



## Research: Impact of COVID-19 on 5 Caribbean SIDS... Evaluating Progress in Recovery Planning, Emerging Policy Options, Best Practices and Lessons Learned



*Antigua and Barbuda*



*Belize*



*Dominica*



*Trinidad and Tobago*



*Jamaica*



This report details the impacts and challenges of the COVID-19 Pandemic on five countries in the Caribbean - Antigua and Barbuda, Belize, Dominica, Jamaica, Trinidad and Tobago. The 5 countries have been considered as pilot countries under a UNDESA and UNECLAC project aiming at strengthening integrated recovery planning and policy coherence towards the Sustainable Development Goals (SDGs) in selected Caribbean States. The report also highlights progress in recovery planning measures and methodologies in each of the 5 countries and provides information on a range of policy options and best practices of each of the countries as they chart the necessary pathway for achieving sustainable recovery and advancing the SDGs and Samoa Pathway.

The Report is structured as follows:

Section 1 – Background and Introduction

Section 2 – About the Pilot Countries – A Snapshot of each Country Pre-COVID-19

Section 3 – Impacts of COVID-19 on the 5 Pilot Countries

Section 4 – Pilot Country Responses to the COVID-19 Pandemic

Section 5 – COVID-19 Recovery Plans and Related Opportunities

Section 6 – Building Forward Stronger Post COVID-19... The Road to a Resilient Recovery... Selected Options for Consideration

Conclusion

## Table of Contents

	<b>Page Numbers</b>
List of Acronyms	4
Section 1: Background and Introduction	5
General Impacts of COVID-19 on Caribbean SIDS	5
About this Research	9
Section 2: About the Pilot Countries – A Snapshot of each Country Pre-COVID-19	10
Section 3: Impacts of COVID-19 on the 5 Pilot Countries	20
Section 4: Pilot Country Responses to the COVID-19 Pandemic	31
Section 5: COVID-19 Recovery Plans and Related Opportunities	37
Section 6: Building Forward Stronger Post COVID-19... The Road to a Resilient Recovery...Selected Options for Consideration	41
Proposed Strategies and Transformative Initiatives for Consideration in Building Back Better, Building Forward Stronger, Fairer and Equal Post COVID-19	42
Integrated Recovery Planning Approaches and Ensuring Policy Coherence Towards Achieving the SDGs	54
	56
Bibliography	

## List of Acronyms

CARICOM	Caribbean Community
CARPHA	Caribbean Public Health Agency
CBI	Citizen by Investment Programme
CCRIF SPC	(formerly) The Caribbean Catastrophe Risk Insurance Facility
CDEMA	Caribbean Disaster Emergency Management Agencies
COVID-19	Coronavirus Disease of 2019
DESA	Department of Economic and Social Affairs
DRF	Disaster Risk Financing
DRS	Disaster Resilience Strategy
ECLAC	Economic Commission for Latin America and the Caribbean
FDI	Foreign Direct Investment
FY	Fiscal Year
GDP	Gross National Product
GFDRR	Global Facility for Disaster Reduction and Recovery
GNI	Gross National Income
GOJ	Government of Jamaica
HDI	Human Development Index
IEA	International Energy Agency
IFI	International Financial Institutions
IMF	International Monetary Fund
LAC	Latin America and the Caribbean
LAYS	Learning Adjusted Years of Schooling
LGBTQI	Lesbian, Gay, Bisexual, Transgender, Queer, & Intersex
MSMEs	Micro, Small and Medium-Sized Enterprises
MTF	Medium-Term Socio-Economic Policy Framework
MTFS	Medium Term Fiscal Strategy
ODA	Official Development Assistance
PAHO	Pan American Health Organization
PWDs	Persons with Disabilities
SDGs	Sustainable Development Goals
SIDS	Small Island Developing States
STATIN	Statistical Institute of Jamaica
TTCSI	Trinidad and Tobago Coalition of Service Industries
TTD	Trinidad and Tobago Dollar
TTMA	Trinidad and Tobago Manufacturing Association
UK	United Kingdom
UN	United Nations
UWI	University of the West Indies
VNR	Voluntary National Review

## Section 1: Background and Introduction

### General Impacts of COVID-19 on Caribbean SIDS

Caribbean countries, along with the rest of the global community, has had to address the devastating socio-economic impacts as a result of the COVID-19 Pandemic. The COVID-19 pandemic has led to unprecedented disruptive effects on the lives and livelihoods of people in the Caribbean while exacerbating inequalities among already vulnerable and disadvantaged groups. The pandemic has exacerbated the unique and intrinsic vulnerabilities that Small Island Developing States (SIDS) continue to grapple with, including high impact climatic events. The pandemic also threatened food security and nutrition as well as education and led to increases in gender-based violence.

In a context of global contraction, Latin America and the Caribbean is considered the region in the developing world that has been hardest hit by the crisis stemming from the COVID-19 pandemic. This is supported by the report “Assessing the Effects of COVID-19 to Plan the Recovery” published by ECLAC<sup>1</sup> which postulated that the COVID-19 pandemic will result in the worst economic contraction in the history of Latin America and the Caribbean, characterized by sharp increases in unemployment which will have a knock-on effect on household incomes and the ability to meet basic needs, falling commodity prices, reduction in international trade and increases in the poverty rate among other issues. The Inter-American Development Bank (IDB) goes further and postulates that the Caribbean region has had a deeper economic contraction than Latin America as a whole<sup>2</sup>.

Putting the health of countries first, including implementing activities to reduce the spread of the virus has come at a high cost to Caribbean countries. COVID-19 has resulted in both domestic and external challenges, the most significant of which include revenue and income losses, a drop in investment, rising unemployment, increased indigence and poverty, the collapse and subsequent closure of several micro- small - and medium-sized businesses, and challenges to the financial system. According to the analysis by ECLAC, the coronavirus will affect the quantity of jobs (increased unemployment and underemployment), the quality of work (reduced wages and access to social protection) and the most vulnerable groups, such as workers in the informal sector. Given the region’s prevailing economic and social inequalities, the strong unemployment effects have disproportionately impacted the poor and the vulnerable middle-income strata, which would possibly lead to even higher levels of economic inequality.

The external challenges include the near total shutdown of air and cruise travel, dealing an immense blow to the tourism sectors of several countries that rely on tourism as their main source of income; stress in related supply chains (agriculture, construction, hotels, restaurants,

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<sup>1</sup> Assessing the effects of COVID-19 to plan the recovery was ECLAC’s second study tracking the economic and social effects of the coronavirus crisis in Latin American and Caribbean countries. The first was issued in April 2020.

<sup>2</sup> IDB Invest. 2021. “New Data Shows the Impacts of the Pandemic on Caribbean Businesses”, Available at: <https://idbinvest.org/en/blog/development-impact/new-data-shows-impacts-pandemic-caribbean-businesses>

entertainment and the culture, cultural and creative industries or the orange economy); a sharp contraction in larger economies, a downturn in commodities prices, the contraction of foreign direct investment (FDI) flows and remittances; disruption in transportation and global supply chains; risk aversion for external investors and financial turbulence, and restrictions on foreign exchange availability.

Tourism is a key generator of foreign exchange across almost all countries in the Caribbean, contributing about 11 per cent to GDP and directly employing about 17 per cent of the Caribbean's workforce<sup>3</sup> and is key to the development of local, coastal, rural and remote communities in the Caribbean. The tourism sector is a key contributor to women's economic empowerment in the Caribbean, with females representing about 62 per cent of those employed in the accommodation and food service industries. As early as April 2020, many Caribbean countries closed their borders to tourists (landed and cruise) for several months<sup>4</sup> as a strategy to curb the spread of the virus. Tourist arrivals in many islands therefore dropped to zero and had significant knock-on effects on hotels and other accommodations which saw several cancellations, and other closely related areas such as attractions, restaurants and the agricultural sector. The impact on agriculture in many countries was significant. The closure of the tourism sector disrupted food markets resulting in wastage of agricultural produce, leaving many farmers trying to find alternative market outlets for their farm produce resulting in gluts on the local market. Some governments provided support to the sector by quickly introducing marketing campaigns encouraging persons to buy local products to support farmers as well as the setting up of mechanisms to move farm products from rural areas to urban customers and other retail outlets. The closure of the tourism sector also significantly impacted employment, with seasonal tourism workers, many of whom are women being among the hardest hit.

In terms of Caribbean businesses, a 2021 report by IDB Invest<sup>5</sup> states that 90 per cent of Caribbean firms report being negatively impacted by COVID-19 due to lower sales (89% of firms), lower capacity utilization (85%), and a reduced workforce (34%). The pandemic also has disproportionately affected women-owned/led businesses and smaller firms such as micro, small and medium-sized enterprises (MSMEs), with many firms reporting reduced sales (93% of firms) and capacity utilization (90%) when compared to the rest of the firms in the sample (88% and 83%, respectively). Supply chain disruptions caused by COVID-19 also significantly affected firm performance.

The impacts of COVID-19 on vulnerable groups - including persons with disabilities (PWDs), children, women and girls, female-headed households, persons living with HIV/AIDS and other vulnerable groups such as sex workers and members of the LGBTIQ (Lesbian, Gay, Bisexual,

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<sup>3</sup> ECLAC. 2021. The Impact of the COVID-19 Pandemic on the Tourism Sector in Latin America and the Caribbean and Options for a Sustainable and Resilient Recovery.

<sup>4</sup> Many countries began opening their borders in late 2020

<sup>5</sup> IDB Invest. 2021. "New Data Shows the Impacts of the Pandemic on Caribbean Businesses", Available at: <https://idbinvest.org/en/blog/development-impact/new-data-shows-impacts-pandemic-caribbean-businesses>

Transgender, Queer, & Intersex) community – have been stark due to the economic fallout being experienced by countries as well as the disruptions in access to basic social services. Many persons also have been impacted by the disruption of essential health services including services for sexual and reproductive health, mental health support. These vulnerable groups and communities were challenged before the pandemic by economic hardship and social disparities.

Like many countries the world over, Caribbean countries also experienced several challenges in education due to school closures. The COVID-19 pandemic forced the closure of schools across the Caribbean, including tertiary institutions. To mitigate the potential impact on educational outcomes and student learning, Ministries of Education across the Caribbean, in collaboration with educational institutions, responded to the closures in varying ways with a range of options for students, teachers, and parents, depending on the resources, both materials and human, available to them. Several schools from the primary to secondary levels as well as colleges and universities turned to digital solutions and modified their pedagogy to sustain continuity of learning<sup>6</sup>. At all levels of the education system, most of the options incorporated the use of innovative technologies (e.g., digital, and mobile technologies combined with traditional technologies such as radio and television) in order to provide at least some form of educational continuity.

Some of the specific challenges, which also extended to other levels of the education system, include insufficient technological infrastructure to shift to online teaching and learning; need for staff training in digital tools, digital divide, where many students and lecturers lack access to devices and internet access; psychological effects of the pandemic.

As distance and online education is dependent on technological facilities, including internet and Wi-Fi, the discrepancies that existed in their availability (both in terms of cost, limited community access points) widened the gaps in many instances in access and quality of education and had significant impacts on the needs of vulnerable and other special groups – thereby impacting students learning and well-being. Coupled with this is the fact that access to computers and tablets also were limited. In Jamaica for example, the Economic and Social Survey of Jamaica 2019, reported that 68 per cent of households had at least 1 working device at home. The pandemic showed that despite access to a device, if one considers a family of 4 or 5 with one device there would have been limited access to that device by all, given school closures as well as work from home orders and lockdowns in several countries, requiring several persons in the household to need access to computing devices simultaneously. The gaps that emerged in education showcased the relationships between advantaged and disadvantaged children and the needs to ensure equitable access to quality education. These school closures, even with mitigation measures, may have resulted in slower learning progress, especially among poorer children. Based on the findings from

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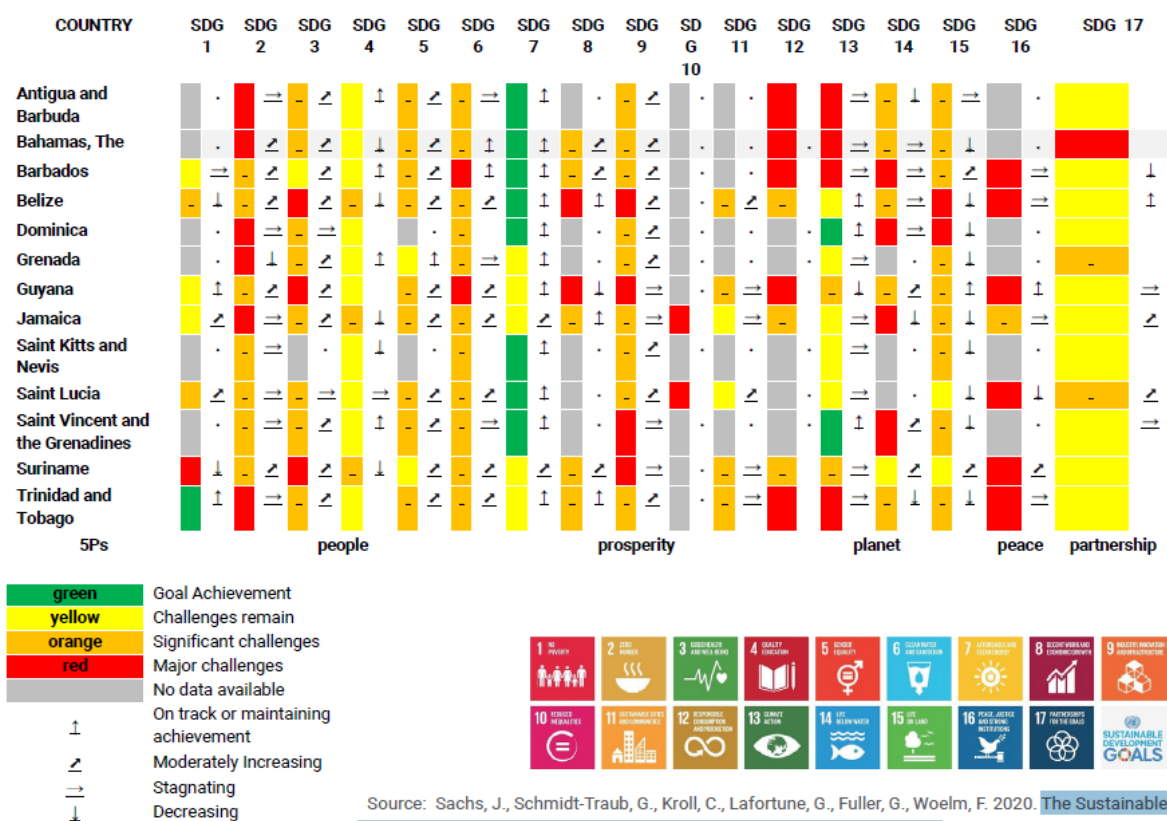
<sup>6</sup> IADB, Caribbean Centre for Educational Planning & Caribbean Leadership Re-Imagination Initiative. 2020. “Caribbean Tertiary Institutions and the Impact of COVID-19”.

an IDB study, the challenges at the tertiary level centred on economic challenges to institutions and students, technological and delivery of education services<sup>7</sup>.

Other social issues worth mentioning because of the pandemic include food insecurity, food gluts due to supply chain disruptions, and increases in gender-based violence although the latter has not been fully quantified.

On the environmental side, there may also have been a reduction in government subventions to environmental management and climate change adaptation activities, which may have essentially worsened the state of the natural environment owing to declining budgets, and less monitoring of natural resource use and ecosystems in general.

The disruption caused by the COVID-19 pandemic also has the potential to impact Caribbean countries achievement of the Sustainable Development Goals (SDGs) by 2030. The recently concluded UN Caribbean Multi-Country Analysis 2021, features the SDG Index and Dashboards presenting progress of countries towards achieving the SDGs as presented below<sup>8</sup>:



Source: Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. 2020. [The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020](#). Cambridge University Press.

<sup>7</sup> <https://publications.iadb.org/publications/english/document/Caribbean-Tertiary-Institutions-and-the-Impact-of-the-COVID-19-Pandemic.pdf>

<sup>8</sup> UN Caribbean. UN Caribbean Multi-Country Analysis 2021



The Report postulates that across almost all SDGs, challenges remain, some significant and major – and need to be addressed. One SDG that is showing progress across several countries is SDG #7 – affordable and clean energy. COVID-19 has significantly impacted countries progress to achieve the SDGs, threatening decades of development progress and also future developmental prospects. But within challenges there are opportunities – opportunities to use the lessons learned from the pandemic and its impacts – lessons related to resilience, transformational and decisive leadership, integrated development planning, partnerships, and collaboration. In moving forward, countries will need to step back, almost like when a sprinter takes a false step back, assess the lessons learned, and use the momentum to jump-start the SDGs, and propel forward at a faster rate to 2030 than was originally envisaged pre COVID-19.

## About this Research

This research is centered around 5 countries:



This research includes a literature review that draws from various international, regional and national reports that detail the impacts of COVID-19 on each of the 5 pilot countries, their pathways to recovery and policy responses that are being implemented to recover better, move forward stronger and reduce future vulnerability to exogenous shocks and importantly advance the achievement of the 2030 Agenda for Sustainable Development and the SDGs.

Information in the research was gathered from relevant reports produced by several United Nations (UN) agencies, such as the Common Country Analyses undertaken by the UN and other development partners, and desk reviews of countries, sectoral reports and retrieval of statistical data from national and international sources, including government national development plans, and speeches of key government officials.

The research is intended to provide a snapshot of the programmes that governments in the five pilot countries are currently implementing as well as best practices being implemented that could be adopted and adapted by other Caribbean Small Island Developing States (SIDS) as all countries seek to build forward stronger and sustainably post COVID. The Research also will provide a synopsis on country's progress towards achieving the SDGs.

This Research also is part of a larger project being led by the UN Department of Economic and Social Affairs (DESA) and the Economic Commission for Latin America and the Caribbean (ECLAC) aimed at supporting Caribbean SIDS in their post-COVID-19 recovery process, through

- The exchange of ideas and best practices on selected issues
- Showcasing and disseminating successes in the recovery process and the methodologies and approaches being deployed
- Promoting and documenting forthcoming innovations, and transformational strategies
- Promoting stakeholder engagement, collaboration and networking

## Section 2: About the Pilot Countries – A Snapshot of each Country Pre-COVID-19

### Antigua and Barbuda

Poverty Rate <b>18.4%</b>	Children in Poverty <b>24.3%</b>	Human Development Index <b>0.778</b>	Unemployment Rate <b>8.7%</b>
Gini Coefficient <b>0.49</b>	Education Index <b>0.676</b>	GDP Growth 2019 <b>3.4%</b>	# of Hurricanes between 1998 and 2018 <b>11.73</b>

Antigua and Barbuda is classified by the UN as a high-income country with a human development value of 0.778—positioning the country in the high human development category with a rank of 78 out of 189 countries and territories. This implies that citizens of Antigua and Barbuda enjoy relatively high incomes, allowing them to live better, longer, healthier and more fulfilling lives. The Human Development Report 2019 indicated that between 2005 and 2019, Antigua and Barbuda’s Human Development Index (HDI) value increased from 0.773 to 0.778, an increase of 0.5 per cent. Antigua and Barbuda’s HDI of 0.778 is above the average of 0.750 for countries in the high human development group and above the average of 0.759 for countries in Latin America and the Caribbean<sup>9</sup>. The country’s Gross National Income (GNI) per capita increased by about 41.0 per cent between 1990 and 2018. Over 95 per cent of the population has access to basic services such as electricity, potable water, sanitation services, and shelter. Access to health care and education also is favorable.

Notwithstanding, 18 per cent of the population is classified as poor, with 3.7 per cent considered indigent. In addition to those considered poor, a further 10 per cent of the population is considered vulnerable to downturns in the economy and other exogenous shocks such as climate related events. Coupled with this is the fact that the current level of spending on social services is less than 10 per cent of total government expenditures.<sup>10</sup> The UN indicates that the island nation has one of the highest Gini coefficients in the Caribbean (0.49), as the poorest 20 per cent enjoy

<sup>9</sup> United Nations Development Programme, Human Development Report 2019: Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century.

<sup>10</sup> Antigua and Barbuda 2021 Voluntary National Review

just 4.5 per cent of expenditures compared to 56.3 per cent enjoyed by the wealthiest 20 per cent of the population<sup>11</sup>.

Antigua and Barbuda is heavily dependent on the services sector. International tourism is recognized as the key driver of growth and income generation, contributing about 47 per cent of GDP and is a major contributor to government revenues and employment<sup>12</sup>. Despite the adverse impacts of natural disasters on the industry, it remains the dominant sector and continues to drive growth in the construction and telecommunication sectors. The financial services sector is relatively strong with the country having the second largest banking sector in the Eastern Caribbean Region, accounting for one fifth of the region's deposits, assets, and loans.

Prior to the onset of the COVID-19 pandemic, economic conditions were relatively good evidenced by, stable inflation levels, reduction in public debt, and consecutive years of economic growth. The improvement in the macroeconomic conditions supported stronger labour market conditions and steady foreign direct investment inflows. These development results are against the background of recovery efforts from the impacts of Hurricane Irma in 2017, which caused unprecedented damage and loss<sup>13</sup>.

### *Progress to Achieving the SDGs*

For Antigua and Barbuda the data shows that challenges remain across several SDGs, with fair progress evident under SDG 4 – Quality Education and SDG 9 – Industry Innovation and Infrastructure. There also is missing data and information to assess many other SDGs including those related to poverty and reducing inequality.

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<sup>11</sup> United Nations Office for the Coordination of Humanitarian Affairs OCHA Antigua and Barbuda Country Profile

<sup>12</sup> Antigua and Barbuda: COVID-19 HEAT REPORT HUMAN AND ECONOMIC ASSESSMENT OF IMPACT. UN Women, UNDP, UNICEF Eastern Caribbean

<sup>13</sup> Antigua and Barbuda: COVID-19 HEAT REPORT HUMAN AND ECONOMIC ASSESSMENT OF IMPACT. UN Women, UNDP, UNICEF Eastern Caribbean

## Belize

Poverty Rate <b>52%</b>	Youth in Poverty <b>57%</b>	Human Development Index <b>0.716</b>	Unemployment Rate <b>10%</b>
Gini Coefficient <b>0.53</b>	Education Index <b>0.705</b>	GDP Growth 2019 <b>1.8%</b>	Cost of Natural Disasters/annum <b>3.16%</b> GDP

Belize is a lower middle-income developing country with a pre-COVID-19 poverty rate of 52 per cent (201,616 persons), compared to 41 percent or 136,640 persons in 2009. Another 11 per cent of the population is considered vulnerable to poverty<sup>14</sup>. Among the ‘poor’ population, about 9 percent or 35,663 persons and indigent are critically poor. About 11 per cent or 42,590 persons were classified as vulnerable to poverty in 2018. These were persons who are classified as not poor’ but are at risk of falling into poverty if they experienced some type of economic/exogenous shock or a natural disaster. The COVID-19 pandemic therefore puts these persons at risk. Fifty-seven per cent of youth 15 – 24 years are classified as poor. The poverty rate in rural areas rose slightly in 2018 to 59 per cent, compared to 55 per cent in 2009. Most of the poor in rural areas are smallholder farmers and agricultural workers. However, the level of poverty in the urban areas showed a more significant increase from 28 percent in 2009 to 43 percent in 2018<sup>15</sup>.

Women make up more than 50 per cent of the population. In 2021, Belize scored 0.7 in the gender gap index, the highest score since 2015, representing a gender gap of approximately 30 per cent, meaning that women are 30 percent less likely than men to have equal opportunities.<sup>16</sup>

The 2020 Human Development Index (HDI) ranked Belize 110 among 188 countries, with an HDI of 0.716<sup>17</sup>. This status, however, belies a high poverty rate, high income disparity, inequality, stagnation in GDP growth, and an increasing debt to GDP ratio. Although Belize has the third

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<sup>14</sup> <http://sib.org.bz/wp-content/uploads/PovertyStudy2018.pdf>

<sup>15</sup> <http://sib.org.bz/wp-content/uploads/PovertyStudy2018.pdf>

<sup>16</sup> Gender gap index in Belize from 2015 to 2021. Available at: <https://www.statista.com/statistics/803474/belize-gender-gap-index/>. Assessed on: October 15, 2021

<sup>17</sup> <https://www.imf.org/en/Publications/CR/Issues/2021/06/07/Belize-2021-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-50198>

highest per capita income in Central America, the average income figure masks a huge income disparity between rich and poor and high levels of poverty.

Belize entered the pandemic with pre-existing vulnerabilities. Real GDP growth had slowed from 4.7 per cent in 2000–09 to 2.8 percent in 2010–14 and 1.8 percent in 2015–19. Prior to the onset of the pandemic, Belize’s economy was in recession with real GDP contracting by 2.2 per cent year on year in the last quarter of 2019 and 6.3 per cent in the first quarter of 2020<sup>18</sup>. The country has also experienced a weakened fiscal position with the fiscal deficit widening from an average of 1.1 per cent of GDP in 2007-2014 per cent to 4.3 percent in 2015-2019. This was due mainly to a rise in public expenditures that was partly offset by an increase in revenues. The primary balance fell from 2.2 percent of GDP in 2007-2014 to -1.5 percent of GDP in 2015-2019. This resulted in a rise in public debt from 78.9 per cent of GDP in 2014 to 97.5 per cent of GDP in 2019.

Labour market outcomes, as of September 2019, indicated an unemployment rate of 10.4 per cent with under-employment at 20 per cent, with women experiencing 33 per cent and men 16 per cent under-employment.<sup>19</sup>

Belize has a natural resource-based economy: tourism, followed by exports of agricultural commodities and crude oil. The lack of diversification of the export base makes Belize highly vulnerable to external shocks and compromises its resilience. For example, Belize is highly vulnerable to climate-related hazards including extreme hydro-meteorological events due to its geographic location, which leaves it exposed to the risk of rising sea levels and more frequent and more intense tropical storms and flooding. Over the past 15 years, natural disasters have caused damage equivalent to 3.16 per cent of GDP per annum<sup>20</sup>.

### *Progress to Achieving the SDGs*

The Sustainable Development Report which is a global assessment of countries' progress towards achieving the Sustainable Development Goals, ranks Belize 104 out of 165 countries with an SDG Index Score of 64.4.<sup>21</sup> Among Latin America and Caribbean countries, Belize Ranks 22 out of 24 countries, with Jamaica having the highest rank among the pilot countries included in the assessment.

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<sup>18</sup> IMF. 2021 Belize: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Belize

<sup>19</sup> UN Belize Common Country Analysis 2021

<sup>20</sup> UN Belize Common Country Analysis 2021

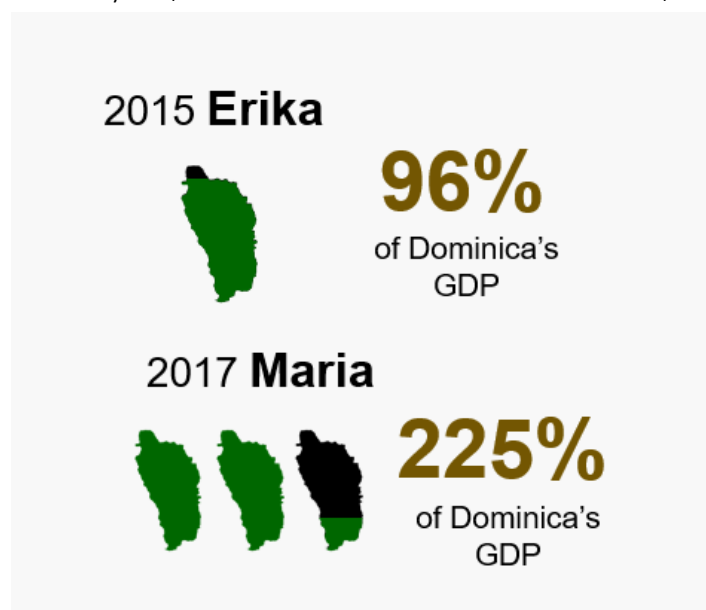
<sup>21</sup> <https://dashboards.sdgindex.org/profiles/belize>

## Commonwealth of Dominica



At the start of the COVID-19 pandemic, Dominica was still rebuilding and recovering from Hurricane Maria in 2017, a category 5 hurricane that had significant impacts on the socioeconomic fabric of the country. Hurricane Maria resulted in losses amounting to 225 per cent of Dominica's GDP and was preceded by Hurricane Erika two years earlier in 2015 which cost the country 96 per cent of its GDP. Hurricane Maria resulted in:

- Estimated damages totaling approximately US\$931 million and losses of another US\$380 million. This amounts to almost 225% of the country's 2016 GDP.
- 30 persons losing their lives.
- Damage to the country's housing stock — 15 per cent of houses were totally destroyed, 75 per cent partially damaged, at an estimated cost of US\$382million.
- Damage to critical infrastructure — roads, bridges, water systems, electricity, telecommunications.
- Impacts on the agriculture and tourism sectors, critical for supporting food security, economic activity and providing a livelihood for thousands.
- Uncalculated loss of ecosystem services provided by watersheds, wetlands and coral reefs



Dominica clearly highlights the multi-hazard environment that Caribbean countries and many other SIDS outside of the Caribbean exist in. Dominica is extremely vulnerable to natural disasters

and climate change. Between 2014 and 2018, Dominica experienced 10 tropical storms and two hurricanes, rendering its economy ever more fragile as a result. During 1997-2017, it was the country with the highest GDP losses to climate-related natural disasters and ranked in the top 10 per cent among 182 countries for climate-related fatalities. Following the huge devastation, as a result of back-to-back major storms in 2015 and 2017, Dominica announced its intention to become the first disaster resilient nation in the world and has prepared a Disaster Resilience Strategy (DRS), a comprehensive plan including policies, costs, and financing to build resilience against future natural disasters. Dominica's population is situated mainly along the coast due to its mountainous interior, which increases the level of vulnerability to storm surge, sea level rise, and flooding, among other sea related threats.

Dominica's HDI value for 2019 was 0.742— which put the country in the high human development category— positioning it at 94 out of 189 countries and territories. Between 2000 and 2019, Dominica's HDI value increased from 0.703 to 0.742, an increase of 5.5 percent. Notwithstanding, 28.8 per cent of Dominica's population could be classified as poor, with 3.1 percent of this considered indigent.<sup>22</sup> In addition to those considered poor, a further 11.5 percent of the population can be considered vulnerable due to downturns in the economy and other exogenous shocks such as natural disasters.

Dominica's main economic industry is agriculture which is a key driver of growth and employment. Unlike many of the other SIDS in the Caribbean, Dominica is less dependent on tourism which only contributes directly about 10 per cent of both GDP and employment and tourist arrivals are less directly dependent on the traditional markets of the US, UK and Canada. Nonetheless, tourism is the country's main foreign exchange earner, followed by remittances. Inflows from remittances are a key source of foreign exchange and in 2018 and 2019 the island received just under US\$50 million in foreign exchange as a result of remittance inflows, which provides much needed resources to supplement the income of the most vulnerable<sup>23</sup>.

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<sup>22</sup> <https://prais.unccd.int/sites/default/files/2018-08/Dominica%20CPA%202009%20Main%20Report%20Final.pdf>

<sup>23</sup> <sup>23</sup> Moore, Winston. 2021. Commonwealth of Dominica: COVID-19 Heat Report: Human and Economic Assessment of Impact. UNDP, UNIEF, UN Women Eastern Caribbean

## Jamaica

Poverty Rate <b>12.6%</b>	Children in Poverty <b>15.7%</b>	Human Development Index <b>0.734</b>	Unemployment Rate <b>7.2%</b>
Gini Coefficient <b>0.45</b>	Education Index <b>0.69</b>	GDP Growth 2019 <b>0.9%</b>	GDP at risk of Natural Disasters <b>96%</b>

Since 2008, Jamaica has been classified by the World Bank as an Upper Middle-Income country, reaching a Gross National Income (GNI) per capita of US\$5,582 in 2019<sup>24</sup>. The country's human development index (HDI) increased from 0.645 in 1990 to 0.734 in 2019, positioning the country in the second tier, High Human Development category of the HDI in 2019, with a rank of 101 out of 189 countries and territories.<sup>25</sup>.

Prior to the onset of the COVID-19 pandemic in 2020, Jamaica's key macroeconomic indicators showed relatively high levels of stability evidenced by, modest inflation levels; debt moving on a downward path; seven consecutive years of growth<sup>26</sup>; strong external positions with sufficient international reserves; and financial sector stability: adequate loss reserves and a sufficiently capitalized banking system<sup>27</sup>. Jamaica's unemployment rate also fell to a record low of 7.2 per cent based on the 2019 Labour Force Survey (STATIN)<sup>28</sup>. It should be noted that being employed in Jamaica does not in and of itself guarantee dignified life. In 2019, 14 per cent of people with jobs in Jamaica were considered "near poor", with another 3 per cent considered to be moderately poor.

The poverty rate recorded for 2018 stood at 12.6 per cent, a decline of 6.7 percentage points when compared to 2017 when the poverty rate was 19.3 per cent. The 2018 poverty rate represented the lowest poverty rate in 10 years and represented a 40 per cent fall in the rate of poverty in 2018 as compared to 2015<sup>29</sup>.

<sup>24</sup> <https://data.worldbank.org/country/JM>

<sup>25</sup> <http://www.hdr.undp.org/>

<sup>26</sup> This represents 20 consecutive quarters of growth in the economy.

<sup>27</sup> United Nations Jamaica. COVID-19 Socio-Economic Response and Recovery Plan. 2020

<sup>28</sup> <https://statinja.gov.jm/PressReleases.aspx>

<https://jis.gov.jm/unemployment-rate-falls-to-7-2-per-cent/>

<sup>29</sup> Jamaica Survey of Living Conditions 2018, PIOJ and STATIN



Despite these positives, Jamaica remained one of the world’s most indebted countries with high debt repayments leading to diminishing resources to support social sectors such as health and education. Notwithstanding, prior to the pandemic Jamaica had made substantial progress in advancing the socioeconomic status of its population. However, rising inequalities and entrenched patterns of social exclusion remained evident, which were further exposed by the COVID-19 pandemic.

The onset of the pandemic led to the loss of several hundred jobs due to the closure of the tourism industry and loss of markets for agriculture. Prior to the pandemic, Jamaica also faced patterns of social exclusion which have been further exacerbated by the COVID-19 crisis. The country is faced with issues such as substandard educational attainments, prevalence of non-communicable diseases (NCDs), pervasive violence in society, limited inclusion of person with disabilities (PWDs), discrimination based on gender and disparities across regions – urban vs rural vs other towns. Despite a relatively robust social protection system, those in the lowest quintiles and in rural areas tend to lag behind. Jamaica also continues to grapple with crime and the country has one of the highest levels of crime and violence in the world, especially in poor and disadvantaged communities, with crime continuing to be a deterrent to economic growth and social stability.

The population is exposed to many risks with the poor and vulnerable even more susceptible to adverse shocks resulting from these risks that may be natural, health related, social, economic, or environmental among others. These covariate shocks tend to affect large numbers of households and entire communities simultaneously.

Jamaica’s location, geology and geography make the island highly exposed to several natural hazards and over the last 30 years, the country has experienced an increase in the frequency of natural events related to climate and weather including tropical cyclones (tropical storms and hurricanes), excess rainfall, floods, droughts and landslides, which have resulted in increasing economic and environmental costs. The Global Facility for Disaster Reduction and Recovery (GFDRR, 2018) has cited Jamaica to be the third most exposed country in the world to multiple hazards, with over 96 per cent of the country’s GDP and population at risk from two or more hazards.

### ***Progress to Achieving the SDGs***

The Sustainable Development Report ranks Jamaica 81 out of 165 countries with an SDG Index Score of 69.<sup>30</sup> Among Latin America and Caribbean countries, Jamaica ranks 12 out of 24 countries, with the highest rank among the pilot countries included in the assessment and the highest rank among Caribbean countries.

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<sup>30</sup> <https://dashboards.sdindex.org/profiles/belize>

## Trinidad and Tobago

Poverty Rate <b>16.7%</b>	Multidimensional Poverty <b>0.6%</b>	Human Development Index <b>0.796</b>	Unemployment Rate <b>4.1%</b>
Gini Coefficient <b>0.43</b>	Education Index <b>0.722</b>	GDP Growth 2019 <b>-1.2%</b>	

Between 1990 and 2019, Trinidad and Tobago's Human Development Index (HDI) value increased from 0.668 to 0.796, an increase of 19.2 percent.<sup>31</sup> The country is part of the high human development category, positioned at 67 out of 189 countries and territories. Trinidad and Tobago's 2019 HDI of 0.796 is above the average of 0.753 for countries in the high human development group and above the average of 0.766 for countries in Latin America and the Caribbean (LAC). The country has one of the highest GNI per capita in LAC of US\$15,410 in 2020<sup>32</sup>. The country is rich in natural resources with an economy that is largely based on oil and natural gas production, which is well developed and internationally competitive. The petroleum and petrochemical industries account for about 37 per cent of GDP and ores and minerals drive over 70 per cent of export (2015 data).<sup>33</sup> The energy sector accounts for 26 per cent of economic activity, 84 per cent of export and 34 per cent of fiscal revenues.<sup>34</sup> The country is also considered a major financial center in the Caribbean.

Notwithstanding, the 2005 National Survey of Living Conditions estimates the level of poverty as 16.7 per cent. The Survey indicated that there was a concentration of poverty in specific geographic areas and among specific sub-groups of the population. According to the HDI Report 2020<sup>35</sup>, in Trinidad and Tobago, 0.6 per cent of the population (9 thousand people) are multidimensionally poor while an additional 3.7 per cent can be classified as vulnerable to multidimensional poverty (51,000 people).

<sup>31</sup> [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/TTO.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/TTO.pdf)

<sup>32</sup> [GNI per capita, Atlas method \(current US\\$\) - Trinidad and Tobago | Data \(worldbank.org\)](#), access on September 8, 2021

<sup>33</sup> [Trinidad and Tobago Overview: Development news, research, data | World Bank](#)

<sup>34</sup> [https://www.cepal.org/sites/default/files/publication/files/46714/S2000888\\_en.pdf](https://www.cepal.org/sites/default/files/publication/files/46714/S2000888_en.pdf)

<sup>35</sup> According to the Report, the most recent survey data that were publicly available for Trinidad and Tobago's Multidimensional Poverty Index (MPI) estimation refer to 2011.

In 2019, the country recorded an economic contraction of 1.2 per cent. The decline reflected weak energy sector performance due largely to the closure of the Petroleum Company of Trinidad and Tobago (Petrotrin) refinery in late 2018 as well as lower yields from mature oil fields. For 2020, GDP is estimated to have declined by 7.8 per cent largely reflecting the impact of the measures to curb the spread of COVID-19, declines in global demand and falling prices in the energy sector.

The geography of the country renders the islands susceptible to several natural hazards such as earthquakes, tropical cyclones, thunderstorms, wildfires, landslides and flooding to outline a few. Development processes have further contributed to the country's hazard exposure by augmenting existing hazards and creating new ones. Over the period 1990 – 2018, about 150,000 persons have been affected by disasters such as floods, earthquakes, landslides, tropical cyclones and coastal flooding<sup>36</sup>, resulting in US\$29.8 million in damages. The twin-island nation lies within an active seismic zone on the southern border of the Caribbean plate - near the convergence of the Caribbean and South American tectonic plates - and experiences several earthquakes a year. Intense/excess rainfall is the most prevalent natural hazard affecting the country and often leads to flooding – a secondary natural hazard.

### *Progress to Achieving the SDGs*

The Sustainable Development Report ranks Trinidad and Tobago 108 out of 165 countries with an SDG Index Score of 63.5.<sup>37</sup> Among Latin America and Caribbean countries, Trinidad and Tobago ranks 18 out of 24 countries.

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<sup>36</sup> Pacific Disaster Centre. 2020, Trinidad and Tobago: National Disaster Preparedness Baseline Assessment

<sup>37</sup> <https://dashboards.sdgindex.org/profiles/belize>

### Section 3: Impacts of COVID-19 on the 5 Pilot Countries

Like other countries around the world, the COVID-19 pandemic is having historic negative effects in the economic, productive and social spheres of all 5 pilot countries. All five pilot countries are small open economies and are vulnerable to external shocks in the global economy, extreme weather events and climate change. The COVID-19 pandemic has triggered a socioeconomic crisis which is impacting lives and livelihoods. The uncertainty regarding the pathway, duration and full impact of the pandemic threatens economic and social development which benefits from stable and predictable macroeconomic conditions. Table 1 below shows the GDP Growth of each of the pilot countries for 2020 and the projected GDP growth in 2021<sup>38</sup>, significantly affected by the pandemic.

**Table 1: GDP Growth 2020 and Projected Growth 2021 of the Pilot Countries**

<b>Pilot Countries</b>	<b>GDP Growth 2020</b>	<b>Projected GDP Growth 2021</b>
Antigua and Barbuda	-16.0	1.0
Belize	-14.3	2.7
Dominica	-16.7	4.3
Jamaica	-9.9	4.0
Trinidad and Tobago	-7.8	2.5

Education across the 5 pilot countries also was significantly impacted by the pandemic. On average, each pilot country, except for Dominica endured more than one school year (40 weeks) with no face-to-face classes or with lengthy periods of interruption. For Dominica, school was only disrupted for 17 weeks or about 40 per cent of the school year. Table 2 below shows the duration of full or partial closure of face-to-face education (primary, secondary and higher education), over the period 16 February 2020–31 May 2021.

**Table 2: Weeks of School Closures (Fully and Partially)<sup>39</sup>**

<b>Pilot Countries</b>	<b>Partially Closed (Weeks)</b>	<b>Closed (Weeks)</b>
Antigua and Barbuda	25	25
Belize	17	27
Dominica	0	17
Jamaica	28	17
Trinidad and Tobago	30	19

<sup>38</sup> UNECLAC. 2021. The recovery paradox in Latin America and the Caribbean Growth amid persisting structural problems: inequality, poverty and low investment and productivity

<sup>39</sup> Ibid

## **Antigua and Barbuda – Socio-Economic Impacts and Challenges of COVID-19**

The Government considers its management of COVID-19 as the singular most important accomplishment in 2020 and 2021 as Antigua and Barbuda remains one of the few countries in the world with a low rate of death (117 deaths since the start of the pandemic), a low rate of infections (4,205 total infections since the start of the pandemic), a high rate of recovery, and about 62 per cent of its population fully vaccinated. COVID-19 infections are decreasing in Antigua and Barbuda, with 1 new infection reported on average each day.<sup>40</sup>

The challenges facing Antigua and Barbuda at this time, goes above the impacts of the pandemic and involves recovery from the unprecedented devastation caused by Hurricane Irma in 2017, overcoming the legacies of the global financial crisis of 2008, and remaining focused on the country's long-term goal of improving the quality of life for all its citizens.

### ***Impacts on the Economy***

In 2020, Antigua and Barbuda's economy plummeted by about 20 per cent (-18.3% GDP growth). This decline follows annual average growth of about 5 per cent over the preceding five years. The decline in economic growth could be attributed primarily to the strategies employed to stem the spread of the COVID-19 virus as well as devastation caused by the pandemic on all the country's major tourism source markets which also were impacted by COVID-19. This also created fiscal pressures as revenues which declined. There also was increased spending on programmes related to COVID-19 as well as on imports of medicines and medical equipment. This economic and social disruption has and continues to place downward pressure on economic output, increase unemployment, widen the fiscal imbalance, delay critical development projects and increase the vulnerability of many, particularly the poor.

The country's debt-to-GDP ratio at the end of 2020 was 89 per cent, compared to 67 per cent at the end of 2019. Based on International Monetary Fund (IMF) estimates, the economy is projected to decline by 3 per cent in 2021<sup>41</sup>. The fiscal deficit also is expected to increase to 9 per cent and the rate of unemployment is projected to be over 30 per cent. Given the high dependence on tourism, the impact of COVID-19 is expected to be significant. Some of the more urgent issues and challenges that the country needs to address as a result of COVID-19 include:

- Rising unemployment particularly for persons employed in the tourism sector
- Widening current account deficits due to lower tourism receipts and remittance inflows
- Slowdown of foreign direct investments
- Sustaining emergency fiscal and monetary measures

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<sup>40</sup> <https://graphics.reuters.com/world-coronavirus-tracker-and-maps/countries-and-territories/antigua-and-barbuda/>

<sup>41</sup> World Bank, World Economic Outlook Database. Available at <https://www.imf.org/en/Publications/WEO/weo-database/2021/April>. (Accessed on June 7, 2021)

- Risk to the stability of the financial system owing to the combination of high debt and low growth which can transform liquidity problems into insolvency crisis

### *Impacts on the Labour Market*

Regarding labour market outcomes, in October 2018, there were 47,429 employed persons aged 15 and over in Antigua and Barbuda which corresponded to an unemployment rate of 8.7 per cent<sup>42</sup>. By the end of 2020, there were about 11,000 fewer employed persons than at the start of the year. More than 70 per cent of these persons were employed in the hotel accommodation and hospitality sectors. More than 10,000 persons in the tourism sector became unemployed as a result of the pandemic, representing 20 per cent of the labour force, putting the total unemployment rate at nearly 30%<sup>43</sup>. An estimated 3,600 hotel workers lost their income due to the closure of hotels. Unemployment is of particular concern because Antigua and Barbuda does not have an unemployment benefit programme, which means that those persons that became unemployed because of COVID-19 had to rely on savings, government social protection programmes or remittances.

### *Impacts on Tourism*

With respect to the tourism sector, the country relies heavily on tourism for growth and income generation and the sector accounts for about 47 per cent of annual output when both direct and indirect impacts are considered<sup>44</sup>. The levels of unemployment in the sector due to COVID-19 had already disproportionately affected women more, as they make up about 60 per cent of persons working in Hotels & Restaurants.

### *Impacts on Education*

School children of all ages have been impacted by the COVID-19 pandemic, primarily from the closure of schools in March 2020, resulting in both direct and indirect impacts. The direct impact has been the disruption to children's education. To mitigate this and to ensure that students remained engaged in learning, the mass media was used to prepare students for upcoming examinations through the Homeschool 101 Program. Other virtual platforms also were used to engage students who did not return to face-to-face instructions during the period. The Provision of Technological Devices for Students and Teachers and Internet Access in Schools Islandwide Programme implemented before the COVID-19 pandemic provided technological devices for students in low-income homes as well as those students who live in homes with multiple siblings and limited devices. Teachers also benefitted from this initiative to support the implementation

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<sup>42</sup> Antigua and Barbuda, Statistics Division, Antigua and Barbuda 2018 Labour Force Survey Report. Available at <https://statistics.gov.ag/wp-content/uploads/2020/10/2018-Antigua-and-Barbuda-LFS-Report.pdf>. (Accessed on June 7, 2021)

<sup>43</sup> Moore, Winston. 2021. Antigua and Barbuda: COVID-19 Heat Report: Human and Economic Assessment of Impact. UNDP, UNIEF, UN Women Eastern Caribbean

<sup>44</sup> Available at <https://www.bb.undp.org/content/dam/barbados/docs/heat-reports/updated-heat-reports/undp-bb-Human%20Impact%20and%20Economic%20Assessment%20of%20Impact%20-%20Antigua%20&%20Barbuda.pdf>. (Accessed on June 7, 2021)

of the curriculum in a digitized format. This programme helped to reduce the negative impacts of the pandemic on educational outcomes.

Indirect impacts of school closures have been in relation to the huge increase in time that children have been required to spend at home, given that school closures were also accompanied by restrictions on socializing with family members and friends outside the home, leading to several psychosocial issues as children may have found it more difficult to adapt to these sudden changes resulting in frustration, anger, anxiety and depression. During the lockdowns, students from low-income households that were accustomed to receiving meals at school continued to be provided with these by social services.

## **Belize - Socio-Economic Impacts and Challenges of COVID-19**

COVID-19 infections in Belize are at their peak currently — the highest daily average reported — now stands at 446 new infections reported each day. Since the start of the pandemic there has been 34,628 infections and 605 coronavirus-related deaths. Belize has administered at least 424,634 doses of COVID vaccines so far. Assuming every person needs 2 doses, this means that about 54.4 per cent of the country's population is vaccinated<sup>45</sup>.

### ***Impacts on the Economy***

Belize entered the pandemic with pre-existing vulnerabilities. Real GDP growth had slowed from 4.7 per cent in 2000–09 to 2.8 percent in 2010–14 and 1.8 percent in 2015–19. Prior to the onset of the pandemic, Belize's economy was in recession with real GDP contracting by 2.2 per cent year on year in the last quarter of 2019 and 6.3 per cent in the first quarter of 2020<sup>46</sup>. GDP declined by 14 per cent in 2020. This was also attributed to the fact that the outbreak of COVID-19 led to the implementation of necessary mitigation measures to contain the spread of the virus which resulted in severe economic dislocations, particularly in the services sector and the tourism industry in which is country is heavily reliant on.

The COVID-19 crisis has further increased the debt to GDP ratio and increased unemployment and loss of earnings, which significantly diminishes the fiscal space to invest in achieving the 2030 Agenda. Specifically, the debt to GDP increased from 99% in 2019 to 134% by December 2020. The pandemic has also impacted the country's fiscal position with a reduction on government revenue by 4.5 percentage points in FY2020/21 and increase in non-interest government expenditure by 2.6 percentage points of GDP.<sup>47</sup>

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<sup>45</sup> <https://graphics.reuters.com/world-coronavirus-tracker-and-maps/countries-and-territories/belize/>

<sup>46</sup> IMF. 2021 Belize: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Belize

<sup>47</sup> <https://www.imf.org/en/News/Articles/2021/06/07/pr21161belize-imf-executive-board-concludes-2021-article-iv-consultation>

Economic recovery is likely to be slow as tourist arrival remains subdued. Real GDP is projected to increase by 1.5 percent in 2021 and 6.2 percent in 2022. Furthermore, the country is not expected to reach pre pandemic levels until 2025.<sup>48</sup> Public debt is expected to remain high, reaching 132 percent of GDP in 2021 and decline further to 111 by 2031. A resurgence of the pandemic and other exogenous events such as natural disasters represent significant downside risks.

### *Impacts on Tourism and Services Industries*

For 2020, there was a 72 per cent fall in tourist arrivals and a decline in activity in other contact-intensive sectors due to the pandemic. The decline in the tourism sector also impacted the wider economy as tourism accounts for almost 60 per cent of all foreign exchange earnings and 40 per cent of GDP. Growth in the services industries fell by 17 per cent in 2020, relative to 2019<sup>49</sup>.

### *Impacts on the Labour Market*

COVID-19 has had a significant impact on employment among other socio-economic related impacts, threatening to push Belize into a humanitarian and socio-economic crisis. The long hiatus of tourism operations and substantial reduction of commercial activity during lockdowns dramatically increased the unemployment rate to 13.7 per cent in September 2020 while the underemployment rate rose from 22.7 per cent to 36 per cent. The unemployment rate for men was 11.6 per cent and 17.0 per cent for women<sup>50</sup>. The unemployment rate among those 14 to 24 years of age was 21.4 per cent.

### *Impacts on Women and MSMEs*

Many micro and small businesses, especially those within the creative and cultural industries, agribusiness and fisheries have been significantly impacted by COVID-19. Women lead about 40 per cent of MSMEs in Belize<sup>51</sup>. Like other developing countries, female headed MSMEs suffer from lack of access to finance and financial services, low participation in public procurement opportunities, limited technological integration. These issues have been further compounded by the effects of COVID-19, resulting in heightened vulnerabilities and inequities amidst growing economic challenges, and worsening poverty.

### *Impacts on Agriculture*

In the area of food security, restrictions put in place to reduce the spread of COVID-19 impacted market access and availability of some food items. Due to school closures, children who depend on school feeding programmes no longer had access to food. Approximately 25 per cent of households surveyed by UNICEF indicated skipping meals or reducing food intake as a result of the

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<sup>48</sup> <https://www.imf.org/en/News/Articles/2021/06/07/pr21161belize-imf-executive-board-concludes-2021-article-iv-consultation>

<sup>49</sup> Central Bank of Belize. 2020. 202 Annual Report and Statement of Accounts.

<sup>50</sup> SIB Labour Force Survey Fact Sheet 2020

<sup>51</sup> Guevara, Yngri and Thiagarajan, Somanadevi. "Challenges Faced by Micro and Small Businesses in Belize", Available at: [https://www.researchgate.net/publication/332102752\\_Challenges\\_Faced\\_by\\_Micro\\_and\\_Small\\_Businesses\\_in\\_Belize](https://www.researchgate.net/publication/332102752_Challenges_Faced_by_Micro_and_Small_Businesses_in_Belize). Accessed on: 18/10/2021



pandemic. This represents an additional threat, especially to 15 per cent of children under 5 years old who suffer from stunting, and pregnant women who do not have access to nutritious food.

## **Dominica - Socio-Economic Impacts and Challenges of COVID-19**

Dominica has recorded 6,520 COVID 19 cases and 44 deaths since the start of the pandemic<sup>52</sup>. Despite ample vaccine and testing availability, vaccination remains below 40 per cent of the population due to hesitancy.

Prior to the COVID-19 crisis, growth was forecast at 5.47 per cent for 2020, according to the Eastern Caribbean Central Bank (ECCB). However, the pandemic reduced the gains that were expected to strengthen Dominica's economic position in the near term. GDP is estimated to have contracted by 11 per cent in 2020 and has shown a modest recovery of 3.7 per cent in 2021. This was partly due to the sharp reduction in tourism and related sectors. While the tourism sector is less important to growth in Dominica compared to several other Caribbean countries, tourism remains Dominica's largest foreign exchange earning activity and the sector is responsible for 56 per cent of all export earnings.<sup>53</sup> The downturn in the tourism sector will likely lead to a reduction in foreign exchange earnings.<sup>54</sup> Furthermore, about 70 per cent of persons employed in the accommodation and food services are female, highlighting a disproportionate impact of the falloff in tourism on females.

During the pandemic, efforts to recover from the impacts of Hurricane Maria led to strong growth in the construction sector, due to the large public investment programme in housing and infrastructure resilient to natural disasters, financed with record-high Citizenship by Investment (CBI) revenue of 30 percent of GDP<sup>55</sup>. The record high CBI revenue contributed to a reduction in the fiscal balance for 2020, despite declines in tax revenue and increases in spending. Public debt, however, increased to 106 per cent of GDP in 2020 due mainly to higher official borrowing. Also, the current account deficit has widened to close to 30 per cent of GDP due largely to the loss of tourism exports and increase in imports related public investment and the increase in commodity prices.

Another area of vulnerability which is likely to be exposed by the pandemic is linked to the high levels of informality in the labour force. According to Vuletin (2008), 34 per cent of economic

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<https://www.google.com/search?q=covid+19+cases+commonwealth+of+dominica&oq=covid+19+cases+commonwealth+of+dominica&aqs=chrome.69i57j0i22i30j0i39015.10673j0j7&sourceid=chrome&ie=UTF-8>

<sup>53</sup> Moore, Winston. 2021. Commonwealth of Dominica: COVID-19 Heat Report: Human and Economic Assessment of Impact. UNDP, UNIEF, UN Women Eastern Caribbean

<sup>54</sup> <https://www2.unwomen.org/->

</media/field%20office%20caribbean/attachments/publications/2020/human%20and%20economic%20assessment%20of%20impact%20-%20commonwealth%20of%20dominica.pdf?la=en&vs=2852>

<sup>55</sup> <https://www.imf.org/en/News/Articles/2021/12/03/mcs-120321-dominica-staff-concluding-statement-of-the-2021-article-iv-mission>

activity is generated by informal employment<sup>56</sup>. One of the key implications of the high levels of informality is that households which are supported by informal workers are more vulnerable to shocks as their earnings and associated benefits such as health insurance are often lower than in more formal arrangements with limited options for shifting to alternative employment. Further, these households tend to be characterized by lower levels of education and school attendance rates, internet penetration and access as well as limited access to basic health services.<sup>57</sup>

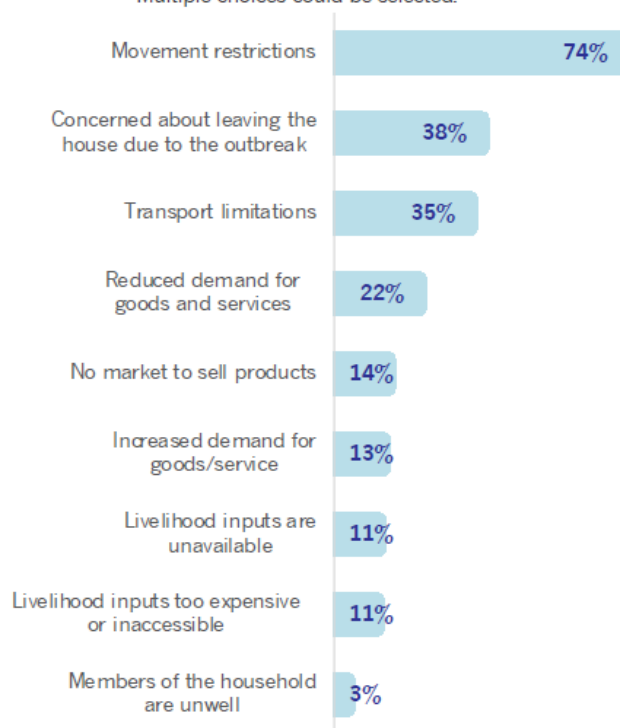
### Impacts on Livelihoods, Food Security and Access to Markets

The Caribbean COVID-19 Food Security and Livelihoods Impact Survey<sup>58</sup> reported on impacts to livelihoods, food security and access to markets in Dominica as follows:

- Half of the survey respondents reported eating less preferred foods or skipping meals/eating less, with 4% of respondents reportedly going one whole day without eating.
- Disruptions to livelihoods were reported by 81 per cent of respondents – the highest of countries surveyed, with movement restrictions being the primary reason.
- Incomes have been impacted, with 58% of respondents indicating job loss or reduced salaries. This appears to be more prevalent among business-owners compared to salaried workers.
- The proportion of respondents with no food stocks in their household increased from 4% in April 2020 to 18% in June 2020.<sup>59</sup>

#### What were the main reasons for disruptions to your livelihood activities?

Multiple choices could be selected.



<sup>56</sup> <https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Measuring-the-Informal-Economy-in-Latin-America-and-the-Caribbean-21898>

<sup>57</sup> <https://www2.unwomen.org/-/media/field%20office%20caribbean/attachments/publications/2020/human%20and%20economic%20assessment%20of%20impact%20-%20commonwealth%20of%20dominica.pdf?la=en&vs=2852>

<sup>58</sup> World Food Programme. 2020 “Caribbean COVID-19 Food Security & Livelihoods Impact Survey Dominica Summary DOMINICA Report

<sup>59</sup> <https://www.mediainstituteofthecaribbean.com/dominica>

Of the 11 countries/territories surveyed, Dominica has the highest percentage of respondents reporting disruptions to livelihoods, the second highest for loss of jobs or reduced salaries, and the second most negative outlook on future livelihood impacts.

### *Other Socio-Economic Impacts*

The pandemic has caused disruption in health, social services, and education, and has significantly stretched the social protection system in Dominica. With respect to education, access to technology for online learning, similar to the other pilot countries has been an issue as those without adequate resources have been left behind, and in some cases, parents have had to relinquish their smartphones to their children for them to join online classes, since they are unable to afford a laptop or tablet for that child. This situation was partially remedied as in the other pilot countries by the Government stepping in to launch programmes to distribute devices to those in need.<sup>60</sup>

Women have been significantly impacted by the pandemic as about 70 per cent of those employed in the accommodation and food services activities are female, which implies that the direct impact of the falloff in tourism was disproportionately felt by women<sup>61</sup>. The socio-economic roles and responsibilities of females in the society suggest that the negative impacts of the pandemic such as income loss and health issues will have a knock-on impact on the wider household. There are a few considerations which highlight the vulnerabilities of females to the socio-economic impacts of COVID-19. These include:

- Females are the main income earners in many households (39 per cent of all households)
- Females often support larger households relative to males

### *Impacts on Businesses, Employment and Agriculture*

The Dominica Association of Industry and Commerce (DAIC) conducted a survey in 2020 to assess the impacts of COVID-19 on the private sector and on employment,<sup>62</sup> which revealed that COVID-19 significantly impacted employment and revenues of all businesses in Dominica. Impacts included:

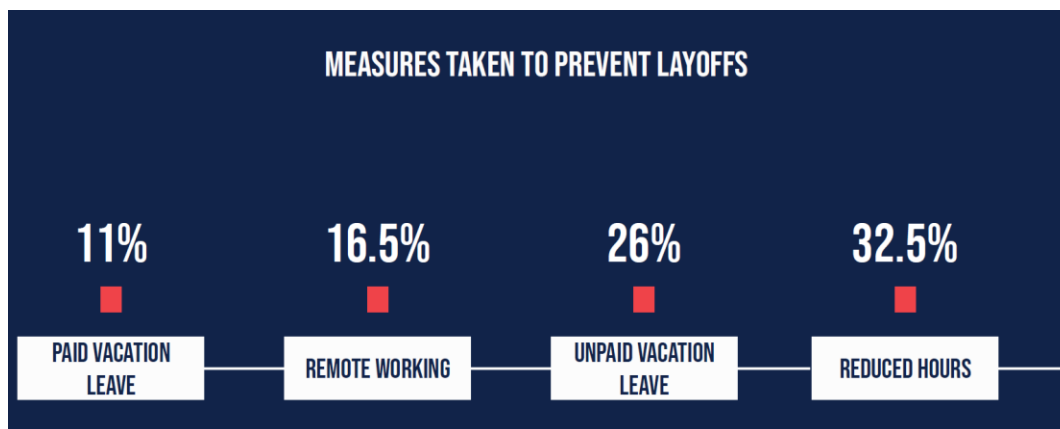
- businesses laid-off 31 per cent of employees due to COVID-19
- A reduction of the wage bill of about 37 per cent due to lay-offs
- A decline in revenues by businesses of 35.6 per cent
- Most businesses implemented measures to mitigate against employee layoffs and 50 per cent of businesses indicated the use of personal measures to minimize disruptions to their businesses

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<sup>60</sup> <https://www.mediainstituteofthecaribbean.com/dominica>

<sup>61</sup> Ibid

<sup>62</sup> Dominica Association of Industry and Commerce. 2020. "COVID-19 Employment and Revenue Impact Assessment Report".



The agricultural sector which is the key driver of growth and employment is still recovering from the devastation wrought by Hurricane Maria in 2017. Female farmers were significantly impacted by the lockdowns imposed to curb the spread of the virus. Women smallholder farmers’ fields and gardens became full, and their storerooms piled up as a result of the closure of markets and restaurants due to COVID-19 lockdown measures, resulting in farmers experiencing reduced opportunities to sell, leading to surpluses of fresh produce<sup>63</sup>.

### **Jamaica - Socio-Economic Impacts and Challenges of COVID-19**

In 2020, Jamaica’s economy contracted to its lowest level since 2002, while measures to contain the virus have disproportionately affected vulnerable communities and people, especially those working in the informal sector, women, youth, children and adolescents, the elderly, and PWDs. Since the start of the pandemic, Jamaica has had 92,355 infections and 2,462 coronavirus-related deaths (December 26, 2021)<sup>64</sup>. The vaccination rate remains low at about 20 per cent<sup>65</sup>, despite the country having vaccines available and reports from the government indicating that several thousand vaccines has had to be discarded due to expiration.

The Jamaican economy contracted by 9.9 per cent in 2020, reversing the trend in growth of 7 years. The decline was attributed to the impacts of the COVID-19 pandemic and the measures employed to curb its spread. The services industry was the hardest hit, declining by 10.9 per cent while the Goods-Producing Industry declined by 4.5 per cent. Some of the measures used to curb the spread of the virus such as the closure of the country’s borders to the movement of persons and lockdowns as well as social gathering restrictions curtailed external demand and halted tourist-related activities. In fact, the Hotels & Restaurants industry contracted by an estimated 53.8 per cent, while related sectors of entertainment and attractions also contracted significantly.

In 2020, Jamaica was exposed to the compound shocks of an active Hurricane Season and the increased challenges of responding to the COVID-19 crisis. The country was impacted by excess

<sup>63</sup> <https://www.unwomen.org/en/news/stories/2020/6/feature-women-farmers-find-paths-to-market-amidst-covid-19>

<sup>64</sup> [https://news.google.com/covid19/map?hl=en-US&mid=%2Fm%2F03\\_r3&gl=US&ceid=US%3Aen](https://news.google.com/covid19/map?hl=en-US&mid=%2Fm%2F03_r3&gl=US&ceid=US%3Aen)

<sup>65</sup> <https://graphics.reuters.com/world-coronavirus-tracker-and-maps/countries-and-territories/jamaica/>

rainfall that occurred during Tropical Cyclones Zeta and Eta in October and November respectively, which caused significant damage to infrastructure, especially in rural communities and resulted in the loss of at least two lives.

### *Impacts on the Labour Market*

In 2020, the unemployment rate averaged 10.2 per cent with a record level of job losses, averaging 135 800 persons. The youth unemployment rate increased to 21.1 per cent in comparison with 20.6 per cent in 2019. About 150,000 jobs were lost in the first four months of 2020 due to the pandemic<sup>66</sup>.

### *Impacts on Education*

The COVID-19 pandemic has highlighted the inequities in the education system and has had a major impact on children due to the closure of schools, social distancing as well as disruptions and or cancellation of assessments at all levels of the education system. The closure of schools has affected about 580,000 students across urban and rural communities. Children's regular and sustained access to electronic devices and internet access were significant barriers to schools' efforts to transition from face-to-face teaching to online and other forms of remote learning. According to World Bank simulations, Jamaica will lose 1 year in learning-adjusted years of schooling (LAYS) (from 7.1 to 6.1 LAYS). This leads to an average annual earning loss per student of US \$1,099 (2017 PPP), which aggregates to a total lifetime learning loss of US\$5.5 billion – a third of Jamaica's annual GDP<sup>67</sup>.

### *Impacts on Agriculture*

Many farmers lost their markets due to the closure of the tourism sector and consequently their incomes and livelihoods. Estimates from a 2020 Tourism Demand Study projected that Jamaican farmers would experience an annual hit of US\$1.68 million, given the loss of markets (tourism, attractions as well as the downturn in local restaurants). In an effort to address this problem, the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAFA) provided a stimulus package valued at over US\$6.8 million to assist farmers to access alternate markets. Specifically, the funds were used to: establish a "Buy-Back Programme" where MICAFA bought the produce from the farmers at the market price and sold them to consumers at a slightly lower price; enhanced the Government of Jamaica's ability to boost local agricultural production in light of the COVID-19 pandemic and onwards; and encouraged consumers to increase their intake of produce, such as peppers and scallions, through purchase of more value-added products.

## **Trinidad and Tobago - Socio-Economic Impacts and Challenges of COVID-19**

Trinidad and Tobago recorded its first COVID-19 case on March 12, 2020 and responded quickly to put in place a range of policy responses to help contain the spread of the virus, protect lives and livelihoods, paving the way for a strong recovery. Some of the measures included social

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<sup>66</sup> "Economic Recovery Gathering Pace – Minister Clarke", November 2, 2021. Assessed at: <https://jis.gov.jm/economic-recovery-gathering-pace-minister-clarke>

<sup>67</sup> UNICEF. Situational Analysis of Children in Jamaica 2021. 2021

distancing mandates, closure of the country's borders to air and sea travel, cancellation of mass gathering events, including its annual carnival festivities, states of emergency, curfews and restricting activities to only essential services.

### *Impacts on the Economy*

As a result of the measures implemented to contain the spread of the COVID-19 virus, economic activity slowed significantly and in some cases was brought to a halt. For 2020, GDP declined by about 7.8 per cent mainly reflecting the impact of the measures to curb the spread of COVID-19, declines in global demand and falling prices in the energy sector. The fall in revenue from the energy sector contributed to a fall in total revenue of 23 per cent of GDP in fiscal year 2020 down from 28.2 per cent of GDP in fiscal year 2019. According to the International Energy Agency (IEA), global energy demand fell by 4 per cent in 2020, the sharpest decline in 70 years.<sup>68</sup> The decline in economic activity and the knock-on effect of increases in unemployment, reduction in working hours, lower income generation and consumption demand posed serious socioeconomic challenges for the country. For fiscal year 2020, the fiscal deficit is estimated to have increased relative to fiscal year 2019 due mainly to the costs associated with the measures undertaken by the Government to assist citizens and businesses in mitigating the negative effects of the COVID-19 pandemic.

### *Impacts on the Labour Market*

With respect to the labour force, a Joint Survey conducted by the Trinidad and Tobago Coalition of Service Industries (TTCSI) and the Trinidad and Tobago Manufacturing Association (TTMA) indicated that due to the implementation of the national COVID-19 mitigation measures, businesses within their membership terminated 36 to 55 per cent of full time and part time/contractual employees, respectively. The survey also showed that these terminations were mainly in the arts, entertainment and recreation, tourism, manufacturing, food processing and drinks and construction sectors. For companies that did not terminate staff, they chose to either furlough employees or reduce wages.

The economic fallout has disproportionately disrupted the livelihoods of various groups, including micro, small and medium-sized enterprises (MSMEs), farm workers, tourism workers and those employed in the energy sector. In addition to the health and economic impacts, there are significant social impacts, particularly on the most vulnerable in the society. The closure of education institutions disrupted learning outcomes as well as children who benefitted from meal or subsidy programmes such as the School Feeding Programme.

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<sup>68</sup> [Global Energy Review 2021 – Analysis - IEA](#), accessed on September 8, 2021.

## Section 4: Pilot Country Responses to the COVID-19 Pandemic

Governments in the 5 pilot countries responded very quickly to reduce the overall socio-economic impacts on the population and the economy, announcing unprecedented fiscal stimulus packages, many averaging above 4 per cent of GDP. These fiscal measures focused on strengthening public health systems, supporting families, vulnerable individuals and households through cash transfers, and shoring up the production structures through liquidity measures.

Like many countries, the responses to the pandemic were reactive, drawing from already programmed resources and reducing spending in key areas such as health spending that was unrelated to the pandemic (e.g. for non-communicable diseases and other communicable diseases, and sexual and reproductive health) and education. While governments levelled up to support the most vulnerable in society, in many cases the resources were not sufficient. The pandemic also brought into sharp focus issues related to nutrition and food security especially in countries where food imports are high. The linkages between the agriculture and tourism sectors are worth mentioning as the closure of borders led to the shutdown of the tourism sector in many pilot countries which then led to food gluts on the local markets due to the disruption of supply chains.

Notwithstanding, all the pilot countries incorporated social protection strategies to cope with COVID-19 and engaged in either vertical or horizontal expansion of their social protection system to provide support to those most vulnerable.

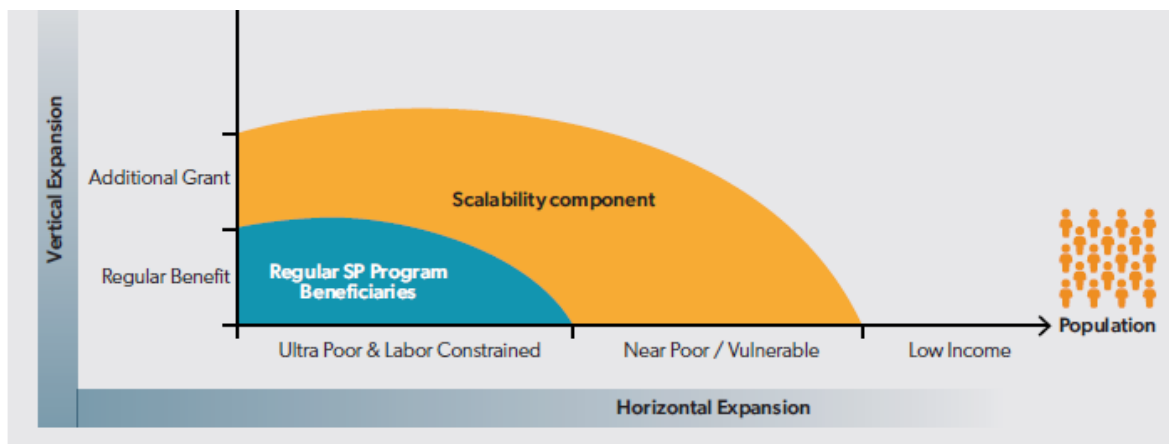


Figure 1: Horizontal and Vertical Expansion of Social Protection Programmes

Some examples implemented across pilot countries included:

- Vertical expansion: Several countries topped-up existing cash transfer benefits, including Belize, Jamaica (for example under the PATH<sup>69</sup> Programme), and Trinidad and Tobago.
- Horizontal expansion: Trinidad and Tobago and Jamaica expanded coverage of cash transfer programmes, including providing cash transfers to children with disabilities as was the case in Jamaica

<sup>69</sup> Programme of Advancement Through Health and Education

- Stimulus packages - Introduction of new cash transfers (one-off or temporary): New cash transfers were introduced to (i) support poor and vulnerable persons not receiving cash benefits (Belize, Jamaica); or (ii) informal and/or formal workers who lost their jobs or had reduced income due to the crisis (Belize, Dominica Jamaica, and Trinidad and Tobago).

Many of the country responses to the pandemic are somewhat similar and may be due to the fact that the overall political leadership of the Caribbean or the CARICOM Heads of Government met monthly since the start of the pandemic (from March 2020) obtaining technical support, guidance and strategic direction from the lead health and emergency management agencies in the Caribbean such as the Caribbean Public Health Agency (CARPHA), the Pan American Health Organization (PAHO), the Caribbean Disaster and Emergency Management Agency (CDEMA), and the Implementation Agency for Crime and Security (IMPACS), as well as CARICOM’s own organizational structures such as The Council for Human and Social Development (COHSOD). The University of the West Indies (The UWI) assisted through its research expertise to synthesize the evidence base for informed decision making<sup>70</sup>. The table below provides a snapshot of country responses to COVID-19 followed by some specific examples implemented in each of pilot countries.

**Table 3: Pilot Country Responses/Interventions to the COVID-19 Pandemic**

Country Responses to the COVID-19 Pandemic	Antigua and Barbuda	Belize	Dominica	Jamaica	Trinidad and Tobago
Increase in health spending					
Expansion of social safety net programmes					
Cash grants to groups such as farmers, tourism workers, cultural and creative industries and MSMEs					
Income support for heads of families and single persons who are currently unemployed					
Providing food vouchers and meals for vulnerable children					
Closure of Borders					
Curfews					
Restricting activities to only essential services					
Removal/Elimination of new taxes					
Reduction in utility bills					
Support to the private sector, including reduction in corporate tax rates					
Reduction in import duties in commodities related to COVID -19 and reducing the spread of the virus					
Loans from Multilaterals					

<sup>70</sup> Landis, Clive. (2021). “COVID-19 Among Caribbean SIDS: An Effective Public Health Response Rooted in Resilience”, in KNOWLEDGE SERIES: INCLUSIVE COVID-19 RECOVERY IN CARIBBEAN SIDS. UNESCO



Country Responses to the COVID-19 Pandemic	Antigua and Barbuda	Belize	Dominica	Jamaica	Trinidad and Tobago
Grants from development partners					
Importation of labour to the health sector (from Cuba)					
Distribution of educational/computer devices to schools					
Increasing internet access and WIFI Hotspots etc					

## Antigua and Barbuda

The government introduced several measures including<sup>71</sup>:

- Closure of its borders
- An increase in health spending representing about 0.5 per cent of GDP
- A 20 per cent reduction in electricity costs to the public and fuel costs to fishermen for 90 days
- One-year investment incentives for home renovation and construction
- Suspension of the common external tariff on food imports and all new tax measures announced in the 2020 budget
- Provision of food cards, food vouchers and cash vouchers to ensure vulnerable children have access to food, given the closure of schools.
- Expansion of social safety net programmes<sup>72</sup>.

Also, in Antigua and Barbuda, the Hotel and Tourism Association provided a relief benefit which consisted of a cash relief payment to tourism employees as well as food and other basic item packages to tourism workers<sup>73</sup>

## Belize

The government introduced several measures including:

- A fiscal stimulus amounting to BZ\$25 million (1 percent of GDP) in 2020 to provide short term relief to employees affected by the crisis, especially those in the tourism sector, exceeding more than 40,000 applications for unemployment relief
- Support to the healthcare sector financed with loans from bilateral and multilateral creditors
- Support to the unemployed financed with loans from bilateral and multilateral creditors.
- The Central Bank of Belize adopted prudential measures to maintain the flow of credit in the economy: (i) reducing the statutory cash reserve requirements; (ii) extending the time period to classify targeted non-performing loans in sectors such as restaurants, transportation and distribution companies, and other affected areas, from 3 months to 6 months; (iii) encouraging domestic banks and credit unions to provide grace periods for

<sup>71</sup> Moore, Winston. 2021. Antigua and Barbuda: COVID-19 Heat Report: Human and Economic Assessment of Impact. UNDP, UNIEF, UN Women Eastern Caribbean

<sup>72</sup> <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#D>

<sup>73</sup> Antigua Newsroom, 2020c

servicing interest and/or principal of commercial and ancillary loans, as needed and where commercially viable; (iv) reducing risk-weights for banks on loans in the tourism sector from 100 percent to 50 percent; and (v) reviewing financial institutions' business continuity and cybersecurity plans to ensure that an adequate level of financial services will be available to the public.

## **Dominica**

The government introduced several measures including:

- Extension of the deadline for filing of personal and corporate income tax returns
- Extension of three months for payment of corporate income tax and waiving penalties for businesses that enter into payment plans within 6 months of the new payment deadline
- Reduction in the corporate income tax rate (from 25 per cent to 17 per cent) to companies which commit to continue to employ at least 80 percent of their staffing as of January 1, 2020, for a period of 12 months
- Reduction to zero percent in the import duty and the value-added tax charged on disinfectants, cleaning supplies, protective gears and face masks
- Increased budgetary funding to the Ministries of Health and Agriculture
- Cash grants to approximately 2,500 individual crop farmers, based on the size of the farmers holding
- Implementation of multiple infrastructure project
- Pay to small contractors and merchants with amounts owed by the Government of EC\$100,000 and less
- Launch of the social cash transfer assistance programme in conjunction with the World Food Program, which provided temporary income support to eligible vulnerable individuals and families whose income had been impacted by the pandemic. The programme supported low-income communities and vulnerable individuals and was designed to build on Dominica's main national social assistance programmes
- Income support for heads of families and single persons who were currently unemployed, extended through June 2021
- Closure of borders which were reopened in July 2020 for the arrival of nationals and residents, and in August for all travelers including non-nationals.
- The World Bank approved US\$25 million COVID-19 Response and Recovery Development Policy Credit and was Dominica's first World Bank budget support operation aimed at supporting Dominica's COVID-19 response to save lives, livelihoods, and jobs, while laying the foundation for longer-term economic recovery. It is aligned with the country's National Resilience Development Strategy and COVID-19 response strategy.
- Also, the World Bank mobilized rapid support for Dominica's emergency response activities to limit the impacts of COVID-19, protect the people of Dominica, and lay the groundwork for recovery, providing US\$5.1 million to bolster the capacity of Dominica's public health system to manage COVID-19. These funds were used to purchase drugs, medical supplies and equipment, and laboratory supplies to boost testing capacity and for minor retrofitting of isolation units. Another US\$1.5 million was used to support agriculture and strengthen national food security during the pandemic. The intervention was targeted to reach an

estimated 3,200 farmers to ensure that the local food supply chains are better able to meet the needs of the island<sup>74</sup>.

- The IMF Executive Board approved emergency financial assistance under the Rapid Credit Facility (RCF) to help address the challenges posed by COVID-19, in the amount of US\$14 million or 89.4 per cent of Dominica's quota<sup>75</sup>

## **Jamaica**

The Government of Jamaica implemented several social and fiscal actions to cushion the economic impact of the pandemic, including:

- Waivers in the Special Consumption Tax on approximately 100,000 liters of alcohol for use in making (or substituting for) sanitizers; and, waivers on customs duty on the importation of masks, gloves, hand sanitizers and liquid hand soap and other medical supplies.
- Tax cuts of around 0.6 per cent of GDP, along with targeted measures for up to 0.5 percent of GDP to counteract the effects of COVID-19. This was largely expected to be financed by ongoing asset divestment.
- Introduction of the multi-pronged COVID-19 Allocation of Resources for Employees (CARE) programme which included temporary cash transfers to businesses in targeted sectors based on the number of workers employed; temporary cash transfers to individuals where loss of employment occurred after the pandemic started; grants targeted at the most vulnerable segments of the society. The economic package was valued at approximately J\$10 billion and tax measures amounting to J\$15 billion. Together both measures totalled J\$25 billion (US\$183 million).
- Introduced the Business Employee Support and Transfer of Cash Program to registered businesses operating within the tourism industry, and the COVID-19 Tourism Grant, as well as a six-month moratorium on the payment of licenses and fees by entities in the tourism sector, including resort cottages, apartments, guesthouses, car and bike rentals, craft traders, domestic tours, among others.<sup>76</sup>
- Support from the Executive Board of the IMF which approved Jamaica's request for access to the IMF's Rapid Financing Instrument in the amount of approximately US\$520 million to be used to strengthen the country's action on reducing the impact of COVID-19. This represents 100 per cent of Jamaica's quota and the maximum amount available under this facility<sup>77</sup>. The GOJ has also established a multisectoral COVID-19 Economic Recovery Taskforce to support the country's recovery from the economic effects of COVID-19 and to suggest tools and approaches to protect lives and livelihoods.

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<sup>74</sup> <https://reliefweb.int/report/dominica/world-bank-strengthen-dominica-s-covid-19-response-us66-million>

<sup>75</sup> <https://www.imf.org/en/News/Articles/2020/04/28/pr20192-dma-grd-lca-imf-executive-board-approves-us-million-disbursements-address-covid-19-pandemic>

<sup>76</sup> (Jamaica Observer, 2020).

<sup>77</sup> United Nations Jamaica. COVID-19 Socio-Economic Response and Recovery Plan. 2020

## Trinidad and Tobago

The government introduced several measures including<sup>78</sup>:

- Closure of the country's borders to air and sea travel, cancellation of mass gathering events, including carnival festivities, states of emergency, curfews and restricting activities to only essential services.
- The Government restricted productive activities, including closure of shops and shopping centres, as well as bars and restaurants, which resulted in loss of income to some employees, but also negatively impacted the local agricultural and fisheries supplies value chains that had been resourcing these businesses.
- The Government implemented an economic stimulus package, which leveraged the existing Social Sector Investment Programme (SSIP) and included several fiscal policy measures to keep supply chains active, support hotels to keep them afloat as well as tax credit and tax deferrals.
- On the monetary policy side, the Government reduced the reserve requirement for commercial banks from 17% to 14% and the repo rate by 150 basis points from 5% to 3.5%, which injected TTD2.6Bn in increased liquidity into the commercial banking system.
- Commercial banks were also encouraged to provide moratorium for repayment of loans.
- The Government provided food cards, food vouchers and cash vouchers to ensure vulnerable children have access to food, given the closure of schools, especially those that were part of the national school feeding programme.
- The Government provided a salary relief grant of up to TTD1,500 (~US\$225) per month to workers who experienced income loss, for a maximum period of three months.
- Income support to 46,533 persons who were identified as retrenched/terminated/income-reduced persons
- Income tax refunds totalling TT\$240.0 million to individuals
- Providing financial support to Community Based Organizations and Faith-Based Organizations to distribute to their members.
- The government also provided TTD2,000 (~US\$285) per month fuel subsidy to each maxi taxi owner<sup>79</sup> as part of the relief initiatives for self-employed citizens who have lost their income due to the COVID-19 restrictions.

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<sup>78</sup> Trinidad and Tobago Socio-Economic Response to COVID-19: Assessment and Framework. 2021. United Nations Trinidad and Tobago

<sup>79</sup> Privately owned vehicle that is part of the public transport system

## Section 5: COVID-19 Recovery Plans and Related Opportunities

This section provides information on the plans and programmes that have been developed and are being implemented by the 5 pilot countries as they begin the process of recovery.

### Antigua and Barbuda

The Government of Antigua and Barbuda developed its Medium-Term Fiscal Strategy (MTFS) to accelerate recovery from COVID-19. Through this Strategy, various targets have been established to help the country recover faster from the fallout due to the COVID-19 pandemic. The implementation of the MTFS over the next few years is expected to lead to the achievement of key fiscal targets as presented below:

- Primary surplus between 0.5 per cent and 1 per cent of GDP by 2023
- Overall deficit less than 1.5 per cent of GDP by 2024
- Wages and salaries accounting for not more than 9 per cent of GDP by 2025
- Tax to GDP to increase to at least 18 per cent by 2023 and to be maintained at a minimum of 20 per cent over the medium-term
- Debt to GDP ratio to fall below 70 per cent by 2030

Antigua and Barbuda currently is in the process of developing its national development plan which provides an excellent opportunity to include a range of strategies and actions outlined in its recently developed Voluntary National Review (VNR) to the UN High-Level Political Forum. The preparation of the VNR that was underpinned by high levels of stakeholder engagement, will be key to supporting the preparation of the country's long term national development plan. This Plan being developed in the midst of a global pandemic will provide a unique opportunity for the country as like all other countries they are struggling to make sense of and respond to this global crisis that continues to unfold. Whilst the COVID-19 pandemic requires an adequate and immediate response from policy, the development of the Plan will enable the country to better focus on the "big picture" and its long-term development and how to better anticipate and plan for future crises and the long term in general. The crisis provides an opportunity for Antigua and Barbuda to make some hard choices that will enable the country to achieve many of its developmental aspirations and return to pre-pandemic levels quicker.

### Belize

Belize's national development plan – The Horizon 2030 National Development Framework for (2010 – 2030) establishes a set of long-term development goals. Belize's vision as stated in the Horizon 2030 Framework is: "Belize is a country of peace and tranquility, where its citizens live in harmony with the natural environment, enjoy a high quality of life, and are energetic, resourceful, and independent, looking after their affairs." This national framework offers a proposed hierarchy of priorities that align with the 2030 Agenda for Sustainable Development. Social inclusion, human rights, and gender equity and equality are main-streamed within a core set of principles intended to guide national and community-level actions.

Belize is currently in the process of finalizing its new medium-term strategy which will cover the period 2021 – 2025 and contains the following overarching priorities: poverty reduction (including social protection); economic transformation; citizen security; protection of the environment and eliminating corruption.

## **Dominica**

Recovery in the medium term is promising and is underpinned by a large public investment programme to build resilience to natural disasters, which will be largely financed by revenue from the country's Citizenship by Investment (CBI) Programme.<sup>80</sup> Additionally, the government will continue to place focus on investments in infrastructure development that is resilient to natural hazards, with projects to be financed by the CBI revenue. Key projects include a new international airport, housing resilient to natural disasters, road and infrastructure improvement, a resilient water and sewage network, improvements in the hospital capacity (including a new hospital financed by the People's Republic of China), and a geothermal electricity plant. These projects will accelerate growth in the near term during the construction phase and will also increase potential output in the long term—including spillovers in tourism and reduction of fossil fuel dependency, all of which will improve Dominica's external sustainability and competitiveness<sup>81</sup>.

GDP is projected to reach pre-pandemic levels by 2023, averaging 5 per cent growth per year through 2022-26—tourism recovery would be supported by the ongoing construction of new hotels and the inauguration of direct flights from the United States from December 2021.

## **Jamaica**

The outlook for Jamaica post-COVID-19 continues to be bleak. In addition to the socio-economic impacts posed by the COVID-19 pandemic, Jamaica continues to face several challenges – ranging from economic, social and national security challenges, pressures on its natural environment and ecosystem services, and the increasing impacts of climate change, - all having the potential to derail the advancement of the sustainable development goals, which are operationalized through the country's national development plan – Vision 2030 Jamaica.

The Government has reported that recovery from the pandemic is gathering pace, as evidenced by the following economic indicators<sup>82</sup>:

- 14.2 per cent growth for April to June 2021
- A 93,400 increase in the number of persons in jobs/employment as of July 2021, signalling those jobs are returning to the economy

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<sup>80</sup> <https://www.imf.org/en/News/Articles/2021/12/03/mcs-120321-dominica-staff-concluding-statement-of-the-2021-article-iv-mission>

<sup>81</sup> <https://www.imf.org/en/News/Articles/2021/12/03/mcs-120321-dominica-staff-concluding-statement-of-the-2021-article-iv-mission>

<sup>82</sup> Ibid

- Standards & Poor Global Ratings, upgraded its outlook for Jamaica from ‘Negative’ to ‘Stable’, “in the midst of the pandemic, with a low vaccination rate”, meaning that Jamaica’s current rating is not dissimilar to its pre-pandemic credit rating,

To move the country onto a path of sustainable growth and development, there is national consensus for the need for fundamental, new and innovative reforms to advance growth, international competitiveness, undertake holistic development in the most volatile and at-risk communities, address the losses in education due to the pandemic, protect the most vulnerable groups in the society especially those at risk of being left behind by advancing shock responsive social protection policies, and strengthen the resilience of the built and natural environments to natural hazards and climate change.

Like other countries, the COVID-19 pandemic has exposed existing structural fragilities and gaps exacerbating pre-existing challenges, but at the same time creates a unique opportunity to address these issues and gaps in a more sustainable way. It also has undoubtedly revealed the interconnectedness among the economic, social and environmental sectors as well as the interconnectedness in the spheres of politics and culture.

Jamaica has a unique opportunity as it is in the process of developing its 5<sup>th</sup> Medium Term Socio-Economic Policy Framework (MTF) to cover the period 2021 – 2024. The MTF is aligned to the overall vision, goals and outcomes of Vision 2030 Jamaica – National Development Plan and allows for a stage-by-stage operationalization of the long-term Plan. MTF 2021 – 2024 is the fifth in a series of seven consecutive 3-year MTFs. As a companion document of Vision 2030 Jamaica - National Development Plan, the MTF sets out a prioritized package of policies, strategies and programmes proposed by the Government for implementation over the period. The MTF provides Jamaica with the opportunity to build forward stronger post COVID-19, by allowing the country to engage in participatory process involving all stakeholders and taking corrective action, introduce innovation and those actions that would bring about the highest levels of growth and socio-economic development in the medium-term. The MTF and the strategies and actions contained therein, could set the stage for economic and social transformation in Jamaica by focusing on those initiatives that would advance resilience, inclusiveness, innovation as a means of propelling economic growth, development in new and emerging industries that sustainably exploit the blue, green, silver, orange and purple economies and simulate the interest of development partners to provide technical and financial resources.

For FY2021/22, Jamaica is implementing its Social and Economic Recovery and Vaccine Programme (SERVE) which aims to lay the foundation for the country’s economic recovery<sup>83</sup>. Some of the key initiatives which will be financed under the programme include:

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<sup>83</sup> <https://jis.gov.jm/govt-announces-60-billion-social-and-economic-recovery-programme/>

- Special resources available for the Ministry of Health and Wellness, including for vaccines; personal protective equipment (PPE); for drugs and reagents; additional Covid-related expenditure such as extra cleaning, catering, and security.
- An infrastructure programme to drive jobs and economic activity, improve productivity and strengthen resilience,
- A special public investment infrastructure programme to improve productivity and increase resilience through the installation of drains, widening and dualisation of major thoroughfares and the construction of sidewalks.
- Targeted financing for businesses affected by the pandemic; rural farm roads and productivity incentives to boost agriculture; as well as to expand Wi-Fi and broadband in schools and communities, especially in the rural areas.
- Targeted social support to the vulnerable and those who have fallen on hard times because of the COVID-19 pandemic.

## **Trinidad and Tobago**

According to the IMF, real GDP growth in 2022 is estimated at 5.7 percent, reinforced by the continued policy support and the anticipated recovery in oil and gas production. However, output is expected to remain below pre-COVID-19 levels well into the medium-term<sup>84</sup>. The Government of Trinidad and Tobago has signaled its intent to undertake comprehensive structural reforms to promote the non-energy sector, towards reducing the dependence on energy and boosting potential economic growth. This is envisaged as key to supporting medium-term inclusive and sustainable growth and enhancing resilience. In addition to the pandemic, Trinidad and Tobago was impacted by unstable oil prices over the period as well as the impacts of several excess rainfall events.

The move to develop non-energy related sectors will also require reforms for example to improve the ease of doing business and stimulate entrepreneurship. Efforts to build a climate-resilient economy also are being considered, including upgrading to climate-resilient infrastructure and developing the regulatory framework for green financing and renewable energy deployment.

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<sup>84</sup> IMF. Trinidad and Tobago: Staff Concluding Statement of the 2021 Article IV Mission. November 2021.



## **Section 6: Building Forward Stronger Post COVID-19... The Road to a Resilient Recovery...Selected Options for Consideration**

ECLAC raised its average growth estimate for the region in 2021 to 5.2 per cent, reflecting a rebound from the deep contraction of 6.8 per cent registered in 2020 as a result of the adverse effects of the COVID-19 pandemic. The growth projected in 2021 according to ECLAC will not ensure sustained growth, because the social impacts of the crisis and the structural problems in the region have deepened and will continue to do so during the recovery<sup>85</sup>.

Against the backdrop of a protracted viral pandemic, the 5 pilot countries continue to grapple with a host of challenges which threaten to undermine pre COVID-19 developmental gains. Countries continue to be severely impacted by the changing climate, including the intensification of natural disasters, the increasing incidence of non-communicable diseases which continue to diminish the quality of life among citizens, limited access to concessionary financing, among others. As countries move to recover from the adverse impacts of the pandemic and seek to achieve the SDGs by 2030, emphasis needs to be placed on addressing the next set of causes of inequalities such as those related to technology, higher education, climate change and financing for development.

The emphasis on recovery must include strategies and initiatives that would support the 5 pilot countries in building a more sustainable, inclusive, and resilient future in a world transformed by the pandemic. Addressing these various multi-faceted challenges requires a collective and concerted effort, that requires responding at the scale needed to flatten the curve of the pandemic in each country and steepen the curve of recovery. In the near term, all 5 pilot governments must continue maximizing the effort to increase vaccination, which is critical from health and economic recovery perspectives. Continuing public communication and education campaigns to address vaccine hesitancy will be key.

Innovation will be key to recovery and drive the processes of social and economic transformation. The strategies and initiatives presented below will form the basis of discussion among the pilot countries to support the development of recovery plans to advance the sustainability agenda of each individual country while at the same time propelling their growth prospects and achieving the transformational development agenda as set out by the 2030 Agenda for Sustainable Development.

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<sup>85</sup> <https://www.cepal.org/en/pressreleases/growth-latin-america-and-caribbean-2021-will-not-manage-reverse-adverse-effects>

## **Proposed Strategies and Transformative Initiatives for Consideration in Building Back Better, Building Forward Stronger, Fairer and Equal Post COVID-19**



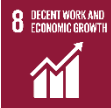










This section provides recommendations for consideration of transformation initiatives to help countries build back better, and build forward stronger, fairer and equal and draws from the Caribbean Common Country Analysis 2021 and are aligned to the Multi-Country Sustainable Development Cooperation Framework (MSDCF). These recommendations are based on the issues and challenges being faced by countries due to COVID-19 and are drawn from several studies and policy prescriptions regionally and internationally geared to supporting countries in their efforts to advance their development prospects in line with the 2030 Agenda for Sustainable Development and the SAMOA Pathway and within the context of leaving no one behind. The proposed strategies and transformative initiatives are presented in the matrix below.






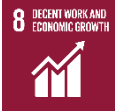
<b>New Approaches for Increasing Concessionary Financing</b>	<b>Budgetary Support and Debt Relief</b>	<b>Use of New and Innovative Financing Instruments and New Financing Modalities</b>
<b>Fiscal Reprogramming</b>	<b>Creating Shock Responsive Social Protection Systems</b>	<b>Transforming Education Models and the Education Sector</b>
<b>Enhancing Digital Preparedness</b>	<b>Transforming Current Economic Models</b>	<b>Rethinking Agriculture and Food Security</b>
<b>Focusing on Sustainable Tourism</b>	<b>Rethinking the Role of Women and Women's Economic Empowerment in Sustainable Development... Building Back Fairer and Equal</b>	<b>Improving Options for Disaster Risk Financing</b>


Regionally, the MSDCF outlines the UN development system's contributions to help Caribbean Governments achieve the Sustainable Development Goals (SDGs) in an integrated manner, with a commitment to leave no one behind, advance human rights, promote Gender Equality and Women's Empowerment (GEWE), and adhere to other international standards and obligations. MSDCF 2022 – 2026 identifies four cooperation framework outcomes and partnerships as follows:

1. Economic resilience and shared prosperity
2. Equality and well-being
3. Resilience to climate change and sustainable natural resources management
4. Safety, justice and rule of law

Underpinning each of these 4 are outcome areas. The following table shows the four cooperation framework outcomes and partnerships, and the alignment with their corresponding MSDCF outcomes and the proposed strategies and transformative initiatives contained in this document:

Cooperation Framework Outcomes and Partnerships	MSDCF Outcomes	Proposed Strategies and Transformative Initiatives	Related SDGs
<p>Economic resilience and shared prosperity</p> 	<p>Outcome 1: More productive and competitive business ecosystems designed to improve people's standards of living</p>	<p><b>Transforming Current Economic Models</b></p> <p><b>New Approaches for Increasing Concessionary Financing</b></p> <p><b>Use of New and Innovative Financing Instruments and New Financing Modalities</b></p> <p><b>Budgetary Support and Debt Relief</b></p> <p><b>Fiscal Reprogramming</b></p>	    
	<p>Outcome 2: The Caribbean has fully transitioned to a more diversified and sustainable economy that support inclusive and resilient economic growth</p>	<p><b>Rethinking Agriculture and Food Security</b></p> <p><b>Focusing on Sustainable Tourism</b></p>	  
<p>Equality and well-being</p> 	<p>Outcome 3: National governments and regional institutions use relevant data to design and adopt laws and policies to eliminate discrimination, address structural inequalities and ensure the</p>	<p><b>Rethinking the Role of Women and Women's Economic Empowerment in Sustainable Development... Building Back Fairer and Equal</b></p> <p><b>Enhancing Digital Preparedness</b></p>	  

Cooperation Framework Outcomes and Partnerships	MSDCF Outcomes	Proposed Strategies and Transformative Initiatives	Related SDGs
	<p>advancement of those at risk of being left furthest behind</p>		
	<p>Outcome 4: People in the Caribbean equitably access and utilize universal, quality and shock-responsive, social protection, education, health and care services</p>	<p><b>Creating Shock Responsive Social Protection Systems</b></p> <p><b>Transforming Education Models and the Education Sector</b></p>	 
<p>Resilience to climate change and sustainable natural resources management</p> 	<p>Outcome 5: Caribbean people, communities, and institutions enhance their adaptive capacity for inclusive, gender responsive Disaster Risk Management and climate change adaptation and mitigation</p>	<p><b>Improving Options for Disaster Risk Financing</b></p>	  
	<p>Outcome 6: Caribbean countries manage natural resources and ecosystems to strengthen their resilience and enhance the resilience and prosperity of the people and communities that depend on them</p>		

Cooperation Framework Outcomes and Partnerships	MSDCF Outcomes	Proposed Strategies and Transformative Initiatives	Related SDGs
Safety, justice and rule of law  	Outcome 7: Regional and national laws, policies, systems and institutions improve access to justice and promote peace, social cohesion and security		
	Outcome 8: People in the Caribbean and communities are engaged in building and maintaining safer, fairer, more inclusive, and equitable societies		

**An Elaboration of the Proposed Strategies and Transformative Initiatives**

**#1 New Approaches for Increasing Concessionary Financing**

Caribbean countries generally are calling for international development partners to consider a suspension of per capita income as a criterion for concessionary financing. This sentiment is being echoed by organizations such as ECLAC that are advocating that borrowing is not an option for Caribbean countries, stating that access to concessional funding and debt relief is needed to face the coronavirus (COVID-19) pandemic and recover faster and build forward stronger... within the context of achieving the SDGs. This is reiterated in the UN Secretary-General’s Common Agenda and its reference to using new metrics for countries to access development cooperation namely *“Efforts to find consensus on complementary measures to GDP could be reinforced by a global shift away from relying on GDP to determine access to concessional finance and support, led by international financial institutions along with the United Nations. Indices of vulnerability to external shocks and systemic risk criteria could be given greater weight. Multilateral development banks could also revise their operations and asset management rules to increase their capacity to support investment in developing countries.”*<sup>86</sup>.

<sup>86</sup> Chapter IV, page 55

Antigua and Barbuda for example have been unable to access concessional funding or grants from the international financial institutions due to its relatively good economic performance and its designation by the UN as a high-income country. The island nation has been denied loans from the International Financial Institutions (IFIs) because of the skewed per capita income criterion applied by these institutions' policy-making boards. This was particularly troubling during 2020 in the heights of the COVID-19 pandemic when the country needed assistance. Apart from a line of credit from the Inter-American Development Bank, Antigua and Barbuda did not receive much support from IFIs to assist with the enormous challenges faced. Notwithstanding, the Government was able to access some funding from the Eastern Caribbean Central Bank, the Regional Government Securities Market, and other institutions such as the Caribbean Development Bank, the Abu Dhabi Fund, and the country's domestic bank<sup>87</sup>.

### ***#2 Budgetary Support and Debt Relief***

Consideration by development partners to providing budgetary support through a mix of grants and low-cost loans, within the context of COVID-19 to Caribbean countries. This involves, the international development partner community considering providing liquidity, financial assistance, concessional funding and debt relief, recognizing that at this stage of countries' development and the impact of COVID-19 borrowing is not a viable option due to said countries' inability to service increased debt payments. Consideration to be made for debt relief/forgiveness, including suspension of debt payments, write-offs of aged debt, particularly by the Paris Club.

### ***#3 Transforming Current Economic Models***



Economic transformation is necessary to reverse the various negative trends and develop an economic model that favours sustainable development and leaving no one behind as well as ensuring that those furthest behind are considered first in the development pathway. Key elements of such economic transformation must be the diversification of the export base, increasing government revenues with a more equitable taxation structure, creating a more skilled labour force that takes into account vocational training and matching the needs of the labour market with education, and establishing an environment that is more supportive of MSME's and integration of the informal economy.

This new economic model also should include developing strategies that are designed to build back better post-COVID to include developing comprehensive, modern and shock responsive social protection systems that are accessible to all, promoting decent, green and blue jobs, and

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<sup>87</sup> Antigua and Barbuda Voluntary National Review 2021.

strengthening environmental sustainability. This would therefore involve investing in the blue growth agenda, investing in the orange economy including the culture, cultural and creative industries, investing in the circular economy and importantly, investing in, and capitalizing on the silver economy. Focus on the orange economy should also be considered given that there is a huge potential for the development of new and innovative MSMEs within the orange economy (culture, cultural and creative industries) in all 5 pilot countries is opportune for building back better, building forward stronger and equal post COVID.

Many countries in the Caribbean and indeed in the 5 pilot countries have an ageing population and the silver economy presents unique opportunities. Focus should therefore be placed on the health and well-being of persons over 50 towards advancing the silver economy, but equally stress the many possibilities of an aging population as it relates to economic development, new business ventures, and job opportunities. This is because older persons tend to have both high incomes and savings compared to younger cohorts and high need, such as medical and specialized care, making them major consumers.

It may therefore be imperative that countries either review and revise or create and operationalize a new sustainable development plan that supports economic recovery and addresses key challenges, such as poverty, inequality, climate change impacts, improved governance, infrastructure, and access to technology. Antigua and Barbuda and Dominica are in a somewhat advantageous position with the former in the process of preparing its new national development plan and Dominica recently preparing its National Resilience Development Strategy.

### **CASE EXAMPLE: Dominica's Climate Resilience and Recovery Plan**

**2020 – 2030**

*Following Hurricane Maria in 2017, Dominica embarked on an ambitious development agenda of making the country the first climate resilient nation in the world and supplemented two of its development strategies, the Growth and Social Protection Strategy (2014-2018) and the National Resilience Development Strategy 2030 (2018) with the introduction of the Climate Resilience and Recovery Plan 2020-2030 (CRRP), which incorporates resilience into all sectoral strategic plans. The CRRP's description of a climate resilient Dominica is a country that has: (a) stronger overall socio-economic development trajectory, and (b) reduced impact from climatic and other environmental shocks. Its resilience outcomes are focused in six core areas:*

*The Plan is aligned to the United Nation’s 2030 Agenda for Sustainable Development; the Sendai Framework; Dominica’s national commitment under the Paris Agreement on climate mitigation adaptation and finance, and Dominica’s National Resilience Development Strategy. Dominica’s national sustainable development framework for climate resilience also supports ILO’s employment-centred recovery from crisis and aspects of the Just Transition Towards Environmentally Sustainable Communities for All Recommendation, 2018. (No. 105).*

- strong communities**
- robust economy**
- well-planned and durable infrastructure**
- strengthened institutional systems**
- enhanced collective consciousness**
- protected and sustainably leveraged natural and other unique assets**

#### **#4 Use of New and Innovative Financing Instruments and New Financing Modalities**

Countries should investigate the range of new and innovative financial instruments available to them for advancing their developmental prospects. Some of these financing instruments include Blended Financing, Green Bonds, Blue Bonds, Social Impact Bonds, Diaspora Bonds, Debt for Nature Swaps and Crowd Funding. Additionally, countries could explore emerging trends in development financing including new funding modalities which target specific areas such as climate change, environmental sustainability, gender equality, poverty reduction, social protection and renewable energy.

Non-traditional donors, such as private sector corporations, foundations, relief charities, international NGOs, individuals and philanthropic organizations that have an interest in Caribbean development should be explored. *For example, in December 2021, UN Women Multi Country Office partnered with Portland Private Equity<sup>88</sup> to launch the “Partnership for Gender Lens Investment in the Caribbean” in collaboration with the 2X Collaborative to take bold steps towards Gender Lens Investment in the Caribbean. The Fund will build on lessons from the Innovative Financing and Gender Lens Investment Initiative launched in Latin America in 2020 by UN Women to attract private sector investment, strengthen the ecosystem of gender-sensitive investments and contribute to the generation of partnerships for the achievement of Sustainable Development Goal 5, mainly through the promotion of capital mobilization and investments oriented towards the gender lens.*

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<sup>88</sup> PPE is part of Portland Holdings, one of the Caribbean Basin’s dominant groups with a platform of owned businesses, investments, and extensive reach through the region.



The areas of innovative financing instruments and new financing modalities appear to be of interest to Caribbean governments, with countries such as Jamaica already exploring the applicability of several of the abovementioned instruments in its development pathway. Countries have already begun exploring with organizations such as ECLAC, the establishment of a Climate Resilience Fund and a Caribbean Resilience Fund for economic and climate resilience. The Caribbean Disaster and Emergency Management Agency (CDEMA) launched in December 2021 the Caribbean Regional Resilience Fund (CRRF) that is intended to build capacity through holistic approaches for climate resilient Caribbean and support for the coordination of ex-ante and ex-post resilient recovery from natural disasters. Other instruments to be considered include Debt to COVID response/SDG/or climate swaps which would channel debt service payments into SDG related investments to propel the achievement of the SDGs by 2030.

### ***#5 Fiscal Reprogramming***

It would be important for countries to continue with expansionary expenditure policies during the medium term. This can be achieved by accessing new forms of financing as well as strengthening tax revenues, for example by reducing the incidence of tax evasion. Countries would also need to reevaluate income taxes, property and wealth taxes, and update royalties on the exploitation of non-renewable resources, as well as considering taxes on the digital economy and on goods and services that harm the environment (plastics bottles) or public health (cigarettes).

### ***#6 Creating Shock Responsive Social Protection Systems***

The COVID-19 pandemic more than any other exogenous shock has uncovered many of the gaps in the social protection systems in the Caribbean, with the socioeconomic fallout of COVID-19 having a multi-dimensional impact on the 5 pilot countries, disrupting the livelihoods of various groups disproportionately. This is true for example for countries such as Jamaica where many aspects of its social protection system are considered relatively robust and more progressive than its other Caribbean neighbours, especially in adapting its social protection system to be more responsive to shocks. Shock responsive' social protection aims to extend the types of risks covered to include additional challenges which often impact many households at once such as natural hazards, economic crises, health crises (COVID-19) and conflict that also play a critical role in determining life outcomes.

Shock responsive social protection is about building resilience – taking action before an exogenous event – focusing on preparedness and also looking at how to financially protect oneself and family. Shock responsive is different from emergency response that uses social protection systems. Creating strategies across all aspects of the SP system to scale up the response to shocks – to anticipate risks and put mechanisms in place before a disaster happens. Some strategies to enable social protection systems to become more shock responsive include: enhancing payment processes within a country's social protection system to be more efficient, effective and safe and placing emphasis on accessibility; strengthening institutional capacity for evidence-based emergency expansion of social protection programmes based on tailored protocols and quick

identification of people facing acute/socio-economic and environmental impacts; integrating information system within the social protection system to support an increased coverage and coordination of SP interventions; development of operational and targeting tools for social assistance; digitization of a country’s social registry; inclusion of insurance such as microinsurance in social protection systems as a social protection mechanism; and developing programmes to support both formal and community-based social protection programmes.

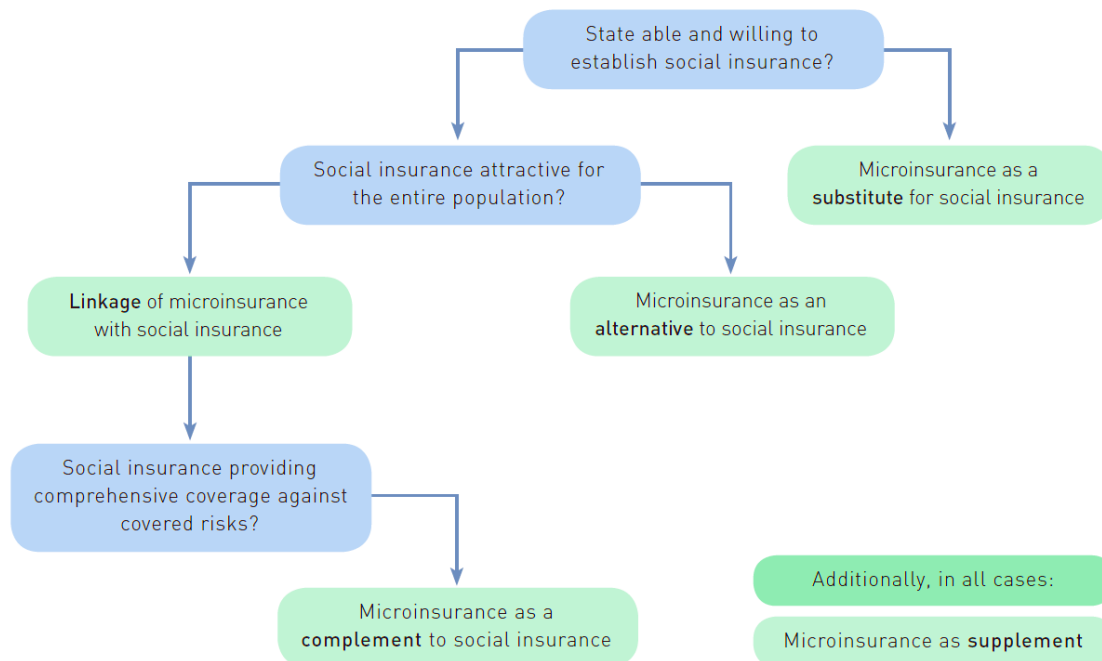


Figure 2: Microinsurance as a social protection mechanism

**CASE EXAMPLE: The Government of Dominica and World Food Program Link CCRIF Parametric Insurance with Social Protection**

*The United Nations World Food Programme (WFP) and the Government of the Commonwealth of Dominica in December 2021 signed an innovative agreement to strengthen the ability to deliver assistance to the most vulnerable people following a climate shock by linking social protection systems to the payouts made by the CCRIF SPC (formerly known as the Caribbean Catastrophe Risk Insurance Facility). Through the pilot project, WFP has strengthened the Government of Dominica's access to disaster risk financing, enabling the Government to build the financial resilience of the most vulnerable against natural disasters. This pilot project links CCRIF SPC’s payouts and*

*Dominica's social protection system enabling timely and efficient assistance to those most in need following a natural disaster in keeping with the principle of 'leaving no one.*

## **#7 Transforming Education Models and the Education Sector**

Whilst COVID-19 presented many challenges to the education sector there is need for a reflection on the opportunities especially as it relates to the technologization of the education systems.

There already is broad agreement on the need to transform educational models with growing support from individuals, governments, and the private sector for digitalization in education, especially for our most vulnerable children and those in rural areas. Because of COVID-19, nearly 95 per cent of children are out of school across the region. While teachers across the region have been dedicating themselves to offering learning alternatives for those who need them, children's education has been severely interrupted. The migration from face-to-face to full online schooling exposed several aspects of countries' digital divide, including inequality of internet access, lack of confidence in using the internet and insufficient laptops/devices for students. Teacher education issues relating to creative web-based pedagogy/ delivery, and development and assessment of online course content also was an issue. There also was inadequate internet access by students in rural areas and limited universal quality access. This unplanned and rapid move to online learning presents an opportunity for countries to engage in the development of a new hybrid model of education – one that effectively integrates the use of information and communication technologies in education towards it becoming an integral component of the overall education system in the future. Countries should consider the development of a framework that focuses on pedagogical approaches and methods for seamlessly integrating classroom learning with e-learning modalities to build a unified learning system that is responsive not just to COVID-19 but other exogenous shocks that may emerge in the future, including those associated with natural hazards. Such a framework could also be considered for tertiary level institutions, other higher education institutions such as technical and vocational training institutions as well as those that support persons with special needs.

### **CASE EXAMPLE ANTIGUA AND BARBUDA: eBooks in Secondary Schools Programme and the Provision of Technological Devices for Students and Teachers and Internet Access in Schools Islandwide**

*The Ministry of Education, prior to the pandemic introduced the eBooks in Secondary Schools Programme. The objective of the programme is to ensure that each student has access to e-textbooks and to expand in the classroom the resources available to teachers and students. The eBooks allow students to make their own notes; to be assessed real time on specific topics; and the*

*teacher has the capability to distribute assignments, homework and additional notes electronically. Additionally, the teacher and students can collaborate easily in class as well as out of class. The teacher can also use the Ebook as a Whiteboard. Further, analytics and detailed reports can be generated for the teachers to assist the students who need additional assistance. This programme was highly useful during the school closures brought about by the COVID-19 pandemic in which schools in Antigua and Barbuda were partially closed for 25 weeks and fully closed for another 25 weeks.*

*Another programme, The Provision of Technological Devices for Students and Teachers and Internet Access in Schools Islandwide Programme implemented before the COVID-19 pandemic provides technological devices for students in low-income homes as well as those students who live in homes with multiple siblings and limited devices. Teachers also benefit from this initiative to support the implementation of the curriculum in a digitized format. There also is the provision of internet access in schools across the island to further encourage diversification of the teaching and learning process. Students without internet access at their homes have also benefited from this programme.*

### **#8    *Enhancing Digital Preparedness***

The COVID-19 crisis presents opportunities to SIDS to enhance digital preparedness (digitization of value chain actors, e-payments, Big Data analytics). The transformative power of digital technologies can place innovation at the center of the recovery from the pandemic. Digital technologies, for example, can help to mitigate economic losses across sectors by creating new jobs, diversifying production, boosting productivity, and increasing access to finance and revolutionizing several economic and social sectors including health care and social protection. Through the effective use of big data, artificial intelligence, e-commerce and more, Caribbean countries can emerge from the pandemic with more resilient economies, stronger economic industries and social systems and more inclusive and equitable societies. Better data and statistical capacities are key to informing future decision-making, planning and investment.

### **#9    *Improving Options for Disaster Risk Financing***

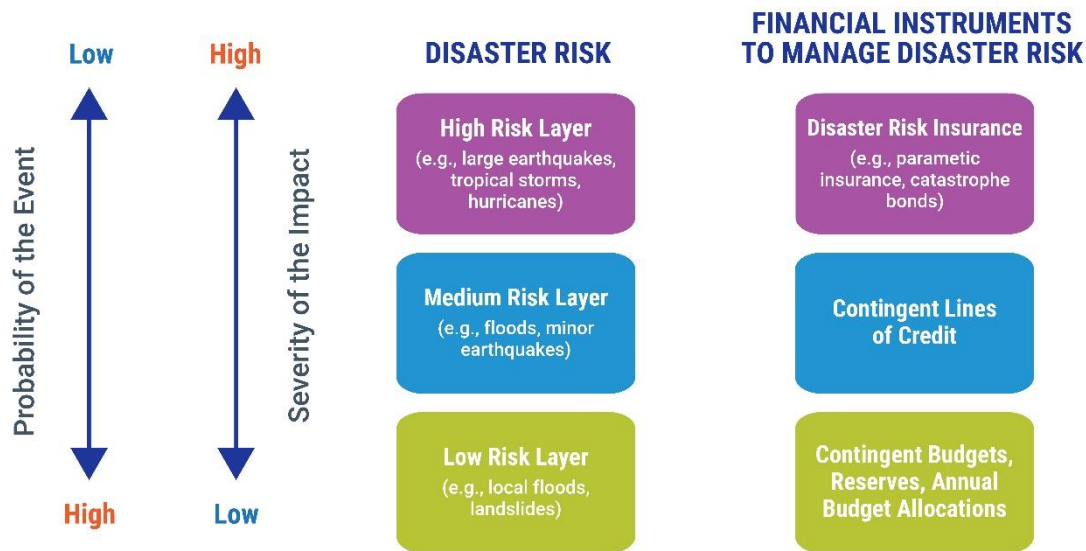
Given the multi-hazard environment in which Caribbean countries exist, the importance of disaster risk financing takes on greater significance. Disaster Risk Financing (DRF) addresses the fiscal impacts and economic losses caused by natural hazards (e.g. cyclones, droughts, earthquakes, floods) and supports countries to increase their financial resilience to natural disasters. The objective of disaster risk financing is to help minimize the cost and optimize the timing of meeting post-disaster funding needs without compromising development goals, fiscal stability, or wellbeing.

Disaster risk financing is not new to the Caribbean as countries have been assessing parametric insurance since 2009 from CCRIF SPC (formerly the Caribbean Catastrophe Risk Insurance Facility). CCRIF is the world's first multi-country multi-peril risk pool based on parametric insurance and

provides parametric catastrophe insurance for Caribbean and Central American governments. All have pilot countries have been purchasing parametric insurance cover for tropical cyclones, earthquakes and excess rainfall from CCRIF – with the exception of Belize that does not purchase earthquake cover. Some countries such as Jamaica also has in place a contingent credit facility from the IDB and a catastrophe bond.

Countries need to be encouraged to build a financial protection strategy that combines a number of DRF instruments that address different layers or types of risk. Such a strategy should incorporate budget allocations and reserves, contingent credit, and risk transfer instruments.

It is important to determine and assess which disaster risk financing strategies are needed and the investment in each before a disaster strikes. DRF instruments should then be integrated into core public finance systems. Well-designed DRF policies and strategies help countries improve their fiscal resilience to natural disasters. For example, World Bank estimated that the Jamaican government would need to cover losses of approximately USD\$121 million annually, the equivalent of 0.85% of their 2015 GDP, to address the impacts of hurricanes and floods. This type of information is useful for governments as they become better equipped to assess whether existing financial protection instruments are adequate.



**Risk Layers and Corresponding Disaster Risk Management Instruments**

**#10 Rethinking the Role of Women and Women’s Economic Empowerment in Sustainable Development... Building Back Fairer and Equal**

Over the last decade, the Caribbean as a region has made progress on the socio-economic front. Notwithstanding, gender inequality and women’s empowerment still requires much attention.

Throughout the Caribbean, women's job security has been disproportionately affected by the COVID-19 pandemic due to their concentration/employment in economic sectors that have been most vulnerable to the impacts of COVID-19, namely tourism, agriculture, agro-processing and the creative industries. Women also lead several MSMEs within these sectors that are highly vulnerable to many hazards and shocks, including natural hazards.

Women are key development players in communities and economic sectors across the Caribbean and therefore there is need to ensure that women and girls enjoy full gender equality and all legal, social and economic barriers to their empowerment be removed. Focusing on the gender equality and women's economic empowerment is key to achieving the SDGs. Building back fairer and equal post-COVID-19 will require financial investments in gender equality and women's empowerment and giving due consideration to new ways of thinking about financing women's economic empowerment beyond Official Development Assistance (ODA) and via innovative financing vehicles and the tools and frameworks of the Women's Empowerment Principles to enable women to be able to access capital and finance to build their capacity, provide them with sustainable sources of capital to enhance their economic and social resilience. Also, many female-headed businesses do not have the technological capacities to be able to take advantage of the opportunities the virtual space offers. The importance of building technological capacities of these MSMEs and especially women owned and/or managed MSMEs is key for economic empowerment, and a catalyst for recovery from COVID-19.

### ***#11 Rethinking Agriculture and Food Security***

Despite the major disruptions caused to the agricultural and fisheries sector by the COVID-19 pandemic, there also exists an opportunity for a paradigm shift in the way countries produce and consume food and create new opportunities for businesses.

Focus should be placed on more climate smart practices in agriculture towards adequately addressing agricultural market failures such as lack of access to insurance for agricultural crops as well as livelihood protection insurance for fishers, farmers and other persons employed in the agricultural and fisheries sectors. Activities designed to promote national food security should be key such as small backyard gardens, urban roof gardens, and functioning local supply chains, targeting nutritious foods needed for a healthy diet towards reducing the incidence of non-communicable diseases, the incidence of which had significant implication for the higher levels of morbidity and mortality due to the virus. Linking the health of the population with the competitiveness of the agricultural sector presents a win-win opportunity to help countries in the region establish the right conditions for major improvements in the SDG health related outcomes, while at the same time improve the competitiveness of the agricultural sector and overcome other inequalities such as those related to food insecurity<sup>89</sup>.

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<sup>89</sup> United Nations Caribbean. 2021. Caribbean Common Multi-Country Analysis 2021

Reestablishing the linkages between the agriculture and the tourism sector are essential to promote local sourcing and support the local value chain actors. Diversification of markets also must be factored in. Use of innovation and technology to allow for online shopping must be key to the new agriculture modalities.

### **#12 *Focusing on Sustainable Tourism***

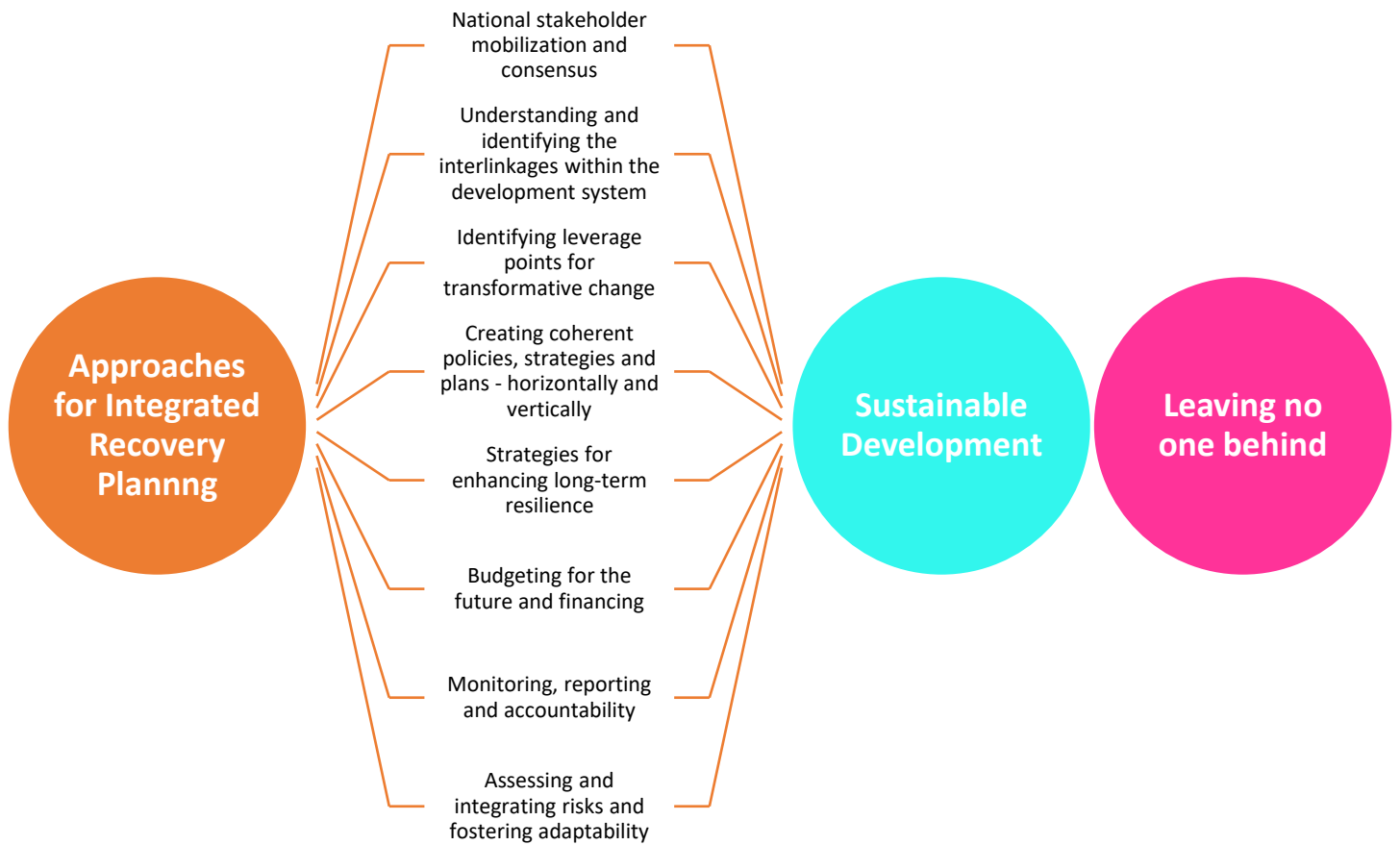
The build-back-better agenda must embrace strategies in tourism that focus on sustainability, equity, and environmentally responsible approaches to tourism. In so doing, countries will ensure that tourism as well as the entertainment and cultural and creative industries regain their positions as providers of decent jobs and stable incomes and as guardians of countries cultural and natural heritage.

Access to credit also will be key. This is particularly true for women who are generally over-represented in tourism MSMEs and face greater barriers to access to financing. It is therefore key that countries pursue women's economic empowerment through innovative financing mechanisms that will enable or ensure women's access to capital as part of the strategies for tourism.

### **Integrated Recovery Planning Approaches and Ensuring Policy Coherence Towards Achieving the SDGs**

The above transformative initiatives for consideration in building back better, building forward stronger, fairer and equal require formulating and implementing integrated recovery plans and strategies following a stepwise approach that includes a set of tools for systems thinking and co-creating policy solutions for sustainable development. These tools for systems thinking and approaches for integrated recovery planning include but are not limited to:

- National stakeholder mobilization and consensus
- Understanding and identifying the interlinkages within the development system
- Identifying leverage points for transformative change
- Creating coherent policies, strategies, plans – horizontally and vertically for building back better, building forward stronger, fairer and equal
- Strategies for enhancing long-term resilience
- Budgeting for the future
- Monitoring, reporting and accountability
- Assessing and integrating risks and fostering adaptability



For all 5 pilot countries, there is evidence through their national development planning processes that they recognize and agree with the value of integrated development planning. As countries embark on developing their 5-year strategic plans that are aligned to their current national development plans or revise national development plans, and prepare recovery plans, they are encouraged to be guided by the tools for systems thinking and approaches as a means of building back better and building forward stronger, fairer and equal.



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