GAR15 - Analysis on Small Island Developing States

GAR15 states that economic losses from disasters are now reaching an average of US$250 billion to US$300 billion annually (Chapter 2, page 44).

The preface includes the following references to SIDS...

- “For small island developing states (SIDS), future disaster losses represent an existential threat. For example, compared to Europe and Central Asia, SIDS are expected to lose on average 20 times more of their capital stock each year in disasters. The expected annual losses in SIDS are equivalent to almost 20 per cent of their total social expenditure, compared to only 1.19 per cent in North America and less than 1 per cent in Europe and Central Asia.” (iv, preface)

- “Countries face a financing gap if they do not have the resources to buffer against infrequent but severe disaster losses. Many countries, including Algeria, Chile, Indonesia, Iran, Madagascar, Pakistan, Peru and many SIDS, would not pass a stress test of their fiscal resilience to a 1-in-100-year loss. Their limited ability to recover quickly may increase indirect disaster losses significantly.” (iv, preface).

- “At the same time, increasing disaster loss and impacts, magnified by climate change, will undermine the capacity of many low and middle-income countries, particularly small island developing states (SIDS), to make the capital investments and social expenditures necessary to achieve the SDGs.” (xvi preface).

Section 3.4 “Small island developing states at risk” (pages 74-77) of the report is dedicated to SIDS.

- “Due to their size, location and characteristics of their economies, SIDS are particularly challenged by disaster risk. In relation to their capital stock, investment and social expenditure, they face the highest potential losses associated with several hazards.”

- “SIDS also top all of the regional risk rankings. (Page 74).

- “Individual countries such as the Bahamas and Antigua and Barbuda have an extraordinarily high ratio of AAL to social expenditure. In five SIDS, the AAL is equivalent to over 100 per cent of what these countries are currently able or willing to spend on education, health and social protection.” (Page 75).

- “In the case of earthquakes, the AAL in Trinidad and Tobago represents over 20 per cent of the islands’ capital investment, and in Saint Kitts and Nevis the figure is over 10 per cent.” (Page 75).
• “In the case of tropical cyclones, nearly all of the countries with the highest AAL relative to capital investment, capital stock and social expenditure are SIDS.” (Page 75).

• “In terms of tsunami risk, SIDS such as Tonga, Palau, Solomon Islands and Vanuatu also rank at the top in terms of average annual loss relative to their capital stock.” (Page 76).

The report throughout stresses the disproportionately high risks and costs borne by small island developing states...

• “...in relation to annual capital investment or social expenditure, many low and middle-income countries, and in particular small island developing states (SIDS), have the highest concentrations of risk.” (Chapter 3.2 Capital and social investment challenge, page 58).

• “Relatively small countries, such as SIDS (Figure 3.30), have the highest proportion of their populations exposed to volcanic hazard.” (Chapter 3 The global riskscape; page 80).

• “In lower-income countries, and in particular in countries like SIDS with small economies, disaster losses may challenge an economy’s resilience, that is, its capacity to absorb losses and recover.” (Chapter 5 Resilience Challenge; page 100).

• “Many SIDS in particular are characterized by high risks and low economic resilience.” (Ch 5; page 103).

• “The cumulative effect of disaster loss on fixed capital may be dramatic in SIDS such as Vanuatu or small countries like Belize.” (Ch 5; page 104).