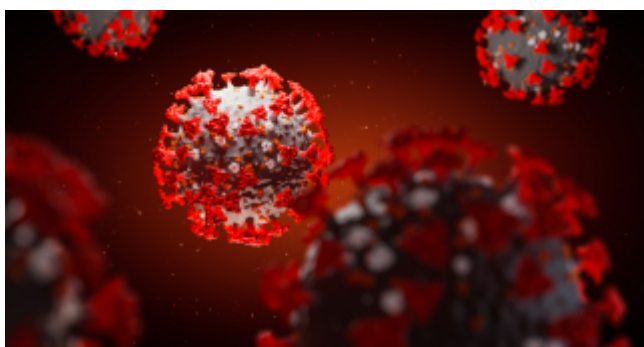


# Small Island Developing States, COVID-19 and Digital Technology



*Posted by David Fellows<sup>[1]</sup> and John Leonardo<sup>[2]</sup>*

## The impact of COVID-19

COVID-19 has changed behaviour throughout the world and social distancing has been the key driver. Workers in factories, shops and offices have been protected by creating greater space between workstations, erecting protective screens and using protective clothing. Distancing requirements have been introduced in bars, cafes, restaurants, hotels, markets and shopping centres. All economies have suffered, especially the hospitality industry, air travel and public transport. Unemployment has soared. Schools and higher education colleges have closed. Many countries are turning to the IMF for support.

The internet has proved a beneficial facilitator of economic

activity, allowing most administrative work and the ordering of goods and services to be undertaken at home. Video conferencing has facilitated meetings with colleagues, business partners and clients, and helped maintain contact with friends. Online learning has featured in reopening plans for higher education and some schools. In this new world digital technology has achieved an elevated significance beyond its already pervasive presence in the pre-COVID era. In some ways it has already established a new normal.

This brief piece focuses on small island developing states (SIDS) but even here the challenges are not identical. Some countries depend heavily on a now-dormant tourist industry and shoulder severe difficulties. These include poverty, remoteness, disbursed communities and the need to combat the threat of natural disasters. The virus demands a minimisation of personal contact for which the absence of good quality, low cost digital communication leaves many states poorly prepared. The [UN E-Government Survey 2020](#) notes that of the SIDS only Singapore and Bahrain have high overall scores; almost half scored less than 50% of Singapore's score for infrastructure.

## **Communication infrastructure**

Good quality digital communication requires fibre-optic broadband cabling to support business use and homeworking with adequate resilience, even including 4G and Wi-Fi. 5G is costly and has [potential shortcomings](#) at present. This option requires specialist advice.

Understanding behaviour is important to government strategy. Contributing factors include levels of public education,

affluence, user tariffs and local cost factors. Lobbying based on knowledge of the operational intentions of the [marine cable-laying industry](#) could be important.

Regional collaboration could provide impetus to network improvement strategies, regulatory frameworks and licensing agreements.

## **Technology applications**

The digital service revolution discussed above and already taking place across the world, accelerated by the onset of COVID-19, is inescapably relevant to SIDS. There are many specific business [applications of relevance to SIDS](#), including: health advice (including C-19) and personal consultations; agricultural monitoring and market information on crops and livestock; and weather monitoring for fishing, agriculture and general safety considerations. Additionally, expatriate monetary transfers are being undertaken increasingly using digital systems. The creation of digital services relevant to developing countries gathers pace [and must be encouraged](#).

Video conferencing, email and document handling systems provide an essential communication layer that is particularly useful to achieve social distancing.

Apart from their use of major business applications governments can make use of social media for public messaging, for instance, demonstrating transparency and engaging citizens the struggle against corruption when resources are so scarce.

## **Technology skills**

Digital communication infrastructure must be complemented by a capacity for: upgrading, expansion and rerouting of infrastructure; installing application software; implementing major software packages; and even the development of service applications. This requires learning at various levels gained from school, college, in-service courses and practical experience.

An understanding of the technology is also required to educate potential adopters about the possibilities that digital communication offers them. This includes the general public, small businesses, the public sector and larger private sector organisations.

Digital technology [skill development is essential to help SIDS](#) adjust to the current situation.

## **Towards cost-effective solutions**

COVID-19 is forcing change to the way people live throughout the world and economies are in crisis. Digital communication offers the capacity for helping maintain business continuity. Most SIDS would benefit from a higher standard of affordable digital communication supporting improved digital service delivery.

Digital technology must be designed to the needs and circumstances of individual states. Nevertheless, there could be much to gain from cost-effective collaboration between SIDS

for the purposes of sharing and developing:

(i) an understanding of the economic and social impact of COVID-19 and ways of mitigating these effects through digital communications;

(ii) market-shaping policies and practices for increasing the availability of digital communication at an affordable price;

(iii) strategies and programs to support the provision of expertise in digital technology and its use by business, public services and the general public; and

(iv) knowledge of relevant progress made on these issues throughout the world.

Such an initiative, whether on a global or regional basis, could include SIDS, development agencies, the digital service industry, other private sector partners and potentially the Commonwealth Small States Centre of Excellence. Is this a step too far?

This blog was published by the International Monetary Fund's Public Financial Management Blog on 18 August 2020 at <https://blog-pfm.imf.org/pfmblog/2020/08/-small-island-developing-states-covid-19-and-digital-technology-.html>.

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[2] John Leonardo is an international development PFM advisor having extensive experience of working with SIDS. He is a director of PFMConnect.

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## **Understanding Small Island Developing States' economic challenges (Update 1)**



## **Small island developing states' economic challenges**

Economic challenges faced by small island developing states (SIDS) are frequently greater in magnitude than those faced by larger states. Economic and financial risks often represent a considerable portion of the most significant risks confronting SIDS.

### **IMF Article IV reports**

The International Monetary Fund (IMF)'s regular Article IV consultations conducted usually annually with those small island developing states (SIDS) who are members of the IMF result in the preparation of Article IV reports which provide country analyses of recent economic and public financial management trends, forward economic forecasts and documents the respective economic management challenges that they face.

## **IMF SIDS members**

Which SIDS are members of the IMF? Here is the list of SIDS that are currently members of the IMF:

- Antigua and Barbuda
- Bahamas
- Barbados
- Belize
- Cabo Verde
- Comoros
- Curaçao
- Dominica
- Dominican Republic
- Fiji
- Grenada
- Guinea-Bissau
- Guyana
- Haiti
- Jamaica
- Kiribati
- Maldives
- Marshall Islands
- Mauritius
- Micronesia



- Nauru
- Palau
- Papua New Guinea
- Samoa
- Sao Tome
- Seychelles
- Singapore
- Sint Maarten
- St Kitts and Nevis
- St Lucia
- St. Vincent and Grenadines
- Solomon Islands
- Tonga
- Trinidad and Tobago
- Tuvalu
- Vanuatu

## Access SIDS Article IV reports

The most recently published International Monetary Fund (IMF) Article IV reports as at 22 April 2020 for **all SIDS** can be accessed by clicking on to the country groups below:

- [Article IV reports for SIDS countries A-C](#)
- [Article IV reports for SIDS countries D-H](#)
- [Article IV reports for SIDS countries J-P](#)
- [Article IV reports for SIDS countries S](#)
- [Article IV reports for SIDS countries T-V](#)

N.B. Reports for Aruba, Curacao and Sint Maarten are also provided although they are not formal IMF members but participate as part of the Kingdom of the Netherlands. The

latest Article IV reports for Antigua and Barbuda (2016) and St Kitts and Nevis (2018) are unavailable as both governments have not given approval for the release of these reports (which they are entitled to do).

## **Interested in other SIDS' issues?**

Interested in other issues affecting SIDS? Go to PFMConnect's small island developing states Pinterest Board to access articles on a wide range of issues associated with SIDS.

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# **Understanding Small Island Developing States' economic challenge**

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- Haiti
- Jamaica
- Kiribati
- Maldives
- Marshall Islands
- Mauritius
- Micronesia
- Nauru
- Palau
- Papua New Guinea
- Samoa
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- Seychelles
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## **Access SIDS Article IV reports**

The most recently published International Monetary Fund (IMF) Article IV reports as at 28 January 2019 for **all SIDS** can be accessed by clicking on to the country groups below.

[Article IV reports for SIDS countries A-C](#)

[Article IV reports for SIDS countries D-H](#)

[Article IV reports for SIDS countries J-P](#)

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[\*Small Island Developing States Board\*](#)

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# IMF Article IV reports SIDS countries T-V



The most recently published IMF Article IV reports for countries beginning with the letters T-V as at 4 January 2024 are listed below. The reports can be accessed by clicking on to the respective countries.

- [Timor-Leste](#)
- [Tonga](#)
- [Trinidad and Tobago](#)
- [Tuvalu](#)
- [Vanuatu](#)

Click on to the links below to access Article IV reports for other [SIDS countries](#).

- [Article IV reports for SIDS countries A-C](#)
- [Article IV reports for SIDS countries D-H](#)
- [Article IV reports for SIDS countries J-P](#)
- [Article IV reports for SIDS countries S](#)