

EASTERN CARIBBEAN STATES

**Joint Embassy of the Eastern Caribbean States
Mission to the European Union**

**Report of the “Breaking the Myth of Paradise: the Future of SIDS”
symposium**



**By: Eastern Caribbean States
8/12/2014**

Overview

The Mission of the Eastern Caribbean States (ECS) in association with its partners – CTA, the EU-Lac Foundation and ColeACP – hosted a symposium on July 10th, 2014 in Brussels bringing together a number of stakeholders across the development spectrum at the Brussels Press Club to speak about the challenges facing Small Island Developing States. The symposium sought to build on the momentum generated by the United Nations Secretary General (UNSG) with his designation of 2014 as the International Year of SIDS. Given the fact that the ECS Mission represents four SIDS it is a critical priority of the Mission to ensure that the vernacular related to SIDS and their unique vulnerabilities are not neglected in development policy considerations in forum as important as Brussels. The designation by the UNSG comes as the global community gears up for the 3rd Global Conference on Small Island Developing States to be held in Samoa in September 2014.

The need for the SIDS agenda to penetrate the development discourse in Brussels is made ever important given the recent uncertainty posed by the EU as this relates to the future orientation of its development policy which seeks to provide assistance only to the “poorest of the poor” as spelt out in the agenda for change, an approach which relies mostly on per capital calculations without taking a holistic approach to the multi-dimensional reality of development. Consequently, under the 11th EDF, micro-States in the Eastern Caribbean have already seen their national envelopes diminished thereby curtailing their access to critical funds at a time of great need. It is therefore imperative that the necessary political message is consistently heard throughout Brussels so that policy and decision makers are ever reminded of the unique and special characteristics that SIDS face in an increasingly unfavorable climate ranging from economics to the environment. As new leaders begin to settle into the EU institutions to guide the EU’s work programme for the next several years, it is imperative that such a foundation be laid so that stronger efforts can be pursued with the new leadership.

The Symposium

Stakeholders included Caribbean Ambassadors and Ambassadors from the CELAC and ACP configurations as well as representatives from the ORs/OCTs. Senior Officials from the EU institutions including the EEAS and the Commission as well as leading EU Member States such as Italy and Spain were also in attendance. The highlight of the event was the keynote address given by the Honourable Prime Minister of Saint Lucia who sent a strong political message about the urgency of the moment and the need for the EU and SIDS to work together, particularly as the SIDS agenda is also an EU agenda.

The symposium took the format of interactive round table discussions where subject matters were introduced and discussed by experts and led by a moderator. The topics that were explored centered around five general themes:

- ✚ The geopolitical environment of SIDS
- ✚ Trade as a vehicle for the development of SIDS
- ✚ Climate change and energy
- ✚ Charting a new development paradigm for SIDS
- ✚ New approaches and new fora for SIDS: a Brussels perspective

Panelists were asked to be provocative in fleshing out the issues and providing recommendations on how to move forward, not just in the context of the 3rd Global Conference but also as it relates to actions here in Brussels and at the global level through the IFIs, WTO and the OECD and others. Each plenary session was open to comments and discourse from the floor.

Main Points

1: The geopolitical reality of SIDS: where are SIDS allies?

- ❖ Change in the balance of power, geopolitically, is the new reality.
- ❖ In the grand scope of international affairs, it must be recognized that alliances come and go depending on the political zeitgeist
- ❖ Within these changes SIDS need to forge new relationships while being able to assess which interests are best supported by which alliances.
- ❖ Small is beautiful (such as SIDS) vs too big to fail (as in certain institutions during the last global financial crisis) presents a dichotomy in the expression of global power which SIDS need to both understand and maneuver to safeguard their own interests.
- ❖ The notion of alliance building, mostly important among SIDS themselves, need to factor into the geopolitical considerations of contemporary global affairs. AOSIS, ACP and G77 are some examples where helpful alliances can be fostered.
- ❖ In certain international geopolitical fora, too much time is spent bracketing texts rather than actually pursuing real strategies that have impact on the ground, yet one cannot discount the fact that declarations and texts do have a role to play in advancing the SIDS agenda.
- ❖ The EU is viewed as traditional partner when considered against relatively newer entrants such as China who are investing enormous amounts of money. The new approach by China is giving traditional donors food for reflection.
- ❖ While China's efforts in development are welcome, the EU sees itself pursuing a more substantive relation based on dialogue and long term goals. The EU's partnership is not anchored on money but on political cooperation, knowledge sharing as well as best practices. These are some areas where the EU and SIDS can work together to effect change.
- ❖ History is still relevant to global alliance building and the EU and the Caribbean should use this reality to their advantage.
- ❖ The Trans-Atlantic Trade and Investment Partnership being pursued by the EU and US will have an impact on SIDS and these effects need to be analyzed.

II: Trade as a Vehicle for SIDS development

- ❖ The WTO is a multilateral configuration in which SIDS are represented in the Small and Vulnerable Economies grouping given the Doha Declaration in its paragraph 35 stipulates that work can be done on Small economies without the creation of a new category of Members. However, in losing the language of SIDS in the WTO, SIDS themselves are losing the ability to effectively advocate on their behalf as a group, in the way which they should and must, in a

forum such as this. There is a need for differentiation within the WTO so that SIDS concerns can obtain relevant responses.

- ❖ The Single Undertaking principle provides leverage for SIDS as much as the WTO consensus process and Member-driven principles
- ❖ Trade can be a vehicle for SIDS development if the private sector is involved in policy making and their concerns incorporated in development positions. This is intimately related to internal rather than international governance. However the private sector in many SIDS is ill prepared to play the dominant role that they should play in matters pertaining to trade policy.
- ❖ Trade can also be a vehicle for SIDS development when policies set by developed countries are not an obstacle to their access to markets.
- ❖ There is a need for more free market access for current arrangements to be effective for SIDS
- ❖ The issue of capacity is a keystone issue when dealing with SIDS
- ❖ Solutions that SIDS can consider in dealing with their trade-related challenges include developing the role of innovation in addressing supply side constraints, including more focused S+D treatment on areas of need; adequate response to the “market access or trade agreement overload” that is available in theory but not being fully accessible to SIDS because of size and capacity; need for support in the area of productive capacity and not just institutional capacity; participation in the disaggregated systems of global value chains; creative avenues where they could participate in the ever-increasing FTA.
- ❖ Questions that remain include how can SIDS make the integration process work for their development? How can SIDS align relevant alliances to their interests? How can SIDS improve private sector involvement and reduce transaction costs?

III: Climate Change and Energy

- ❖ SIDS are generally not energy efficient or productive and have fallen short in prioritizing their core needs
- ❖ SIDS have the largest renewable energy endowments in the world. In the Caribbean those that are accessible are solar, wind, geothermal though they require reliable connections and capital
- ❖ Climate change has a real economic impact for SIDS because of its tentacular effects: agriculture, ecosystems and biodiversity, pathogens and disease, aquaculture and fisheries, food security and infrastructure etc. It has the potential to take SIDS backwards to a new socio-economic construct
- ❖ Parts of the solution for SIDS include devising new partnerships and collective action in specific areas such as technology, finance, investment in the energy sector, and renewable energies, that result in a new economy; SIDS need treatment that is SIDS-specific and not a one-size-fits-all approach for they are not mini-continents
- ❖ The example of SIDS Dock has inspired many SIDS across the globe: a docking station for SIDS to obtain information on how to transform the energy sector by reducing the energy bill and using surplus energy appropriately.
- ❖ The solution must also consist of engaging in international negotiations and regulation setting, in a more cohesive and collaborative manner to get major polluters to change their behavior

- ❖ Questions that arise include how to tap into global finance with low interest rates for energy efficiency in SIDS. How to get the international community to accept its moral responsibility to SIDS?

IV: Charting a development and growth model for SIDS

- ❖ The current view of SIDS as “romantic” does much to hide the reality of micro states facing real severe challenges in providing their citizens with the prospect of healthy lives and decent work. These challenges are even more severe given the context of a world in post-recession. Many SIDS, those of the Eastern Caribbean for example, are still facing contraction in growth, FDI and revenues, with unemployment at an all-time high.
- ❖ Youth unemployment is a systemic feature of many SIDS.
- ❖ Several SIDS are ranked by the UN as among the most vulnerable, and most indebted in the world. Most of these are in the Caribbean,.
- ❖ There is need for a new development paradigm for the so called ‘middle income” highly vulnerable, high debt burdened SIDS
- ❖ Such a paradigm should be cross cutting, i.e. should feed into policy across the multilateral framework of institutions
- ❖ The small size of SIDS and the size of their labor force constrain their capacity to develop new skills and new lines of services and/or exports in short periods of time.
- ❖ South – south and triangular forms of cooperation provide new models for functional cooperation
- ❖ The Chinese model of functional cooperation via investments in capital infrastructure in return for mineral rights, and or the opportunity to invest in mineral exploration is one which provides options away from the Bretton’s Woods institutions
- ❖ SIDS need to provide lessons of experience to each other – for example, the OECS countries have exported their model of service pooling through joint institution building in the area of telecommunications to the Pacific. More of this needs to be done.
- ❖ SIDS need to have a political voice in international fora and be persistent with respect of their own advocacy with regarding their unique characteristics, vulnerabilities and their special needs.

V: New Approaches and new Fora for SIDS: A Brussels View

- ❖ A number of myths need to be debunked: the simplistic per capita calculation of GDP discredits SIDS. Any measurement of development of SIDS must include a measure of vulnerability, such as the vulnerability indices and vulnerability & resilience profiles.
- ❖ There is a need to raise the profile of SIDS in terms of their diplomatic capital; their potential as it relates to renewables and blue economy; and the latent potential of south-south cooperation.

- ❖ Questions of pertinence to SIDS going forward: what are the most effective institutions or fora for addressing SIDS issues? Where are the interests of SIDS best served? What role for the ACP Group in pursuit and promotion of SIDS interests and how can it be enhanced?
- ❖ First, there is a need to understand and prioritize what SIDS really want. SIDS are looking for increased finance (but note must be taken of their need to improve absorption capacity), increased capacity and strengthening of existing capacity, increased integration into the global economy (while trying to make full use of current market access arrangements), and special treatment by virtue of their SIDS status.
- ❖ SIDS use of global institutions (and power encounters) should therefore correspond to their needs.
- ❖ As regards SIDS presence in international fora: SIDS represent 17% of WTO membership, 43% of ACP membership, 26% of UN membership, 48% of CELAC, and over 50% of the Commonwealth. Does this not speak to the bargaining power or potential bargaining power in terms of voices, and influence of the agenda to put on the table?
- ❖ To be able to parlay this negotiating power, political will is essential - though it is not an easy task to bend the international political will with simple frameworks.
- ❖ What work are strategic partnerships, with public and private vested interests. What is also effective is also self-made approaches that an international partner can support, e.g. Mauritius national initiatives on green economy (Maurice, île durable) or OECS regional integration including its most recent Economic Union
- ❖ The multi-front approach and strategy is essential as no one institution governs all issues of concern to SIDS: oceans governance; a new strategy for engaging International financial institutions; even youth fora to take forward the concerns of SIDS.
- ❖ As regards financial support for SIDS: the Bretton Woods Institutions have been sluggish in terms of their own reform. However, new platforms are being created (e.g. BRICS proposal to create a development bank with contingency funds (modeled on the IMF)) Can creating new alliances with rival IFIs assist the SIDS case? Any strategic plan on engaging with IFIs requires strong political support. Development finance should not be seen as the one pot solution for all SIDS issues but each SIDS issue should be dealt with in a specific dedicated forum.
- ❖ The ACP as a potential platform of choice for SIDS issues in Brussels: For the first time the ACP issued a SIDS declaration in preparation for the Samoa Conference. It is a great laboratory for developing South-South and triangular cooperation experiences. The real financial and political constraints must be dealt with, though, for greater legitimacy and visibility of the organization.
- ❖ The EU is also a very legitimate partner for SIDS in Brussels not least because it is the greatest trade and development cooperation partner with greater possibility for further interaction. Also EU's OCTs and ORs are in the Caribbean which is made up of SIDS and so there is shared responsibility between the two regions to set the SIDS agenda.
- ❖ Existing international fora should be strengthened, such as AOSIS, which has already earned its name as a space for connection and exchange of experiences for SIDS.

- ❖ Internal and external efforts should be operated in tandem for effective results. Effective governance structures both internally and internationally are essential.
- ❖ Partnerships that are to be developed or strengthened in favour of SIDS development must be sustainable, respond to the systemic and structural challenges of SIDS, assist in identifying innovative opportunities for growth, have a multi-stakeholder approach, support home-grown efforts and not projects developed far away from those concerned and respect the endemic qualities of SIDS. The international community needs to be sensitive to SIDS issues and concerns.
- ❖ Do SIDS need a name change? Will “big ocean developing States” increase the possibility of their importance to issues relating to global climate, marine and ecological balance: this is against the backdrop of the increased emphasis that major global powers are putting on the ocean and its maritime assets.

Message Impact

In keeping with the Symposium’s key priority of raising the profile of the Eastern Caribbean States and all SIDS in Brussels, the Mission was able to achieve a public relations success. Though not on the scale of a big press operation, the Mission was able to engage with Brussels-based media by organizing a press conference with a selected group of journalist to engage directly with the keynote speaker of the event, the Honourable Prime Minister of Saint Lucia where he further expounded on the Caribbean’s SIDs agenda. He was well placed to do this especially as he is the Caribbean Community’s lead on sustainable development matters. Media contacts during the occasion include Argus Media and New Europe. In fact, the symposium benefitted immensely from the strategic decision to host the event at the Brussels Press Club Europe which assured publicity through the Club’s website and database of journalists. Stemming from this initial partnership the Press Club has indicated that it is willing to partner with the ECS Mission to ensure that the Small Islands States of the Caribbean have a platform on which to build on the work started at the symposium.

Subsequent to the symposium, the Mission also issued a press release to each of the Government Information Services so that the general public and all other stakeholders in the region are kept abreast of efforts in Brussels. It also served to enlist the region in the international conversation on SIDS. Since then the Mission has been approached by regional media outlets soliciting op-eds and columns dedicated to the topic.

In keeping with the new social media landscape the Mission also live tweeted the event and engaged in an online conversation throughout the symposium and subsequent to its conclusion. Using the hashtag #islands2014 which the United Nations and the 3rd Global Conference are using to promote the International Year of SIDS, the Mission was able to generate impact for the symposium as well as build social media partnerships with international stakeholders involved in the SIDS movement.

Additionally, through engagement with well-placed think tanks such as ECDPM and GMF and their attendance and participation at the symposium, the Mission will now have allies that have proven skilled at influencing the discussion across a host of topics. The Mission has been given assurances that the issues that were unpacked at the symposium will filter down into very specific initiatives by these institutions. This cannot be underestimated in the amplification of the SIDS message in such a Capital with vast competing interests.

Conclusion

The symposium was conceptualized to make the Brussels-based development conversation an inclusive one in which SIDS are fully represented and their challenges more clearly understood and appreciated. This is the key objective that the Mission hoped to achieve with the organization of the symposium. Whether it is through the ACP configuration or the CELAC partnership there is scope and space for SIDS issues to be incorporated. In speaking with EU officials it could be said confidently that there is support for such inclusion. That the ACP is presenting for the first time a declaration at the Third Global Conference is testimony for the potential of using the ACP as a platform to generate political support.

The Mission expects to continue the collaboration with the CTA, the EU LAC Foundation and ColeACP in moving forward on some of the issues that could be tackled immediately. These include important subjects such as economic investment, agriculture and food security, the yachting sector and smart partnership building. Through this demonstration effect it is also hoped that more partner institutions will come on board to maximize the impact of this effort. The Eastern Caribbean looks forward to a more wholesome conversation in which SIDS issues are not considered a mere addendum to development considerations at the EU level and is confident that the foundation which was paved through the symposium is now just a beginning for more action.