tourism and greater use is being made of marine-based resources for production and trade. In this context, it was seen that some sectors are emerging, which, if well developed, prioritized, and receive appropriate policy interventions, can serve as the basis for new economic activity in the SIDS in the coming decade. These sectors are blue economy, cosmetics production, e-commerce, and sustainable and inclusive tourism. Accordingly, this chapter discusses these sectors in detail, paying attention to some good practices in some of the SIDS with the potential for adoption and replication in other SIDS. It concludes with some possible financing options for SIDS to further develop the promising sectors discussed here.

3.1 Blue economy

3.1.1 Introduction to Blue Economy.

One definition of the “blue economy” is an evolving development approach centered around sustainable utilization of the ocean for its full socio-economic potential. The blue economy seeks to promote economic growth, social inclusion and the preservation or improvement of livelihoods, while at the same time ensuring environmental sustainability of ocean and coastal areas.³⁷ The concept of blue economy is highly relevant to the Caribbean, where it directly supports the economies of 37 coastal and small island countries and territories. Its relevance is also very high for the Pacific and Indian ocean small island economies, where it contributes directly to livelihoods and income.

Blue economy presents opportunities not only for growth and innovation in traditional sectors, such as fisheries, marine transport and marine-based tourism, but also higher-value emerging sectors, such as sustainable aquaculture, marine biotechnology and marine renewable energy, pharmaceuticals, chemicals, seabed mining, oil and gas, renewables (marine), desalination, blue carbon, habitat protection, nutrient assimilation, protection of species and habitat, shipping, port infrastructure, blue Tourism, among others.

³⁷ Commonwealth Secretariat (2023) “Enabling Sustainable Trade in the OECS: The Ocean and Digital Economies”.

Promising Sectors for Economic Transformation of the SIDS

Box 2: Lessons Learnt and Best Practices to be Leveraged: Blue Economy

A holistic approach that also includes the identification of financing mechanisms and establishment of institutional governance frameworks has proven successful to date for countries such as Fiji and Barbados. In addition, the framing of an architecture that reflects a multi-sectoral approach to the development of the blue economy sector represents another practice that should be replicated, noting the multiplicity of sub-sectors thereunder. This ensures that all relevant stakeholders are involved in contextualizing, framing and implementing the vision.

Furthermore, prioritizing a few sub-sectors or areas for development at a time ensures that resources are adequately allocated and targeted outcomes are set to be achieved. This has proven effective to date for Barbados with efforts focused on areas such as wave energy power generation; aquaculture production; and sea moss production.

3.1.2 Summary overview of policies, strategies, among the SIDS.

The literature review and preliminary consultations held with stakeholders across the SIDS revealed several ongoing initiatives. Seychelles launched the world's first sovereign blue bond in 2018.³⁸ The bond supported sustainable marine and fisheries projects. Fiji launched its sustainable bond framework (SBF) in 2022. There are several initiatives concerning blue economy among Eastern Caribbean countries including, "An OECS Green-Blue Economy Strategy and Action Plan", and Eastern Caribbean Regional Ocean Policy 2020.

3.1.3 Case Studies on Blue Economy

3.1.3.1 Case study 1 – Fiji's Blue Bonds Framework

Fiji developed its National Ocean Policy (NOP) in 2020. Its objective is to achieve 'a healthy ocean that sustains the livelihoods and aspirations of current and future generations for Fiji.' The NOP sets out Fiji's commitment to the 100% sustainable management of its ocean space and designation of 30% marine protected areas by 2030. By creating blended finance capacity that utilizes concessional finance from the public and private sectors combined with innovative private insurance products, Fiji's NOP also recognizes the need to de-risk investments.³⁹

³⁸ <https://www.worldbank.org/en/news/press-release/2018/10/29/seychelles-launches-worlds-first-sovereign-blue-bond>

³⁹ Fijian Sustainable Bond Framework 2022, p.22

Promising Sectors for Economic Transformation of the SIDS



Fiji's Sustainable Bond Framework (SBF) demonstrates how Fiji intends to select, finance and/or re-finance eligible projects that will deliver focused social and environmental benefits that are in close alignment with national SDG targets. The SBF is aligned with the Green Bond Principles 2021 ('GBP'), Social Bond Principles 2021 ('SBP') and Sustainability Bond Guidelines 2021 ('SBG') published in June 2021 by the International Capital Market Association ('ICMA').

The SBF is also aligned with ICMA's guide for High-Level Mapping to the Sustainable Development Goals, as published in June 2020. It details the four core components of the ICMA principles, which are as follows: Use of Proceeds; Process for Project Evaluation and Selection; Management of Proceeds; and Reporting.⁴⁰ Fiji's Sustainable Bond Framework was launched in November 2022 during COP27.⁴¹

According to Fiji's Attorney General, the initial focus was on raising capital market finance to support projects in: blue shipping to reduce emissions, sustainable fisheries to expand aquaculture and protect natural fish stocks; a blue investment fund to provide affordable blue debt to non-government organizations in the ocean space; and sustainable waste management to build a second sanitary landfill and recycling facility in Fiji's Western Division.⁴²

The SBF recognizes that green, blue and social projects may also have environmental or social co-benefits and all projects financed under the Framework will have reference to relevant SDGs. Five thematic bonds will be issued as follows: Blue Bonds; Green Bonds; Social Bonds; Sustainability Bonds; and SDG Bonds. The exact classification of the thematic bond will be determined by the Fijian Government based on its primary objectives for the underlying projects.

Notably, the SBF provides a detailed description of the "use of proceeds", and eligible project categories. With regards to the "use of proceeds", it sets out five categories of eligible expenditures as follows: Investment expenditures; Subsidies, grants and loans; Tax expenditures; Operating expenditures; and Intervention expenditures.

As it relates to "Eligible Project Categories", the SBF recognizes several Blue and Green bond project categories to which the Ministry of Finance will make sure proceeds are allocated based on project objective, intended impact, and target results. It also contains eligible social categories. A summary of the Blue category is presented below.

Eligible Blue Categories include:

⁴⁰ Ibid. p.25

⁴¹ <https://www.fbcnews.com.fj/news/climate-change/fiji-at-the-forefront-of-cop-27-blue-economy-financing-discussions/>

⁴² <https://www.fijitimes.com/fiji-to-launch-blue-bond/>

Promising Sectors for Economic Transformation of the SIDS

- a) Renewable energy – which is defined as renewable energy projects that explicitly support and enhance marine economy and ecosystems.
- b) Energy efficiency – which is defined as projects which are dedicated to increase energy efficiency in part or in full in the marine sector including, but not limited to aquaculture and fisheries, marine and coastal tourism.
- c) Pollution prevention and control – which is defined as waste prevention, waste reduction, waste recycling and energy/emission-efficient waste to energy.
- d) Environmentally sustainable management of living natural resources and land use – which is defined as sustainable fishery and aquaculture that are certified by a recognized and credible third-party standard and have achieved the minimum rating requirement of the respective third-party.
- e) Aquatic biodiversity conservation – which is defined as to sustainably manage, conserve and/or restore the health and resilience of coastal, marine, and river ecosystems.
- f) Zero-carbon transportation – which is defined as electric, hydrogen, biofuel, hybrid, multi-modal maritime transportation, infrastructure for clean energy vehicles, and reduction of harmful emissions to zero.
- g) Green buildings – which is defined as construction, acquisition, and/or refurbishment of buildings so as to meet regional, national, or internationally recognized standards or certifications; or construction of new buildings and acquisition of buildings; or renovation of existing buildings.
- h) Sustainable water and wastewater management – which is defined as sustainable infrastructure for clean and/or drinking water, wastewater treatment which explicitly is beneficial for coastal and marine environments. Excluding wastewater treatment from fossil fuel operations.
- i) Climate change adaptation – which is defined as R&D focusing on climate change mitigation and adaptation for coastal and marine environments.
- j) Research and Development – which is defined as Support R&D in transformative blue economy priority areas such as sustainable aquaculture and mariculture that are aligned to world class sustainability standards, renewable energy propulsion systems for marine transport, innovative coastal protection methods against climate-induced adversities, ocean energy solutions, and responsible commercialization of marine protected areas and locally managed marine area networks.
- k) Education and vocational training – which is defined as training to improve marine workforce skills to be able to work with new and/or upcoming technologies in the blue economy space including aquaculture cultivation, blue carbon accounting, pollution prevention, clean energy shipping and other emerging themes.

Since introducing the SBF, Fiji has successfully collaborated with Blue Planet Fund, which is the UK's £500 million programme supporting developing countries to protect the marine environment and reduce poverty. Under that fund, the UK has contributed £400,000 to the UN-led programme that supports the Government of Fiji in issuing its first sovereign blue bond. Fiji is seeking to raise up to \$45 million to provide capital for self-sustaining blue economy initiatives in August 2023 and selected marine and fisheries projects will receive blue bond funds for implementation by September 2023. The projects that are generated from the blue bond will focus on 4 key themes: fisheries and aquaculture, including biodiversity protection; sustainable

Promising Sectors for Economic Transformation of the SIDS

practices and inclusive livelihoods; coastal protection focused upon nature-based solutions; and sustainable coastal tourism and maritime emissions.⁴³

3.1.3.2 Case study 2 – Barbados’ Initiatives in the Blue Economy

Barbados is undertaking the implementation of three interesting projects in its Blue Economy programme: wave energy power generation; aquaculture production; and sea moss production. Whilst we have found some ongoing work in other SIDS in respect of the latter two areas, Barbados has a very structured approach to its wave energy power generation with great potential. So, this case study has been developed and produced here.



Source: Export Barbados, Oceans Economy Unit (2023).

The photo of the wave energy converter shown here is an example of what Barbados is doing to produce electricity from the waves of the ocean. The device is akin to a ship sitting on the ocean, but with extensive intelligence into the depths below to convert waves into electricity.

The wave energy converter (WEC) converts kinetic energy from undulating movement inherent in ocean waves into electrical energy. Barbados has undertaken the Feasibility Study with a prototype that produced two survey results in February 2023: a Bathymetric Survey; and a Benthic Survey. Both surveys were done at the proposed location of the WEC, Consett Bay St. John and returned similar depth analysis data.

The proposed WEC to be fully implemented will have the following features:

- 10 Mega Watt National Wave Energy Park.
- Supply sustainable uninterrupted renewable energy to electrical grid.
- Sale of Carbon Credits on International market.
- Utilize in creation of Green Hydrogen for sale on International market.
- Utilize green energy to recharge storage batteries in various sectors.
- Aligned to multiple UN SDG goals.

An Environmental Impact Analysis was done in April 2023, which revealed minimal destructive environmental impact from introduction of the WEC. Specifically, the proposed location has very limited sea grass, and comprises mostly sand or rock – there is no reef, no coral and no significant marine flora or fauna.

The benefits of the WEC to Barbados include:

⁴³ <https://www.gov.uk/government/publications/blue-planet-fund/blue-planet-fund>

Promising Sectors for Economic Transformation of the SIDS

- Provision of energy as commodity for economic trade.
- Development of skilled national labour.
- Support and development of innovative engineering technology in the ocean industry.
- Reduction of government’s energy import bill.
- Utilization of generated energy to support development of an Eco-centric Tourism Facility at Consett Bay.

Estimated expenditure for the feasibility and prototype phase of the WEC is EUR 70,000 or approximately BBD 150,000. As part of its green energy transition, Barbados is also exploring the use of the WEC’s electrical energy as a source of power for the production of hydrogen, with view to exporting hydrogen derived to the international market.

Table 5: Comparison of Half-Scale vs Full Scale WEC

	Half-Scale WEC	Full-Scale WEC
Device Length	22 m	44 m
Device Width	11 m	22 m
Annual Energy production	77 MWh/year	563 MWh/year
Nominal power	50 kW	400 kW
Estimate CAPEX	400,000 €	1,400,000 €
Maintenance per year	15,000 €	15,000 €
Life Span	30 years	30 years
Cost of Energy	360 €/MWh	115 €/MWh
Minimum Seabed depth	30 m	50 m
Foot print	250 m	500 m

Barbados will soon decide whether it goes for a half-scale or full-scale WEC. The major difference is in capital expenditure and energy production. The full-scale WEC seems like a better investment.

At EUR1.4 million capital cost, the full-scale WEC will generate 563 MWh/year with an extremely low cost of electricity of only EUR 115/MWh or about 12 cents per kWh. This could become a significant game-changer for Barbados in lowering its energy cost in a sustainable way, which will improve competitiveness and productivity throughout the country.

Finally, the WEC initiative is fully compliant with and contributes to seven of the UN’s sustainable development goals: Gender equality; Affordable and clean energy; Decent work and economic growth; Industry, innovation and infrastructure; Sustainable cities and communities; Climate action - reduce usage of fossil fuels; and Life below water.

Promising Sectors for Economic Transformation of the SIDS

3.2 Cosmetics production

3.2.1 Introduction to Cosmetics production.

Cosmetics are being produced extensively throughout the SIDS, primarily using land-based raw materials such as coconut oil as the main ingredients in their production. Some well-developed examples are to be found in the Pacific and Caribbean countries. Relatively well developed products in the cosmetics sectors in the Pacific include Vanuatu's Volcanic Earth, Fiji's Pure Fiji, and Samoa's Women in Business Development Incorporated (WIBDI). Similarly, well known in the Caribbean are Jamaica's Black Castor Oil, Trinidad and Tobago's Sacha Cosmetics, and a few others.

Box 3: Lessons Learnt and Best Practices to be Leveraged: Cosmetics Production

Leveraging the competitive advantages of SIDS to better enable them to integrate in a globally competitive market has represented the approach undertaken by notable leading SIDS in the cosmetics production industry. With the increased demand for natural and more specifically organic products across various sectors, SIDS are best positioned to pursue value addition processing of organic raw materials that can be used in cosmetic production. This approach, once paired with adequate intellectual property rights protection, can serve to propel SIDS to the zenith of this sector and may further facilitate the carving out of a niche market for organic cosmetics products.

Creating more organic, fair-trade brands, like Volcanic Earth of Vanuatu and further coupling this with the marketing strategies of Jamaica's Black Castor Oil and Sacha Products represent a comprehensive approach that can be built on with a business model specifically created which merges these strategies, practices, and processes. This can serve as a model for SIDS and can further facilitate the development of greater brand recognition should SIDS, possessing competitive advantage in this area, decide to jointly trade under one Fair Trade Organic Brand.

According to Caribbean Export, around 50 per cent of British consumers favor cosmetics made from natural ingredients, the highest figure in Europe. The Caribbean is not only famous for its beautiful beaches and rum but also for the natural ingredients produced in the region.⁴⁴

3.2.2 Case Studies

3.2.2.1 Case study 1 – Vanuatu's Volcanic Earth



Volcanic Earth Vanuatu skincare production is a manufacturer of Fair Trade skin care products and Fair Trade organic, beauty cosmetics.

⁴⁴ <https://carib-export.com/blog/caribbean-impacts-natural-cosmetics-industry/>

Promising Sectors for Economic Transformation of the SIDS

They have been operating in Vanuatu and around the world for the last 20 years formulating Fair Trade skin care products and Fair Trade organic, beauty products. They have recently expanded into natural hair products as well. It is owned and operated by Fresh Change Ltd.; a company incorporated in Vanuatu, with its international headquarters also in Port Vila, Vanuatu.⁴⁵

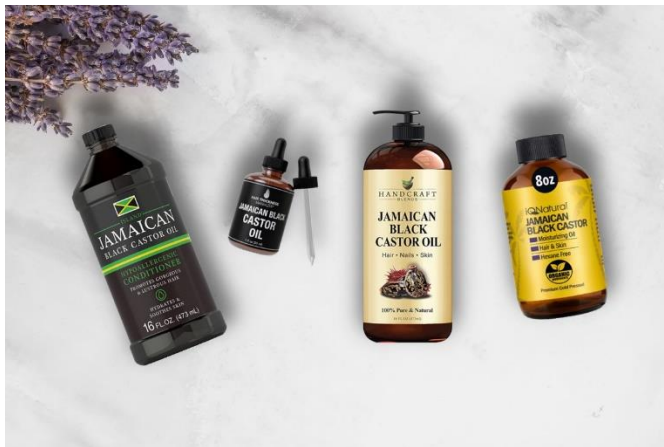
According to the company, Volcanic Earth® is focused on making “natural and safe Bio Solutions for problem skin and hair issues that really work”. The business leverages some of the ancestral traditions in Vanuatu that include some natural skin care secrets to prevent and protect against many common skin conditions utilizing the health benefits of volcanic ash, pumice, coconut oil and Vanuatu Tamanu Oil™.⁴⁶

The company draws upon some age-old traditions and customs, to create and offer a unique range of natural skin care products, from virgin coconut oil skin care to volcanic body scrubs, moisturizers, sensual Frangipani and Vanilla for women, Sandalwood for male skin care, silky coconut soaps to its range of products. They are using word of mouth advertising techniques to reach both traditional and non-traditional markets including Australia and Japan.⁴⁷

As it relates to the developmental impact of Volcanic Earth, the production and supply chain is directly connected to the livelihood opportunities for many locals who supply the raw materials, including raw ingredients such as Tamanu nuts, Nangai Nuts, Coconuts, Hibiscus, aloe vera, volcanic ash and pumice. This helps increase rural income, reduce rural unemployment and create more sustainable livelihoods.⁴⁸

Working in association with the Australian Government’s Enterprise Challenge Fund, Volcanic Earth has managed to create employment and livelihood opportunities for more than 1500 Ni Vanuatu and these benefits continue through to the present day.⁴⁹

3.2.2.2 Case study 2 – Jamaica’s Black Castor Oil



Sunny Isle Jamaican Black Castor Oil is processed the "old-fashioned" Jamaican way. The company’s castor beans are roasted and ground by a manual grinder and boiled to extract 100% pure, dark brown castor oil. The company claims that they roast the castor beans longer than other brands, giving the oil its dark brown color and a higher ash content, which makes their Jamaican Black Castor Oil more effective for strengthening, moisturizing, and growing hair than any other brand of castor oil on the market.

⁴⁵ Based on the write up at <https://volcanicearth.com/about/>

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Ibid.

Promising Sectors for Economic Transformation of the SIDS

They commit to bringing authentic, high-quality, Jamaican Black Castor Oil and other organic hair and skin care products to women and men of all hair types, skin types, and ethnicities. Using traditionally processed ingredients, their products provide the best results to repair, revitalize and maintain healthier hair and skin naturally.⁵⁰

The company's Jamaican Black Castor Oil seeds are grown, harvested and processed by farmers in rural Jamaica. Thus, production of the Black Castor Oil is directly linked to employment and income opportunities for rural Jamaican farmers to provide for their families. In this way, there is a direct link to the global value chain which Jamaican farmers directly benefit from.⁵¹

Jamaican Black Castor Oil is effective for aches and pains, and it goes on smoothly and remains on the skin, which reduces the amount of oil used in the process, while still maintaining its effectiveness long after. Hence it is suitable for massages.⁵²

The Sunny Isle Jamaican Black Castor Oil is available throughout the United States through several leading distributors including CVS Pharmacy, Walgreens, Target, Rite Aid, and Sally Beauty.

3.2.2.3 Case study 3 – Virgin Coconut Oil from WIBDI Samoa



Women in Business Development Incorporated (WIBDI) is a not-for-profit organization formed in 1991 to help advance income generating opportunities for women in Samoa. They assist rural families to generate income in niches.

WIBDI have successfully managed to develop organic agriculture in Samoa and establish successful export markets for a number of locally grown products. WIBDI have helped over 350 farms become organically certified and have facilitated linkages between rural communities and global markets for virgin coconut oil, bananas, coffee, cocoa, vanilla and other organic products such as dried bananas. They have achieved considerable success in developing international private sector partnerships to assist in developing viable markets for export products.

One notable partner is Body Shop International in the UK. After a long search for a sustainable market, WIBDI entered into an agreement with The Body Shop International (BSI). Under the BSI Community Trade banner, WIBDI is working with a network of nine organically certified farmers to supply virgin coconut oil for inclusion in 15 products. Sales are hoped to rise to between 10 and 30 tons a year.⁵³

⁵⁰ Based on write up from <https://jamaicanblackcastoroil.com/pages/about-us>

⁵¹ Ibid.

⁵² Ibid.

⁵³ WTO Aid for Trade Case Study.

Promising Sectors for Economic Transformation of the SIDS

3.2.2.3 Case study 4 – Pure Fiji



Pure Fiji is a family owned business founded by mother-daughter duo Gaëtane and Andrée Austin in 1996. It makes use of wild ingredients and the spirit of the Fijian people to infuse its products, with results that are evident in the positive impact their products are having on consumers. Their mission is “Not to be the best in the world but to be the best for the world”.⁵⁴

The company believes in using handmade rather than automated machines for developing its products. Oils are cold pressed at source, leaving all the amazing nutrients and benefits in the product. The company features a range of skincare, body care and infusions that are available for purchase on its website and it has had a good reputation for excellent customer service over the last few decades. Products are sold both internationally and to domestic customers.

Pure Fiji's secret is a balanced blend of exotic oils, which include virgin coconut oil, dilo oil, sikeci oil and macadamia nut oil. This time honoured blend has been used for centuries in the Pacific as a therapeutic remedy and also as a daily ritual moisturizing, nourishing and protecting skin and hair.

⁵⁴ <https://fj.purefiji.com/>

Promising Sectors for Economic Transformation of the SIDS

3.3 E-Commerce

Box 4: Lessons Learnt and Best Practices to be Leveraged: E-Commerce

Implementing enablers of E-Commerce and the digital economy are critical to facilitating the development of the sector. Furthermore, Governments of SIDS must lead national digital transformation efforts by first employing a whole of government approach to the provision of e-government services or at a minimum digitalizing key services. This has been the approach of Trinidad and Tobago where the implementation of TTBizLink shone a light on the efficiencies of e-portals and e-transactions. Moreover, the implementation of adequate supporting legal, policy and regulatory frameworks is of equal importance in an effort to ensure a certain level of trust and confidence is infused in the digital economy.

3.3.1 Case Study 1: Trinidad and Tobago

3.3.1.1 Sector Overview

The twin-island Republic of Trinidad and Tobago was ranked 75th in the UNCTAD B2C E-commerce Index in 2020.⁵⁵ This performance can be attributed to the interventions implemented by the Government over the

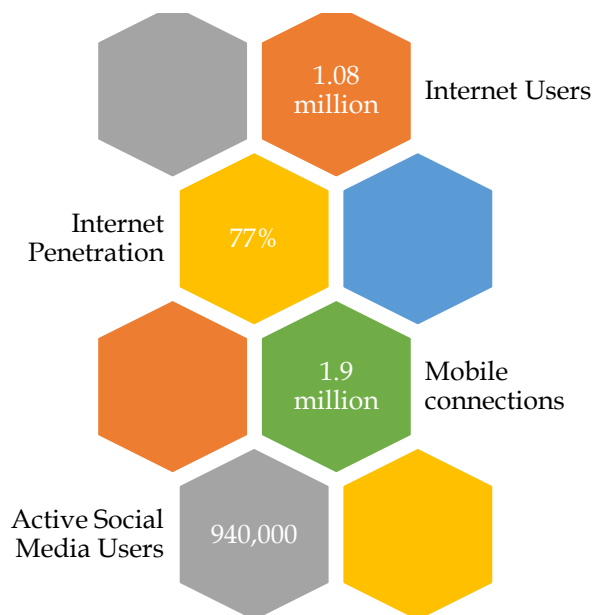


years to ensure easy entry into the digital economy in Trinidad and Tobago, which has been complemented by the creating of an enabling legal and regulatory framework for conducting e-business and e-transactions. As at the end of 2022, the digital statistics of Trinidad and Tobago, with a population of 1.4 million people, reflected the figures presented in Figure 20.⁵⁶

Many of the actions associated with the crafting of an e-business enabling regime commenced with the efforts of the Government. In going one step further, the Government not only promulgated laws and formulated policies, but also led the way, through the establishment and operationalization of TTBizLink.

The Government of Trinidad and Tobago, through the Ministry of Trade and Industry, developed TTBizLink as a Trade and Business

Figure 20: Overview of Digital Statistics of Trinidad and Tobago, 2022



⁵⁵ https://unctad.org/system/files/official-document/tn_unctad_ict4d17_en.pdf

⁵⁶ Information sourced from the International Trade Administration, <https://www.trade.gov/country-commercial-guides/trinidad-and-tobago-ecommerce>

Promising Sectors for Economic Transformation of the SIDS

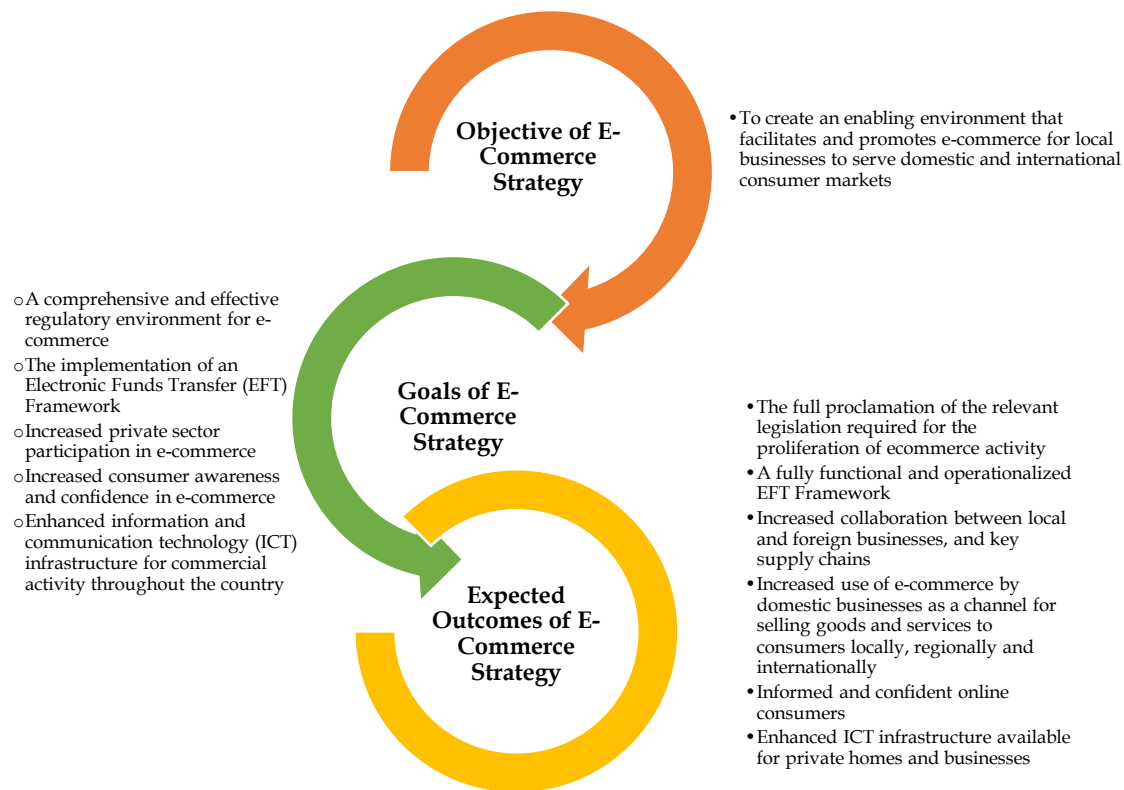
Information Portal that facilitates the submission, review and approval of applications in respect of procedures required to facilitate business, trade, and investment to be conducted electronically through the online portal. TTBizLink represents a one-stop electronic facility that provides direct access to a range of e-services (See Annex 1) allowing users, businesses and individuals alike, to access these services 24/7.

While the Government has embraced digitalization in its operations, it has also undertaken interventions to better enable, regulate and position the private sector community to leverage innovation and technology in their business models. This has been achieved through, among other things, the establishment and implementation of the *E-Commerce Strategy*⁵⁷ and other national regulatory actions undertaken.

3.3.1.2 Strategies, Policies and Laws enabling e-Commerce.

The E-Commerce Strategy represents the primary and overarching regulatory framework that was developed to chart a path for the development of e-commerce in Trinidad and Tobago. Highlights of the Strategy are presented in Figure 21.

Figure 21: Overview of E-Commerce Strategy



The *E-Commerce Strategy* of Trinidad and Tobago aligns with the broader regional Roadmap for a Single ICT Space, which was developed by CARICOM and approved in early 2017. The roadmap was developed with a focus on establishing a CARICOM Single ICT Space to enhance

⁵⁷ Ministry of Trade and Industry (MTI), Government of Trinidad and Tobago, National E-Commerce Strategy, <https://tradeind.gov.tt/wp-content/uploads/2018/02/National-e-Commerce-Strategy2017-2021.pdf>

Promising Sectors for Economic Transformation of the SIDS

the environment for investment and production, increasing the level of uptake of digital technology by enhancing avenues for access and creating a framework for Digital Entrepreneurs, establishing mechanisms for Cyber Security safeguards, resource mobility and access to funding facilities and developing the CARICOM Digital Agenda 2025.

In addition to the implementation of the E-Commerce Strategy, it is important to highlight that there are other national policies which also interplay with e-commerce and further support and regulate the application of technology to business models. Specific to Trinidad and Tobago, reference can be made to the *Trinidad and Tobago Trade Policy 2019-2023: Towards Sustainable Economic Growth and Diversification*.⁵⁸

Within the framework of the Trinidad and Tobago Trade Policy, specific considerations are given to the development of e-commerce as an enabler of growth and development. There are further interventions proposed to facilitate the development of the digital economy.

In addition to these national policy and strategic documents, Trinidad and Tobago has also developed and enacted several national instruments, which also support the development of the e-commerce regime:

- Computer Misuse Act, 2000.
- Data Protection Act, 2011.
- National Cyber Security Strategy 2012.
- Electronic Transactions Act 2014.
- The Electronic Funds Transfer (EFT) Financial Instructions for Public Moneys Collected via the Credit Card Online Solution, 2020.
- Electronic Funds Transfer (EFT) Financial Instructions for Public Moneys Collected via the Payment Service Provider Retail Payment Network, 2022.

In addition to these instruments, the spotlight must also be placed on the institutional arrangements which support and regulate e-commerce activities, the establishment of the Ministry of Digital Transformation.

3.3.1.3 The Ministry of Digital Transformation

While many of the efforts in respect of e-commerce commenced with the *Ministry of Trade and Industry*, the Government of Trinidad and Tobago has since established a *Ministry of Digital Transformation* which has a mandate to facilitate a “new way to address the end-to-end consumption and delivery of goods and services to customers, using appropriate digital technology”⁵⁹

The Ministry of Digital Transformation is focused on three core areas of the digital economy: digitalizing information, digitalizing processes and roles of business operations, and digitally transforming businesses and their strategies. The Ministry is therefore focused on fostering a culture of digital government, enabling the digital economy and creating a digital society.

⁵⁸ Ministry of Trade and Industry, *Trinidad and Tobago Trade Policy 2019-2023: Towards Sustainable Economic Growth and Diversification*, https://tradeind.gov.tt/quo_storage/2019/09/Trade-Policy-2019-2023.pdf

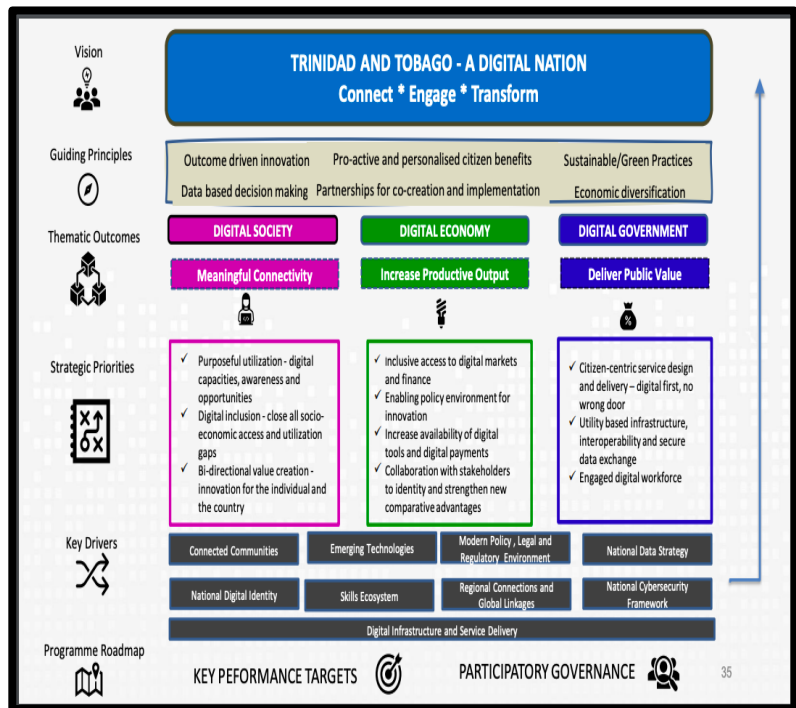
⁵⁹ <https://mdt.gov.tt/mandate.php>

Promising Sectors for Economic Transformation of the SIDS

The Ministry of Digital Transformation developed a draft *National Strategy for a DigitalTT:2023-2026* which focuses on access, usage and enabling a better quality of life.

Once finalized and approved, this Strategy is intended to chart the path of Trinidad and Tobago to become a transformational economy, noting that at present it is considered “systematic”, meaning that Trinidad and Tobago is “*systematically applying digital tools and approaches.*”⁶⁰ An overview of the Strategy is presented at Figure 22.


Figure 22: Overview of National Strategy for a DigitalTT:2023-2026



3.3.1.4 Increasing Accessibility to Services and Payment Solutions via E-Commerce Platforms

Trinidad and Tobago’s financial sector features First Citizens Bank; Royal Bank of Canada; Republic Bank, and Scotiabank—all offering e-commerce solutions including point of sale terminals, online payment of bills and other commitments, cashless transactions and card-less cash transactions.

In addition, the digital economy landscape of Trinidad and Tobago features two electronic payment gateways: WiPay and Paywise.

 WiPay is a locally developed online payment solution which facilitates the making and receiving of credit, debit and cash payments in an efficient and secure manner on one electronic platform.⁶¹ WiPay offers, among other things, mobile point of sale terminals as well as a WiPay plugin that can be integrated on e-commerce sites. In addition, WiPay also offers services in respect of a Top Up Voucher System enabling payments to be made online where WiPay is accepted.⁶²

⁶⁰ Reflective of the findings and conclusion of the 2022 UNCTAD E-Readiness Assessment conducted in 2022 and replicated in the National Digital Strategy <https://mdt.gov.tt/media/MDT%20DigitalTT%20Consultation%20Slides%20-%20%20Full%20Strategy%20Slides%204%20-%20FINAL.pdf>

⁶¹ <https://wipaycaribbean.com/>

⁶² Ministry of Trade and Industry, E-Commerce in Trinidad and Tobago <https://tradeind.gov.tt/e-commerce-in-trinidad-and-tobago/>

Promising Sectors for Economic Transformation of the SIDS



Paywise Ltd is an online payment model built on the concept of e-money that allows the receipt of cashless payments by linking Paywise user accounts with their bank accounts, via authorized Paywise Agents. Payments received are deposited directly into the business's bank account.⁶³ Apart from Banks and Non-Banking financial institutions, Paywise Ltd became the first e-money issuer in 2022 further to the Trinidad and Tobago E-Money Issue Order 2020.⁶⁴

In addition to these developments in financial technology (FinTech), there are other e-commerce developments in Trinidad and Tobago, which embody innovation and modernity. These are featured across several sectors including agricultural sector, pharmaceutical industry, and food and beverage industry.

3.3.1.5 E-Commerce developments across Economic Sectors of Trinidad and Tobago

Box 5 below highlights some key e-commerce developments across economic sectors of Trinidad and Tobago

Box 5: Highlights some key e-commerce developments across economic sectors of Trinidad and Tobago

Agriculture

Dash-eeen yuh Door Step During the covid- 19 pandemic, WhyFarm, a non-profit organization, leveraged ICT and innovation, establishing an online system allowing farmers and customers to interface virtually to place and fulfil agricultural orders.

Pharmaceuticals

Pennywise Cosmetics Limited, Kappa Drugs, Starlite Pharmacy and Superpharm Several pharmacies across Trinidad and Tobago introduced elements of telemedicine, through the use of an online service allowing customers to refill prescriptions via the Meta platform, more specifically, WhatsApp.

Food and Beverage

Supermarket Giants Grocery giants Massy Stores, Persad's Supermarkets, Tru Valu Supermarkets and Viewport Supermarket in Tobago implemented WhatsApp ordering. Orders are then either picked up through curbside pick or are delivered to the homes of customers.

Other Supermarkets and Small Businesses Other small businesses and supermarket which have adopted similar approaches leveraging ICT and enabling online orders and payment include:

Food DropPantry: <https://www.facebook.com/foodDROPTT/>
 Boxed Produce: <https://www.facebook.com/boxedproduce/> The Fresh Basket: <https://www.facebook.com/freshbaskettt/> Harvest 2 Home <https://www.facebook.com/harvest2homepremiumproduce/> Trini Trolley: <https://trinitrolley.com/>
 d'Market Movers <https://www.dmarketmovers.com/>
 Farm Fresh Foods, Blue Sky Grocery, Gofuh: <https://gofuhdeliveries.wixsite.com/gofuh>

Although there have been several successes of Trinidad and Tobago in respect of its e-commerce regime, the Government continues efforts to further develop its digital economy, and as such has identified several key priorities which are required to further position the twin-island Republic as a transformational economy. These are detailed in the *National Strategy for a DigitalTT:2023-2026*.

⁶³ Ministry of Trade and Industry, E-Commerce in Trinidad and Tobago <https://tradeind.gov.tt/e-commerce-in-trinidad-and-tobago/>

⁶⁴ <https://www.central-bank.org.tt/sites/default/files/page-file-uploads/legal-notice-284-e-money-issuer-order-2020.pdf>

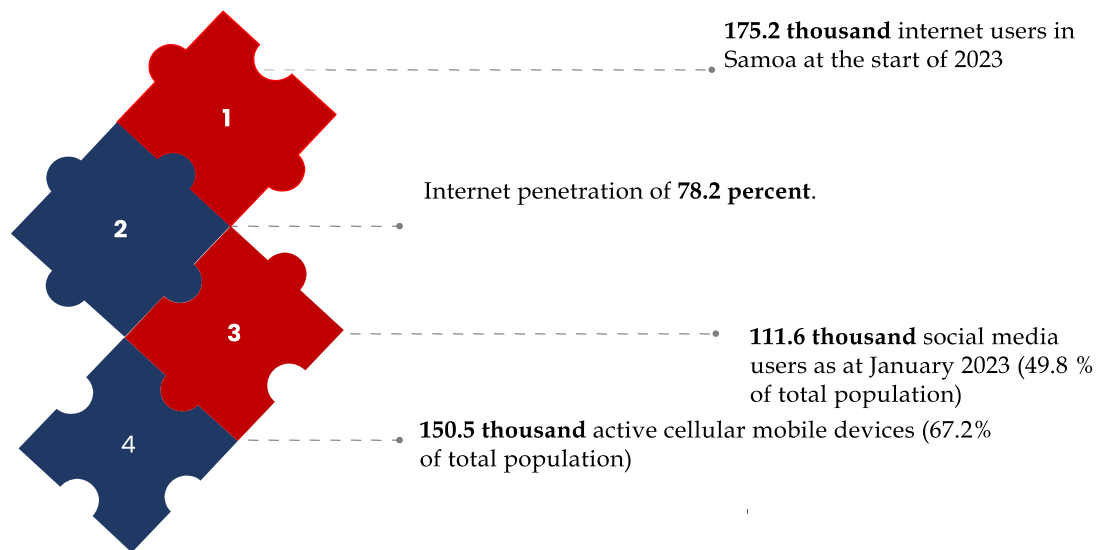
Promising Sectors for Economic Transformation of the SIDS

3.3.2 Case Study 2: Samoa

3.3.2.1 Sector Overview

The importance of supporting and developing the potential of ICT has been widely recognized by the Government and People of Samoa, particularly given the economic opportunities in relation to the digitalization of services offerings.⁶⁵ As of January 2023, the ICT sector is reflective of the elements presented in Figure 23.

Figure 23: Snapshot of ICT uptake in Samoa as of January 2023



3.3.2.2 Strategies, Policies and Laws enabling e-Commerce.

Prioritizing the development of the e-commerce ecosystem, the Government of Samoa developed an *E-commerce Strategy and Roadmap in 2022*.⁶⁶ The Strategy highlighted the importance of a coherent strategic approach to developing the digital economy, underscoring infrastructural development, notably the Tui-Samoa cable and sector deregulation as two key undertakings which contributed to the advancement and uptake of e-commerce.⁶⁷

The E-Commerce Strategy focuses on six (6) priority areas where interventions and actions are required to create an enabling E-Commerce framework. Furthermore, the Strategy identifies strategic objectives and outcomes to be achieved under each of these areas to ensure successful implementation. Figure 24 highlights the priority areas, noting the objectives in respect of each. In addition to establishing a framework for the implementation of notable actions to establish and sustain a framework for e-commerce and the uptake of digital services, the E-Commerce Strategy of Samoa also establishes a strong governance framework to monitor and support implementation of the Strategy. This governance dimension of the Strategy is important, noting that it infuses themes of transparency and accountability into the e-commerce strategic

⁶⁵ <https://repository.unescap.org/bitstream/handle/20.500.12870/4289/ESCAP-2020-WP-Barriers-opportunities-women-entrepreneurs-Samoa.pdf?sequence=1&isAllowed=y>

⁶⁶ Samoa E-commerce Strategy and Roadmap, May 2022, https://www.forumsec.org/wp-content/uploads/2022/10/Samoa-ECommerce-Strategy-Roadmap_FINAL.pdf

⁶⁷ https://www.forumsec.org/wp-content/uploads/2022/10/Samoa-ECommerce-Strategy-Roadmap_FINAL.pdf

Promising Sectors for Economic Transformation of the SIDS

framework. The Strategy therefore establishes a National E-commerce Committee for Samoa that would be chaired by the Minister with responsibility for Commerce, Industry and Labour. Figure 25 notes the other institutional representatives on the national steering committee.

Figure 24: Priority Areas of the E-Commerce Strategy and Roadmap 2022

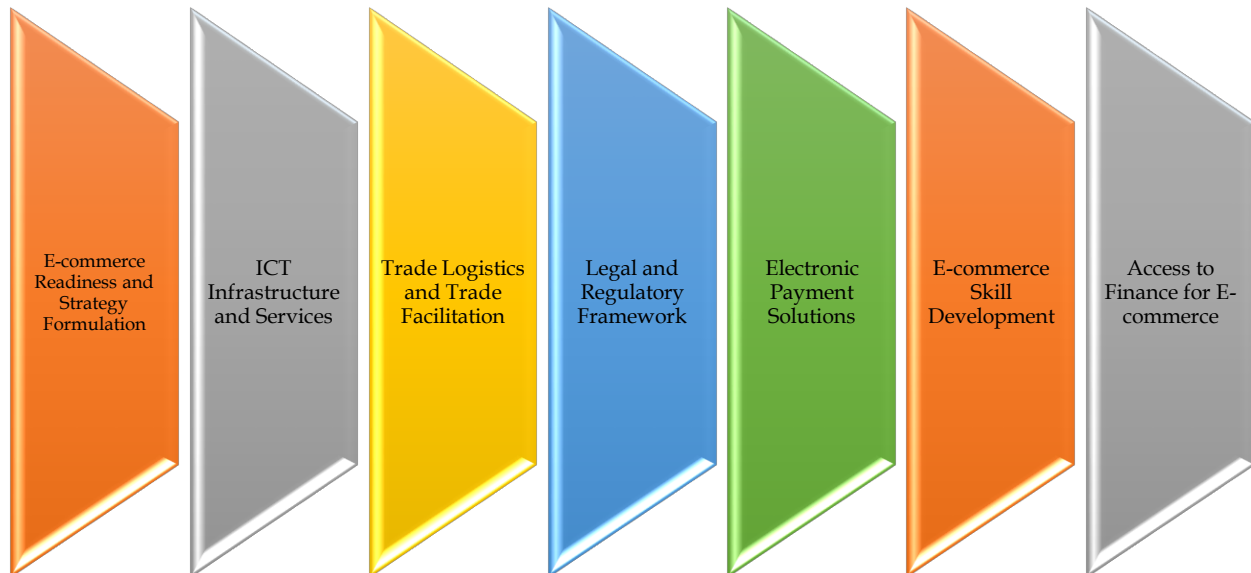
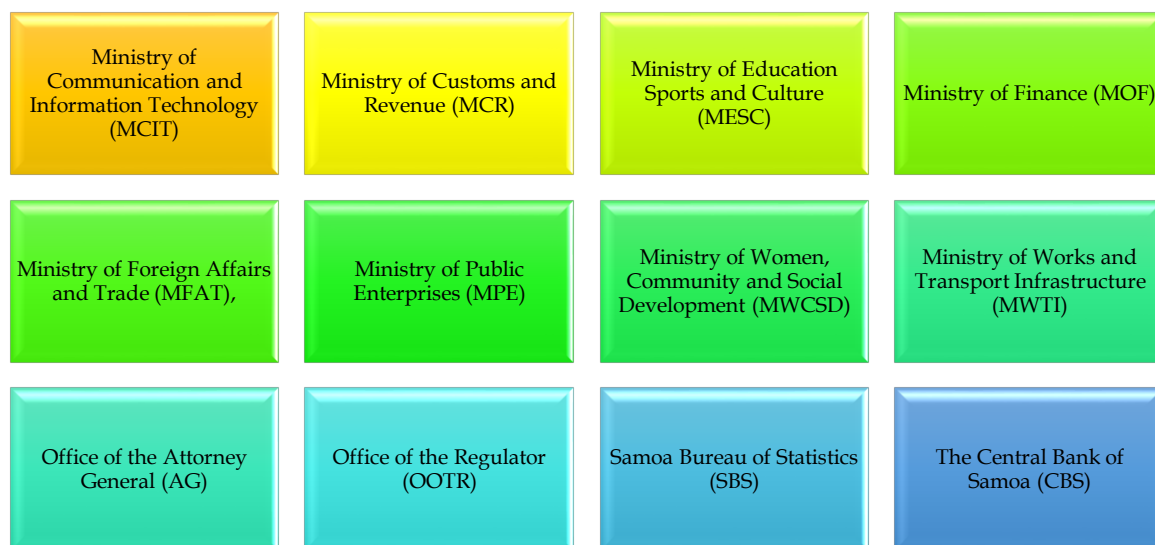


Figure 25: National E-Commerce Committee of Samoa



Further to the investments and interventions undertaken by Samoa, today it can boast of successes across several micro and small business enterprises in respect of electronic commerce. Notable case studies include the practices of Vaoala Vanilla, Maua App and Seki Eats.

Promising Sectors for Economic Transformation of the SIDS



Vaoala Vanilla

“Enlightened Forest” perhaps best describes the Vaoala Vanilla.

Vaoala Vanilla is an 100% Samoan-owned artisanal business. Family owned, this business is on a trajectory to become a leader in the vanilla industry, mastering the art of preserving tradition while embracing innovation and modernity.

Vaoala Vanilla utilizes organic practices in its input production processes and produces a range of products including vanilla syrup, pure vanilla extract and vanilla beans, among other products.

The global reach of Vaoala Vanilla expanded exponentially in 2020 having embraced digital transformation and bringing its products to the fingertips of global consumers through social and other media platforms such as Instagram, Facebook and Shopify.

While the creation of a digital presence is intended to augment revenue growth potential, another principal driver of the digitalization efforts of this family-owned small business was to provide a platform for local indigenous communities to access international markets, while empowering female entrepreneurs and position them on a path to financial stability.⁶⁸

Vaoala Vanilla adopted simple yet far-reaching and beneficial steps towards the development of a new business model which complemented its practices, previously adopted. These are shown in Figure 26.⁶⁹

In addition, Vaoala has also established a presence on social media platforms such as Facebook, Instagram and LinkedIn, thus providing avenues for digital marketing and further enabling the directing of customers to virtual stores where their products can be purchased.

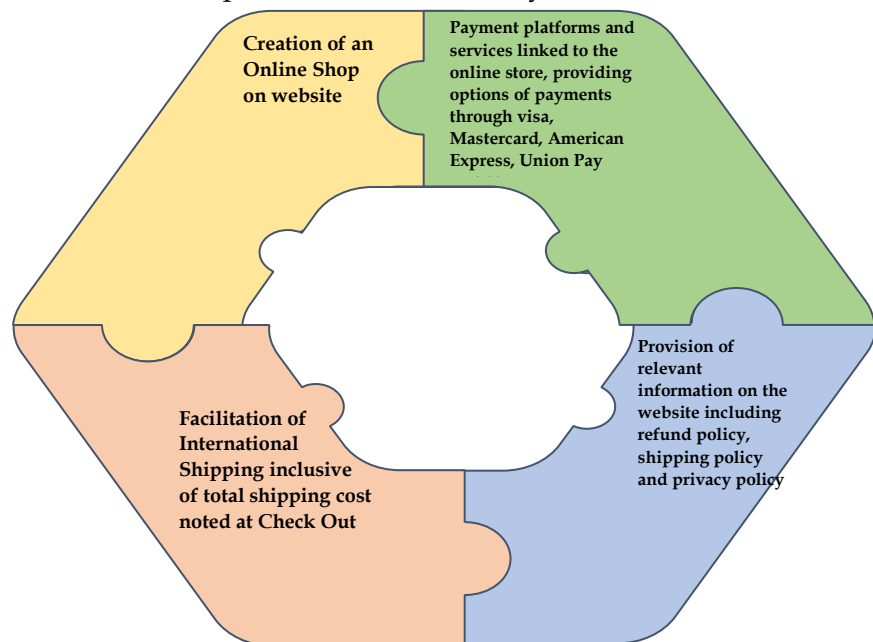


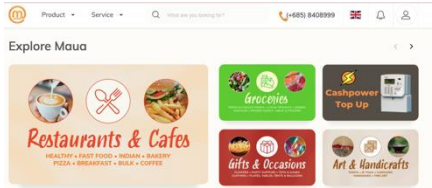
Figure 26: Business model used by Vaoala Vanilla in infusing ICT in its operations.

Vaoala Vanilla further has an online presence on Shopify, a global e-commerce platform which also facilitates wider access and reach to customers.

⁶⁸ Samoan Community Handmade Products, <https://vaoalavanilla.com/collections/community-samoan-made-products>

⁶⁹ Developed based on information presented on the website for Vaoala Vanilla <https://vaoalavanilla.com/cart>

Promising Sectors for Economic Transformation of the SIDS



Maua App

The Maua App represents a collaboration between and among Global System for Mobile Communications Association (GSMA) and the United Nations Capital Development Fund (UNCDF). In addition, the App is further supported by the geospatial company SkyEye Pacific resulting in a 2019 launch

of the application.

Maua App features a built-in geolocation system and an electronic payment system, thus allowing it to fully serve its customer base. The App is home to over 150 businesses across a range of service industries, including:

- Restaurants and cafes
- Groceries
- Specialty Items
- Arts and Handicrafts

In addition, the Maua app allows patrons to access CashPowerTopUp services – pre-paid electricity top up services. There are a wide range of services available on the App, which is accessible via laptops, desktops and mobile devices, both android and apple devices. There is an authentication process as well should patrons opt to use their mobile devices' an alternative log in is permitted using an active Facebook account. Maua App connects micro and small business enterprises such as Pacific Multi Products Samoa, Lapita, Nuuao's Fashion, Kuki and Women in Business Development, with potential customers and consumers across the globe.



Seki Eats

Seki Eats was launched as an e-commerce business venture in 2019, providing customers to place orders for food items and either pick these orders up from

any of the listed restaurants on the site or have them delivered to a specified address.

Akin to “Uber-Eats”, Seki Eats has been lauded by many of its users for its efficiency and quality of service and food.

Seki Eats is also available on a sister e-platform called Samoa Market, which features a wider cross section of business entities providing services electronically.



Samoa Market

The Samoa Market represents a virtual platform for the purchasing of a wide selection of items ranging from electronics to wholesale food and bulk items. This online marketplace represents a virtual space that brings together vendors and intended purchasers. Vendors who desire to be listed on Samoa Market can lodge an application to become a registered

Reviews from Customers

...Fast & reliable service. Our first time ordering through sekieats was about a couple of months ago and we've not stop ordering coz it's so much easier and saves us time to wait especially when you have lil ones in the car. Thanks again Jerry and the sekieat team...

...amazing service and always fast. love from Bella's Kitchen. Malo.lava le.tautua....

Promising Sectors for Economic Transformation of the SIDS

vendor on the site. Once the relevant requirements are met, the registration process is undertaken and completed.

3.3.3 E-Commerce Conclusion

As illustrated above, small businesses across Samoa and Trinidad and Tobago have been leveraging ICT in their business models which has resulted in the development of several digital platforms, which grant greater accessibility to services and more effective and efficient delivery of such services to a wider cross section of customers. Noting the inherent challenges and vulnerabilities of small island developing nations, the use of ICT in the provision of services in this way presents unique opportunities to capitalize on the widest possible clientele base, while expending nominal amounts in initial capital outlay.

3.4 Sustainable and inclusive tourism

Box 6: Lessons Learnt and Best Practices to be Leveraged: Sustainable Tourism

The Palau approach to Sustainable Tourism represents an inclusive approach that can be built on by other SIDS. While typically multisectoral and multistakeholder approaches to development are undertaken, the active inclusion of visitors or tourists in the manner as has been used by Palau is a novel approach that has proven beneficial. This type of “thinking outside the box” approach should also be pursued by other SIDS, though not necessarily in the same way.

SIDS can build on sustainable tourism development models already developed whether nationally or regionally. The Pacific Sustainable Tourism Policy and the Caribbean Sustainable Tourism Strategy are models that can be used for regional approaches to the development of the sector. Nationally, Palau’s sustainable tourism framework can be modelled on, with the relevant contextualization made and adaptation of measures, interventions and strategic actions, given the respective priority areas and development goals of the jurisdiction.

3.4.1 Case study 1 – Palau’s Ecotourism

As at 2020, Palau’s Human Development Index (HDI) value was recorded at 0.826 further to the assessment conducted by the United Nations Development Programme’s Human Development Report (HDR). Based on this, Palau has been categorized as one of the highest islands for human development among the Pacific Island Countries and Territories (PICTs). Furthermore, Palau has witnessed higher standards of living over the last decade owing to a growth in the tourism.⁷⁰



Prior to the COVID-19 pandemic, tourism accounted for 40% of economic and related activities conducted on the island and generated 50% of total employment. Palau is considered one of the leading destination for the travel in the Pacific region, noting however, that like many international tourist destinations and owing to the susceptibility of the industry to exogenous shock, this sector was adversely impacted during the COVID-19 pandemic.⁷¹

Further to recommendations emanating from the International Monetary Fund’s December 2021 Staff Report for the Article IV Consultation with the Republic of Palau, several recommendations were proffered including the development of a high-end tourism strategy to promote sustainable eco-tourism and integrating other sectors (such as domestic agri-food manufacturing), upgrading climate-resilient infrastructure, and enhancing human capital by creating quality jobs. This recommendation is premised on assisting Palau in rebounding its tourism sector by 2024 by advancing the implementation of interventions and structural reforms towards a high-quality

⁷⁰ United Nations -Pacific- Palau Common Country Assessments (CCAs)
First conducted in October 2021

⁷¹ United Nations -Pacific- Palau Common Country Assessments (CCAs)
First conducted in October 2021

Promising Sectors for Economic Transformation of the SIDS

brand of sustainable ecotourism development.⁷² Even prior to this recommendation, Palau commenced initiatives which align with this vision.

3.4.1.1 Strategies, Policies and Laws advancing Sustainable and Inclusive Tourism



There are notable strategies, policies and laws which have been developed by the Republic of Palau towards the creation and maintenance of Palau as a Pristine Sustainable and Inclusive Tourism Destination. Figure 27 highlights the main elements of the national regulatory and enabling sustainable and inclusive tourism framework.

Figure 27: Main strategic instruments advancing the development of inclusive and sustainable tourism of Palau.



(1) Palau Responsible Tourism Policy Framework

The Palau Responsible Tourism Policy Framework⁷³ is based on the tenets presented in Figure 28.

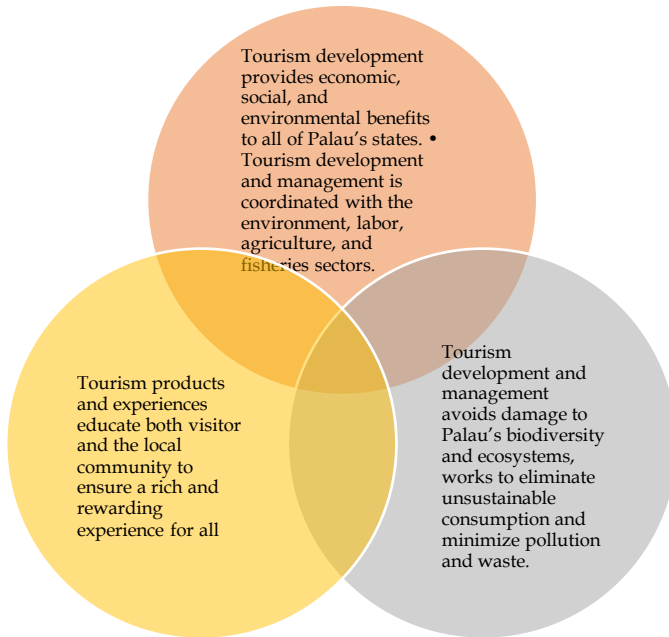
The Policy for Palau has been developed further to the vision for this pristine tourism destination, i.e., “A *Pristine Paradise. Palau for everyone.*” In an effort to achieve this, the Government and People of Palau clearly elaborate their intent to grow and sustain a tourism industry while respecting its people and the environment and further to ensure that optimum flow and retention of revenue is achieved. It is therefore the focus to develop and deliver a tourism product consistent with the Promise of a Pristine Paradise.

⁷² United Nations -Pacific- Palau Common Country Assessments (CCAs)
First conducted in October 2021

⁷³ http://palaugov.pw/wp-content/uploads/2017/04/Final_Palau-Responsible-Tourism-Framework1.pdf

Promising Sectors for Economic Transformation of the SIDS

Figure 28: Principal tenets of the Palau Responsible Tourism Policy Framework



Each target has goals, objectives and impact measures to be assessed to determine the extent to which the target is achieved. This facilitates easy monitoring and evaluation in respect of the successful implementation of the strategy.

This Policy framework chart the path for the development of other national strategic plans, interventions, policies and laws.

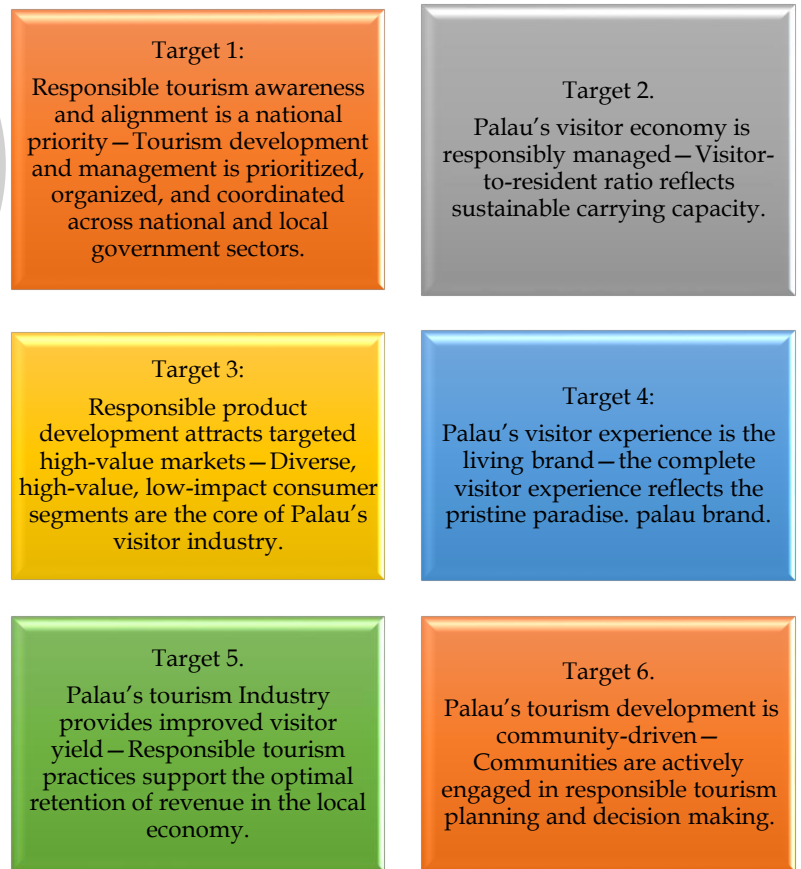
(ii) The Palau Pledge

The Palau Pledge represents the first of its kind, owing to the innovative thinking and vision of the Government and People of Palau to reform its national immigration policy and landing procedure to legislate the preservation of the natural environment. This altruistic initiative has been developed with both present and future generations in mind and requires the buy-in from all stakeholders, including tourists. Accordingly, upon arrival to Palau tourists are requested to sign the Palau Pledge. The Pledge is conservation pledge, which is stamped in the passport of each visitor/tourist which is to be signed, declaring their commitment to protect environment and culture of Palau for the next generation.⁷⁴ In addition to the Palau Pledge, the Republic of Palau also passed the Responsible Tourism Education Act 2018.

⁷⁴ Palau Visitors Authority <https://pristineparadisepalau.com/palau-pledge/>

The Tourism Policy establishes six (6) targets which are to be achieved to advance the implementation of the Policy and achievement of the vision thereunder. Highlights of the six targets are presented in Figure 29.

Figure 29: Targets of the Palau Responsible Tourism Policy Framework



Promising Sectors for Economic Transformation of the SIDS

(iii) The Responsible Tourism Education Act of 2018

The Responsible Tourism Education Act of 2018⁷⁵ was developed to require businesses to enhance awareness in respect of on the environmental protection policies of the Republic of Palau to visitors. Furthermore, the Act endeavors to encourage businesses to provide environmentally responsible options to their customers.

This Act establishes key measures to be pursued to environmentally responsible practices and the advancement of sustainable tourism in Palau. The Act recognizes the Palau Responsible Tourism Policy Framework as the foremost policy framework to guide the development of the tourism industry and develop Palau as an environmentally conscious and sustainable tourism destination. Furthermore, it endorses the vision of "Pristine Paradise Palau". The Responsible Tourism Education Act of 2018 essentially mirrors the principal tenets of the Palau Responsible Tourism Policy Framework.

The future of tourism in the Palau is built on sustainability and inclusiveness. The Bureau of Tourism also developed a Strategic Plan to guide its operations and ensure that it aligns its programmatic activities with the tenets of the Tourism Policy and achieve the vision of the Policy setting Palau apart from other tourist destinations.

3.4.2 Case study 2 – Pacific Sustainable Tourism Policy Framework

3.4.2.1 Overview of the Sector

Tourism is regarded as one of the main economic contributors for many Pacific islands, given the increasing demand for the “authentic cultural and natural experience”. The leveraging of such products positions Pacific islands on a path of economic growth and development.⁷⁶ Pre-pandemic figures record a booming tourism.

During the COVID pandemic, there were considerable declines in the level of contribution of the tourism industry to economic growth of Pacific economies. It was observed that visitor arrivals to the Pacific ACP and SPTO countries were recorded at 7,445 in first quarter of 2020, with the following destination shares registered - French Polynesia accounted for 63.7% of the total visitor arrivals in the region, Fiji followed at 32.3% and the remaining 4% were made up of Cook Islands at 3.5% and Kiribati at 0.5%.⁷⁷

There have since been considerable regional interventions and strategic initiatives undertaken to strengthen the tourism sector and enable its rebounding, in a more sustainable and inclusive way. These strategic frameworks endeavor to reposition tourism as the “economic powerhouse” and

⁷⁵ <https://www.palau.gov.pw/wp-content/uploads/2018/10/RPPL-No.-10-30-re.-The-Responsible-Tourism-Education-Act-of-2018.pdf>

⁷⁶ Tourism as a Driver of Growth in the Pacific: A Pathway to Growth and Prosperity for Pacific countries <https://www.adb.org/sites/default/files/publication/430171/tourism-growth-pacific.pdf>

⁷⁷ <https://southpacificislands.travel/wp-content/uploads/2021/09/Pacific-Tourism-Organisation-Quarter-1-2021-Visitor-Arrivals-Snapshot.pdf>

Promising Sectors for Economic Transformation of the SIDS

economic pillar and driver of growth and development, contributing to the attainment of the Sustainable Development Goals across the region.⁷⁸

3.4.2.2 Regional Strategic Framework

The Pacific Region has adopted a regional approach to the development of a sustainable and inclusive tourism sector through the crafting of a regional Pacific Sustainable Tourism Policy Framework.

Crafted in 2021, the Sustainable Tourism Policy establishes four (4) principal goals and further determines notable outcomes, priorities and actions are identified. In addition, there are resource mobilization considerations established to identify financing sources and approaches to the implementation of the actions identified. An overview of the goals is presented in Figure 30.

Figure 30: Main goals of the Sustainable Tourism Policy



Under Goal 1 of the Framework, there have been two priorities identified, notably:

- Establishing Enabling Legislation and Policies; and
- Creating Unique Destinations Supported by Quality Experiences.

The actions outlined in respect of these two priority areas are intended to achieve outcomes which impact the development of the Pacific region as a destination synonymous with suitability and inclusiveness. Some such outcomes are outlined in Box 5.⁷⁹

Box 5: Outcomes to be achieved under the Pacific Sustainable Tourism Policy

- Government, industry and community collaborate to make tourism more sustainable
- Sustainable, secure and equitable funding streams support recovery and growth, particularly for small to medium enterprises
- The reliability of tourism as a source of income and prosperity has strengthened
- The value of tourism grows faster than the volume of visitors
- The benefits of tourism are shared with the broader community
- The skill level and capability of the industry's workforce has grown
- Youth, women and local communities are actively participating in tourism
- The diversity and quality of experiences, products and services has improved.

⁷⁸ Pacific 2030: Sustainable tourism Policy Framework

<https://southpacificislands.travel/wp-content/uploads/2022/08/Pacific-Sustainable-Tourism-Policy-Framework.pdf>

⁷⁹ Pacific 2030: Sustainable tourism Policy Framework

<https://southpacificislands.travel/wp-content/uploads/2022/08/Pacific-Sustainable-Tourism-Policy-Framework.pdf>

Promising Sectors for Economic Transformation of the SIDS

Specific to Goal 2, there are two principal priorities identified under the Policy which speak to the creation of unique destinations supported by quality experiences and mobilising sustainable tourism investment. There are specific policy actions further identified in respect of this Policy Goal, which underscore the importance of synergies, regionalism and the leveraging of digitalization. All actions proffered under Goal 2 collectively contribute to the development of a quality tourism product without compromising the respect that is to be given to the natural environment and ecosystem of the Pacific islands, while also infusing elements of local community tourism and further requiring all visitors and stakeholders to actively participate in the sustainability of the tourism products which the islands offer.⁸⁰

Goal 3 prioritizes the protection and promotion of the cultures of the Pacific islands and the enabling of prosperous cultural and creative industries. This goal and the priority thereunder recognizes the relevance of cultural immersion in the experiences of travelers to the Pacific and as such encourages the protection and promotion of this culture and heritage. Key policy interventions advanced to support the achievement of visible and valued cultures include:⁸¹

- Establishment of a legislative and policy framework to protect and promote the tangible and intangible cultural heritage of Pacific Islands.
- Development of national tourism plans and actions, which recognize and include the inclusive use of tourism related revenues to preserve, protect, and promote culture.
- Establishment of national accreditation mechanisms to ensure cultural and creative industries and their associated intellectual property rights are protected.
- Preservation of folklore and traditional knowledge through storytelling.

The fourth goal interplays with the recognition of the impact of climate change on the sector and moreover the inextricable link between the tourism industry and the environmental ecosystems, particularly marine and ocean. This therefore led to the setting as a priority under this goal, the protection of the Islands, Coastal and Ocean Ecosystems of the Pacific countries.

The intended outcomes of prioritizing such an undertaking include:⁸²

- Climate and disaster resilience.
- Transitioning the Pacific region to a low emissions economy.
- Stakeholder inclusive approach to the protection and restoration of the Pacific's natural environment.
- Enhanced awareness of the vulnerabilities of the Pacific's biodiversity.
- Embedded sustainability practices of tourism enterprises in day-to-day operations.

⁸⁰ Pacific 2030: Sustainable tourism Policy Framework

<https://southpacificislands.travel/wp-content/uploads/2022/08/Pacific-Sustainable-Tourism-Policy-Framework.pdf>

⁸¹ Pacific 2030: Sustainable tourism Policy Framework

<https://southpacificislands.travel/wp-content/uploads/2022/08/Pacific-Sustainable-Tourism-Policy-Framework.pdf>

⁸² Pacific 2030: Sustainable tourism Policy Framework

<https://southpacificislands.travel/wp-content/uploads/2022/08/Pacific-Sustainable-Tourism-Policy-Framework.pdf>

Promising Sectors for Economic Transformation of the SIDS

There are notable features of this framework which must be highlighted:⁸³

- The scope and reach of stakeholder inclusiveness, which recognizes the importance of not simply national and regional stakeholders, but visitors/tourists themselves.
- Specificity in respect of the roles and actions to be undertaken by both the regional tourism organization, the Pacific Tourism Organization and other entities, whether national partners, industry partners or development partners.
- Strong monitoring and evaluation component that also features and prioritizes learning in an effort to build on successes and learn from shortcomings. The Figure below (Figure 31) presents an overview of the value addition of this framework to the overall Sustainable Tourism Policy.

In addition, there is a complementary action plan which calls on regional agencies, national governments, industry participants, business entities and umbrella organizations, civil society members, community activist organizations and development partners to coordinate, communicate and collaborate in the undertaking of actions, both strategic and otherwise, to contribute to the achievement of the goals under the framework. This action plan is contained within the strategic framework itself and clearly delineates key actions to be undertaken under each overarching goal.

Figure 31: Overview of the Monitoring, Evaluation and Learning Framework extracted from the Pacific sustainable Tourism Policy¹

Monitoring, Evaluation and Learning

Monitoring is a continuing function that aims primarily to provide the SPTO and its partners with early indications of progress, or lack thereof, in the achievement of results relating to specific policies and actions contained in the Framework. Evaluation is a selective exercise that attempts to assess progress systematically and objectively towards and the achievement of an outcome. Learning involves reflecting on the lessons learned from the implementation of policies and actions. Lessons learned can reveal “good practices” that suggest how and why different policies and actions work in different situations and provides valuable information that needs to be documented.

3.4.3 Case Study 3: Caribbean Sustainable Tourism Policy and Development Framework 2020 and True Blue Bay Resort, Grenada

3.4.3.1 Sector Overview

Tourism is recognized as the leading economic contributor for several Caribbean islands. However, noting its susceptibility to exogenous shocks, the tourism sector has been significantly impacted by the COVID-19 pandemic and other related spillovers. The pre-COVID-19 tourism statistics illustrated a steady growth trajectory in the tourism industry for Caribbean States, as

⁸³ Pacific 2030: Sustainable tourism Policy Framework

<https://southpacificislands.travel/wp-content/uploads/2022/08/Pacific-Sustainable-Tourism-Policy-Framework.pdf>

Promising Sectors for Economic Transformation of the SIDS

registered by the World Bank in its statistical analysis of international tourist arrivals in Caribbean Small States between 1995 and 2019.⁸⁴

The Caribbean Tourism Organization (CTO) notes that in 2020, tourist arrivals declined to just over 11 million, which represented a 65.5% drop as compared to 2019. Comparatively, the overall performance of the Caribbean surpassed that of the global industry, given that a 73.9% decline was recorded for the same period.⁸⁵ Specific to the cruise industry, a similar story unfolded with the industry registering a 72% slide in 2020 as compared to 2019.⁸⁶

Efforts to facilitate the economic rebounding of the tourism industry were at the forefront of several regional government administrations and collectively, the Caribbean Tourism Organization developed a regional policy and development framework for its Member Countries in an effort to further develop the tourism sector, but also to ensure that the future of the industry was underpinned by sustainability and the recognition that several interrelated factors must now be considered in rebounding stronger than before.

3.4.3.2 Strategies, Policies and Plans

(i) Caribbean Sustainable Tourism Policy and Development Framework 2020

The Caribbean Sustainable Tourism Policy and Development Framework 2020 represents an initiative undertaken by the Caribbean Tourism Organization, premised on the theme of “*Supporting a Climate Smart and Sustainable Caribbean Tourism Industry*”. This 2020 Policy builds on the 2008 Policy framework, updates this regional approach and recognizes the interrelationship between the tenets of the Policy and the principles of the 2014 SIDS Accelerated Modalities of Action (SAMOA) Pathway.

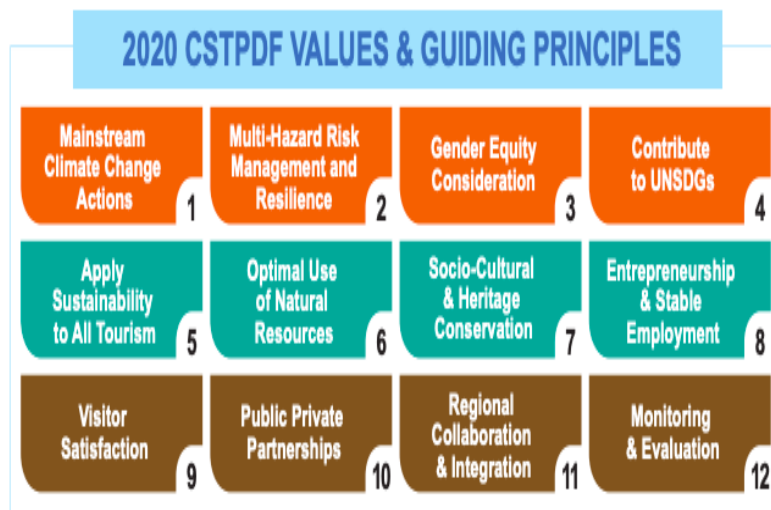
⁸⁴ World Bank, International tourism, number of arrivals - Caribbean small states
<https://data.worldbank.org/indicator/ST.INT.ARVL?locations=S3>

⁸⁵ Caribbean Tourism Organization, <https://www.onecaribbean.org/caribbean-tourism-performance-report-2020/>

⁸⁶ Caribbean Tourism Organization, <https://www.onecaribbean.org/caribbean-tourism-performance-report-2020/>

Promising Sectors for Economic Transformation of the SIDS

Figure 32: Core Principles of the Caribbean Sustainable Tourism Policy and Development Framework 2020



The Caribbean Sustainable Tourism Policy and Development Framework 2020 identifies 12 core guiding principles illustrated in Figure 32,⁸⁷ which align with the development agenda of the United Nations World Trade Organization and further interrelate with the 2030 Sustainable Development Goals (SDGs).

Within the framework, there are seven priority issue areas identified, and specific strategic actions and further interventions to be undertaken within the context of each.

The approach adopted by CTO and its Member Countries reflects the development of an integrated framework that encompasses and links various economic sectors, value chain elements, stakeholders and processes in respect of product development. The framework gives consideration not simply to the preservation of the natural ecosystem but further endeavors to leverage economic sectors in an effort to achieve this. Noting that this regional framework builds on the previously developed 2008 regime, CTO Member Countries have commenced interventions which already embody some elements of the 2020 framework.

In addition to this regional framework, countries across the Caribbean have developed national strategies and plans, which align both with the 2008 and 2020 regional policy frameworks. An overview of these is presented in the table below.

(ii) National Policies, Strategies and Plans

Table 6: National Policies, Strategies and Plans of Caribbean SIDS in respect of the development of the Tourism Industry		
CARIFORUM Member States	National Strategic Documents	Tourism and Related Strategic Plans, Policies and Other Instruments
	Development Plans/Strategies/Visions	Development Plans/Strategies
Antigua and Barbuda	Medium Term Strategic Development Plan of Antigua and Barbuda (2016-2020)	
Barbados	Barbados Growth and Development strategy (2013-2020)	Barbados Tourism Master Plan 2014-2023

⁸⁷ Source: Caribbean Tourism Organization, <https://www.onecaribbean.org/caribbean-tourism-performance-report-2020/>

Promising Sectors for Economic Transformation of the SIDS

Belize	Horizon 2030 - National Development Framework of Belize	National Sustainable Tourism Master Plan 2030
Dominica	National Resilience Development Strategy (NRDS)	Dominica Master Plan 2012 - 2022
Dominican Republic	Dominican Republic Country Strategic Plan (2019-2023)	
Grenada	National Sustainable Development Plan 2020-2035 Grenada	
Guyana	Green State Development Strategy: Vision 2040	Sustainable Tourism Development in Guyana: 2019-2025
Jamaica	Vision 2030 Jamaica: National Development Plan	Masterplan for Sustainable Tourism Tourism Networks Policy and Strategy
St Kitts and Nevis		St-Kitts and Nevis Tourism Sector Strategy
St Lucia	Medium Term Development Strategy 2020-2023 of St. Lucia	
St Vincent and the Grenadines	National Economic and Social Development Plan 2013-2025 of Saint Vincent and the Grenadines	Future Tourism: Rethinking Tourism and MSMEs in times of COVID-19
Suriname	Multi-Year Development Plan 2022-2026 of Suriname	Sustainable Tourism Strategy for World Heritage Properties in Suriname
Trinidad and Tobago	Vision 2030: National Development Strategy of Trinidad and Tobago National development plan	National Tourism Policy

Given the efforts and progress of Caribbean States, there are successes and best practices which can be leveraged by other SIDS in their pursuit to build sustainable and inclusive tourism products. There are notable practices adopted by several hotels across the Caribbean for their sustainability and application of practices, which are in keeping with sustainability and inclusiveness.

(ii) Policy into Practice – True Blue Bay Resort, Grenada

Promising Sectors for Economic Transformation of the SIDS



Home to the spice isle of the Caribbean, Grenada, True Blue Bay Resort is regarded as a pioneer in eco-tourism on the island, employing energy efficient practices and conservation methods throughout its boutique resort. Regarded as the best eco-tourism hotel on island,⁸⁸ greening is a consistent theme throughout the hotel, with a “Green Team” established comprising representatives from across all functional areas of the hotel. This forms part of its wider Hotel Environmental Policy which aligns with the Caribbean Hotel Energy Efficiency Action (CHENACT) Programme. The Environmental Policy of True Blue Bay resort is featured in the Caribbean Sustainable Tourism Policy and Development Framework 2020 and has been reproduced at Figure 15.⁸⁹

⁸⁸ <https://teansea.org/2023/06/04/eco-resort-grenada/?fbclid=IwAR2OZeizFPrFGAwHpuCAchFa08rITzhKu08atYrPPUhSRXAmBUizaT-M>
Source: Caribbean Tourism Organization, <https://www.onecaribbean.org/caribbean-tourism-performance-report-2020/>

Promising Sectors for Economic Transformation of the SIDS

Figure 15: Overview of the Hotel Environmental Policy of True Blue Bay Resort

Case Study: Hotel Environment Policy



True Blue Bay Boutique Resort, Grenada
True Blue Bay Boutique Resort, is a family-owned and operated 70-room eco-chic boutique resort on Grenada. The winner of CTO's 2019 Excellence in Sustainable Tourism Award, True Blue Bay has remained steadfast in implementing its environmentally friendly policy. In keeping with the "Pure Grenada" brand, initiatives include:

- Use of Solar panels for electricity and solar water heaters;
- Paper products used in restaurants and bars for take away service;
- Recycled wastewater is used to irrigate gardens and rainwater is collected and stored for use;
- All restaurant vegetable and biodegradable waste is used for compost to fertilize the gardens;
- No chlorine is used on the property and eco-friendly, biodegradable detergents are used for cleaning;
- Utilise energy saving A/C units, low energy bulbs/ fans and signs for saving energy and water are in all rooms;
- Hotel bathroom amenities are available in refillable containers;
- Vegetables and herbs are grown on-site for use and fresh foods are purchased locally;
- Guests are encouraged to re-use their linens and bedding is changed every three days unless requested;
- Promotes and engages in recycling and reuse, and regular beach clean-ups are organized for staff;
- Electric golf cart used to transfer luggage and guests;
- There is a 'Green Team' group comprised of at least one member of staff from each department.

<https://www.truebluebay.com/our-green-efforts/>

The hotel also infuses the local culture into the overall tourism product offered, with a weekly feature of local cuisine at the hotel by local chefs. Dubbed "Street Food", this gastronomical event also represents a unique exchange of culture, given that it is paired with local music and a night of dancing to genres mostly unique to the islands.⁹⁰

True Blue Bay Resort also marries the unique culture and local products of Grenada and therefore hosts a Chocolate Festival, which features the local organic chocolate grown in Grenada.

In addition, there are often several local "pop up" events which showcase local art and craft products and other designs. True Blue Bay Resort stands out as a leading, not simply for its commitment to sustainability but moreover for its commitment to showing and incorporating the local culture of Grenada into the overall product and experience offered to visitors, ensuring that quality is associated throughout the value chain of the tourism product. Though a small boutique hotel, True Blue Bay Resort is making a big impact.



3.5 Financing Options for SIDS Enterprises (SMEs and MSMEs)

There are various approaches that can be used for financing a business in the sectors reviewed. Below is the case of popular approaches for e-commerce, but most of them are also applicable to other sectors. Ultimately, the approach used depends on what the business owner feels more comfortable with. Some key factors in the decision on the type of funding model are whether capital has to be repaid; whether interest will be incurred on capital; and whether equity might be given up in exchange for capital. Revenue based financing models require the entrepreneur to repay capital over time, while others, such as crowdfunding, may require the entrepreneur to

⁹⁰ <https://www.truebluebay.com/restaurant/dodgy-dock-restaurant-and-bar>

Promising Sectors for Economic Transformation of the SIDS

give up shares in the company in exchange for capital invested. Below is a brief description of some major financing models used especially in, but not limited to, ecommerce.

3.5.1 Revenue based financing

With revenue-based financing, companies receive funding based on future revenue. After an application is made for revenue-based financing, risk assessments are conducted on the business. If the business is eligible for funding, capital can be remitted in as little as 48 hours. In contrast with borrowing from banks and repaying fixed amounts regularly, revenue-based financing gives the business ample flexibility in repayment. Revenue-based financing platforms share a small percentage of the business's monthly revenue as repayment for the capital provided. So, if business is slow in a particular month, the company pays back less; if business is booming, the company pays back more. Ultimately, repayment is capped at a predetermined amount, which is usually the capital plus a small flat fee. This financing model can be well suited for SIDS that often face major challenges in securing financing through collateral-based models. However, pre-revenue companies may not be eligible, as companies need to demonstrate recurring revenue in order to apply for such funding. As such, this may not be a good fit for small upstarts in SIDS.⁹¹

3.5.2 Merchant cash advance

Merchant cash advance providers advance clients up to 6 month's credit and debit card turnover ranging between \$5,000 and \$500,000. Repayment arrangements typically feature lenders deducting around 15% every day from company credit and debit card receipts. There are several advantages to merchant cash advance including quick access to cash for business; application is easy - they typically require the last three months' credit card statements; there is no set payment amount; and the borrower is free to use the money as they like. However, there are some disadvantages including, they can be very expensive - merchant cash advance can cost 30% to 40%; they are only a short term solution; and financing future sales can be risky if the market is unstable.⁹²

3.5.3 Inventory financing/Lines of credit

Inventory financing or lines of credit are short-term, asset-based loans (or lines of credit) made available for a business to purchase inventory. Unlike bank lending, inventory financing does not require pledging of property or assets as collateral. Instead, the purchased inventory serves as collateral, entitling the creditor to seize and sell the company's inventory if it defaults on the loan. The advantages of Inventory financing are that: it does not dilute equity of a company; there are less stringent requirements on collateral; and it is easier for companies to qualify. However, there are also disadvantages including: loan amount limited by inventory value; relatively high interest rates; inflexible repayment; lenders may impose loan covenants; larger installment payments; and unpredictable risks tied to sales performance. This financing model can work in some SIDS that already have a business track record to grow sales.⁹³

⁹¹ <https://choco-up.com/blog/e-commerce-financing>

⁹² <https://www.weareuncapped.com/blog/ecommerce-funding-financing>

⁹³ Ibid.

Promising Sectors for Economic Transformation of the SIDS

3.5.4 Bank loan

An application for a commercial loan typically begins with submission of application forms, along with documents such as the company's certificate of incorporation and financial statements. Upon collection of all required documents, the bank performs credit analysis on the business, considering several factors like, the company's financial statements, cash flow, business plan and asset coverage ratio, to determine whether a loan should be granted. If the loan application is successful, the bank will provide the company with cash, which is to be repaid at a certain interest rate. Additionally, the company will normally be required to provide tangible assets as collateral, and in the event of default, these assets will be seized and sold by the bank to recover the debt amount.⁹⁴

The advantages of banks loans are that interest rates and repayment amounts are fixed at the outset, making it easy to plan, budget and predict spending; there is no equity dilution; and Interest rates on bank loans are usually lower than that in other financing methods. However, there are disadvantages, including complex application procedures; the loan approval process could take months; collateral is normally required hence banks may require that the loan be secured against personal assets; it may be difficult to qualify; and repayments must be made on schedule, among others.⁹⁵

3.5.5 Bank overdraft

With an overdraft, the company pays a small fee to the bank every year for the facility and the bank grants it access to its own line of credit linked to its account every month. Overdrafts are designed to help with cash flow, but they are not typically big enough to use for stock purchase or expansion. Overdrafts are comparatively easy to get for ecommerce and SaaS providers once they have a good 6-month track record with their bank and they tend to be capped at between 1.5 and 2 months' turnover.⁹⁶

The advantages of overdrafts are that they are useful for any business; they can help with small issues in cash flow; and the company can borrow the exact amount needed, which can make it cheaper than a loan. However, disadvantages are that they can be withdrawn at any time at the bank's discretion; they might have smaller caps as compared to loans; and they are not a good substitute for a loan if the company needs to purchase stock or scale.⁹⁷

3.5.6 Equity financing

With equity funding, the company can raise anywhere from \$10,000 to hundreds of millions of dollars and most big ecommerce and SaaS companies have benefitted from equity funding at some stage. The idea is that the company gives up some of the equity in exchange for a cash injection. Investors will be experts in their field with a proven track record of growing many different types of companies.⁹⁸

⁹⁴ <https://choco-up.com/blog/e-commerce-financing>

⁹⁵ Ibid.

⁹⁶ <https://www.weareuncapped.com/blog/ecommerce-funding-financing>

⁹⁷ Ibid.

⁹⁸ <https://www.weareuncapped.com/blog/ecommerce-funding-financing>

Promising Sectors for Economic Transformation of the SIDS

Among the advantages of this financing option are that the company gains access to the knowledge and expertise of investors and will also be connected to their wider professional network. However, the disadvantages include some of the company shares are given to investors; as the company grows, investors will want to install their own people on the board; the company may have to surrender a lot of control and influence as it goes through the different rounds of investment; investors will expect a detailed business plan with flexible financial forecasts from the company; and legal fees involved in drawing up a contract can be costly.⁹⁹

3.5.7 Crowdfunding

It is estimated that globally, about \$304bn dollars have been raised by companies using crowdfunding platforms, and about \$10bn of that in the UK alone. Crowdfunding is particularly popular for start-up and early-stage ecommerce and SaaS companies. Companies using crowdfunding may be seeking anything from \$10,000 to \$10m. On crowdfunding platforms, small investors are presented with the opportunity to back businesses they like. In return for their investment, they are rewarded with a small shareholding within the business (effectively like small investors), but they will not interfere with how the business is run and they will not try to get their own people on the board of directors. Rewards to investors might take the form of products or services of the company they have invested in.¹⁰⁰

In summary, the advantages of crowdfunding are that investors do not take any control over the business; if the business gains momentum, it can get a cash injection very quickly; and it can raise public awareness of the business in the process. However, the disadvantages include intense competition to get funding; the company may need to spend a considerable amount on marketing its crowdfunding campaign to see results; and the company can receive bad publicity if it fails to deliver on its promises.¹⁰¹

3.5.8 Grants

Government-backed grants can be great for starting business when they are available. But these typically apply to certain niches or sectors in which government desires to see growth and funding tends to be limited. As an example, a grant might be offered to companies whose products and services help to reduce waste and promote recycling of resources and products. The advantages of grants are that they never have to be paid back; the recipient does not surrender any control over its business; and the management is free to run the company in the way it wants. But disadvantages include they can be difficult to find; applying can involve lots of paperwork; and the applicant is never guaranteed to get the grant as they are often competing with many other businesses.¹⁰²

3.5.9 Invoice financing

Invoice financing is a form of asset-based financing which enables companies to get access to funding based on receivables. The three main forms of invoice financing are: invoice factoring; invoice discounting; and accounts receivable line of credit. With invoice factoring, business

⁹⁹ Ibid.

¹⁰⁰ <https://www.weareuncapped.com/blog/ecommerce-funding-financing>

¹⁰¹ Ibid.

¹⁰² <https://www.weareuncapped.com/blog/ecommerce-funding-financing>

Promising Sectors for Economic Transformation of the SIDS

invoices are sold to a factoring company at a discount in exchange for immediate funds. When invoices fall due, the factoring company collects money from your customers. However, with invoice discounting instead of selling outstanding invoices, the company sells those invoices as collateral for a loan. The lender would charge a fee or interest (or both) on the loan. Finally, with accounts receivable line of credit, in essence, a line of credit gives a company access to a fixed amount of money which it can use as needed and repay later. Also, with a line of credit when the company draws cash from its line of credit, interest begins to accrue. The company may also be charged a service fee for using a business line of credit. Here, similar to invoice discounting, the company's accounts receivable serve as collateral for its line of credit.¹⁰³

Overall, there are several advantages to invoice financing, including that it enables access to capital without diluting equity; it is easier for a company to qualify because its invoices' values and clienteles' creditworthiness are the major determinants of eligibility for invoice financing; and the company gets access to capital. However, on the downside, financiers usually charge higher interest rates than bank lenders, as in addition to interest on the loan, other fees may be charged. Also, cash advances are limited by invoice value, typically 80% to 85%.¹⁰⁴

3.5.10 Asset-based lending

With asset-based lending, sellers of business equipment and machinery partner with finance companies to offer asset-based lending to their clients. Instead of paying for assets in advance, the company makes monthly payments towards them. Asset-based finance is great for online shops that create their own products. Certain types of asset-based lending also allow companies to replace the machinery and equipment they are leasing with the newest models after a given length of time. The advantages of asset-based lending are that the company can buy machinery and equipment needed but cannot afford to buy outright; it can be quicker and easier to secure than bank loans and investors; it generally comes with a lower interest rate than other types of funding; and the company can get machinery and equipment replaced with the newest models. However, the disadvantages include the company may never actually own the equipment; the equipment may be repossessed if the company cannot keep up repayments; and asset-based financing companies are very particular about what they need in exchange for the goods.¹⁰⁵

¹⁰³ <https://choco-up.com/blog/e-commerce-financing>

¹⁰⁴ <https://choco-up.com/blog/e-commerce-financing>

¹⁰⁵ <https://www.weareuncapped.com/blog/ecommerce-funding-financing>

Chapter 4: The post-SAMOA Pathway: key considerations and policy recommendations

4.1 Blue Economy

It is recommended that:

- Countries that have not yet introduced a Blue Bond seriously consider doing so using a framework similar to that developed by Fiji. To be effective, the eligible categories of expenditure under the Blue Bond must be tied to the SDGs. Fiji's Sustainable Blue Bond Framework is an excellent model in that regard.
- Countries should seriously consider greater participation in the higher value-added sub sectors of the Blue Economy, like pharmaceuticals and chemicals as opposed to frozen or fresh finfish. These sub sectors offer greater opportunity for income as well as more diversification of skills and application of advanced technology, which will leapfrog development of the SIDS.
- Wave energy conversion appears to provide an excellent avenue for SIDS to revisit their renewable energy creation efforts. All the SIDS are permanently immersed in oceans that provide the required waves on a continuous basis, which can be tapped and harnessed into electrical energy. Required capital investment based on the prototype in Barbados would be significantly lower than the typical costs of setting up traditional diesel generators to produce comparable levels of electricity making this even more attractive.
- Aquaculture also presents significant opportunities for the SIDS to produce and export, in large and sustainable quantities, all the common types of finfish that are traditionally produced. This opportunity needs to be looked at seriously by those SIDS that prefer to remain in the traditional aspects of the Blue Economy as their major source of livelihood.
- SIDS should make greater use of raw materials like sargassum in producing various products that can be used directly as final consumption, or as intermediate goods into a larger value chain. Sargassum is now established to have qualities for use as a fuel; it is being used to create bioplastics; it is also being used as a bio stimulant; and for making fertilizers.
- Stronger linkages be established between the production activities in the ocean and that of the cosmetics industry. The ocean produces raw materials like seamoss, sargassum, seaweed, and many other raw materials, including various extracts from certain types of fish that are ideal for inputs into cosmetics production. SIDS need to coordinate policy and strategy for the Blue Economy and cosmetics to realize even greater value added from both sectors.

4.2 Cosmetics Production

It is recommended that:

- Governments of the SIDS pay closer attention to the potential for development of their economies through the transformation of the cosmetics sector. Such transformation can be affected directly in the sector itself, or indirectly through linkages with major multinational corporations in Europe and the United States.
- Cosmetics are growing in demand. The market in the UK and Europe is estimated to be growing at about 10% per annum and consumers are seeking more natural raw material inputs into their cosmetics. Accordingly, policies should be adopted that encourage production of cosmetics, including alliances with foreign companies, as a way to expand and strengthen quality and standards.
- Ocean or sea-based cosmetics portend significant opportunity for development. Therefore, SIDS need to explore the possibility of developing their cosmetic sectors as part of the development of their Blue Economy products. This can include cultivation of coral reefs and creating the marine environment for seaweed, seamoss, sargassum and other marine based raw materials to flourish.
- Work needs to be done at the national and regional levels to introduce appropriate legal and regulatory frameworks in the SIDS that are conducive to production of high-value cosmetics that meet international standards of safety.
- A technical assistance fund be established as part of the UN Funds to assist SIDS in the development of their cosmetics sectors over the decade 2024 to 2034. Interventions financed under the fund should include both the preparatory work for establishing required institutional capacity and for commercial development and promotion of cosmetics from the SIDS in partnership with each other, and as part of trade and global value chain linkages with developed country partners.
- Essential technical and vocational knowledge (education and training) be introduced and disseminated in the SIDS through revised education curricula. Such knowledge should be highly specialized and targeted at the specific aspect of cosmetics being developed in each of the SIDS. Institutions should ultimately become centres of excellence for training in the specific subject areas.

Promising Sectors for Economic Transformation of the SIDS

4.3 E-Commerce

It is recommended that:

- Governments of SIDS prioritize a holistic approach to the development and uptake of e-commerce as part of a wider digital transformation paradigm shift, which targets all economic actors: governments, private sector, and consumers. Accordingly, within the framework of developing the digital economy, the following actions should be prioritized:
 - Investments made in strengthening telecommunications infrastructural backbone, reduce associated costs and enhance the quality and consistency of service delivery.
 - National e-enabling laws are to be implemented, where absent, to facilitate electronic transactions, establish the legal equivalence of electronic signatures, dictate, and legislatively implement the application of data protection principles to electronic transactions and electronic platforms and establish as offences, specific activities conducted using electronic communication technologies. Complementarily, legal frameworks in respect of cross-cutting areas are also to be strengthened, particularly in areas of privacy, electronic evidence, and consumer protection.
 - Key institutional arrangements are established and adequately resourced to support the full implementation of national legislative enactments. For jurisdictions that are members of regional economic blocs, in so far as it is practicable, regional institutional arrangements should be pursued and established for purposes of cost effectiveness.
- Targeted approaches for resource mobilization and securing technical assistance should be pursued to facilitate the enhancement of e-commerce industries and the development of the digital economies of SIDS. Regional economic integration frameworks such as the Pacific Islands Forum, the Melanesian Spearhead Group, the Organization of Eastern Caribbean States and the Caribbean Community, should pursue these mobilization efforts regionally ensuring that any national frameworks developed accord with regional commitments, international best practices and global standards.
- Governments of SIDS where Universal Service Funds (USF) exist, should dedicate or repurpose a percentage of the USF for the development and implementation of projects and interventions that serve to develop the digital economy and advance the uptake of e-commerce.
- A monitoring and evaluation framework be established to assess the rate of implementation of national ICT and E-Commerce Policies, Programs, and Plans and address shortcomings identified.
- A SIDS E-Learning Series is pursued where SIDS are invited to deliver presentations on winning strategies applied in respect of the thematic area, allowing other SIDS the opportunity to learn from their successes and avoid any shortcomings shared. This would be essentially a knowledge sharing forum and will also aid in knowledge governance.

Promising Sectors for Economic Transformation of the SIDS

4.4 Sustainable and Inclusive Tourism

It is recommended that:

- Governments of the SIDS that have not yet established national sustainable tourism policies should endeavor to do so to guide the development of the tourism industry in a sustainable and inclusive manner. This can be done based on model frameworks already developed whether nationally or regionally. Specific to the latter, there are models such as the Pacific sustainable development framework as well as the Caribbean Sustainable Tourism framework, which can serve as best practices that can be leveraged. Specific to national models that can be built on, the approach of Palau is submitted as a notable jurisdiction for consideration. The inclusive nature of their efforts to build a sustainable tourism sector, incorporating visitors and securing their commitment to adhere to the sustainable practices of the country, is an approach that both builds awareness and ensures inclusion. Upholding the standards and principles of conservation, preservation, and the protection of the environment are commitments required from the widest cross section of stakeholders.
- Governments further adopt the approach of Palau by including a strong “learning” element in the monitoring and evaluation framework of Sustainable Tourism Policy and/or Strategy architectures developed. This will allow for a stocktaking of shortcomings incurred and lessons learnt in an effort to mitigate the same or similar risks in the future. Furthermore, the “winning” practices can be duplicated where possible, with any necessary adaptations made. The inclusion of the “learning” component represents a relatively novel approach to the monitoring and evaluation framework.
- Governments of SIDS leverage cultural and heritage tourism as key elements within the broader sustainable tourism framework, by strengthening their national legislative regimes governing the protection of intellectual property, to ensure enforcement of rights while promoting and creating an authentic cultural tourism brand.
- Joint approaches are undertaken to augment tourist arrivals through joint air lift support programmes within regional blocs and joint marketing of destinations as branded sustainable tourism packages e.g., OECS windward islands can create a branded eco-tourism package for visitors and similarly, the Melanesian Spearhead Group States can also create a branded cultural-tourism package.

Chapter 5: Conclusions

5.1 Conclusion

The promising economic sectors have been identified further to consideration of previous interventions and programmes of action of which SIDS participate, most notably the SAMOA Pathway. Notwithstanding, these identified sectors do not directly mirror the priority areas under the SAMOA Pathway; they however complement them. Moreover, the implementation of the recommended policy reforms and other initiatives proposed within this Report serve to achieve the same outcome as the SAMOA Pathway: sustained economic growth and development. Accordingly, this Report is presented as a post-2024 SIDS Pathway to Sustainable Development. The recommendations consider the lessons learnt from the implementation of the SAMOA Pathway, with a view to replicate the successes and understand the root cause of the shortcomings, thus avoiding reoccurrences.

This Report has been developed to assist in better positioning small island nations on a trajectory of sustained economic growth and development, asserting that such can be achieved through the leveraging of best practices and lessons learnt from akin Small Island Developing States (SIDS), focusing particularly on promising sectors with great economic potential. The Report has been developed in the context of a post-COVID-19 environment from which SIDS have experienced some of the most severe macroeconomic shocks to their economies. These shocks are further punctuated by an ongoing war between Russia and Ukraine, which has impacted global energy costs and food security. Against this background the SIDS need some new strategic direction for the next 10 years that will move their economies onto a new sustainable growth path.

The four promising sectors that have been identified in the terms of reference (TORs) as potential enablers of sustained growth and development are: Electronic Commerce, Sustainable and Inclusive Tourism, the Blue Economy, and Cosmetics Production. These sectors have been selected for study and analysis based on both their present and future trade and economic potentialities.

E-Commerce: The uptake in E-Commerce has increased exponentially following the COVID-19 pandemic, with many private sector entities now employing more modernized business models that leverage the use of Information and Communication Technologies (ICT). This digital transformation thrust has necessitated policy and regulatory reforms by Governments in an effort to ensure e-enabling environments are created both to facilitate and regulate the nuances in respect of electronic commerce. This Report peers into the successes of notable SIDS, in respect of their digital revolution endeavours, with a view to inform the actions of other small island developing nations in infusing innovation into the business models of their private sector community.

Sustainable and Inclusive Tourism: Factoring the high susceptibility of SIDS to exogenous shocks is a well-established assumption in most economic models. As a result, building tourism resilience represents one of the several responses to the economic-fallout of the COVID-19 pandemic, given its significantly adverse impact on the tourism industry. Strengthening the tourism product, while simultaneously building a greener and more sustainable and inclusive tourism economy

Promising Sectors for Economic Transformation of the SIDS

are well-thought-out actions now being considered by several jurisdictions,¹⁰⁶ especially SIDS, given the economic contribution of tourism to Gross Domestic Product.

In addition, recognizing and respecting the various needs and differences of individuals represents a practice that is now not only featured in corporate structures and institutional frameworks – it has transcended into various sectors and services and has changed the way businesses operate. Accordingly, the creation of more opportunities for the participation of a wider cross-section of persons in tourism-related activities is another notable action being undertaken globally. SIDS must also adapt and implement the requisite measures to ensure that they remain, at a minimum, competitive, but ideally, ahead of the curve. This Report has assessed some interventions and best practices which have already been adopted by SIDS both in respect of sustainable and resilient tourism and furthermore, in relation to integrating inclusivity into their tourism services offerings.

The Blue Economy: Traditionally, economic activities associated with the blue economy were once limited to services in respect of the fisheries, marine transport, and marine-based tourism. Today, there are several additional economic sub-sectors and elements which now comprise the blue economy given the vastness of the marine ecosystems and aquatic environments. They include higher-value emerging sectors, such as sustainable aquaculture, marine biotechnology, and marine renewable energy. ‘Powering’ the blue economy however requires the instituting of specific and carefully designed regulatory frameworks to ensure that the resources of the oceans are sustainably used, and the health of the ocean ecosystem is preserved. Achieving this delicate balance requires the establishment of robust national policies, the charting of visionary strategic paths and the judicious crafting of adequate legislative frameworks. The approaches adopted by pioneering SIDS that have forged new trails in this sector have been explored and documented in the Report.

Cosmetics Production: The nutraceuticals industry represents a fast-growing industry that is anticipated to generate USD317 billion by 2024.¹⁰⁷ Several SIDS are presented with the inimitable opportunity to leverage the uniqueness of their nutraceuticals industry by offering input products into the cosmetic production value chain. There are notable successes and endeavours of SIDS which can serve to guide other small island jurisdictions in capitalizing on the distinctiveness of specific plant extracts, oils or other organic products which can be used to create matchless high-value products in niche markets. These have been assessed in the Report.

As can be gleaned from the synopses above, this Report embodies the proverbial charge of “each one, teach one”, given that it features analyses of best practices of SIDS which are intended to inform the actions and reform processes of other SIDS.

¹⁰⁶ OECD Global Forum on Tourism Statistics, Knowledge and Policies Reshaping tourism for a more resilient and Sustainable Tomorrow, https://www.oecd.org/cfe/tourism/Issues%20Paper-Global-Forum-on-Tourism-Statistics-Knowledge-and-Policies-311021_FINAL.pdf

¹⁰⁷ 1 Global Nutraceuticals Market Will Reach USD 317.3 Billion by 2024: Zion Market Research, <https://www.globenewswire.com/news-release/2018/06/25/1528968/0/en/Global-Nutraceuticals-Market-Will-Reach-USD-317-3-Billion-by-2024-Zion-Market-Research.html>

Promising Sectors for Economic Transformation of the SIDS

Notwithstanding the areas of notable success in relation to the four sectors of promise, it has been identified that there may be other sectors and sub-sectors which also demonstrate much economic promise for SIDS. Accordingly further research may be considered in these areas.

5.2 Areas for Further Research

During the time of research for this report the consultant came into contact with several experts and government officials working in the priority sectors mentioned in this report. Many ideas were advanced to improve the overall report's scope of coverage, thereby making it even more insightful to the SIDS. However, the original TORs only envisaged analysis of the four sectors discussed and the consultant was not afforded the time to undertake such additional research by UNOHRLLS. Yet, given the value of these ideas the consultant has decided to set down some of them here for consideration in future work.

First, as it relates to Blue Economy subsectors, case studies are needed on marine biotechnology, deep-sea and seabed mining, shipbuilding and repair, marine business services, high-tech marine services, and marine aquaculture, all of which will enhance the incomes and benefits of these sectors to the SIDS. The relevant data for such work needs to be compiled and analysed in the SIDS that have potential in these areas.

Second, the focus of the study in the blue economy has been on production and exports of goods. But services incidental to these goods also require analysis. This includes support services for extractive industries, marine biotechnology R&D, distribution services for marine living resources, freight transport, shipbuilding repair, among others.

In addition to the above, the creative industries have been noted to present great promise for SIDS particularly given the uniqueness of their culture and heritage, which are often infused in the products and outputs of their creative industries. As such, it is recommended that further analysis into this sector is undertaken with consideration given to the development of the sector against the backdrop of enhancing regimes for the protection and enforcement of intellectual property rights. Also, many SIDS have great natural talents in sports. This should be pursued with organized plans to realize their full potential. Finally, Agri business, especially the specialty foods sector has some potential and this should be studied and explored, as well.

Promising Sectors for Economic Transformation of the SIDS

Bibliography

Alternative Development Strategies for SIDS: Building Competitiveness in New Industries, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/aldcinf2021d2_en.pdf

Apia Outcome Document for Inter-Regional Meeting for the Mid-Term Review of the SAMOA Pathway Apia, Samoa 30 October – 1 November 2018, UN Sustainable Development Knowledge Platform, https://sustainabledevelopment.un.org/content/documents/21058Final_Samoa_Outcome.pdf

Building resilience in small island developing States, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/aldcinf2022d2_en.pdf

Climate Change Impacts on Coastal Transportation Infrastructure in the Caribbean: Enhancing the Adaptive Capacity of Small Island Developing States - JAMAICA: A case study, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/dtltlb2018d2_en.pdf

Climate Change Impacts on Coastal Transportation Infrastructure in the Caribbean: Enhancing the Adaptive Capacity of Small Island Developing States - SAINT LUCIA: A case study, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/dtltlb2018d3_en.pdf

Closing the Distance - Partnerships for sustainable and resilient transport systems in Small Island Developing States, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/dtltlb2014d2_en.pdf

Decent work and social justice in Pacific Small Island Developing States: Challenges, opportunities and policy responses, International Labour Organisation, https://www.ilo.org/suva/publications/WCMS_244119/lang--en/index.htm

Entrepreneurship Ecosystem in the Pacific, UN Capital Development Fund, <https://www.uncdf.org/article/7300/entrepreneurship-ecosystem-in-the-pacific>

Entrepreneurship Ecosystem in the Pacific, UN Capital Development Fund, <https://www.itcbenchmarking.org/node/2151>

Expanding African-Caribbean Trade, International Trade Centre <https://umbraco.exportpotential.intracen.org/media/dejik4zb/expanding-african-caribbean-trade.pdf>

Global Employment Trends for Youth 2022: Investing in transforming futures for young people, International Labour Organization, https://www.ilo.org/global/publications/books/WCMS_853321/lang--en/index.htm

Greening Enterprises: Transforming processes and workplaces, International Labour Organization, https://www.ilo.org/global/publications/books/WCMS_861384/lang--en/index.htm

Promising Sectors for Economic Transformation of the SIDS

Mapping of youth employment interventions in Caribbean countries: Antigua and Barbuda Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Vincent and the Grenadines, Trinidad and Tobago, International Labour Organisation, https://www.ilo.org/global/publications/WCMS_632706/lang--en/index.htm

Policy analysis: Aligning economic development and water policies in small island developing States, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/aldc2021d6_en.pdf

Promoting SME Competitiveness in Saint Lucia, International Trade Centre, <https://intracen.org/resources/publications/promoting-sme-competitiveness-in-saint-lucia>

Prospects for the postpandemic tourism and (research paper) economic recovery in Vanuatu, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/ser-rp-2022d6_en.pdf

Renewable Energy and Jobs: Annual Review 2022, International Labour Organization, https://www.ilo.org/global/publications/books/WCMS_856649/lang--en/index.htm

SAMOA Pathway Overview <https://www.un.org/ohrlls/sites/www.un.org.ohrlls/files/samoa-pathway-overview.pdf>

Seasonal worker schemes in the Pacific through the lens of international human rights and labour standards: Technical report, International Labour Organisation https://www.ilo.org/suva/publications/WCMS_847010/lang--en/index.htm

SheTrades Outlook Policy Brief_Jamaica_Final_ April 2021, International Trade Centre https://www.shetrades.com/outlook/admin/upload/publications/documents/SheTrades%20Outlook%20Policy%20Brief_Jamaica_Final_%20April%202021.pdf

SheTrades Outlook Policy Brief_Mauritius, International Trade Centre https://www.shetrades.com/outlook/admin/upload/publications/documents/SheTrades%20Outlook%20Policy%20Brief_Mauritius_Print%20Version_Spread.pdf

SIDS Accelerated Modalities of Action (S.A.M.O.A.) Pathway, UN Sustainable Development Knowledge Platform, <https://sustainabledevelopment.un.org/samoapathway.html>

SIDS Accelerated Modalities of Action (S.A.M.O.A.) Pathway, UN Sustainable Development Knowledge Platform, <https://sustainabledevelopment.un.org/samoapathway.html>
Skills for green jobs study: Barbados, International Labour Organisation, https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_706853.pdf

Small island developing states: maritime transport in the era of a disruptive pandemic - empower states to fend against disruptions to maritime transportation systems, their lifeline to the world, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/presspb2021d3_en.pdf

The Coffee Guide - 4th Edition, International Trade Centre, <https://intracen.org/media/file/5718>

Promising Sectors for Economic Transformation of the SIDS

The Oceans Economy: Opportunities and Challenges for Small Island Developing States, United Nations Conference on Trade and Development , United Nations Conference on Trade and Development https://unctad.org/system/files/official-document/ditcted2014d5_en.pdf

The SAMOA Pathway, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, <https://www.un.org/ohrlls/content/samoa-pathway>

What is the Samoa Pathway? Pacific R2R (Ridge to Reef) <https://www.pacific-r2r.org/help/faq/what-samoa-pathway#:~:text=The%20text%20set%20out%20new,means%20of%20implementing%20those%20objectives.>

Promising Sectors for Economic Transformation of the SIDS

Annexes:

Annex 1: E-Services provided under TTBizLink

Animal Production and Health Division	Food and Drugs Inspectorate, CFDD	Maritime Services Division	Pharmacy/Drug Inspectorate
<ul style="list-style-type: none"> • Animal Import Permit • Animal Export Permit 	<ul style="list-style-type: none"> • Export Free Sale Certificate • Export Health Certificate • Goods Declaration Processing 	<ul style="list-style-type: none"> • Pre Arrival Notice (Navigational aid dues) • Pre Departure Notice 	<ul style="list-style-type: none"> • Antibiotics Storage, Sale and Distribution Licence • Narcotics Storage, Sale and Distribution Licence • Antibiotic Import Licence • Narcotics Import Licence • Antibiotics Withdrawal Certificate • Narcotics Withdrawal Certificate • Antibiotics Export Licence • Antibiotics Withdrawal from Bond Certificate
ExporTT	Investment Directorate	Pesticides and Toxic Chemicals Inspectorate, CFDD	Plant Quarantine Services
<ul style="list-style-type: none"> • Certificate of Origin for Preferential Markets 	<ul style="list-style-type: none"> • Fiscal Incentives • Import Duty Concessions 	<ul style="list-style-type: none"> • Pesticides Premises Licence • Toxic Chemicals Premises Licence • Pesticides Import Licence • Toxic Chemicals Import Licence • Toxic Chemicals Drawdown Certificate • Toxic Chemical Export Licence • Goods Declaration Processing 	<ul style="list-style-type: none"> • Plant Import Permit • Goods Declaration Processing

Promising Sectors for Economic Transformation of the SIDS

Trade Licence Unit	Trinidad and Tobago Bureau of Standards	Trinidad and Tobago Chamber of Industry and Commerce	Work Permit Secretariat
<ul style="list-style-type: none"> • Trade Import Licence • Trade Export Licence • Duty Relief Licence • Safeguard Certificate • Suspension Certificate • Goods Declaration Processing 	<ul style="list-style-type: none"> • Goods Declaration Processing 	<ul style="list-style-type: none"> • Certificate of Origin for Non-Preferential Markets 	<ul style="list-style-type: none"> • Work Permit - Individual application • Work Permit - Group application

Promising Sectors for Economic Transformation of the SIDS