

GENERAL
LC/CAR/G.750
29 September 2003
ORIGINAL: ENGLISH

SUMMARY

**REVIEW OF THE IMPLEMENTATION OF THE PROGRAMME OF ACTION
FOR THE SUSTAINABLE DEVELOPMENT OF
SMALL ISLAND DEVELOPING STATES
IN THE CARIBBEAN SUBREGION
1994-2003**

Preface

In its resolution A/C.2/57/L64, the General Assembly took the decision to convene an international meeting in 2004, to undertake a full and comprehensive review of the implementation of the Programme of Action for the sustainable development of small island developing States (SIDS POA). This decision provides the opportunity for the SIDS of the Caribbean subregion, among others, to themselves engage in a review and analysis of the experience of their individual, as well as collective implementation of the Programme of Action, towards the presentation of a consolidated position.

The international meeting will be an event of critical importance and the expectation is that a renewed commitment to the implementation of the SIDS POA will be articulated by the subregion and, in particular, by the wider international community. Since the adoption of the Programme of Action at the United Nations Global Conference on the Sustainable Development of Small Island Developing States (UNGCSIDS), in 1994, the approach to its implementation has been amplified, to embrace, in addition to the environmental issues, which were its hallmark, the key socio-economic issues that were recognised to present critical obstacles to the sustainable development of SIDS. This process was articulated at the twenty-second special session of the General Assembly in September, 1999 and subsequently entrenched at the World Summit on Sustainable Development (WSSD) in August-September, 2002.

Notwithstanding the solid foundation that the Caribbean SIDS have acquired, both as individual countries and as a subregion, in the area of sustainable development approaches since the adoption of the SIDS POA, the SIDS of the Caribbean have seen their efforts frustrated by, *inter alia*, the non-materialisation of adequate, predictable, new and additional financial resources; the deficit in institutional capacity; the absence of the explicit integration of sustainable development approaches into national planning; and the inability to stimulate sustained broad based public participation.

This document reviews the activities that have been pursued towards the implementation of the SIDS POA in the Caribbean subregion; the achievements that have been recorded; the constraints that have been encountered in the process; and the prospects for the future. It also looks forward to some of the desired outcomes of the proposed 2004 International Meeting and beyond, as SIDS of all the geographical subregions continue to reach out towards the promise of Barbados.

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CHAPTER 1

General Overview of the Implementation of the SIDS Programme of Action in the Caribbean Subregion

1.0 Introduction

By virtue of the convening of the United Nations Global Conference on the Sustainable Development of Small Island Developing States (UNGCSIDS) - the first global conference to have been dedicated to the consideration of issues of direct concern to SIDS and the first global conference on sustainable development - formal recognition was given by the international community to the special characteristics and needs of those States. A specific *Programme of Action for the Sustainable Development of Small Island Developing States (SIDS POA)* was adopted as a blueprint for the sustainable development of SIDS and articulated a considerable range of actions and policies in that regard.

1.0.1 The United Nations Global Conference on the Sustainable Development of Small Island Developing States (UNGCSIDS) and the Programme of Action for the Sustainable Development of Small Island Developing States (SIDS POA)

The *Barbados Declaration* and the Programme of Action for the Sustainable Development of Small Island Developing States (SIDS POA) elaborate principles and strategies for development that will protect the fragile environments of SIDS. These documents build on the *Rio Declaration on Environment and Development* and *Agenda 21* which were adopted at the 1992 United Nations Conference on Environment and Development (UNCED). Moreover, the UNGCSIDS itself was seen as the first test of the global partnership that was formed at UNCED, in which rich and poor countries agreed to work together for sustainable development. The SIDS POA embraces the Bruntland Commission's definition of *sustainable development* which is articulated in terms of *development that meets present needs without jeopardising the welfare of future generations by undermining the environment on which all life depends*.

In order to illustrate the very close relationship between the UNGCSIDS and UNCED, attention might be drawn to Principle 6 of the *Rio Declaration on Environment and Development* which provides that:

The special situation and needs of developing countries, particularly the least developed and those most environmentally vulnerable, shall be given special priority. International actions in the field of environment and development should also address the interests and needs of all countries.

It is in the convening of the UNGCSIDS that this perceived need to direct particular attention to "*the special situation and needs of developing countries*" has found its maximum expression, to date. That Conference was convened at the request of the United Nations General Assembly in its resolution 47/189 of 22 December 1992, on the recommendation of UNCED itself. The Conference represented an attempt to translate *Agenda 21* into specific policies that

are set out in 15 chapters, each representing a priority area relevant to addressing the special challenges faced by SIDS in the context of their sustainable development.

1.1 Review of the Implementation of the SIDS POA in the Caribbean Subregion

A review of activities undertaken by the subregion during the four periods that may be identified, is set out in the following section.

1.1.1 1994-1997: The early beginnings

Having been actively engaged in the preparatory process leading up to the UNGCSIDS, from the moment of the adoption of the SIDS POA, Caribbean SIDS displayed a profound appreciation of its relevance; the urgency of its implementation; the need to identify priorities; and the imperative of establishing appropriate mechanisms, including financial provisions, to ensure that they derived the greatest possible benefit from its implementation. At the operational level, the need was recognised, at a very early stage, for a coordinated system of mechanisms, to promote and generally facilitate the implementation process. The challenge confronting the subregion was that of translating the appreciation of these elements into corresponding actions, taking into account human, financial, institutional and other constraints.

Soon after the adoption of the SIDS POA, at a Caribbean Meeting of Experts coordinated by the ECLAC Subregional Headquarters for the Caribbean, in collaboration with other United Nations agencies and regional Caribbean bodies on 17-19 May 1995, all these aspects were recognized and explored.

1.1.2 1997-1999: Intensification of implementation efforts at the national, subregional, regional and global levels

The period 1997-1999 spans the convening of a number of significant meetings and other initiatives at the subregional and wider international levels related to the implementation of the SIDS POA.

Convening of the Caribbean Ministerial Meeting on the implementation of the SIDS POA, Barbados, 10-14 November 1997: The watershed in subregional implementation.

Following the near comprehensive statement of the problem by the May 1995 Caribbean Meeting of Experts, accompanied by the formulation of a number of criteria of relevance, the subregion, recognising that little progress had in fact been made in the adoption of sustainable development approaches and in the integration of the SIDS POA into decision-making at the national level, created the opportunity to undertake a review, as technical as it was political, of the implementation of the SIDS POA within its geographical area. The occasion of the review was the Caribbean Ministerial Meeting on the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States.

The meeting, which was hosted by the Government of Barbados, over the period 10-14 November 1997 was geared to address three main aspects, namely: the status of implementation of the SIDS POA in the subregion in the context of, *inter alia*, the pending review in the context of *SIDS+5* which eventually convened on the context of the twenty-second special session of the United Nations General Assembly on 27-28 September 1999; the level of political commitment to the process; and the way forward. Further, the Meeting sought to provide the subregion with an opportunity to: identify and prioritize actions; effectively allocate resources; share information; and to generally recommit to the process of implementation of the SIDS POA.

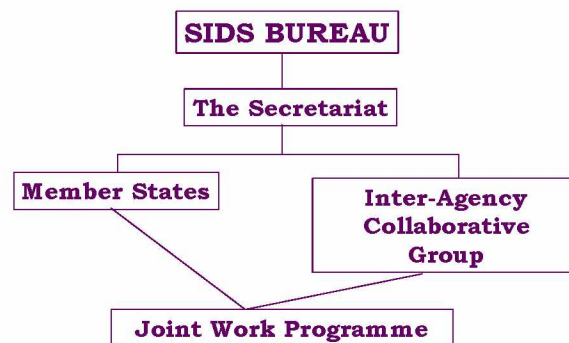
The ministerial meeting confirmed and highlighted the absence of a strategy and of a corresponding mechanism to coordinate, implement and report on activities undertaken or envisaged under the SIDS POA. Further, the meeting noted that, while several sustainable development initiatives were underway in the subregion, these had fallen within the framework of the SIDS POA, not by design, but by default, given the broad and general nature of its formulations.

The success of the Ministerial Meeting is reflected in the fact that its decisions effectively set the stage for the significant achievements that have since been recorded in the implementation of the SIDS POA in the subregion.

1.1.2.1 The Caribbean Model for the Implementation of the SIDS POA

The *Caribbean Model for the implementation of the SIDS POA* emerged from the recognition by the subregion of the need to develop and implement mechanisms that would help it to overcome the financial, technical, manpower and other constraints which had hitherto foreclosed many options identified by its SIDS towards their sustainable development within the specific framework of the SIDS POA. The model comprises four elements, namely, a *Joint Secretariat* and a *SIDS Bureau*, together with an *Inter-Agency Collaborative Group (IACG)* for the implementation of a *Joint Work Programme (JWP)*.

Figure 1: Structures for Implementation



1.1.2.2 Other activities undertaken during the 1997-1999 period

To fill the gap created by the lack of information on the status of implementation of the SIDS POA at both the national and subregional levels, the ECLAC Subregional Headquarters for the Caribbean, produced a publication entitled, *Implementation of the SIDS POA-A Caribbean Perspective* (LC/CAR/G.520). This singular publication detailed the implementation activities of 15 Caribbean SIDS, as well as those of a number of regional and regionally-based agencies. Until the *Subregional Preparatory Meeting of the Caribbean for the World Summit on Sustainable Development*, which convened in Havana, Cuba, 28-29 June 2001, it was the only document that summarized the experience of implementation of the SIDS POA in individual countries of the Caribbean and in the subregion as a whole.

In 1998, the Joint Secretariat convened four formal meetings of the SIDS Bureau and the IACG, either jointly or separately.

The Meeting of Representatives of Prospective Donors and Representatives of SIDS, 24-26 February 1999

Of the 312 project proposals submitted to the *Donors' Meeting* by SIDS of the three designated geographical regions, Caribbean SIDS accounted for 149 or almost 50 per cent. Of the Caribbean project proposals presented, 20 per cent were devoted to *Human Resource Development*; 11 per cent to *Biodiversity*; 11 per cent to *Management of Waste*; and 9 per cent to *National Institutions and Administrative Capacity*. Other projects were distributed among all the other priority areas of the SIDS POA, with the exception of *Transport and Communication*.

Four Subregional Project Proposals were submitted by the ECLAC Subregional Headquarters for the Caribbean on behalf of the subregion, for execution in the context of the SIDS POA. These referred to:

- The establishment of a Regional Coordinating Mechanism (RCM) for the Implementation of the SIDS POA;
- Application of Economic Instruments in the Caribbean;
- Strengthening Information Management for Sustainable Development in the Caribbean; and
- National Legislation to Implement International Conventions.

Despite the unfavourable outcome of the *Donors' Meeting*, Caribbean SIDS continued to express their commitment to the Programme of Action, encouraged by the conviction that the positive results thus far achieved could have been further enhanced and even replicated in others.

The Twenty-Second Special Session of the United Nations General Assembly, 27-28 September 1999

As has been foreshadowed, this special session remedied a major shortcoming of the SIDS POA, as identified by Caribbean SIDS, among others, through the incorporation of elements that had presented major challenges to their sustainable development but which, to

date, had found no expression in the SIDS POA. Among these elements were *trade, investment, commodity issues, capital markets, unemployment, and poverty eradication*. The need to incorporate socio-economic issues into the SIDS POA may be illustrated by reference to the corresponding emphasis placed in the Report of the Special Session, on the fact that *Eradication of poverty is therefore a serious issue and an objective of high priority for small island developing States, and requires the integration of economic, environmental and social components of action to achieve sustainable development. (UNGA resolution S/22/2, annex.¹)*

1.1.2.3 The SIDS POA, Environment and Sustainable Development in the Organisation of Eastern Caribbean States (OECS): Development of a Framework for Implementation

In September 1999, Ministers of the Environment of the countries of the OECS requested the Natural Resources Management Unit of the OECS Secretariat (OECS/NRMU) - since renamed the *OECS Environment and Sustainable Development Unit (OECS/ESDU)*, to develop an OECS Charter for Environmental Management and a regional strategy *...that will become the framework for environmental management* in the subregion. The *St. George's Declaration of Principles for Environmental Sustainability in the OECS* adopted in Grenada, in April 2001, sets out the general framework requested by the Ministers.²

With respect to the basic *approach* of the OECS countries to *sustainable development*, and the relationship postulated between *environment* and *sustainable development*, the *Preamble* to the St George's Declaration was adopted as proclaiming *the principles of sustainable development by which human conduct affecting the Environment is to be guided and judged*. It commences with the declaration to the effect that the States of the OECS are:

Persuaded that the effective management of environmental resources at local, national, regional and international levels is an essential component of sustainable social and economic development, including the creation of jobs, a stable society, a buoyant economy and the sustaining of viable natural systems on which all life depends;

The *Declaration* also recognizes *the need to address the relevant priority areas of the SIDS POA to ensure follow-up action to the United Nations Global Conference on Sustainable Development of Small Island Developing States...* Placing *the environment* at the centre of the sustainable development process, the *Preamble* also affirms the commitment of the OECS States *“to the principles of sustainable development in order to minimize inherent environmental vulnerability.....*

On the basis of the *Principles* enshrined in *the St George's Declaration*, an *OECS Environmental Management Strategy* has been developed as the mechanism for their implementation.

¹ UNGA Resolution S/22/2, annex

² (OECS website: <http://www.oecsnrmu.org/>)

Further:

The Vision for environmental management in the OECS is informed by the draft OECS Development Strategy, insofar as the achievement of economic growth, international competitiveness and improved quality of life are largely dependent on the appreciation and management of the environment.

At the level of the OECS subregion, primary responsibility for coordinating implementation of the *Environmental Management Strategy (EMS)* is entrusted to the OECS Secretariat, through its *Environment and Sustainable Development Unit (ESDU)*. Other regional and international agencies are also recognised to have *key roles* to play.

In this regard, *Principle 18 (Coordinate Assistance from the International Donor Community towards the Organisation of Eastern Caribbean States Region)* indicates, *inter alia*, that the OECS member States agree to: *Collaborate through the OECS Secretariat and other regional organizations to ensure that the environmental needs and requirements of the Member States are clearly articulated to the international community.*

1.1.2.4 Issues in the Implementation of the SIDS POA in the Caribbean subregion, 1997-1999

Priorities of Caribbean SIDS within the SIDS POA

On the basis of a questionnaire that was developed and administered by the ECLAC Subregional Headquarters for the Caribbean, governments of the subregion were invited to rank the 14 substantive priority areas of the SIDS POA. Overall, respondents identified *Coastal and Marine Resources* and *Natural and Environmental Disasters* as the two areas requiring the most urgent attention. Also high on the list, were the related issue of *Climate Change and Sea-level Rise*; and *Management of Wastes*. At the subregional level, *Energy Resources* was ranked at the very bottom of the list. In general, however, most respondents ranked all issues as being of more or less equal importance, with all but four of the 14 substantive issues receiving an average weighting that could be equated with *high*. Significantly, also, the ratings for any given priority area were consistent across the subregion, indicating the existence of a considerable degree of consensus.

The ranking of the substantive priority areas of the SIDS POA by Caribbean SIDS, at the subregional, as opposed to the national level, was as follows:

- i. Coastal and Marine Resources
- ii. Natural and Environmental Disasters
- iii. Land Resources
- iv. Management of Wastes
- v. National Institutions and Administrative Capacity
- vi. Climate Change
- vii. Freshwater Resources
- viii. Tourism Resources

- ix. Biodiversity
- x. Science and Technology
- xi. Transport and Communication
- xii. Human Resources
- xiii. Regional Cooperation
- xiv. Energy Resources

With respect to *Cross-Sectoral Issues*, priorities were ranked at the subregional level, as follows:

- i. Financing
- ii. Capacity-building
- iii. Legislation
- iv. Poverty Alleviation
- v. Information Management
- vi. Policy
- vii. Training
- viii. Technical
- ix. Involvement of Marginal Groups

The prioritisation, as set out above, was incorporated into the report that was submitted by the SIDS of the Caribbean subregion to the Seventh Meeting of the Commission on Sustainable Development (CSD-7). However, the report also noted that, notwithstanding this prioritisation, there was consensus among Caribbean SIDS *that all priority areas enshrined in the SIDS POA remained profoundly relevant to their sustainable development and that significant progress had been made by many of these SIDS in their implementation*. Reviews conducted at the individual country level in preparation for the Caribbean Ministerial Meeting referred to above, nevertheless highlighted the uneven progress in implementation, as a marked feature of the Caribbean experience, which hampered the implementation of the SIDS POA, among them being:

- The explicit integration of the SIDS POA into national planning and decision-making across the region;
- The adoption of more rigorous sustainable development approaches;
- The acquisition of much needed financial resources;
- Effective programmes of education and public awareness of the Programme of Action;
- The fragmented institutional arrangements to deal with sustainable development issues at both national and subregional levels; and
- The need to incorporate into the SIDS POA, the socio-economic elements that are also major factors in the sustainable development process.

From this perspective and against the backdrop of the multifaceted nature of the *sustainable development* process, the SIDS POA, whose predominantly environmental prescriptions are incontestable, was not regarded as promoting the holistic policy-making that was required for sustainable development. What this recognition implied was that the

Programme of Action lacked the specificity and breadth that would have transformed it into a more effective operational tool.

Notwithstanding the disappointments with certain aspects of the outcomes of UNCED and the UNGCSIDS and with the effective absence of many of the key processes and procedures that were adopted at the international level to govern their implementation, a number of noteworthy achievements have been recorded by Caribbean SIDS, among them:

- The invaluable experience acquired by Caribbean representatives in negotiating international environmental and sustainable development agreements;
- The commitments adopted by the World Bank, the Commonwealth Secretariat, the CARICOM Secretariat and other organisations to pursue in-depth studies on economic, social and environmental aspects of the vulnerability of SIDS prompted by, *inter alia*, the substantive arguments advanced at the corresponding international conferences by SIDS representatives;
- The creation of the *Caribbean Model* for the implementation of the SIDS POA, based on existing subregional capacity; and
- The promotion of a transformed scope of operationalization of the SIDS POA, in conjunction with the SIDS of other geographical regions and the eventual endorsement of this initiative by the twenty-second special session of the United Nations General Assembly.

Reference might also be made to a number of other positive aspects of the experience of Caribbean SIDS in the implementation of the SIDS POA. Among the lasting achievements in this regard, is the enhanced understanding of sustainable development issues that continues to emerge from the process. Evidence of this is afforded by, *inter alia*, the improved identification of environmental, as well as socio-economic issues and projects throughout the subregion. In addition, Caribbean Governments and civil society have responded to the demands of the SIDS POA and, more generally, of *sustainable development*, by seeking to forge innovative partnerships for collaboration at unprecedented levels, both in terms of intensity, as well as scope. Further, the role of civil society, including the private sector, in identifying, as well as achieving the objectives of the SIDS POA, has been recognized and encouraged through novel attempts at co-management of natural resources, in setting standards and in preparing environmental policies and action plans.

Appreciation of the importance of the critical area of *institutional strengthening* must also be included among the lasting gains from the implementation of the SIDS POA. Such institutional strengthening has been pursued through, *inter alia*, capacity-building; the enactment of environmental legislation; the application of management tools such as Environmental Impact Assessments (EIAs); and the adoption and, in some cases, the implementation of Environmental Action Plans and National Biodiversity Strategies and Action Plans. These forms of institution-building, together with the establishment of Environmental Ministries and Authorities, are among the primary mechanisms through which Caribbean SIDS have sought to promote and advance their sustainable development.

A most significant observation in the evaluation of the Caribbean experience in implementing the SIDS POA is the fact that many sustainable development activities were neither conceived nor implemented in direct response to the adoption of that international instrument. Indeed, the commencement of such activities, in many cases, pre-dated the adoption of the SIDS POA and many continue to be pursued in the context of national sustainable development action plans. Nevertheless, the SIDS POA has been able to impact these activities, imparting greater focus and renewed emphasis on them, in a comprehensive sustainable development context.

1.1.2.5 Review of the Major Constraints to More Rapid and Effective Implementation of the SIDS POA in the Caribbean Subregion

The major constraints encountered by Caribbean SIDS in the implementation of the SIDS POA fall into three main categories, namely, financial; institutional; and human resources and training.

Financial Constraints

This factor, in large measure, explains the significant gaps in the implementation of the SIDS POA, since many critical projects lie beyond the resources of Caribbean SIDS. Generally, financial constraints have impeded efforts at the establishment and strengthening of infrastructure, institutions and capacity-building, among other important developmental imperatives. Thus, Caribbean SIDS continue to emphasise, as a matter of urgency, the honouring of commitments on the part of the international community, in this critical area.

Institutional Constraints

Institutional constraints have also been identified as a critical factor retarding the pace of implementation of the SIDS POA at both national and subregional levels. Specific elements identified under this category include the following:

- The uneven situation across the subregion with respect to the explicit integration of the SIDS POA and, more generally, of sustainable development approaches, into national policy-making;
- The need for, *inter alia*, enhanced awareness; capacity-building; training; information management; and adjustments in organizational behaviour;
- The widespread lack of expertise in the preparation of project proposals and in the monitoring and implementation of projects;
- The inability of many National Sustainable Development Councils or Commissions across the subregion to serve as coordinating mechanisms for a more systematic approach to sustainable development issues and for the development of strategies that respond to the collective sustainable development goals of the social partners;
- Weaknesses in national reporting on the implementation process;
- The absence of a permanent adequately-resourced and dedicated mechanism for coordination of the implementation of the SIDS POA at the subregional level.

Human Resources and Training Constraints

The shortage of relevant skilled human resources affects all aspects and levels of the implementation process. The very wide range of skills that are implied in the sustainable development process creates very heavy demands on the societies of SIDS and remains a critical factor to be urgently addressed.

The Constraints to Implementation in Perspective

Caribbean SIDS have repeatedly observed that the constraints to the rapid implementation of the SIDS POA do not detract from the fundamental relevance, validity and viability of that instrument. Accordingly, at the twenty-second special session of the UNGA, Caribbean SIDS proposed that, while the SIDS POA should be maintained, it should nevertheless be supplemented and reinforced through the incorporation of those social and economic issues that had long been recognised to be presenting obstacles to the sustainable development of the subregion. This recommendation was reinforced by Heads of Government of the Caribbean Community (CARICOM) at their Nineteenth Meeting held in Castries, Saint Lucia, in July 1998. The Conference, *endorsed the need for the implementation of the SIDS POA to be continued following its review at the Special Session*. They also recognised that the primary responsibility for implementation lay with them. It was nevertheless recalled that the SIDS POA was adopted, not only by SIDS, but by the international community as a whole.

1.1.3 The Period 2000-2002

This period was essentially dedicated to:

- (a) the assimilation of the outcomes of the subregional, regional and international meetings that took place during the period, 1997-1999;
- (b) further implementation efforts; and
- (c) preparation for the *World Summit on Sustainable Development (WSSD)*.

Also, in order to advance the further implementation of SIDS POA in the subregion, the Subregional Headquarters of ECLAC for the Caribbean convened a meeting of representatives of Caribbean SIDS and of regional and regionally-based organizations of the IACG, on 7 March 2001. The meeting was directed towards two major objectives, namely, to undertake a final review of the status of implementation of the Joint Work Programme adopted in 1997 and to develop an updated version, even as the subregion embarked on preparations for the WSSD.

By early 2001, with the 1997 Joint Work Programme almost fully implemented, an updated Joint Work Programme was adopted, coordinated by the Subregional Headquarters. In this updated version, attention was given to the few outstanding elements of the 1997 prototype, to the extent that they remained relevant, as well as to the new socio-economic elements that were incorporated into the implementation process of the SIDS POA by the twenty-second special session of the UNGA. In addition to the elements identified by the special session, attention was given to such issues such as *crime*, including the illicit traffic and use of drugs,

which impinge on the sustainable development prospects of the SIDS of the Caribbean, among others.

1.1.4 The Period 2003-2004

In the context of what had earlier been envisaged as the 10-year review of the outcomes of UNCED and referred to as *Rio+10*, the convening of the World Summit on Sustainable Development over the period 26 August -4 September 2002, was an event of great significance for the further development of Agenda 21 and its progeny, the SIDS POA. The major outcomes of the WSSD - the *Johannesburg Declaration on Sustainable Development* and the *Plan of Implementation* - particularly given the considerable attention directed to the *Millennium Development Goals* in these documents are recognised to have imparted a greater degree of focus to the implementation of *Agenda 21* and the SIDS POA. In addition, their very clear identification of the constraints to implementation and the entrenchment of the sustainable development approach at global, regional, subregional and national levels, feeds an expectation of many concrete achievements in the implementation of sustainable development in the future. The decision by the General Assembly to convene an international meeting in 2004 to undertake a full and comprehensive review of the implementation of the SIDS POA, as called for in the *Johannesburg Plan of Implementation*, provides a significant incentive in this regard.

1.2 Conclusion

Efforts towards the implementation of the SIDS POA in the Caribbean subregion have yielded considerably fewer concrete results than were anticipated. Notwithstanding the solid grounding that the SIDS have acquired, both as individual countries and as a subregion, the lack of adequate, predictable, new and additional financial resources, coupled with the lack of the requisite institutional capability, including the required skilled manpower resources, ensured that the implementation process took some considerable time to effectively get off the ground.

Yet, recognizing, *inter alia*, some of the lasting achievements, such as the development of the *Caribbean Model*, in addition to the structures that have been fashioned by the countries of the OECS, the experience of the first decade of the implementation of the SIDS POA, could, nevertheless be viewed as having been very useful.

At a later stage of the preparatory process for the 2004 International Meeting when the subregion will have undertaken a more comprehensive evaluation of the SIDS experience, particularly at the level of individual SIDS, a firmer basis will have been provided for the development of national, as well as subregional perspectives, together with the corresponding strategies that might inform the positions to be articulated in the context of the 2004 International Meeting and future implementation of the SIDS Programme of Action.

CHAPTER 2

The Contribution of the Inter-Agency Collaborative Group to the Implementation of the SIDS POA and related International Decisions

2.0 Introduction

Agencies remain an indispensable element of implementation process of the SIDS Programme of Action in the Caribbean subregion. As partners in the Inter-Agency Collaborative Group (IACG), they bring, *inter alia*, technical expertise, financial assistance, capacity- building opportunities and international exposure to activities taking place or envisaged in the subregion. They also assist by forming vital links to global initiatives that are of major concern to the Caribbean, for example, climate change and its effects; the Global Coral Reef Initiative; efforts to contain and treat with HIV/AIDS; new labour policies; and other such programs, policies and projects that are critical to the sustainable development of the subregion.

The complete version of this document tabulates the responses received to the questionnaire and provides an overview of the activities undertaken in a number of areas of the SIDS POA by the Agencies indicated, as well as those in progress and envisaged. Also incorporated into the tabulation, are activities undertaken in the context of the implementation of a number of international decisions related to the SIDS POA, such as those emanating from the twenty-second special session of the United Nations General Assembly and the World Summit on Sustainable Development. All such decisions have been effectively subsumed under the Millennium Development Goals which now constitute the definitive international agenda for sustainable development. The information contained in this tabulation does not pretend to be exhaustive and reflect the responses to the questionnaire that was circulated to them by the Subregional Headquarters of ECLAC as well as statements made at relevant meetings.

2.1 The Inter-Agency Collaborative Group (IACG): Constraints to Implementation and Proposals to overcome constraints

In their implementation of the SIDS POA, a number of constraints have been identified by the Agencies. These constraints span such headings as Policy; Institutional Capacity; Technical; Financial; Information Management; Training; and Legislative. Proposals for overcoming the constraints identified are tabulated as follows:

Policy

Agency	Constraints to Implementation	Proposals to overcome Constraints
Caribbean Environmental Health Institute (CEHI)	Limited stakeholder participation in policy development.	Promote or institutionalise mechanisms for stakeholder involvement.
	Fragmented policies.	Develop holistic integrated environmental policies.
	Lack of political support for environmental policies	
Caribbean Agricultural Research and Development Institute (CARDI)	Certain countries view given subregional actions as conflicting with national sovereignties.	Need to foster greater understanding as to the benefits of subregional approaches and to address the political dimensions of subregional initiatives.
	Lack of regional co-ordination	
United Nations Development Program (UNDP)	Lack of political will to facilitate or promote policy formulation.	Need to devise awareness programmes for leaders.
Caribbean Meteorological Organisation (CMO)	National policy issues lack financial backing.	Prior commitment of finance for policy implementation

Institutional Capacity

Agency	Constraints	Proposals to overcome Constraints
Caribbean Environmental Health Institute (CEHI)	Dispersed and fragmented responsibilities among government agencies.	Institutional restructuring with a clear definition of the roles of agencies
	Multiplicity of organizations and duplication of effort.	Implement mechanisms for institutional co-operation at the national/regional level
		Establish and strengthen regional networks
United Nations Development Program (UNDP)	Lack of financing for relevant institutions.	Need for assistance in accessing international funding.
Caribbean Meteorological Organisation	National support confined to traditional areas. Lack of support for new initiatives.	Greater use of regional institutions to guide national programmes in new areas of interest.
United Nations Environmental Program (UNEP)	Lack of clear institutional arrangements.	Co-ordinated actions and resource allocation by donors and greater commitment from national authorities.

Technical

Agency	Constraints	Proposals to overcome Constraints
Caribbean Environmental Health Institute (CEHI)	Lack of technical expertise.	Strengthen human resource capacity.
		Develop subregional mechanisms for sharing expertise among countries.
	Absence of relevant research and data.	Develop appropriate research programmes.
United Nations Development Program (UNDP)	Lack of specialised expertise in certain critical areas.	Provision of the required training to obtain specialists.
Caribbean Meteorological Organisation (CMO)	In some cases, national capacity to handle new issues lags behind subregional and international levels.	Regional institutions need to help countries build capacity.
United Nations Environmental Program (UNEP)		
	Lack of co-ordinated response to technical needs or requests.	Improved dissemination of lessons learnt and increased replicability of training opportunities.

Financial

Agency	Constraints	Proposals to overcome Constraints
Caribbean Environmental Health Institute (CEHI)	Inadequate budget allocation for environmental issues.	Mechanism for increased public awareness of the relevance of environmental issues and creation of a lobby for financial allocation.
	Lack of financial resources.	Mechanisms for improved fiscal management.
United Nations Development Programme (UNDP)	Prioritisation of scarce resources leading to inadequate funding for certain important projects.	Need for improved resource allocation
Caribbean Meteorological Organisation	Imposition by SIDS governments of <i>significant financial constraints annually</i>	More effective lobbying for resources.
United Nations Environmental Programme (UNEP)	Limited financial and human resources. UNEP has a limited budget that is specifically allocated for implementation of the SIDS POA	Increase co-ordination of donors and agencies and increase transparency of local authorities.

Information Management

Agency	Constraints	Proposals to overcome Constraints
Caribbean Environmental Health Institute (CEHI)	Dispersal of required information among various agencies.	Develop and strengthen national and regional information networks.
	Lack of data quality standards.	Develop and implement data quality standards.
	Limited mechanisms for information sharing.	Mechanisms needed for information sharing at the national level.
	Limited mechanisms for data management and data interpretation for decision-making.	Facilitate appropriate training in information management.
United Nations Development Program (UNDP).	Lack of proper organisation and/or deregulation of the IT industry.	Policies with a view to deregulation need to be promoted and enforced.
Caribbean Meteorological Organisation (CMO)	SIDS are slow to recognize the importance of IT, so that assignment of human and financial resources to this area is hindered.	Introduction of programmes or initiatives to promote the importance of Information management
United Nations Environmental Program (UNEP)	Lack of use of modern technologies to facilitate the provision of assistance.	Increase the use of modern opportunities created by IT technologies and the Internet in particular.

Training

Agency	Constraints	Proposals to overcome Constraints
Caribbean Environmental Health Institute (CEHI)	Inadequate human resources	Develop appropriate environmental curricula at relevant training institutions.
		Institute relevant training programmes at the national and regional levels.
United Nations Development Program (UNDP)	Lack of finance for training	Greater access to financial resources.
	Lack of training leads to inability to connect capacity needs and market needs	Training in labour policy
Caribbean Meteorological Organisation (CMO)	National and Donor emphasis on short-term training. Insufficient long-term fellowships (graduate and post-graduate) available to SIDS. Inability to address gender issues since few females are entering the professional field (meteorology).	National Governments and Donors need to balance resources between short and long-term training
United Nations Environmental Program (UNEP)	Lack of awareness of training opportunities.	Improved communication on training opportunities and improved identification of priorities.

Legislative

Agency	Constraints	Proposals to overcome Constraints
Caribbean Environmental Health Institute (CEHI)	Inadequate, outdated or fragmented legislation.	Development of harmonized, integrated, updated legislation.
	Lack of expertise in the region to draft appropriate legislation.	Strengthen human resource capacity for legislative drafting.
Caribbean Meteorological Organisation (CMO)	National institutions of several SIDS are not fully supported or governed by legislation.	Subregional or international assistance should be sought to develop an adequate legislative base.
United Nations Environmental Program (UNEP)	Legislation tends to be country-specific.	Need more co-ordinated and harmonized legislation to bring national and subregional policies in tandem.

CHAPTER 3

Outstanding and Unresolved Issues

This Chapter attempts to identify some of the unresolved or otherwise outstanding issues subregional and wider than Caribbean SIDS would need to address, both internally, as well as in the context of international efforts, towards the further implementation of the SIDS POA and related international decisions.

3.0 Definitional Issues

Almost ten years after the UNGCSIDS, a universally accepted, robust definition of *small island developing States* which captures the overwhelming majority of island countries in the global economy, whose development prospects are significantly constrained by factors related to small size, is yet to emerge, either from the international debates on the matter or in the academic literature. Ideally, such a definition would need to incorporate more than one of the criteria that have been traditionally employed, such as population size, land area and GDP. It would also need to include the critical structural factors and behavioural characteristics that have been demonstrated to constrain "normal" growth and sustainable development in small island developing States.

Looking beyond the confines of the customary United Nations sponsored forums in which sustainable development issues are pursued, the opportunity of the ongoing negotiations towards the establishment of a Free Trade Area of the Americas (FTAA), in the context of which a Smaller Economies Working Group has been established, might be exploited towards the resolution of this matter. However, those SIDS that are involved within the FTAA negotiating process would need to ensure that any working definition thus derived, captures the *vulnerability* issues that are peculiar to all small island developing States. In any event, sight should not be lost by the international community of the peculiar circumstances of SIDS which were recognised as a special category of state at UNCED and the UNGCSIDS.

3.1 Structural Issues

A logical point of entry for Caribbean SIDS would be to revisit the outstanding issues from the World Commonwealth/Bank Secretariat Report on Small States.³ A CARICOM Task Force led by Prime Minister Owen Arthur of Barbados, has noted that the Report failed to explicitly acknowledge the existence and relevance of such structural issues as:

- small population size, which imposes limitations on the range of activities, skills, institutional capacities (especially the extent and depth of markets) that may be found or developed in small States, and forces extreme economic openness and production specialisation as the only means of achieving sustained GDP growth;

³ A logical point of entry for Caribbean SIDS would be to revisit the outstanding issues from the World Commonwealth/Bank Secretariat on Small States.

- a limited natural resource base (e.g. arable land and minerals) which implies limited production possibilities (except where technological capacity permits large-scale importation for processing and re-export);
- the tendency of efforts to obtain economies of scale in small States to further restrict the product range, thus further increasing vulnerability to fluctuations in earnings arising from adverse price movements or from adverse impact on supply caused by, among other things, natural disasters;
- the increased importance of environmental concerns arising from small size, with the consequence that certain types of economic activity cannot be pursued;
- the limited range of industrial, agricultural and commercial activities;
- low aggregate GDP;
- the difficulty imposed by low domestic savings and investment capacity in the accumulation of domestic funding for large domestic projects arising specifically from their small size, whereas large countries with much smaller per capita incomes experience no such difficulty.

3.2 Susceptibility to Natural and Man-made Disasters

While most States are exposed to some form of natural disasters, the impact on small island developing States is likely to be more pervasive, given the lower levels of resilience in addition to the basic size of the territorial unit. Inevitably, proportionately larger areas of the country are affected. Further, the damage to the productive sectors is invariably more extensive and the social repercussions more severe. Recovery is likely to be slower, thus exerting increased pressure on the external account. Small island developing States and small, low-lying, coastal states are at greater risk from sea level rise resulting from global warming.

3.3 Underdeveloped, domestic, real and financial markets

The small size of the domestic market of SIDS limits the possibilities of exploiting economies of scale in most areas of production, resulting in adverse consequences for costs and efficiency, rent-creation and associated issues of economic management. It also reduces competition and attracts greater State regulation which is likely to be biased towards direct, rather than market-based, intervention. In the absence of efficient markets, market-based policies are likely to fail and could even produce perverse results.

In addition, small uncompetitive markets limit the capacity to absorb or compensate for risk. Such markets are characterised by higher transactions costs and participation risks, which render them of interest only to external portfolio investors in search of guaranteed rents.

3.4 Absence of economies of scale

The need to seek economies of scale in a context of limitations in the volume and range of production factors, combined with the nature of the private sector and private sector operations in small island developing States, limits the capacity of the production system to switch products and product lines in response to changing demand, competition and an increasingly time-compressed product cycle. In large economies, product innovation, product

development and product switching take place both between firms and within firms and is facilitated by such factors as the size of the operating environment; the availability of venture capital; and the ability to sustain research and development activities.

Further, the provision of physical, institutional and administrative infrastructure in small island developing States results in higher per capita costs than in larger developed States, because of the absence of economies of scale and the need to meet minimum supply and technological requirements. This phenomenon is exacerbated by the need to replace infrastructure damaged by natural disasters, particularly where disasters recur frequently. This situation is compounded in multi-island small island developing States.

3.5 High Income Volatility

High income volatility arises from, *inter alia*,

- (i) commodity price fluctuations caused by external demand and supply developments and by supply variations caused by adverse domestic events such as natural disasters; and
- (ii) the inability to significantly ameliorate production-related factors in SIDS by *hedging* in the international financial markets.

Small island developing States are continuously seeking to transform their economic and social systems and to utilise earned, borrowed and grant resources to finance that transformation. During more favourable periods, efforts may be directed towards an acceleration of the pace of transformation. During unfavourable periods, on the other hand, the potentially borrowing small island developing State is perceived merely as a poor credit risk. Thus, the process of economic transformation is never smooth, especially in the context of a small island developing State.

3.6 Limited institutional capacity arising from a limited human resource base

Small island developing States tend to be characterised by both weak public sectors and inadequately developed private sectors. While public sector activity tends to cover a broad range of operations, related to the minimum required set of State administrative functions, there is generally little depth of capacity in any particular area. In addition, senior public sector officials tend to have much broader spheres of responsibility than their counterparts in larger countries. This causes representational and negotiating difficulties for SIDS in international interchanges and in the interactions of these entities with international institutions.

It is inevitable that Governments in small island developing States will be more activist than in their larger developed counterparts since they must frequently act as a catalyst, providing the basic conditions for stimulating private investment. In this sense, Governments can hardly avoid the approach of "picking winners". This is exemplified by, *inter alia*, the size and structure of the public sector investment programme and the involvement of Governments in the specification of education and training curricula.

As regards the private sector, in SIDS, this is a very different entity vis a vis its counterpart in large, developed countries. For example, in SIDS, this sector typically has a significantly lower level of capacity and, in addition, an entirely different view of the world and also of itself. Private sector firms are themselves small, with the range of capacity limitations associated with that reality. This places them at a significant disadvantage in relation to private firms in large developed countries. Fundamentally, it is firms that trade: not States.

Further, in SIDS, the range and depth of human resource skills are likely to be narrower and shallower than in their larger developed counterparts, other things being equal. In this context, issues of "brain-drain" are of significant importance, particularly in those situations where developed countries readily accept skilled migrants from SIDS, while imposing significant barriers to the migration of low-skilled persons. A corresponding suite of arguments can be adduced in relation to institutional capacity in SIDS.

3.7 Social Dislocations

The process of adjustment to global changes is recognised to produce certain significant negative social impacts in SIDS. Such impacts are already being experienced in the short term, as evidenced by the situation that continues to affect the banana-exporting Caribbean SIDS, in which production and earnings have dropped by some 50 per cent. This phenomenon is also evidenced in certain countries which have accelerated the liberalisation of their capital markets. In contradistinction to such developments, the positive economic benefits are likely to be incremental and, moreover, to be concentrated in the longer term. The response of the populace to such social dislocation could significantly undermine the environment for investment and lead to an exacerbation of the problem and, as a consequence, failure to realise the long-term benefits.

In Caribbean SIDS, higher adjustment costs may reasonably be anticipated as a result of the following:

- the existence of fewer and smaller firms and the need to establish new firms, rather than expand through the expansion of existing firms;
- the relative dearth of investment opportunities;
- the significant dislocation of the factors of production that will result from labour shifts from the import-competing to the export sector, given the absence of a flexible, well trained labour force.

3.8 The Impacts of Accelerated Globalization

Recent international developments are tending to further increase the vulnerability of SIDS. In this regard, it must be recognised, for example, that the WTO as well as the developed countries have taken positive and concrete steps towards meeting the concerns of LDCs. However, they are yet to fully recognise the precarious existence and vulnerability of SIDS as a group. The main criterion for classifying countries as LDCs, namely, GNP per capita, is grossly inadequate for effectively assessing the developmental levels as well as the vulnerability of SIDS. Given their high dependence on trade and their weak capability to adjust to abrupt changes in market conditions, SIDS also deserve the special consideration of the international

community.

In the area of *trade and environment*, a spirited debate as to whether the trade rules of the WTO should allow greater scope for environmental or resource conservation initiatives, continues to engage the international community. Ironically, it is the developing countries and NGOs that have been articulating a negative response to this proposition. This response is rooted in the fear that, should such a prospect ever materialize, only the developed countries will be in a position to take advantage of them, since poorer countries would find themselves without the necessary bargaining power to impose sanctions against their more powerful trading partners.

The preliminary assessment in this regard, is to the effect that, in their present form, the WTO rules will significantly constrain the use of environmental or resource conservation initiatives. In this context, there is a growing fear that many existing Multilateral Environmental Agreements (MEAs) that address such global issues as global warming, biodiversity protection, species loss and hazardous waste and which authorise the use of trade sanctions, will not stand up to a challenge, to the extent that nothing in the WTO agreements insulates these MEAs from trade challenges.

Another major preoccupation arising from the new and still evolving global economic system, arises from the fact that it has shown little deference to the special circumstances of small island developing States. The evidence, thus far, is that globalisation is impacting, *inter alia*, the organisation of production and arrangements for factor movements, such as trade, investment and financial flows, in ways that require major changes in SIDS. A CARICOM Technical Team on Small States argues that the liberalisation processes that facilitate globalisation, have so far resulted in:

- the reduction of preferential and secure market access on which many small states depend to maintain incomes and employment;
- increasing competition for investment capital: both domestic and foreign;
- reduced scope for the management of scarce national resources, such as foreign exchange; and
- increasing competition for skilled human resources.

Globalisation has also led to the exertion of pressure by developed countries on the incentives regimes by virtue of which many SIDS have been able to attract foreign investment towards the diversification of their economic base.

In this regard, small States, including SIDS, are being encouraged to embrace globalisation and trade liberalisation with the promise that their trade relations with large countries would deliver disproportionate benefits arising as a result of the economies of scale that would be induced by increased levels of international trade. Yet, the evidence, to date, in the particular context of SIDS, suggests that the liberalisation processes facilitating globalisation have in fact resulted in:

- the reduction of preferential and secure market access on which many small states depended to maintain incomes and employment;

- increasing competition for investment capital: both domestic and foreign;
- reduced scope for the management of scarce national resources, such as foreign exchange;
- increasing competition for skilled human resources; and
- the creation of asymmetric conditions affecting factor movements.

The lowering of trade and tariff barriers, together with and the increased mobility of capital investment, have increased the level of competition faced by domestic producers in SIDS, without providing for the absorption and utilisation of production factors displaced by such competition.

The historical economic performance of many SIDS has been, in significant measure, positively influenced by:

- preferential market access;
- concessionary resources, including grants from multilateral institutions and bilateral agencies;
- incentives regimes which attracted investments in areas such as offshore services and tourism; and
- opportunities for emigration of semi- and unskilled labour.

In order to demonstrate their need for continued support in the aforementioned areas, SIDS of all geographical regions might wish to consider undertaking a study of their growth performance over the past decade, on the assumption that these support measures did not exist.

Further, member States of AOSIS need to carefully examine the aforementioned structural and behavioural factors and their implications for sustained development assessed in the context of globalisation and the requirements of the long-term sustainable development of SIDS. The extent to which these factors can be addressed through national or international action, also needs to be assessed by the international community.

CHAPTER 4

Recommendations for the Future

Strategic Inputs for presentation to the InterRegional Meeting in January 2004 and the International Meeting in Mauritius, in August 2004

The thrust of the arguments in the preceding chapter is to the effect that the main challenge for Caribbean SIDS will always be that of reducing their economic, social and environmental vulnerability. This multidimensional challenge can most effectively be approached through the development and implementation of policies and strategies that build resilience of the economies, societies and natural environment to stressors at the national, regional and international levels.

4.0 Characteristics of Vulnerability

The term *vulnerability* essentially refers to proneness to damage from external forces. Vulnerability has become associated with Caribbean SIDS because these States tend to be very exposed to factors outside their control. *Economic vulnerability* addresses the risks faced by these economies from exogenous shocks to the systems of production, distribution, including and, especially, markets; and consumption. *Environmental vulnerability* is concerned with the risk of damage to the country's natural ecosystems such as coral reefs; wetlands; freshwater; coastal areas and marine resources; forests; and soils. *Social Vulnerability* reflects the degree to which societies or socio-economic groups are negatively affected by stresses and hazards, whether brought about by external forces or intrinsic factors - internal and external - that negatively impact the social cohesion of a country. Key features of the economic, social and environmental vulnerability of Caribbean SIDS are shown in Table 1.

In a study entitled: *Managing and Measuring the Economic Vulnerability of SIDS* prepared for the UNDP, Witter, Briguglio and Bhuglah, confirm that economic vulnerability is multifaceted and is particularly relevant to SIDS.⁴ All the economic vulnerability indices so far produced indicate that, as a group, SIDS tend to have high vulnerability scores. The study also reveals that, in some instances, SIDS do not register a relatively low GDP per capita, conveying the impression of a strong economy, even when, in reality, their economies are extremely delicate, being exposed to foreign economic conditions and confronted with additional problems associated with insularity and remoteness. Moreover a number of SIDS are, in fact, low-income countries and very vulnerable at the same time: a state of affairs which deserves an immediate response from the international community.

The study just quoted, cautions that the high vulnerability scores of SIDS produced by the vulnerability indices should not be misconstrued. Nor should they be allowed to induce complacency. Indeed, the study proposes the adoption of a number of specific measures in this regard. These measures can be summarised under four headings, namely (a) improved flexibility to enhance the countries' ability to withstand external shocks; (b) improved ability to compete,

⁴ Paper prepared by Michael Witte, Lino Briguglio and Assad Bhuglah for UNDP and presented to the Global Roundtable on Vulnerability and SIDS, 9-10 May 2002 at the Ritz Carlton Hotel, Montego Bay, Jamaica.

(c) institutional changes for capacity- building and (d) SIDS-SIDS cooperation, in particular for the purpose of developing a strategy for international trade negotiations. The study concludes that, although SIDS should make every effort to help themselves, they tend to have limited options to cope effectively with their intrinsic economic vulnerabilities. The support of the international community is therefore critical.

It is also clear that some of the environmental vulnerabilities of SIDS are intrinsic and cannot be influenced by human actions, while others could be managed, at least, in part, by the governments and people of SIDS. The burden of environmental vulnerability is, however, relatively greater in SIDS than in other countries, developing or developed, because of the intrinsic characteristics of SIDS. Thus, there is an urgent need to identify and measure all aspects of the special vulnerability of SIDS to ensure that: (i) development priorities and approaches are appropriate to their special circumstances; and (ii) their special vulnerabilities are taken into account in international processes. It is therefore recommended that:

- Streamlined and permanent data collection mechanisms be established to collect data on environmental vulnerability in all SIDS to inform vulnerability- management and resilience- building processes. Such data may be collected on a periodic basis;
- The Environmental Vulnerability Index (EVI) be compiled as a mechanism for identifying and measuring environmental vulnerabilities in SIDS and for monitoring changes in response to actions and through time;
- Mechanisms be established, for example, through AOSIS, for taking elements related to the special vulnerability of SIDS into account in regional and international processes, including adjustments and assistance, as necessary;
- The implications of the special vulnerability SIDS be re-examined in the context of *sustainable development*; and
- Public awareness and capacity be increased in SIDS in relation to the unique conditions of environmental vulnerability. Options for management and resilience- building should be discussed and popularised.

Among the Strategies that may be implemented by Caribbean SIDS towards building their resilience are those set out in Table 2.

Table 1: Economic, Social and Environmental Features of Caribbean SIDS

Economic Features	Social Features	Environmental Features
<ul style="list-style-type: none"> • small population size • extreme economic openness • narrow resource base • low mineral endowment • low domestic savings and investment capacity • limitations in the volume and range of production factors • inability to benefit from economies of scale • low per capita incomes • small size of domestic markets. • lack of an indigenous technological base • tendency in the export sector towards product and market concentration • high per capita cost of installing and maintaining infrastructure • high dependence on external trade • excessive transit, transport and trans-shipment cost especially for landlocked small states. • lack of ready access to international capital markets. • low aggregate GDP • high income volatility • low capacity for risk absorption 	<ul style="list-style-type: none"> • underdeveloped public and private sectors; • high population densities • limited human resource capacity • limited institutional capacity due to limited HR base • susceptibility to brain drain • susceptibility to HIV/AIDS and other communicable diseases • increased consumption rates due to growing populations • high rates of unemployment and under-employment • vulnerability to energy shocks • high dependency ratios • high rates of poverty • geographically dispersed rural settlements 	<ul style="list-style-type: none"> • increased vulnerability to extreme natural and man-made disasters such as climate change , and extreme weather events • thin freshwater lenses that are easily contaminated • susceptibility to water stress • susceptibility to land degradation • small variability in climate and soil • fragility of ecosystems to pests, disease and human activities • limited financial, technical and administrative capacity to cope with the consequences of climate-change • extensive interface between land and sea

Table 2: Strategies to Build Resilience and Overcome Vulnerability**Economic Strategies**

- Forge strategic alliances to overcome size constraints;
- Build the capacity of public and private sector institutions;
- Develop competitive strategies;
- Promote stability in the macroeconomic environment;
- Rapidly diversify export commodities away from traditional products in declining demand and toward more high value-added commodities and services in increasing demand;
- Reduce dependence on imported energy, through, *inter alia*, the development of renewable energy sources;
- Develop capacity in the management of marine resources;
- Develop the requisite infrastructure and human resources to effectively exploit opportunities in IT;
- Develop an educated and well-trained work force that can readily adapt to the changing technological demands;
- Tap expertise and financial resources from overseas communities;
- Develop SIDS-SIDS cooperation;
- Introduce Integrated Development Planning;
- Strengthen development policy analysis; and
- Develop public and private sector capacity ;

Social Strategies

- Provide social safety nets, especially for more vulnerable and challenged groups;
- Monitor and manage population dynamics;
- Build Human Resource capacity as a special area of focus;
- Remove impediments to business development
- Develop strategies to combat HIV/AIDS;
- Develop HR policies and strategies;
- Open/strengthen channels for continuous public participation in policy analysis and formulation;
- Increase supply and retention of trained human resources;
- Generate sustained and comprehensive labour market information system to guide intervention in the labour market;
- Reform education systems to ensure better fit between HRD and national/regional development goals;
- Formulate/implement poverty reduction strategies that sustain livelihoods;
- Empower marginalised groups; and
- Build leadership at the community level.

Environmental Strategies

- Continually identify and assess areas of environmental vulnerability;
- Strengthen natural environment by removing stressors;
- Provide protected areas for critical ecosystems;
- Allow recovery in damaged natural eco-systems;
- Establish reserve areas for attenuating/diffusing pollution;
- Introduce IRWM policies principles and management techniques;
- Develop capability to adapt to impacts of climate change; and
- Strengthen the capacity of environmental management institutions.

4.1 Towards a negotiating position

The negotiating strategy to be adopted by Caribbean SIDS in the preparatory meetings for the International Meeting 2004 might incorporate the following:

- (a) Agitating for concessions to enable them to meet the relatively higher adjustment costs associated with:
 - the negative short run outcomes that attend trade liberalisation, such as a reduction in employment and output; and macroeconomic instability linked to balance of payment difficulties or reduction in government revenue;
 - the supply of the vocational, technical and management training and educational opportunities needed to adapt to a knowledge-based global economy and having to do so without the advantages of clustering, domestic competition, technological innovation and knowledge accumulation that are available to large developed States;
 - the relatively longer transition time required for moving from labour-contracting to labour-expanding areas, caused by knowledge, institutional and financial limitations;
 - the lack of capacity of small firms to meet the challenges of increased liberalisation and openness;

- (b) Agitating for adequate time to adjust to the loss of trade preferences. At the multilateral level, this might include the following special and differential (S&D) measures :
 - permitting SIDS to undertake only those commitments and concessions that are consistent with their adjustment capacity; development, financial and trade needs; and their administrative and institutional capabilities for implementation;
 - building the capacity of SIDS to permit effective access to and utilisation of the Dispute Settlement arrangements within the WTO;
 - asymmetrically phased implementation of rules and disciplines to facilitate a longer adjustment period, thus helping to attenuate structural constraints, such as the small size of firms and the small scale of production in SIDS;
 - exemptions from commitments in certain areas.

- (c) Ensuring that:
 - the “vulnerability of SIDS” is entrenched into the international discourse and taken into account in the development and execution of programmes of assistance provided by the multilateral development, finance and trade institutions;
 - increased levels of Official Development Assistance is provided to those SIDS having the requisite policies in place to guarantee the effectiveness of such assistance;

- support is provided with the establishment of regional risk-pooling arrangements, to complement improved disaster mitigation and prevention measures that can reduce the cost of disasters;
- the International Task Force on Commodity Price Risk Management pays attention to issues and commodities of relevance to small island developing States in its future work;
- continued financial support is provided to help SIDS to adapt to the environmental, economic and social impact of global climate change. The vulnerability of some SIDS is compounded by the likely impact of climate change.

Overall, the thrust of the concerns of Caribbean SIDS to be articulated at the 2004 International Meeting is towards:

- a renewal of the international commitment to the sustainable development of small island developing States;
- the entrenchment of the “vulnerability” concept as peculiarly applicable to small island developing States; and
- the provision of the financial, technical and other forms of support that are required to build resilience to confront the constraints arising from vulnerability.