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**Progress in the implementation on the Programme of Action
for the Sustainable Development of Small Island
Developing States****Current donor activities*****Report of the Secretary-General****Contents**

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Introduction

1. In paragraph 120 of the Programme of Action for the Sustainable Development of Small Island Developing States,¹ the Secretary-General is requested to prepare a report that contains “updated information on current donor activities in support of the sustainable development of small island developing States, as well as on the adequacy of international resources devoted to the Programme of Action” for review by the Commission on Sustainable Development in 1999. The present report has been prepared in response to that request. It updates a similar report prepared for review by the Commission in 1996 (E/CN.17/1996/21).

I. Assembly and presentation of data

2. The data contained in this report were supplied by the Reporting System Division of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). They are presented in seven separate tables in the same format as that of the 1996 report, and are broken down according to the programme areas of the Programme of Action. Resource flows not readily allocable to programme areas are assigned to the category “General development assistance”, as was the case in the 1996 report.

3. It is worth noting that a number of modifications have been introduced into this report in terms of classification of data by programme area. At the beginning of 1996, DAC revised its purpose classification system by simplifying the purpose classification codes and creating new ones to cover emerging fields of development cooperation. As a result of this revision, some purpose classification codes were merged while others were assigned to different categories. This led to changes in the classification of data by programme area for the purpose of this report. For instance, under the revised classification system, marine pollution control is now included under “Biosphere protection”. In the corresponding programme heading of the Programme of Action, it now falls under “Climate change and sea-level rise” instead of under “Coastal and marine resources”, as it did in the previous report. The data for the entire period reported herein are based on the new purpose classification codes.

4. In this regard, the assembly of data pertaining to cross-sectoral areas has undergone more significant changes. In particular, the selection of activities under the headings “national institutions and administrative capacity” and “regional institutions and technical cooperation” has been altered. Both programme areas involve activities that can be

undertaken across all economic sectors and that are difficult to identify through the purpose classification codes because the data are not sector-specific. Consequently, under the former programme area, only activities in support of general environmental policy and programmes, environmental research, and environmental education and training are included. No activities are shown under the latter programme area, which by no means suggests, however, that aid is not extended for this purpose. Another major change concerns the programme area “science and technology”, which now covers non-sector specific activities only. Sector-specific research is included in the various benefiting sectors. It should be noted, however, that the revision of the classification system and the consequent changes in the assembly of data by programme area do not affect the total amount of resource flows.

5. As was the case in the 1996 report, sectoral patterns of allocation of external resources can be assessed on the basis only of commitments by donor and programme area, since data on disbursements by donor and programme are not available. Data on commitments for multilateral donors are available up to 1997 but are subject to further revision. Disbursement data are available by recipient country and donor, but not by programme area. This hampers somewhat the analysis of actual activities at the sectoral level. The disbursement data are more comprehensive, however, allowing for an examination of donor response on a country-by-country basis.

6. Technical cooperation activities are estimated to account for some 25 per cent of total commitments, of which less than half are reported in the Creditor Reporting System. This factor should be borne in mind in analysing sectoral patterns of resource flows, since some programme areas may have benefited from high volumes of technical cooperation, in particular from France, Germany and Japan.

7. A more definitive assessment of the trend in bilateral efforts in support of the Programme of Action for the Sustainable Development of Small Island Developing States must await, however, the availability of complete data for the years 1997 and 1998.

II. Main trends in resource commitments to small island developing States

A. Bilateral commitments

8. Total official development assistance (ODA) commitments by DAC bilateral donors amounted to US\$ 900.70 million in 1996, the latest year for which complete data are available (see table 1), compared with US\$ 1,088.03 million in 1994, the highest volume recorded in the period 1992–1996, and with US\$ 687.25 million in 1992, the lowest figure of the period. The 1996 volume stood above the average of the period 1992–1995, which was US\$ 843.43 million. The available data seem to indicate that bilateral commitments peaked in 1994 and declined thereafter.

9. In 1996, programme areas that had received larger shares of bilateral commitments were human resource development, transport and communication and freshwater resources. Together, these three areas accounted for some 50 per cent of the total bilateral commitments. Other areas that had received relatively significant commitments were land resources, coastal and marine resources, and energy resources. Climate change and sea-level rise, biodiversity resources, and management of wastes were the three areas that attracted the least amounts of bilateral commitments. These three areas accounted for less than 1 per cent of the 1996 bilateral commitments. Commitments to general development assistance accounted for some 35 per cent of the bilateral commitments in 1996. With some minor variations, this pattern of commitments by programme area remained largely unchanged during the period 1992–1996. The data on science and technology, and national institutions and administrative capacity, need to be interpreted in the light of the observations made in paragraphs 3 and 4 above.

B. Multilateral commitments

10. Total ODA commitments by multilateral agencies amounted to US\$ 277.43 million in 1996; these were well below the level of the preceding year (US\$ 569.90 million). Though higher than the 1992 volume, which was US\$ 234.87 million, 1996 commitments were below the average for the period 1992–1995, which was US\$ 377.81 million.² In terms of commitments by programme area, those that received larger commitments in 1996 were transport and communication, energy resources, land resources and

freshwater resources. These four areas accounted for 46 per cent of the 1996 multilateral commitments. However, about 49 per cent of the commitments went to general development assistance, which meant that only about 5 per cent of the commitments went to the other 10 programme areas. Again, these figures need to be interpreted in the light of the observations made in paragraphs 3 and 4 above.

11. The pattern of multilateral commitments by programme area during the period 1992–1996 remained roughly the same, with the four areas identified above being the ones most heavily emphasized. While human resource development had attracted significant commitments in previous years, it was not accorded priority in 1996, and accounted for 2 per cent of the total multilateral commitments. Commitments to general development assistance increased steadily in the period 1992–1996, rising from a relatively low level of 22.3 per cent in 1992 to about 50 per cent in 1995 and 1996. This trend is largely a reflection of a greater number of activities assigned to the general development category as a result of the modifications made in the DAC purpose codes.

C. Regional and country patterns

12. Table 4 provides data on bilateral and multilateral ODA commitments by recipient region and by programme area. It shows the amounts of resources allocated by bilateral and multilateral donors to each programme area for each region in 1992 and 1996. The data point to a number of shifts in emphasis on programme areas between 1992 and 1996. For instance, there was a large increase of bilateral commitments in transport and communication in the Asia and Pacific region, rising from US\$ 13.59 million in 1992 to US\$ 141.32 million in 1996. In the same region, bilateral commitments in human resource development nearly doubled between 1992 and 1996. In Latin America and the Caribbean, increases of similar magnitude took place in the areas of coastal and marine resources, freshwater resources, and energy resources. In terms of total volume of commitments, both regions experienced substantial increases in 1996 as compared with 1992.

13. In Africa, however, bilateral and multilateral commitments fell substantially in a number of programme areas, including land resources, transport and communication, and human resource development. Total bilateral and multilateral commitments to small island developing States in Africa more than halved in 1996 as compared with 1992.

14. Table 5 contains data on bilateral ODA commitments by donor and programme area. It shows the amounts of

commitments by individual donors in 1992 and 1996 to different programme areas. The data indicate that resource allocations by individual donors to programme areas are by and large consistent with the overall pattern identified from the data in tables 1 and 4. Programme areas that attracted larger proportions of resources were human resource development, transport and communication, freshwater resources, land resources, and coastal and marine resources.

III. Main trends in resource disbursements to small island developing States

A. Bilateral disbursements

15. Net disbursements of ODA resources (grants plus concessional loans) by DAC member States amounted to US\$ 1.5 billion in 1996, considerably below the level in 1994 (US\$ 1.9 billion), and in 1995 (US\$ 1.8 billion) (see tables 2 and 3). The large decline was mainly due to the fall in ODA flows to Haiti, which dropped to US\$ 150.09 million in 1996 from a high of US\$ 597.11 million in 1994. However, at US\$ 1.5 billion, the 1996 level was above the level of 1993 (US\$ 1.2 billion).

16. In 1996, a number of small island developing States experienced substantial increases in net ODA resource inflows as compared with those of the previous year. These included the Marshall Islands, the Federated States of Micronesia and Papua New Guinea in the Pacific region, Malta in Europe, and the Netherlands Antilles in the Caribbean. On the other hand, several other States experienced declines in ODA in 1996 as compared with 1995, among them Sao Tome and Principe, Mauritius, Palau, Vanuatu, the Dominican Republic, and Haiti. In terms of volumes of ODA flows, the largest recipients in 1996 were Papua New Guinea (US\$ 350.29 million), which accounted for some 24 per cent of the total net disbursement of bilateral ODA flows to all small island developing States. Other large recipients were Haiti (10.2 per cent), the Netherlands Antilles (8 per cent), the Federated States of Micronesia (7.6 per cent) and Cape Verde (5.3 per cent).

B. Multilateral disbursements

17. Net multilateral disbursements of ODA to small island developing States amounted to US\$ 691.34 million in 1996, down from the figure of the preceding year, which stood at a high of US\$ 753.42 million, but this was still above the level

of 1993 (US\$ 368.31 million) and the average of the period 1993–1995 (US\$ 514.12 million). The largest recipient was Haiti, which had seen its multilateral development assistance rise from US\$ 4.21 million in 1994 to US\$ 221 million in 1995 and US\$ 225.1 million in 1996, and thus accounted for some 33 per cent of the total multilateral disbursements in 1996. Other large recipients in 1996 included Jamaica (8.1 per cent), the Dominican Republic (7 per cent), Dominica (5.9 per cent), Cape Verde (5.7 per cent) and Papua New Guinea (4.7 per cent).

C. Flows from individual donors to recipient countries

18. Table 6 contains data on net disbursements of ODA by individual donor and recipient. Judging from the data of two recent years, 1995 and 1996, it appears that historical and geographical ties continue to determine the allocation pattern of ODA resources to small island developing States as a distinct recipient group. For instance, Australia and New Zealand allocated nearly all of ODA flows to small island developing States to those in the Pacific. Likewise, Japan allocated 75 per cent of its ODA resources destined to small island developing States to the Pacific small island developing States. Canada, the Netherlands and Spain directed more than 90 per cent of their net disbursements of ODA resources to small island developing States to the Caribbean small island developing States. Portugal allocated nearly 98 per cent of its ODA resources to small island developing States to two countries in Africa. Similarly, some 85 per cent of Italy's ODA resources to small island developing States went to one European country. Though less concentrated, most of France's ODA flows to small island developing States went to African and Caribbean small island developing States, while the bulk of ODA resources of the United States of America to small island developing States went to the Pacific small island developing States.

19. In terms of individual levels of net disbursements of ODA resources to small island developing States in 1996, Australia was the largest donor (US\$ 310.97 million), followed by the United States (US\$ 300 million), Japan (US\$ 288.88 million), the Netherlands (US\$ 166.7 million), France (US\$ 113.3 million), Italy (US\$ 77.95 million) and New Zealand (US\$ 52.49 million).

D. Non-Development Assistance Committee (DAC) net bilateral disbursements

20. Non-DAC bilateral ODA disbursements in 1996 came mainly from Kuwait (US\$ 94.90 million), Taiwan Province of China (US\$ 11.06 million) and the Republic of Korea (US\$2.77 million). While, traditionally, Kuwait focused its development assistance to small island developing States on one Arab State, it increased its net disbursements of ODA resources to other small island developing States in 1996, notably to those in the Caribbean region. Disbursements of ODA resources by Taiwan Province of China and the Republic of Korea were more evenly distributed among small island developing States.

E. Net multilateral disbursements

21. Table 7 provides data on net disbursements of multilateral official development assistance to small island developing States in two recent years, 1995 and 1996, by individual agency and recipient. With the exception of disbursements from regional development banks, which by their mandates focus on their respective regions, and humanitarian and emergency assistance, which is delivered to areas where an emergency has arisen, multilateral resource flows to small island developing States are by and large evenly distributed among them. In terms of total volumes, multilateral resource flows remained largely stable between 1995 and 1996, even though declining assistance by several agencies to one of the small island developing States had a marked effect on their total volume of resource flows in 1996. It is worth noting that there was an across-the-board fall in the regular programme of technical assistance by United Nations organizations in 1996 as compared with 1995. The total volume of technical assistance to small island developing States by United Nations organizations more than halved in 1996. It remains to be seen whether this decline was just a one-year fluctuation or an emerging trend.

IV. Conclusions

22. The overall picture of external development support to small island developing States emerging from the commitment and disbursement data contained in this report is largely similar to that described in the 1996 report. Total bilateral commitments in 1996, the latest year for which complete data are available, increased as compared with those in 1992, and remained above the average of the period 1992–1995. However, the 1996 level did not represent the highest recorded in this period. Total multilateral

commitments in 1996 also rose as compared with those in 1992, but the amount was below the average of the period 1992–1995. In terms of programme areas covered by both bilateral and multilateral commitments, those that received larger shares were human resource development, transport and communication, freshwater resources, land resources, coastal and marine resources, and energy resources. Climate change and sea-level rise, biodiversity resources, and management of wastes were the three areas that saw the least amounts of commitments.

23. Insofar as net bilateral disbursements of resources (grants and net concessional loans) are concerned, the 1996 volume fell below the levels of the preceding two years largely owing to the fall in ODA flows to one country, but was higher than the 1993 volume. Multilateral disbursements in 1996 were down from 1995, but remained above the average of the period 1993–1995. They were also higher than the 1993 level. In line with past trends, multilateral disbursements of ODA resources were more evenly distributed among small island developing States; bilateral ODA flows, on the other hand, continued to be driven by and large by historical and geographical ties.

24. Considering the conclusions reached in the 1996 report and taking into account the trends emerging from this report, it is clear that a considerable number of programme areas have not received adequate attention in terms of ODA in the last few years. It is imperative that programme areas that have so far received relatively larger shares of external resources continue to be accorded adequate attention and those areas that have so far received little external support be given greater attention. A mere shift in sectoral allocations of ODA resources will not have a significant impact in advancing the implementation of the Programme of Action. Effective and timely implementation calls for an intensification of efforts at providing external development assistance to small island developing States through new and additional commitments and disbursement of resources.

Notes

¹ See *Report of the Global Conference on the Sustainable Development of Small Island Developing States*, Bridgetown, Barbados, 25 April–6 May 1994 (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex II, para. 120.

² The breakdown of the purpose codes pertaining to multilateral commitments is available only for the World Bank, the regional development banks and the International Fund for Agricultural Development (IFAD).

List of abbreviations appearing in tables 1–7

AFDF	African Development Fund
ASDB	Asian Development Bank, special funds
EEC	European Economic Commission, European Development Fund
DAC	Development Assistance Committee
IDA	International Development Association
IDB	Inter-American Development Bank, Fund for Special Operations
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund, Structural Adjustment Facility and Enhanced Structural Adjustment Facility
ODA	Official development assistance
OECD	Organisation for Economic Cooperation and Development
SIDS	Small island developing States
UAE	United Arab Emirates
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNTA	United Nations Regular Programme of Technical Assistance
WFP	World Food Programme





























