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No: 5/2020

Memorandum for Economic Development Committee

SUBJECT

Endorsement of Recommendations Regarding Small Island Developing State Status

Memorandum by Senior Economist

ADVICE SOUGHT

1. EDC is asked to endorse the recommendations in the paper titled 'Small Island Developing State Status – St Helena' [Annex A] for consideration by Executive Council.

BACKGROUND & CONSIDERATIONS

- 2. In a 27 September 2019 letter to Chief Secretary Susan O'Bey, the Foreign and Commonwealth Office (FCO) Overseas Territory (OT) Director Ben Merrick suggested that St Helena may want to consider whether to declare itself to be a Small Island Developing State (SIDS) as Montserrat has done.
- 3. SIDS are a group of small island countries that share common development challenges. The outcome document from the 2012 United Nations (UN) Conference on Sustainable Development noted that SIDS have 'unique and particular vulnerabilities, including their small size, remoteness, narrow resource and export base, and exposure to global environmental challenges and external economic shocks, including to a large range of impacts from climate change and potentially more frequent and intense natural disasters.'
- 4. There is no standard definition of what qualifies as a SIDS and a country can declare itself to be one at any time. To become a SIDS, St Helena could simply self-declare through a decision by Executive Council and subsequent public announcement.
- 5. Based on the experience of the other OTs, for St Helena to gain more formal recognition as a SIDS it would also need to be affiliated with a UN Regional Commission. Most of the benefit that might be seen as resulting from SIDS status is actually an outcome of formally joining a UN Regional Commission. For this reason, the UK Foreign and Commonwealth Office (FCO) has offered to facilitate membership with the relevant UN Regional Commission.
- 6. While the UN Regional Commissions are generally organised by geography, there are no strict criteria for which region a particular country belongs to. For example, Canada and the United States are members of the UN Economic Commission

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for Europe (UNECE) due to historical and economic ties to the European continent. Depending on what criteria are prioritised, St Helena could request to join one of three regions: UN Economic Commission for Africa (UNECA), UNECE or the UN Economic Commission for Latin America and the Caribbean (UNECLAC). An assessment of the pros and cons of each region is presented in Annex A.

- 7. Based on this assessment, the following actions are recommended:
 - a. There is no downside to St Helena declaring itself a SIDS and should do so in the near-term.
 - b. St Helena should request to join the UN Economic Commission for Latin America and the Caribbean (UNECLAC).
 - i. UNECLAC has the most SIDS (29) and is the only one of the three regions considered that currently includes non-independent territories as members.
 - ii. All other UK OT SIDS are associate members of UNECLAC.
 - iii. In addition, because UNECLAC includes a significant concentration of SIDS (49% of Member States), it is most likely to represent positions that benefit St Helena in the global fora in which it participates as an organisation (e.g., UN conferences on climate change or sustainable development).
- 8. If accepted as a member of UNECLAC, SHG should undertake further analysis of the costs and benefits of joining the Caribbean Development Bank. Contacts developed through UNECLAC will be helpful to inform this decision at a future date.

FINANCIAL IMPLICATIONS

- 9. Montserrat has reported that there are no fees associated with joining UNECLAC. There are likely only minimal costs associated with membership (e.g., if a representative from St Helena travelled to a regional meeting).
- 10. It is important to note that SIDS status or membership in a Regional Commission may be helpful in identifying new funding opportunities but will not guarantee access to additional funding.

ECONOMIC IMPLICATIONS

11. While there are not direct economic implications, access to technical cooperation and regional networks may indirectly advance St Helena's economic goals.

CONSISTENCY WITH

12. N/A.

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INVESTMENT
POLICY
PRINCIPLES

PUBLIC / SOCIAL IMPACT

13. While there are no direct social impacts, access to technical cooperation and regional networks may indirectly advance St Helena's social development goals.

ENVIRONMENTAL IMPACT

14. While there are no direct environmental implications, access to technical cooperation and regional networks may indirectly advance St Helena's environmental goals.

PREVIOUS CONSULTATION / **COMMITTEE INPUT**

15. In October, the Chief Secretary agreed with Elected Members that Officers would research the benefits of SIDS status and produce a paper with recommendations in early 2020.

PUBLIC REACTION

16. Public reaction is likely to be positive.

PUBLICITY

- 17. The EDC meeting summary will provide an update to the public if the recommendations are endorsed.
- 18. A public announcement regarding SIDS status should be made if Executive Council approve the recommendations.
- **SUPPORT TO STRATEGIC OBJECTIVES**

19. Access to technical cooperation and regional networks may indirectly advance the national goals outlined in the 10 Year Plan and a range of other strategic priorities.

LINK TO **SUSTAINABLE ECONOMIC DEVELOMENT PLAN GOALS**

20. While there are no direct economic implications, access to technical cooperation and regional networks may indirectly advance the goals of the Sustainable Economic Development Plan.

ACB

OPEN /CLOSED **AGENDA ITEM** Corporate Support

Corporate Services

DATE OF MEMO

21. Open Agenda

11/02/2020