

volume

23

Small States

Economic Review and Basic Statistics



The Commonwealth

*Beyond Resilience to Strategic Relevance:
The Future of Small States*

Small States Economic Review and Basic Statistics, Volume 23

Beyond Resilience to Strategic Relevance:
The Future of Small States

Suggested citation: Commonwealth Secretariat (2026) *Small States Economic Review and Basic Statistics: Volume 23. Beyond Resilience to Strategic Relevance: The Future of Small States*. <https://doi.org/10.14217/wqmk7947>

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Commonwealth Secretariat
Marlborough House
Pall Mall
London SW1Y 5HX
United Kingdom

www.thecommonwealth.org

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Published by the Commonwealth Secretariat.

ISBN (print): 978-1-78559-007-8

ISBN (ebook): 978-1-78559-008-5

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Foreword



Commonwealth Small States are navigating an era of profound uncertainty. In recent years, they have faced a succession of severe and overlapping shocks, including climate-related disasters and natural hazards, geopolitical instability and disruption to the rules-based international order, economic fragmentation and heightened global economy volatility. These pressures have tested national resilience and exposed countries to the structural vulnerabilities that continue to shape the development prospects of many such states. They

also make clear that resilience alone is no longer sufficient; small states must be supported to build the robustness, adaptability and strategic capabilities needed to thrive in a changing world.

It would be wrong to focus on Commonwealth Small States (CWSS) using the lens of vulnerability alone. Across the Commonwealth, these states are a source of leadership, ingenuity and ambition, particularly in areas such as digital connectivity, financial technology and sustainable financing. The 23rd volume of the *Small States Economic*, themed ‘Beyond Resilience to Strategic Relevance: Redefining the Economic Future of Small States,’ captures this important shift. It shows how small states are increasingly asserting their relevance in the global economy and how, with the right enabling conditions, they can become leaders in areas where they hold distinctive strengths.

This report provides an assessment of socio-economic trends in CWSS within the wider global economic context. It reviews recent economic performance, including developments following the post-COVID-19 rebound, and considers the implications of moderating growth, the normalisation of tourism activity and increasing fragmentation in the global economy. While many small states have shown considerable resilience, the outlook remains uncertain amid persistent volatility and tightening development constraints.

The report also examines how CWSS have responded to recent external shocks, including the trade tariffs and heightened trade uncertainty that characterised 2025, as well as the emergence of conflict in the Middle East in early 2026. It considers the macro-economic and socio-economic effects of these developments and their implications for debt sustainability and fiscal space, as well as the long-term prospects and opportunities they provide for enhancing intra-Commonwealth trade.

The special topic, ‘Enhancing Investment through Public–Private Partnerships in Commonwealth Small States,’ is especially timely in light of the theme of the 2026 Commonwealth Heads of Government Meeting: ‘Accelerating Partnerships and Investment for a Prosperous Commonwealth.’ It explores the role of public–private partnerships in mobilising investment, supporting infrastructure development and strengthening delivery capacity. It also identifies the conditions needed for successful implementation and showcases practical examples from across CWSS, offering lessons that can help deepen partnerships and unlock new sources of investment.

I hope this report will serve as a valuable resource for policymakers, practitioners and partners working to advance the interests of small states. By deepening understanding of their economic realities, highlighting their innovation and drawing lessons from their experiences, it contributes to the Commonwealth’s shared commitment to supporting small states as they move beyond resilience towards strategic relevance and sustainable prosperity.

Hon. Shirley Botchwey
Commonwealth Secretary-General

Acknowledgements

This 23rd volume of the *Small States Economic Review and Basic Statistics* was prepared under the guidance of Thomas Munthali, Head of Economic Policy and Small States (EPSS). The team is grateful for the overall support of Ruth Kattumuri, formerly Senior Director of the Economic Development, Trade and Investment Division.

Tamara Mughogho (Economic Adviser) led and co-ordinated the drafting and authoring of the report, working with a drafting team comprising Attila Shaaran (Economic Research Officer), Enock Bamusi (Programme Assistant), Zeeshan Ali (formerly Economic Adviser), and Olivia Hofman (formerly Intern). The team would like to thank Mihoko Saito (International Trade Centre) for her inputs into the report on public–private partnerships. The team is also grateful for the support of the heads of various sections and of staff in the Commonwealth Secretariat during the production of this report.

The team would also like to express gratitude for very constructive and thoughtful comments received from the external and internal reviewers: Stephen Brien (Artha Global), Jacob Mazalale (World Bank), Courtney Lindsay (ODI Global), Mohammed Aazim (Commonwealth Secretariat), Desmond Asamoah (Commonwealth Secretariat), Laura Campbell (Commonwealth Secretariat) and Hawah Koroma (Commonwealth Secretariat).

The team would also like to thank Ross Fulton and Clive Lawson for facilitating the publication process.

Acronyms and Abbreviations

ACHAP	African Comprehensive HIV/AIDS Partnerships
ADB	Asian Development Bank
ADBI	Asian Development Bank Institute
AfDB	African Development Bank
AI	artificial intelligence
AIDS	Acquired Immune Deficiency Syndrome
C3PN	Commonwealth PPP Network
CAF	Development Bank of Latin America and the Caribbean
CBDC	central bank digital currency
CCRIF	Caribbean Catastrophe Risk Insurance Facility
CDB	Caribbean Development Bank
CIPIT	Centre for Intellectual Property and Information Technology Law
CWSS	Commonwealth Small States
DFAT	Australian Department of Foreign Affairs and Trade
ECCB	Eastern Caribbean Central Bank
EIB	European Investment Bank
EMDEs	emerging markets and developing economies
EPSS	Economic Policy and Small States
FDI	foreign direct investment
GCA	Global Center on Adaptation
GDP	gross domestic product
GIEPA	Gambia Investment and Export Promotion Agency
HIV	Human Immunodeficiency Virus
ICAO	International Civil Aviation Organization
ICT	information and communication technology
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund

KIK	Kokonas Indastri Koporesen
LPIA	Lynden Pindling International Airport
MCTTT	Ministry of Trade, Co-operatives, Micro, Small and Medium Enterprises and Communications Fiji
MDB	multilateral development bank
NRW	non-revenue water
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
ODA	official development assistance
ODI	Overseas Development International
OECD	Organisation for Economic Co-operation and Development
PPP	public-private partnership
PPIAF	Public-Private Infrastructure Advisory Facility
SBRC	Sustainable Barbados Recycling Centre
SMEs	small and medium-sized enterprises
STEM	science, technology, engineering and mathematics
UNCTAD	United Nations Conference on Trade and Development
UN DESA	United Nations Department of Economic and Social Affairs
UNEP	United Nations Environment Programme
WMO	World Meteorological Organization
WTTC	World Travel and Tourism Council

Overview

The *Small States Economic Review and Basic Statistics* is a biannual flagship publication that examines recent socio-economic developments across the 33 Commonwealth Small States (CWSS). This 23rd edition is framed around the theme ‘Beyond Resilience to Strategic Relevance: The Future of Small States’

The inherent vulnerabilities of small states mean that building resilience remains crucial. However, it is equally critical to underscore that, despite these vulnerabilities, small states have the capacity to be strategically relevant globally, and to offer up lessons for other countries. This relevance is apparent in domains such as digital financial infrastructure, where small states have been early adopters, and innovative sustainable finance, where they have been credible issuers of blue and green instruments. This report therefore provides insight into how small states are moving beyond just being resilient, from what they can withstand to what they can contribute.

The first part of this report provides an overview of recent socio-economic trends in CWSS, as well as thematic issues shaping their development and innovations across CWSS in fintech, artificial intelligence and sustainable financing. The second part focuses on innovative investment partnerships, with a particular emphasis on public–private partnerships in small states. This is in line with the theme for the 2026 Commonwealth Heads of Government Meeting of ‘Accelerating Partnerships and Investment for a Prosperous Commonwealth.’

Economic trends across Commonwealth Small States

In 2025, economic growth across CWSS was projected to moderate as the tourism-led recovery gradually normalised. However, the onset of conflict in the Middle East further dampened growth prospects, and growth in CWSS is now expected to decline to 2.8 per cent in 2026 from 3.1 per cent in 2025. CWSS will be disproportionately affected because of their import vulnerability and their dependence on tourism, through effects on commodity imports and through disruption to travel in major travel connection hubs in the Middle East.

Additionally, rising energy and food prices as a consequence of the conflict in the Middle East are increasing inflationary pressures in CWSS. Inflation in 2026 has risen to 3.1 per cent, reflecting an upward revision from 2.8 per cent in earlier forecasts. With regard to the fiscal position, many CWSS are projected to experience a deterioration in their net lending balance, largely because of declining revenues. In terms of unemployment, African CWSS continue to record the highest unemployment rate among CWSS, at 17 per cent, with Eswatini ranking among the highest in the world at 34 per cent. Tourism remains a cornerstone of economic activity, contributing an estimated 29.2 per cent of gross

domestic product (GDP) both directly and indirectly across CWSS. However, some CWSS have been affected by the travel disruption generated by the onset of conflict in the Middle East.

Waves of uncertainty: Impact of trade tariffs, climate change and debt trends in Commonwealth Small States

Tariffs announced by the United States in 2025 have disproportionately affected several small states. These measures have placed significant strain on key export sectors, including fisheries and agri-processing. Meanwhile, official development assistance (ODA) continues to decline globally, with CWSS such as Lesotho particularly affected, with the country showing a 52 per cent decline in ODA in 2025. Climate vulnerability remains acute, as small states continue to bear the brunt of climate shocks despite contributing minimally to global emissions. Debt pressures also persist in CWSS and are expected to remain elevated through 2030. Although some progress has been made on reducing central government debt, interest payments remain high as a result of increased borrowing during the COVID-19 pandemic period.

Shaping the future of innovation in Commonwealth Small States

Despite the challenges they face, CWSS continue to demonstrate resilience and innovation. Small states are at the forefront of fintech innovation, including in the pioneering of central bank digital currencies such as The Bahamas' Sand Dollar. Mobile money and digital payment platforms are expanding rapidly, strengthening financial inclusion and modernising transactions. In addition, CWSS are leading in sustainable finance, with trailblazing green and blue bond issuances in countries such as Fiji and Seychelles.

External engines of growth

CWSS continue to attract substantial foreign direct investment (FDI) relative to their economic size, reaching 5.7 per cent of GDP in 2024. Natural resource exporters, including Brunei Darussalam, Guyana, and Trinidad and Tobago, continue to record sizeable trade surpluses driven by energy exports. It is important to note that CWSS that have large investments from Gulf States will be affected by the war in the Middle East, which will affect their FDI inflows.

Remittances remain a vital and stable source of external financing. Remittance inflows continue to exceed both ODA and FDI, reinforcing their central role in supporting livelihoods in CWSS. However, remittance flows will be adversely affected by the recent imposition of a 1 per cent tax on remittances from the United States and the war in the Middle East, where some CWSS have their diaspora located.

Enhancing investments through Public-Private Partnerships in Commonwealth Small States

Public-private partnerships (PPPs) can help Commonwealth Small States mobilise private investment, address infrastructure and service gaps, and support long-term economic development despite constrained fiscal space. PPPs have helped deliver investment and infrastructure across Commonwealth Small States, with 90 projects valued at around US\$9.1 billion between 1990 and 2024, particularly in electricity, transport, utilities, health and agriculture. However, uptake remains limited, with small markets, high financing costs, limited institutional capacity and a shortage of bankable projects constraining investment. The report highlights that successful PPPs require strong preparation, effective regulation, transparent procurement and appropriate risk-sharing, alongside greater use of blended finance, guarantees and technical support. Scaling these approaches, including through regional cooperation and stronger project pipelines, could help CWSS attract more private capital and address critical infrastructure and development needs.

What Are Small States?

Commonwealth Small States comprise 33 of the Commonwealth's 56 member countries, spanning five regions globally. The Commonwealth defines 'small states' as sovereign countries with a population of 1.5 million or less. The Commonwealth also designates some of its larger member countries – Botswana, Jamaica, Lesotho, Namibia and Papua New Guinea – as small states because they share many of their characteristics.¹

COMMONWEALTH SMALL STATES	
Africa	
Botswana	Mauritius
Eswatini	Namibia
The Gambia	Seychelles
Lesotho	Gabon
Asia	
Brunei Darussalam	Maldives
Europe	
Cyprus	Malta
The Caribbean	
Antigua and Barbuda	Guyana
The Bahamas	Jamaica
Barbados	St Kitts and Nevis
Belize	Saint Lucia
Dominica	St Vincent and the Grenadines
Grenada	Trinidad and Tobago
The Pacific	
Fiji	Samoa
Kiribati	Solomon Islands
Naoero	Tonga
Papua New Guinea	Tuvalu
	Vanuatu

¹ See <https://thecommonwealth.org/our-work/small-states>

Part I

Growth, Resilience and Transformation in a Changing Global Economy

1. Economic pulse: Tracking the economic performance of Commonwealth Small States

KEY MESSAGES

As a result of the onset of the war in the Middle East, global economic growth is expected to moderate in 2026 to 3.1 per cent, down from 3.4 per cent in 2024 and 2025 before picking up slightly in 2027. Similarly, CWSS are expected to realise a decline in growth from 3.13 per cent in 2025 to 2.83 per cent in 2026. The economic outlook varies by country, with the war particularly affecting countries vulnerable to energy and commodity market disruptions, as well as those dependent on tourism.

The onset of the war in the Middle East has also added inflationary pressures in CWSS, with inflation rising to 3.1 per cent in 2026 from 2.4 per cent in 2025. Fiscal positions across CWSS are anticipated to deteriorate, driven largely by declining revenues. This is more so for the Asia-Pacific CWSS.

Labour market conditions remain uneven. African CWSS continue to record the highest unemployment rates among CWSS, with Eswatini standing out as having one of the highest unemployment rates in the world, at 34 per cent.

Tourism remains a critical engine of growth, contributing an estimated 29.2 per cent of gross domestic product across CWSS as the sector continues its post-COVID rebound. However, contributions from agriculture and fisheries have weakened in some regions, particularly among Asia-Pacific CWSS, highlighting growing sectoral imbalances within these economies.

1.1. Growth under pressure: Economic outlook amid uncertainty and geopolitical tensions

Rising policy uncertainty, geoeconomic fragmentation, geopolitical tensions and ongoing climate risks continue to mar the global economic outlook. Between 2024 and 2025, gross domestic product (GDP) growth settled at 3.4 per cent. Economic performance in 2025 showed an improvement on initial forecasts from early in the year, thanks to a surge in economic activity ahead of new US tariffs, lower

US tariffs than initially expected and pro-growth policies in advanced economies (IMF, 2025a; UN DESA, 2025). However, risks to the economic outlook remained, including labour supply shocks, potential heightened trade protection and reduced growth in major economies, all of which were forecast to spill over to the rest of the world, and ongoing geopolitical tensions (World Bank, 2025a).

The start of 2026 saw another shock emerge with the onset of the war in the Middle East, which erupted in February. This shock has halted the economic growth trajectory, resulting in lower economic growth projections relative to those forecast

in 2025. Global economic growth in 2026 is now projected at 3.1 per cent, down from 3.4 per cent in 2024 and 2025 (Figure 1.1). Relatedly, emerging economies are now forecast to grow at 3.8 per cent in 2026, a contraction from the 4.4 per cent growth witnessed in 2025. The effects of the war will have larger impacts on vulnerable economies, particularly those that are commodity-dependent (IMF, 2026). The war will likely impact these countries through higher commodity prices and fuel prices and indirect effects on inflation. Global GDP is expected to grow by 3.2 per cent in 2027, a forecast that has remained unchanged.

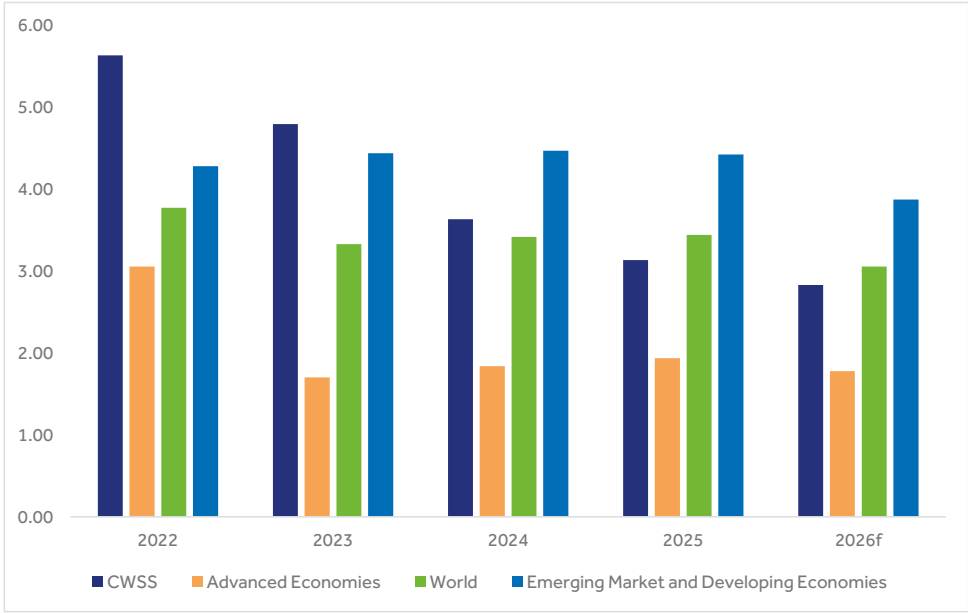
With the onset of the war in the Middle East, CWSS face yet another test of their resilience. Their growth in 2026 is now forecast to fall to 2.83

per cent, reflecting a steadily declining growth trend from 3.6 per cent in 2024 and 3.1 per cent in 2025. This also reflects a normalisation in growth following the post-pandemic boom in 2022 at 5.6 per cent, as tourism levels revert to normal levels.

Small states will be more affected by the conflict, owing to:

- **Import vulnerability.** CWSS are often highly dependent on imports for energy and food. As such, increased fuel prices and maritime transport costs will have knock-on effects on real household income and increase the cost of living.
- **Tourism and remittances.** For states that rely heavily on tourism and remittance inflows,

FIGURE 1.1. GDP GROWTH BY COUNTRY GROUPING, 2022–2026F



Source: IMF (2026).

disruptions in the Middle East will reduce both sources of external income.

- **Financial instability.** Small states with limited reserves are at an elevated risk of balance of payments distress, as higher import bills coincide with tightening global financial conditions.

Among the Commonwealth regions, economic performance has been uneven (Table 1.1). While African CWSS are projected to register an increase in growth from 2.9 per cent in 2025 to 3.1 per cent in 2026, the other regions are expected to experience an economic slowdown. Among African CWSS, winners include Botswana, which has experienced a rebound in economic activity driven by increases in real value added in diamond trading and in mining and quarrying (Statistics Botswana, 2025). This has contributed to growth being forecast at 4.7 per cent in 2026, an increase from -0.9 per cent in 2025. A few countries, including Lesotho, Namibia, Mauritius and Seychelles, are projected to experience a reduction in economic growth in 2026. For

Lesotho, trade-induced uncertainty accounts for the revision; for tourism-dependent economies like Mauritius and Seychelles, lower tourism revenues as a result of the Middle East war will contribute to declining growth. Both European CWSS (Cyprus and Malta) are projected to experience a slowdown in economic growth in 2026, with the contraction in Malta driven by the normalisation of domestic consumption – the main economic driver in the past couple of years. This owes to a decrease in labour migration, among other factors (Ministry for Finance, Malta, 2025).

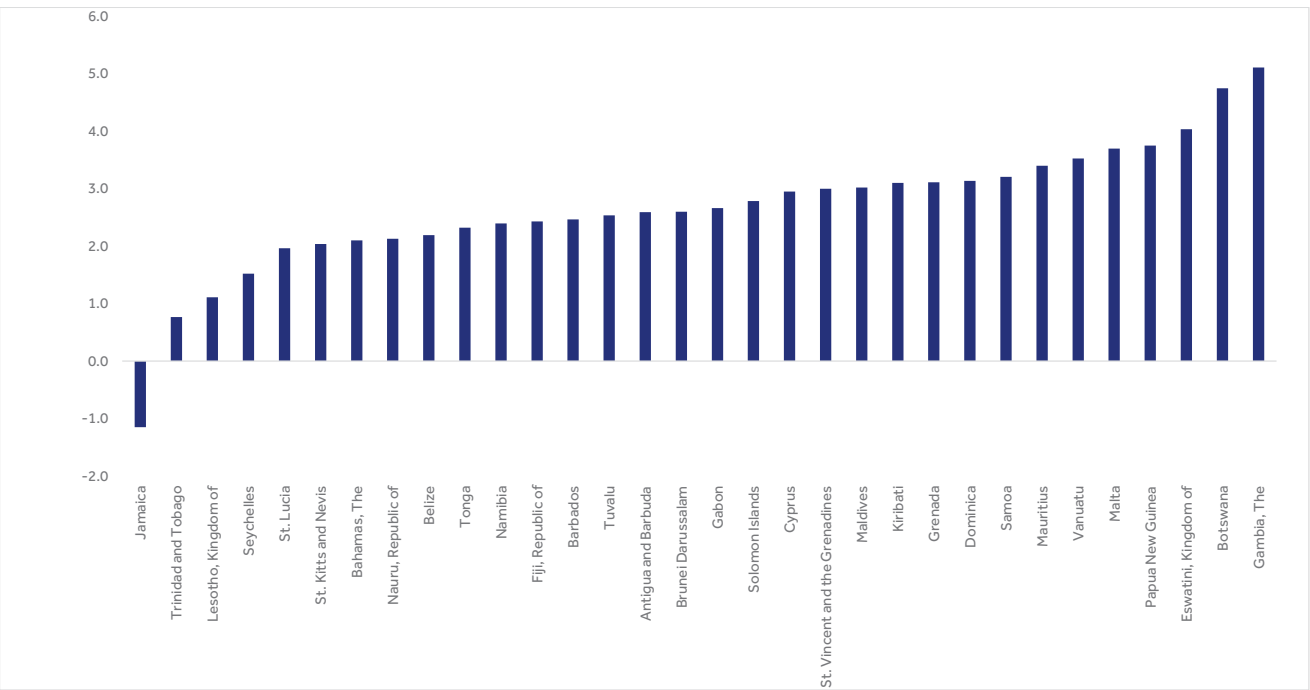
The progressively lower economic projections in the Caribbean are indicative of a slowdown in the post-COVID recovery momentum (CDB, 2025). As tourism arrivals start to normalise, growth in Caribbean CWSS is also expected to moderate. Nevertheless, Guyana has retained its position as the fastest-growing economy in the world, despite GDP growth falling from 43 per cent in 2024 to 19.3 per cent in 2025 and projected to fall to 16.2 per cent in 2026 (IMF, 2025a; 2026).

TABLE 1.1. GDP GROWTH IN COMMONWEALTH SMALL STATE REGIONS, 2022–2026F (%)

	2022	2023	2024	2025	2026
Africa	5.00	4.03	3.23	2.91	3.12
Asia-Pacific	2.93	4.84	3.36	3.26	2.86
Caribbean	9.17	3.19	2.87	2.50	2.02
Europe	5.43	7.13	5.08	3.86	3.33

Source: IMF (2026).

FIGURE 1.2. GDP GROWTH IN COMMONWEALTH SMALL STATES, 2026F



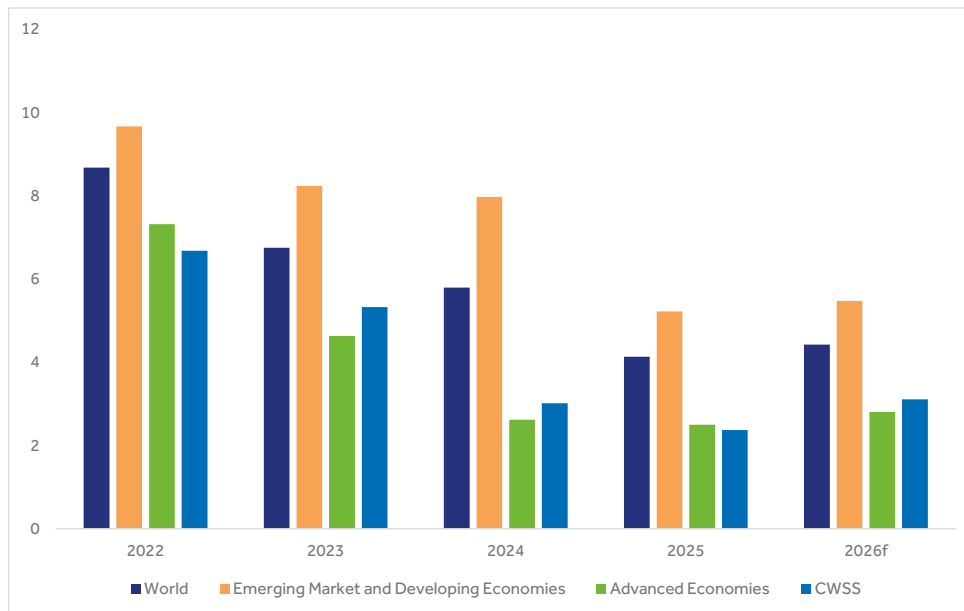
Source: IMF (2026).

Among Asia-Pacific CWSS, growth is expected to moderate from 3.3 per cent in 2025 to 2.9 per cent in 2026. This reflects a weaker growth outlook in Asia-Pacific countries, such as Kiribati, where slower expansion is linked to reduced public spending; Maldives, where the war in the Middle East weighs on tourism, energy prices and fiscal and external buffers; Papua New Guinea, with the conflict in the Middle East affecting energy and commodity prices; and Samoa, where agricultural prospects have dimmed (ADB, 2025; 2026a). Brunei Darussalam is expected to experience a rebound in economic growth as a result of oil and gas sector expansions, as well as growth in the services sector and moderating inflation (ADB, 2026a).

1.2. Rising inflation trends: New pressures and uncertainty

Before 2026, global inflation had been steadily falling since the jump in 2022, brought on by the Russia–Ukraine conflict (Figure 1.3). Following this, the falling inflation was attributed to lower energy prices, moderating wage growth and currency appreciation (UN DESA, 2025). The onset of the war in the Middle East in February 2026 has overturned this trend, resulting in inflation projections being revised upwards. Inflation is now forecast to grow to 4.4 per cent in 2026, up from 4.1 per cent in 2025. This reflects an upward revision from a 3.7 per cent forecast for 2025. For

FIGURE 1.3. INFLATION TRENDS BY COUNTRY GROUPING, 2022–2026F



Note: Calculated as annual average Consumer Price Index inflation.

Source: IMF (2026).

CWSS, the jump in inflation is much higher, with it rising from 3.1 per cent in 2025 to 2.4 per cent in 2026, reflecting an upward revision from the predicted 2.8 per cent during earlier forecasts. This reflects the direct effects of the recent war in the Middle East, particularly for commodity- and energy-importing small states.

Across the various Commonwealth regions, average inflation per region is expected to increase in 2026. At a country level, many countries, including Antigua and Barbuda, Barbados, Botswana and Jamaica, are expected to experience a rise in inflation directly attributed to the conflict in the Middle East and its ensuing effects on commodity prices. With 6 per cent, Jamaica is expected to register the highest inflation in 2026.

According to the Bank of Jamaica (2026), this is attributable to the conflict in the Middle East, which has contributed to increases in commodity prices (in particular for oil, liquefied natural gas and fertiliser) and shipping costs, as well as to national tax policy. Following Jamaica, The Gambia registers the second-largest inflation in 2026, at 5.8 per cent. This owes to high food inflation stemming from increased prices of vegetable oil and other perishable food items (Kargbo, 2025). While inflation levels will remain elevated in 2026, for some CWSS, including Kiribati, Lesotho, Maldives, Naoero and Solomon Islands, it is projected to fall.

In the Pacific, some countries were already experiencing substantive increases in inflation: inflation in

Papua New Guinea had risen to 4.8 per cent in 2025 from 0.6 per cent in 2024 (IMF, 2025a). The lower inflation in 2024 in Papua New Guinea was attributed to a sharp decline in betel nut prices. Thereafter, inflation in the country is expected to return to its previous trajectory, supported by expectations of pass-through effects from exchange rate depreciation and the base effect created by the lower 2024 headline inflation outcome (Papua New Guinea Treasury, 2025). As such, in 2026, inflation in Papua New Guinea is expected to settle at 5 per cent.

Among European CWSS, Cyprus has experienced the largest increase in inflation, seeing an increase from 0.8 per cent in 2025 to 2.6 per cent as a result of a surge in energy prices. This is expected to normalise in 2027.

It is important to note that variations in inflation performance across countries are indicative of country-specific factors such as structural differences in the economy and varied exposure to commodity price shocks.

1.3. Fiscal outlook for Commonwealth Small States

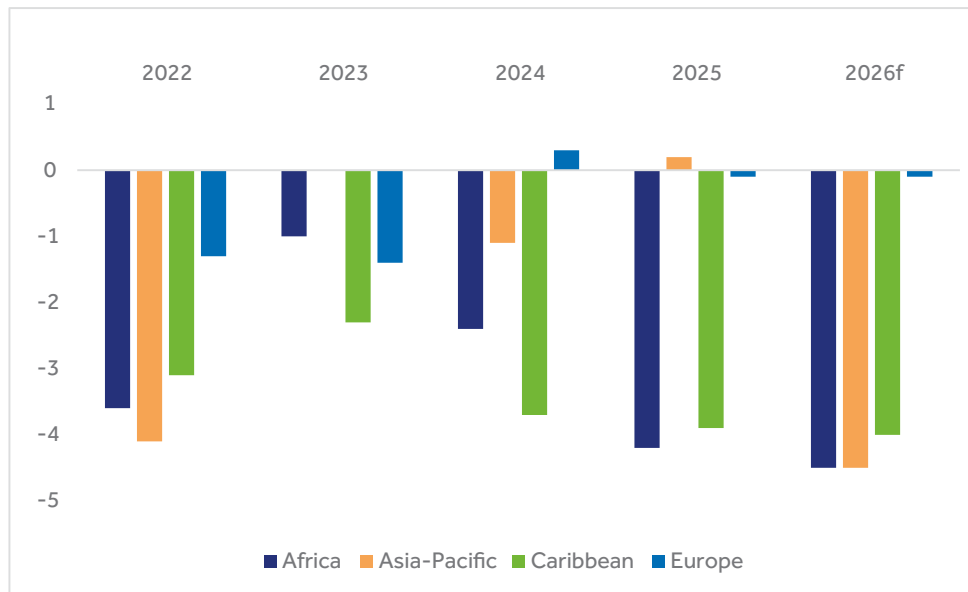
Across CWSS, fiscal balances are expected to worsen marginally in 2026 (Figure 1.4), with the Asia-Pacific CWSS expected to see a worsening by 4.7 percentage points. Among the Asia-Pacific CWSS, Naoero's fiscal balance worsened in 2025 (down to 3.5 per cent) compared to 2024 (28.9

per cent). The decline in 2025 owed to reduced revenues from fishing licences and tax collection, combined with increased capital expenditure and elevated compensation for government employees (IMF, 2025b). However, in 2026, the fiscal position is expected to improve markedly, settling at 13.1 per cent, following the Naoero Australia Treaty and expansion of its Regional Processing Operations.

In Tuvalu, following a fiscal surplus of 31.6 per cent, owing to higher grants, the fiscal balance in 2026 is expected to deteriorate to -1.3 per cent in 2026 as grants normalise (IMF, 2025d). Maldives has also experienced a sharp worsening of its net lending position, by 8.3 percentage points. It is important to note that, in 2026, the Government of Maldives has successfully paid back its US\$500 million sukuk (Islamic bond), but challenges remain, including lower tourism revenues and higher energy prices (ADB, 2026b).

For African and Caribbean CWSS, the fiscal position will worsen marginally in 2026, by 0.3 per cent and 0.1 per cent, respectively. Among African CWSS, Eswatini and Lesotho have experienced a worsening of their net balance, by 3 percentage and 6 percentage points, respectively, owing to decreasing Southern Africa Customs Union revenues (World Bank, 2025b). This has also been a result of inadequate cash management, and increased employee compensation and capital spending in Eswatini and deficiencies in public procurement processes in Lesotho (ibid). However,

FIGURE 1.4. NET LENDING IN COMMONWEALTH SMALL STATES, 2022–2026F (AS A PERCENTAGE OF GDP)



Source: IMF (2026).

the fiscal position in Lesotho is expected to improve in 2026, unlike in Eswatini. Other African CWSS, like The Gambia and Mauritius, are expected to see improvements in their fiscal balance, while major losses are expected in Botswana, whose fiscal position will worsen by 3.3 per cent, driven by declining diamond revenue.

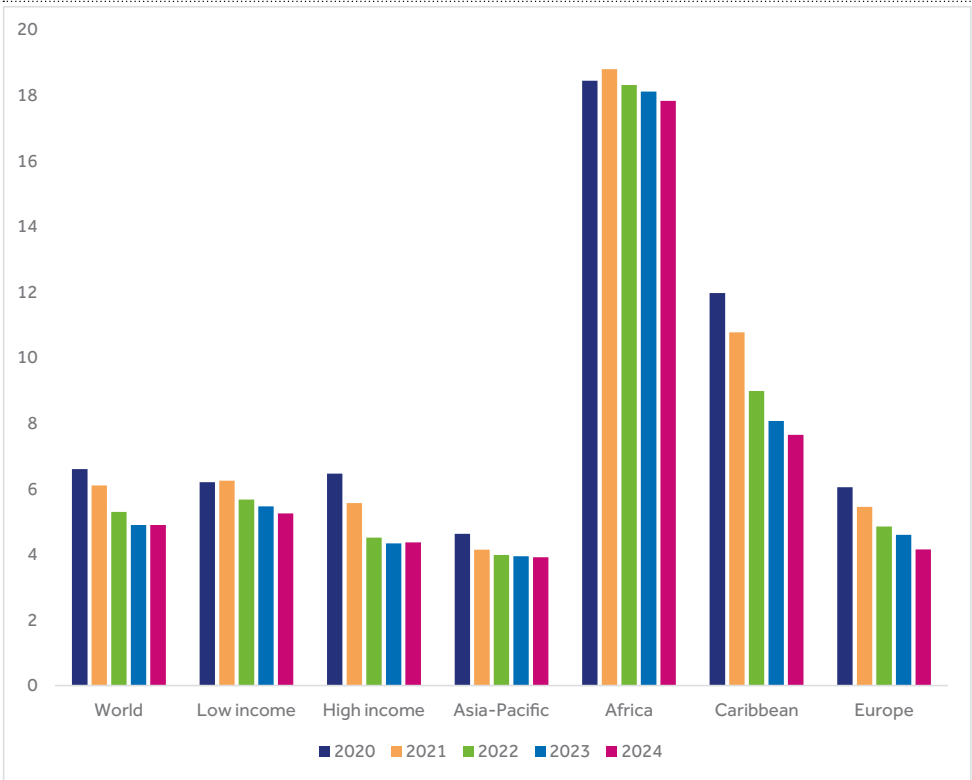
In the Caribbean, Guyana is expected to experience a worsening of its net position in 2026 to -6.4 per cent, from -5.4 per cent in 2025. Other Caribbean CWSS expected to experience a worsening of their net lending position include Antigua and Barbuda (by 3.79 percentage points) and Jamaica (by 1.1 percentage points). Grenada's net lending position will also worsen in 2026 for the second year in a row, following a decrease in revenues of approximately 27 per cent owing to

Hurricane Beryl tax relief and a 20 per cent increase in expenditure owing to higher employee compensation, spending on goods and services and interest expenses (Ministry of Finance Grenada, 2025). Among the European CWSS, net lending is expected to remain stable at 0.1 per cent in 2025 and 2026.

1.4. Employment trends across Commonwealth Small States

Global unemployment remained constant, at 4.9 per cent, in 2023 and 2024. This reflects a decrease from the 6.6 per cent unemployment experienced in 2020 (World Bank, 2025c; Figure 1.5). Among CWSS, African small states have the

FIGURE 1.5. UNEMPLOYMENT BY COUNTRY GROUPINGS, 2020–2024



Source: World Bank (2025c).

highest unemployment rates, with Eswatini registering the highest unemployment rate among African CWSS and globally, at 34 per cent. Youth unemployment is particularly prevalent, at 54 per cent, driven by skills mismatches, weak private sector growth and lack of business finance (AfDB, 2024).

Following Africa, the Caribbean records the second-highest unemployment rate; however, this has been declining over the years, from 11 per cent in 2020 to 7 per cent in 2024, potentially as a result of the resumption of tourism. While unemployment rates have decreased

to single digits in some Caribbean countries, youth unemployment remains high, at over 20 per cent, in countries like Barbados, Grenada and Saint Lucia (CARISTATS, 2025). This reflects the ongoing challenges in integrating youth into the labour market. Asia-Pacific CWSS have registered the lowest rate of unemployment as of 2024, at 3.9 per cent, a decline from 4.6 per cent in 2020. The Solomon Islands unemployment rate remains the lowest in CWSS, at 1.5 per cent. It is important to note that a large proportion of the labour force in Solomon Islands works in the informal sector (80 per cent) and may be

reported as employed even though they do not receive conventional wages (Solomon Business Magazine, 2020).

1.5. Sector dynamics: Growth engines versus slow movers

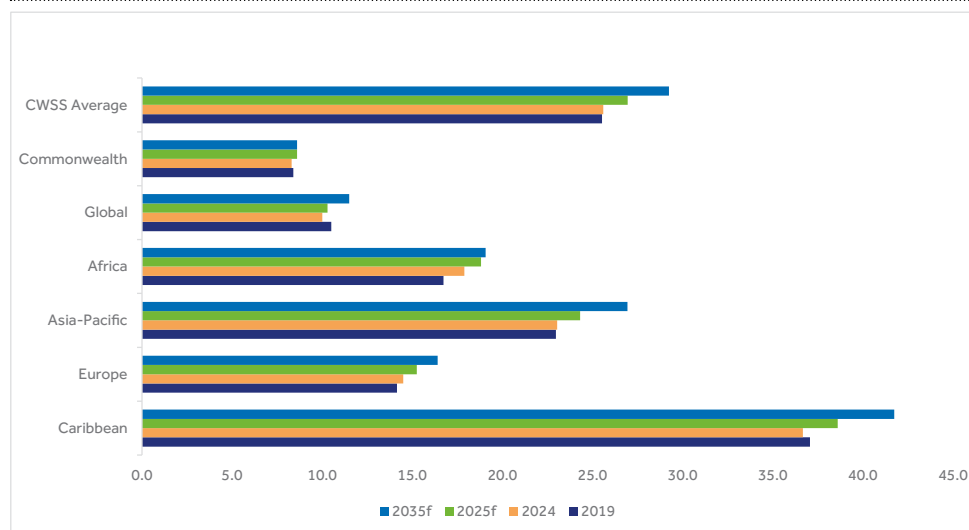
1.5.1. Tourism driving growth in Commonwealth Small States

In 2025, tourism is forecast to have contributed US\$10.9 trillion to global GDP and employed one in 10 people (WTTC, 2025). This is equivalent to a direct and indirect total contribution of 10.8 per cent of total GDP, a rise from 10 per cent registered in 2024. This reflects a 6.7 per cent annual change and 2.5 per cent year-on-year growth. Tourism

remains a key economic driver in CWSS, contributing up to 29.2 per cent to GDP, both directly and indirectly, in 2025, compared to the 8.6 per cent Commonwealth average (Figure 1.6). This reflects an increase from 27 per cent in 2024. Across the Commonwealth regions, Caribbean CWSS benefit most from tourism, with an average share of GDP of 38 per cent, driven by countries like Antigua and Barbuda (85 per cent), Grenada (61 per cent) and Saint Lucia (60 per cent).

It is important to note that the 2026 war in the Middle East has affected CWSS. This has arisen via the disruption of travel hubs in the Middle East, such as Qatar and United Arab Emirates, which provide connecting flights to CWSS.

FIGURE 1.6. TRAVEL AND TOURISM'S CONTRIBUTION TO GDP, 2019–2035F



Source: WTTC (2025).

An examination of tourism arrivals indicates that global international tourist arrivals grew by 5 per cent in the first six months of 2025 relative to 2024 and were 4 per cent above the pre-pandemic year of 2019 (UN Tourism, 2025). For the most part, tourism has recovered to pre-pandemic levels. In the Asia-Pacific region, this includes CWSS such as Fiji, Maldives and Samoa, where tourism levels have exceeded pre-pandemic levels by 12 per cent, 9 per cent and 6 per cent, respectively (ADB, 2025).

Many Caribbean CWSS experienced growth in tourism arrivals in 2024. These include St Vincent and the Grenadines (31.1 per cent), Dominica (22.4 per cent), Belize (21 per cent) and Antigua and Barbuda (17.2 per cent) (CDB, 2025). It is important to note, however, that Dominica's levels remain lower than they were before the pandemic.

Some African CWSS have experienced a year-on-year increase in tourism arrivals (like Mauritius, at 8 per cent) as well as an equivalent growth in tourism earnings (CareEdge, 2025). Moving forward, tourism in Mauritius is expected to continue growing as the government diversifies the tourism industry into eco-tourism, cultural tourism and wellness tourism. In 2025, the UN Tourism Barometer ranked The Gambia as the fourth fastest-growing tourism destination globally. The tourism recovery in The Gambia has been vital for the economy, supporting growth and improving the current account balance

and net foreign assets, with tourism contributing 20 per cent of GDP (Ministry of Finance and Economic Affairs The Gambia, 2024; GIEPA, nd).

1.5.2. Tracking the performance of the agriculture and fisheries sectors

The agriculture sector continues to be a crucial sector for many CWSS. The performance of the agriculture sector has varied across CWSS, with production falling in the Asia-Pacific CWSS in 2024 while other regions have experienced an increase (Figure 1.7). Despite this, Asia-Pacific CWSS benefit the most from agriculture, with agriculture and fisheries together contributing an estimated 8.1 per cent to GDP (World Bank, 2025c; Figure 1.7). This includes countries like Solomon Islands (33.8 per cent), Kiribati (27.8 per cent), Vanuatu (24.9 per cent), Papua New Guinea (17 per cent) and Tonga (17.5 per cent). Box 1.1 highlights key trends in the agriculture and fisheries sectors among CWSS.

With the recent onset of the war in the Middle East, the agriculture sector in CWSS will be affected through disruptions to supply chains. This could lead to food insecurity by disrupting domestic food production and increasing food import costs (World Bank, 2026).

BOX 1.1: AGRICULTURE PERFORMANCE IN SELECTED AGRICULTURE-DEPENDENT COMMONWEALTH SMALL STATES IN 2025



Tonga experienced a rebound in agricultural production after the 2023/24 El Niño, which contributed to economic growth alongside stronger domestic demand (World Bank, 2025d).

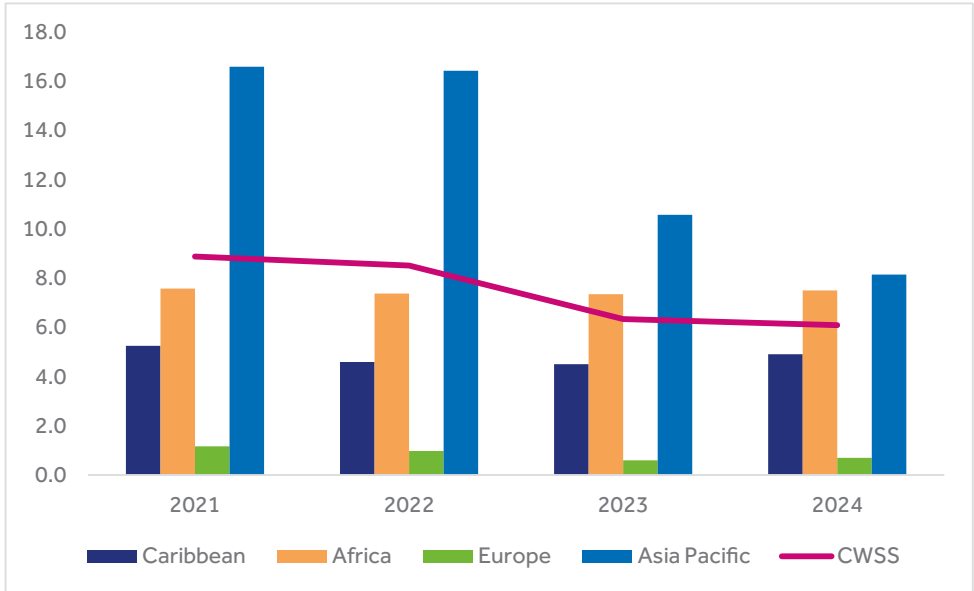
Agricultural activity in Solomon Islands increased through higher production of copra, cocoa and palm oil, although this was counterbalanced by declines in logging and fisheries.

Vanuatu's agriculture sector showed mixed performance, with output of some commodities such as copra falling in 2025 (Vanuatu Bureau of Statistics, 2025). The sector continues to face weak demand, climate-related disruptions to farming conditions and the departure of many unskilled farmers for seasonal work abroad (IMF, 2025c).

Agriculture plays a central role in The Gambia, where it contributes about 24 per cent to GDP (World Bank, 2025c). The sector supported economic growth in 2025 through favourable rainfall, fertiliser support and the use of high-yielding seeds (World Bank, 2025e).

Dominica remains one of the strongest agricultural performers among Caribbean CWSS, with the sector contributing 15–18 per cent to GDP compared to an average of 4.9 per cent in the region, and employing 17–20 per cent of the population (DOM 767, 2025). Government investment exceeding US\$48 million, channelled through the 5 Cs strategy, covering coconut, citrus, coffee, cocoa and cannabis, has further strengthened production (Government of the Commonwealth of Dominica, 2025).

FIGURE 1.7. AGRICULTURE AND FISHERIES' CONTRIBUTION TO GDP, 2021–2024



Notes: No data for Solomon Islands, Kiribati and Vanuatu for 2023 onwards; no data for Naoero and Tuvalu.
Source: World Bank (2025d).

2. Waves of uncertainty: Navigating shocks, debt and climate risks in Commonwealth Small States

KEY MESSAGES

Commonwealth Small States were disproportionately exposed to the 2025 US tariff measures, with countries such as Lesotho initially facing tariffs as high as 50 per cent before seeing a partial reduction to 15 per cent in July 2025. These tariffs have weighed heavily on key export sectors, particularly fisheries and agri-processing.

At the same time, official development assistance (ODA) continues to decline globally, falling to 9 per cent in 2024. CWSS have been especially hard hit, with ODA to Lesotho and Eswatini projected to drop by 52 per cent and 46 per cent, respectively.

Climate vulnerability remains acute. Despite contributing minimally to global greenhouse gas emissions, CWSS continue to bear the brunt of climate shocks, which are increasingly undermining critical sectors such as agriculture.

Debt pressures persist across CWSS and are expected to remain elevated through 2030. While some progress has been made in reducing central government debt, total interest payments remain high, reflecting increased borrowing during the pandemic.

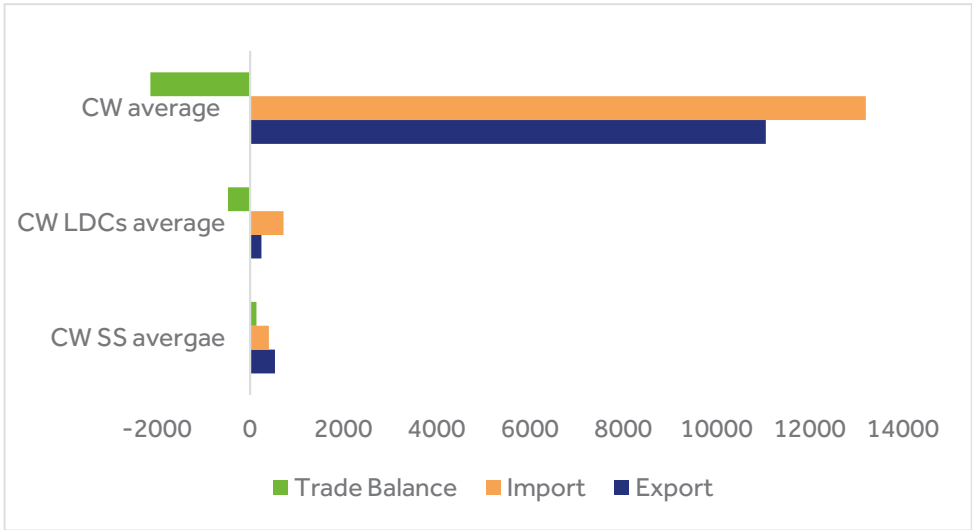
2.1. The impact of external shocks: Tariffs and aid cuts

The impact of external shocks such as tariffs and aid cuts on CWSS is particularly severe because of their high reliance on specific export markets, their concentrated export structures and their intrinsic vulnerabilities, including limited diversification options and weak negotiating capacity. These shocks not only threaten immediate trade flows but also undermine long-term stability and development financing.

2.1.1. Impact of US tariff policy on trade and exports

The shift in US trade policy, marked by higher tariffs and stricter controls, has created significant turbulence for CWSS. While the Commonwealth as a whole had a trade surplus with the US in 2023, CWSS recorded a merchandise trade deficit with the US, implying that they are net importers of US goods and services (Figure 2.1). However, specific subregions and individual small states maintain significant trade surpluses, making them highly exposed to tariff changes.

FIGURE 2.1. US TRADE IN GOODS WITH COMMONWEALTH COUNTRIES, 2024 (IN USD MILLION)



Source: Balchin et al. (2025) calculations using data from the US Census Bureau.

Many CWSS exhibit high reliance on the US market, with US-bound exports accounting for approximately 25 per cent of all goods collectively exported by Caribbean and Pacific small island developing states (SIDS), based on 2022–2023 averages. The US serves as the primary export destination for numerous CWSS, including The Bahamas, Barbados, Fiji, Jamaica, St Kitts and Nevis, and Trinidad and Tobago. This market exposure is particularly extreme for some nations, with merchandise exports destined for the US reaching 50.5 per cent for Jamaica and 49.9 per cent for St Kitts and Nevis in 2023. Furthermore, these exports represent a significant proportion of the sending countries' economies, equivalent to 17.7 per cent of GDP for Guyana and 12.4 per cent for Trinidad and Tobago (Balchin et al., 2025).

The reciprocal tariff policy announced by the US on 2 April 2025 targeted CWSS with extremely high tariff rates, such as the 50 per cent reciprocal tariff initially faced by Lesotho – the world's highest announced rate at the time. Although the tariff for Lesotho was later reduced to 15 per cent (July 2025), the initial uncertainty triggered immediate factory closures, significant job losses and the potential exit of major investors from Lesotho's vital textiles and garment sector. Under the adjusted reciprocal tariffs, which took effect in August 2025, many CWSS face substantial projected losses in US-bound exports. Among Pacific SIDS, exports for Papua New Guinea could decline by as much as 70 per cent, with Fiji and Naoero facing reductions exceeding 30 per cent and Kiribati's overall global exports potentially falling by 7 per cent.

Similarly, Caribbean CWSS like Belize, St Kitts and Nevis, and Trinidad and Tobago face the most significant projected losses in US-bound exports, each nearing a 25 per cent reduction. For these Caribbean countries, plus Jamaica and St Vincent and the Grenadines, worldwide exports could subsequently fall by between 6 per cent and 7 per cent (Balchin et al., 2025).

The negative impacts of the US tariffs are highly concentrated in specific export sectors crucial to the economies of CWSS, emphasising their reliance on a narrow range of goods. Several CWSS anticipate significant export losses in the fisheries sector, particularly for frozen rock lobsters and sea crawfish (Antigua and Barbuda, The Bahamas, Belize), frozen fish (Guyana), fish preparations (Fiji, Mauritius) and molluscs (Belize). The agriculture and agri-processing sectors will also be affected, specifically cane sugar exports from Belize, Fiji, Guyana, Jamaica and Mauritius. Declines are also anticipated in beverages, including beer from Jamaica and rum/spirits from Barbados and Guyana. Furthermore, the manufacturing and chemicals sector faces substantial risk: Trinidad and Tobago's reliance on liquefied natural gas, petrochemicals and ammonia means its export revenues could be significantly cut as a result of US tariffs on crude oil and related products, with major losses also projected for chemical products and ferrous products. Separately, St Kitts and Nevis faces anticipated declines in exports of electronic boards and

panels, while Fiji is expected to see a massive reduction in bottled water exports (Balchin et al., 2025).

2.1.2. Implications for investment and development financing

Beyond direct trade losses, tariffs and related external shocks severely threaten the capacity of CWSS to attract investment and finance crucial development. Many CWSS, for example Lesotho, are highly vulnerable to shifts in global financial policy as a result of their heavy reliance on foreign direct investment (FDI) originating from the US, which is the world's largest source of outward FDI stock. Should US tariff policies succeed in disincentivising offshoring by US businesses, a resulting slowdown or reversal of US outward FDI flows would severely impact these small states. Beyond direct flow reductions, the uncertainty fluctuating US tariffs create causes businesses and investors to delay or cancel investments altogether. Moreover, discrepancies in tariff treatment across countries can prompt 'tariff-jumping' investments into countries with lower tariff rates, while simultaneously causing investment outflows from export-oriented industries in high-tariff CWSS.

CWSS often grapple with chronic fiscal constraints and structural weaknesses that make them highly dependent on external financing. Many of these small economies face elevated spending needs as a result of diseconomies of scale in providing public goods while simultaneously

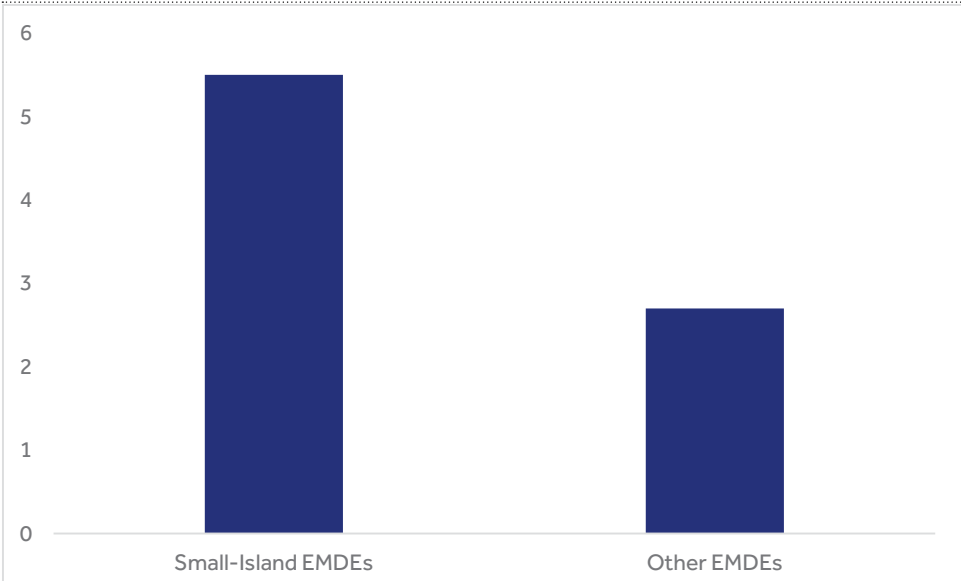
exhibiting low capacity for domestic revenue generation. This predicament is acutely exacerbated by the external shock of declining official development assistance (ODA), which saw a global drop of 9 per cent in 2024 and is projected to fall similarly in 2025 (Balchin et al., 2025). Among CWSS and globally, Lesotho is expected to experience the largest cut in ODA, at 52 per cent in 2026, with Eswatini also expected to register a 46 per cent cut in ODA (Huckstep et al., 2025). For CWSS that are vulnerable, trade disruption paired with diminishing aid intensifies challenges in financing development. The resulting reduction in export revenues and foreign assistance severely constrains government spending on critical services like infrastructure, education and health care, thereby undermining

long-term productivity and human capital formation. The curtailment of such critical spending is especially acute as lower ODA flows shrink the spending envelope for essential categories like health care and education. Ultimately, this reliance leaves CWSS vulnerable to heightened debt distress, as trade tensions also increase currency volatility, thus raising the cost of servicing external debt.

2.2. Climate threats: Recent shocks, responses and finance gaps

Climate-related hazards are now a central macro-fiscal risk for CWSS, not a rare ‘tail event.’ Small islands and low-lying coastal economies face compounding pressures from sea-level

FIGURE 2.2. ECONOMIC DAMAGE PER MAJOR DISASTER IN EMERGING MARKETS AND DEVELOPING ECONOMIES (AS A PERCENTAGE OF GDP)



Source: IMF (2025e).

BOX 2.1: THE COST OF CLIMATE CHANGE IN COMMONWEALTH SMALL STATES

Total losses from climate change in countries like Barbados could equate to 4.6 years' worth of GDP by 2050.

For some Pacific CWSS, like Fiji, tropical cyclones cost 5 per cent of GDP every year, while flooding costs up to 4.2 per cent losses in GDP.

Mauritius is expected to experience around US\$91 million in direct losses annually from winds, flooding and storm surge associated with tropical cyclones. Annual emergency costs for tropical cyclones are estimated at nearly \$21 million on average.

TABLE 2.1. ANNUAL AVERAGE LOSSES FROM NATURAL DISASTERS

Country	Annual average loss from hurricanes	Annual average loss from earthquakes
Belize	US\$7.7 million (0.45% of GDP)	US\$883,00 (0.05% of GDP)
Grenada	US\$8.2 million (0.9% of GDP)	US\$1.8 million (0.2% of GDP)
Saint Lucia	US\$9.8 million (0.7% of GDP)	US\$2.6 million (0.2% of GDP)

Source: Global Center for Adaptation (2025).

rise, storm surge and coastal flooding, and saltwater intrusion into aquifers, alongside tropical cyclones, extreme rainfall, drought and heat stress.

These physical shocks translate quickly into macro-fiscal stress. International Monetary Fund (IMF) analysis (2025e) finds that small island emerging markets and developing economies (EMDEs) face larger damages per major disaster (median ~5.5% of GDP, vs ~2.7% in other EMDEs) and an average ~1.3-percentage point hit to real GDP growth in the disaster year (Figure 2.2). With limited fiscal space, CWSS struggle to finance response and reconstruction without widening deficits, raising debt vulnerabilities and risk premia.

Recent events show how quickly climate shocks can become national balance sheet events. This is because,

despite contributing very little to climate emissions, CWSS bear the economic brunt of climate disasters, which contribute to unsustainable debt burdens. In the Caribbean, rapid damage estimates for Hurricane Beryl (July 2024) put direct economic damages at about US\$218 million in Grenada and US\$230.6 million in St Vincent and the Grenadines (World Bank, 2024). Box 2.1 examines the costs of climate change in select CWSS.

In addition to generating GDP losses, climate shocks also adversely affect key sectors such as agriculture. Belize experiences expected losses in agriculture ranging between 10 and 20 per cent per year as a result of natural disasters (GCA, 2025). In Africa, the World Meteorological Organization (WMO) reports, El Niño-driven drought reduced the 2024

cereal harvest in Southern Africa, with aggregate cereal yields of 16 per cent below the five-year average, illustrating how climate extremes can raise food and import bill pressures for small, open economies (WMO, 2024). This includes CWSS like Botswana, Lesotho and Namibia, which declared a state of emergency (OCHA, 2024).

Preparedness and early liquidity are improving but remain far below the scale of losses. Risk pools and parametric instruments can provide rapid, rules-based payouts to protect near-term budget execution. After Hurricane Beryl, the Caribbean Catastrophe Risk Insurance Facility (CCRIF) made payouts totalling US\$84.5 million to seven CCRIF members within 14 days. This included CWSS like Grenada, St Vincent and the Grenadines, Trinidad and Tobago, and Jamaica (CCRIF, 2024). These types of tools are valuable for immediate response but typically cover only a fraction of total losses and do not replace longer-horizon reconstruction finance.

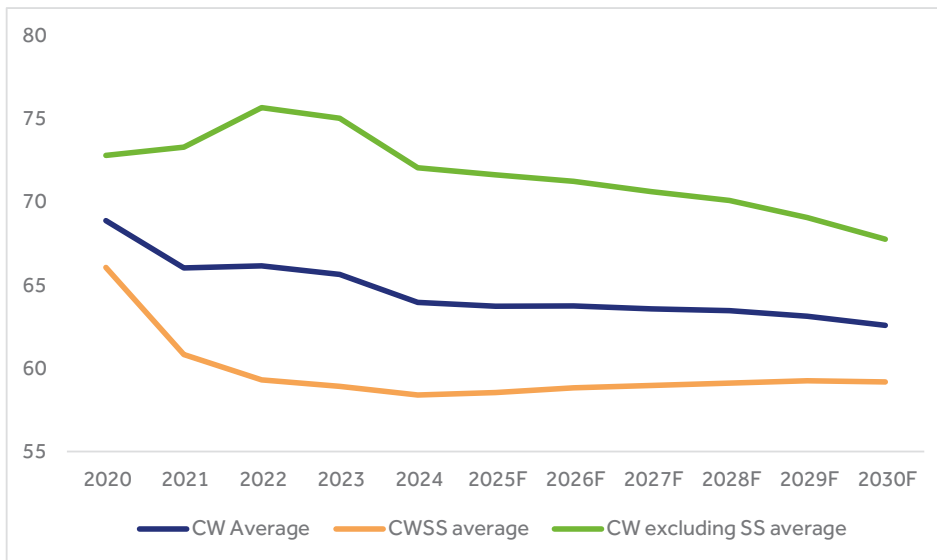
Some CWSS are also testing debt 'shock absorbers' that create temporary fiscal space after disasters. In 2024, Grenada issued a formal notice to bondholders invoking its hurricane-related deferral clause in relation to Hurricane Beryl, aiming to defer scheduled payments – an approach that can reduce the need for disruptive expenditure cuts or expensive short-term borrowing in the immediate aftermath of a catastrophe (Ministry of Finance Grenada, 2024).

Finance gaps remain the binding constraint for resilience investment in CWSS. The United Nations Environment Programme's (UNEP's) Adaptation Gap Report 2025 estimates that adaptation needs in developing countries will reach about US\$310 billion per year by 2035 (and up to \$365 billion per year when based on needs expressed in national plans), while international public adaptation finance flows were only \$26 billion in 2023. This implies that needs are around 12–14 times current flows. For CWSS, this shortfall is often magnified by limited project preparation capacity, high transaction costs for small project sizes, tighter debt constraints (reducing appetite for loans) and difficulty providing co-financing, so even available global funding can be hard to convert into implementable investments.

2.3. Debt trends in Commonwealth Small States

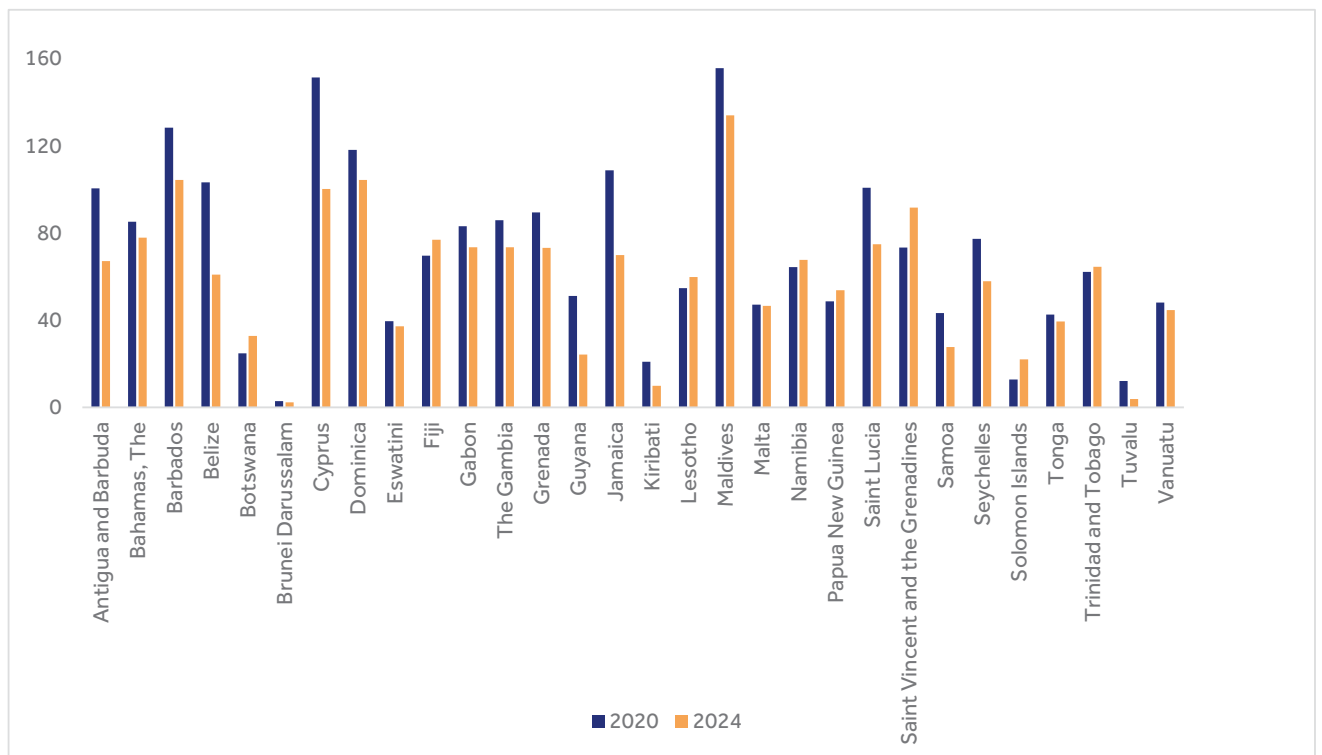
Commonwealth countries are expected to reduce their debt levels over time. Commonwealth countries overall are expected to reduce their debt by 2 per cent by 2030 (Figure 2.3). However, this projected reduction is largely driven by non-small Commonwealth countries, which are expected to decrease their debt by 6 per cent. In sharp contrast, CWSS are projected to increase their debt by 1 per cent by 2030. This disparity indicates that CWSS need to significantly increase their efforts to manage debt, particularly given their

FIGURE 2.3. GENERAL GOVERNMENT GROSS DEBT, 2020–2030F



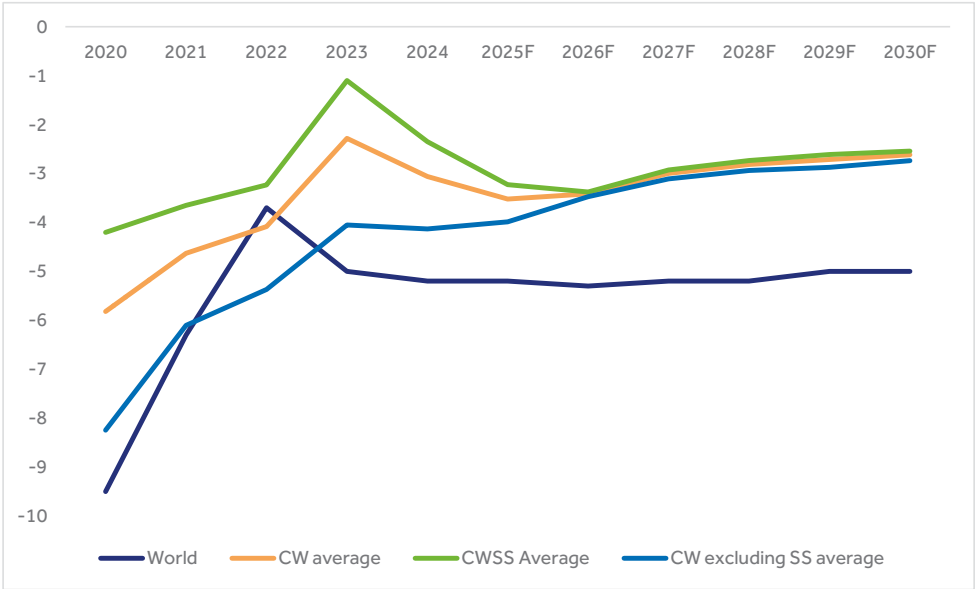
Source: IMF (2026a).

FIGURE 2.4. CENTRAL GOVERNMENT DEBT, 2020 AND 2024 (AS A PERCENTAGE OF GDP)



Source: IMF (2025a).

FIGURE 2.5. GENERAL GOVERNMENT NET LENDING/BORROWING, 2020–2030F (AS A PERCENTAGE OF GDP)



Source: IMF (2026a).

inherent vulnerabilities to external shocks, such as climate disasters, and their limited economic diversification. If these small states were to be affected by such shocks, they would likely need to borrow more, potentially reversing these modest projections (Figure 2.3).

Despite the challenging projections, most CWSS successfully reduced their central government debt burdens, measured as a percentage of GDP, between 2020 and 2024. As Figure 2.4 shows, these reductions were particularly steep in some instances, such as Tuvalu (214 per cent reduction), Kiribati (112 per cent reduction) and Guyana (110 per cent reduction). In Tuvalu, reducing government debt has occurred thanks to the absence of new government loan negotiations since 2019, coupled with the ongoing amortisation of the

existing debt obligations (Ministry of Finance Tuvalu, 2025). However, the pace of debt reduction was much slower for other countries, including Malta (1 per cent reduction) and Eswatini (6 per cent reduction). In contrast with this overall trend of debt reduction, some nations experienced a notable rise in their central government debt-to-GDP ratios, specifically Solomon Islands (42 per cent) and Botswana (24 per cent rise). The increase in Solomon Islands was driven by additional external loan disbursements and increased issuance of treasury bills and development bonds (Central Bank of Solomon Islands, 2025).

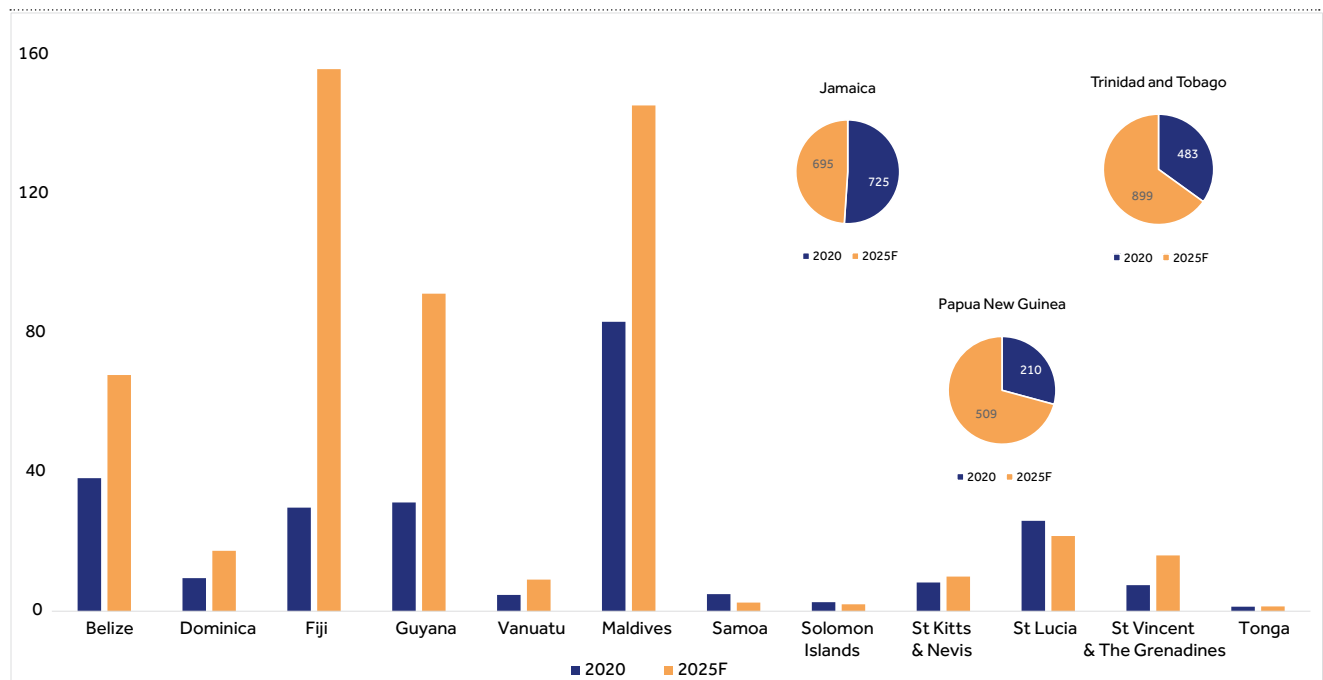
Notably, non-small Commonwealth countries are anticipated to achieve a significantly larger fiscal consolidation, projected to reduce their net

borrowing by 34 per cent by 2030. However, CWSS present a sharp contrast to this trend: their net borrowing is projected to increase by 8 per cent by 2030 (Figure 2.5). This increasing net borrowing (meaning a growing budget deficit) signals mounting fiscal pressures in CWSS, diverging substantially from the debt management improvements expected in larger countries.

Perhaps the most challenging issue for CWSS is the surging cost of simply servicing their existing debt. Since 2020, the total interest payment due for CWSS has risen sharply, trapping them in an expensive cycle. Fiji saw its interest bill explode by 423 per cent,

Guyana by 192 per cent, Papua New Guinea by 142 per cent and St Vincent and the Grenadines by 114 per cent (Figure 2.6). The primary reasons for this were the global economic shocks following the pandemic, the urgent need to borrow for disaster recovery and the global tightening of financial conditions, which made borrowing more expensive (OECD, 2025). Yet some CWSS found a way to rewrite their ending. Samoa (50 per cent reduction), Solomon Islands (23 per cent reduction) and Saint Lucia (17 per cent reduction) managed to lower their interest payments. Their success is a lesson in prudent management, achieved through strong fiscal

FIGURE 2.6. TOTAL INTEREST PAYMENTS DUE, 2020 AND 2025F



Source: IMF (2025a).

consolidation, smart public financial management and strategically restructuring their existing debts to secure more favourable terms (ibid.).

In summary, while the overall Commonwealth picture suggests successful debt management compared to global trends, this positive outcome is heavily weighted by the larger member countries. The data reveals a concerning divergence for CWSS. Their modest projected debt reduction of just 1 per cent is coupled with a worrying projected 8 per cent increase in net borrowing, signalling escalating fiscal pressures and budget trends that diverges from those of their larger counterparts. This structural fiscal weakness is compounded by the dramatically surging cost of debt servicing, with some interest bills rising by over 400 per cent, leaving CWSS highly exposed. Ultimately, the fiscal outlook for CWSS is characterised by a high degree of vulnerability; without urgent, effective measures in fiscal consolidation and strategic debt restructuring, external shocks could easily unravel these countries' modest progress and deepen their reliance on expensive borrowing.

3. The leap: Shaping the future of innovation across Commonwealth Small States

KEY MESSAGES

Digital connectivity is now a central macroeconomic and resilience enabler across CWSS.

CWSS are at the forefront of fintech innovation, including through pioneering central bank digital currencies such as The Bahamas' SandDollar.

Mobile money and other digital payment solutions are expanding rapidly, deepening financial inclusion and modernising transactions.

CWSS are also leading in sustainable finance, with trailblazing green and blue bond issuances in countries such as Fiji and Seychelles.

3.1. Introduction

Commonwealth Small States are often discussed through the lens of vulnerability, narrow production bases, exposure to external shocks and climate-related risks. However, CWSS have been making strides in innovation that can offer lessons learned, not only for other CWSS but also globally. The 'leap' for CWSS is not only about recovering faster; it is about becoming strategically relevant in the global economy as trusted digital jurisdictions, blue/green investment destinations and early adopters of responsible technology and finance.

3.2. Digital connectivity, fintech and artificial intelligence

For CWSS, digital connectivity has become a core macro-economic and resilience enabler across many sectors. It is crucial in underpinning tourism competitiveness, trade facilitation, digital government delivery and financial inclusion, while also supporting early-warning systems, disaster response and crisis co-ordination. At the same time, growing reliance on digital infrastructure has elevated data governance, cybersecurity and digital sovereignty as critical policy issues for small states. Recent Commonwealth analysis on paperless trade shows that digital connectivity and trade digitalisation can materially improve economic performance by

reducing trade costs, speeding up transactions and strengthening export competitiveness (The Commonwealth, 2026). This matters especially for small states, where distance, scale and administrative frictions raise the cost of doing business. However, the benefits of connectivity depend not only on infrastructure but also on interoperable systems, strong cybersecurity and legal frameworks that support electronic transactions and trusted cross-border digital trade.

3.2.1. Innovations in fintech in Commonwealth Small States

In 2020, The Bahamas, a small island nation of approximately 413,000 people, became the first country in the world to launch a central bank digital currency (CBDC) (Cover Kus, 2021). Issued by the Central Bank of The Bahamas, the SandDollar was designed to enhance financial inclusion, improve payment system efficiency and strengthen economic resilience across the country's geographically dispersed islands. The initiative illustrates how CWSS are leveraging financial technology to address structural constraints and modernise their financial systems (The Commonwealth, 2021a).

Building on this precedent, the Eastern Caribbean Central Bank rolled out DCash, a regional digital currency and payment platform used across several CWSS, including Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines (ECCB, 2024). DCash facilitates real-time digital

payments and transfers between users through mobile wallets or linked accounts, helping expand financial inclusion and reduce reliance on cash in countries with dispersed island populations and limited access to traditional banking services.

Mobile money usage has also grown rapidly, creating new pathways for the financial inclusion of previously underserved communities. As sub-Saharan Africa remains the global epicentre of mobile money adoption, it is not surprising that usage is particularly high in African CWSS such as Botswana, Lesotho, Eswatini and Gabon (GSMA Mobile Money Index, 2025). In the Pacific, mobile money has expanded in Fiji through platforms such as M-PAiSA and MyCash. Fiji's National E-Commerce Strategy 2025–2029 further highlights advances in digital finance and payments, with a focus on strengthening interoperability between bank accounts, mobile wallets and other digital payment solutions to enable faster, more secure and more inclusive electronic transactions for businesses and consumers alike.

3.2.2. Artificial intelligence in small states: Productivity promise

The use of artificial intelligence (AI) has increased rapidly globally, opening doors to innovative solutions. For CWSS, AI has the potential to support key sectors such as tourism, health and agriculture. A Commonwealth study on the impact of COVID-19 on tourism noted how AI could support tourism through demand

TABLE 3.1. INNOVATIONS IN FINTECH IN SELECTED COMMONWEALTH SMALL STATES

Commonwealth Small States	Examples of Fintech innovations	Impact
The Bahamas	SandDollar (CBDC)	Improved financial inclusion and payment resilience across dispersed islands; reduced reliance on cash and enhanced digital payments.
Jamaica	Jam-Dex (CBDC)	Expected to reach over 90 per cent of Jamaican households by 2026 and will reduce transaction costs by 60 per cent. Some rural communities expected to access banking facilities for the first time.
Fiji	Mobile money platforms such as (M-PAiSA, MyCash) Merchant acquisition services such as Dynamic Payments and Abacus Fintech Digital mobile payments such as DuaPay designed to support micro, small and medium-sized business owners in Fiji, especially women entrepreneurs.	Mobile money usage in Fiji has expanded access to digital payments and basic financial services; integration with national payment system enables near real-time transfers and supports financial inclusion.
Eastern Caribbean Currency Union including Antigua and Barbuda, Dominica, Grenada, Saint Lucia	DCash (regional digital currency/digital payment platform)	Facilitates real-time digital payments across multiple small states; promotes regional payment integration and financial inclusion.

Sources: Beaumont Capital Markets (2025), ECCB (2024, MCTTT (2025).

forecasting and allow the streamlining of travel and accommodation booking and security processes, such as airport security checks (The Commonwealth, 2021b). AI can also be a tool to streamline public financial management and support climate and disaster management.

AI essentially offers an avenue for CWSS to lead in digital transformation, and some CWSS are blazing the trail in this. In 2018, Mauritius was one of the first countries to launch an AI strategy document and was one of the early adopters of AI. The country continues to embed AI across public institutions and incorporate it in key sectors of the economy. These include manufacturing, health care,

fintech and agriculture. Mauritius also plans to incorporate AI in the ocean economy, with smart ports being used, and to use AI for energy management (Adams, 2022). Another African CWSS that has been expanding the use of AI in key sectors is Botswana, where the health-E Net platform has been developed to assist in processing patient data. The platform also expands access to health consultations and medication through remote online and offline services (CIPIT, 2025).

In the Caribbean region, Barbados is currently expanding the use of AI for human capital development. In 2019, Barbados opened academies to teach children code and build robotics, and they were also planning on opening a science, technology, engineering

TABLE 3.2. INNOVATIONS IN SUSTAINABLE FINANCING IN COMMONWEALTH SMALL STATES

Instrument	Country	Description
Sovereign green bond	Fiji	Fiji issued a F\$100 million sovereign green bond in October 2017.
Sovereign blue bond	Seychelles	Seychelles launched the world’s first sovereign blue bond and raised US\$15 million in 2018.
Debt-for-nature swap	Belize	Belize completed US\$364 million debt conversion in November 2021 and has repurchased its superbond at 55 cents on the dollar, reduced debt by 10–12% of GDP and committed to protecting 30% of its ocean.
Debt-for-climate resilience swap	Barbados	Barbados completed a debt-for-climate resilience swap in December 2024. The deal generated US\$125 million in fiscal savings, which will be channelled into new resilience investments.
Climate-resilient debt clauses and debt-pause alliances	Grenada, The Bahamas, Barbados	These terms in a debt contract allow for a pause in debt payments to provide temporary liquidity in the event of a disaster.

Sources: Cravero et al. (2025); EIB (2024); Green Finance Institute (2023); World Bank (2017; 2018).

and mathematics (STEM) education daycare centre aimed at increasing STEM skills from early childhood (Gilkes, 2024; Lindsay et al., 2025).

3.3. Innovations in sustainable finance

Access to sustainable finance remains an issue affecting many CWSS. Despite contributing little to greenhouse gas emissions, CWSS are often the worst hit by natural disasters, owing to their geographical positioning. A large expenditure outlay is required to promote recovery for countries that are already limited in their fiscal space. Despite this, access to financing remains a challenge, with some countries barred from accessing concessional financing owing to the limiting criteria imposed by some international financial institutions. With such challenges abounding, CWSS are increasingly innovating in sustainable finance to address

climate vulnerability and development financing gaps. CWSS have been early adopters of instruments such as blue bonds, green bonds, debt-for-climate swaps and climate resilience financing frameworks, leveraging international partnerships and blended finance to mobilise capital for adaptation, ocean conservation and renewable energy (Table 3.2). These innovations demonstrate how CWSS are using sustainable finance to align economic development with climate resilience and long-term sustainability. With climate change and access to finance remaining central challenges for many of the 33 CWSS, the Commonwealth Secretariat is planning to develop a range of guides and toolkits to provide practical support and policy direction. These include the Blue Bond Issuance Guide, which aims to help small issuers standardise frameworks, reporting practices and project pipelines, while lowering set-up costs and strengthening investor confidence.

The Commonwealth Secretariat is also developing a debt swap guide that seeks to guide Commonwealth countries considering such instruments and highlights case studies from countries that have successfully implemented them. Together, these resources are intended to support small states in mobilising sustainable finance at scale and on more favourable terms.

4. External economic linkages: Trade, investment and diaspora finance-led development

KEY MESSAGES

Commonwealth Small States continue to attract substantial foreign direct investment (FDI) relative to the size of their economies. In 2024, FDI inflows reached 5.7 per cent of gross domestic product (GDP) in CWSS, compared to 3.8 per cent in larger Commonwealth countries, underscoring the outsized role FDI plays in small state economies.

An examination of trade balances reveals that natural resource exporters, particularly natural gas and crude oil producers such as Brunei Darussalam, Guyana, and Trinidad and Tobago, continue to record significant trade surpluses, reflecting the sustained strength of energy exports.

Remittances remain a vital pillar of CWSS economies. Although remittances have declined as a share of GDP, they have continued to increase in absolute terms, highlighting their enduring importance.

Notably, remittance inflows continue to exceed both official development assistance and FDI, reinforcing their role as a stable and significant source of external financing.

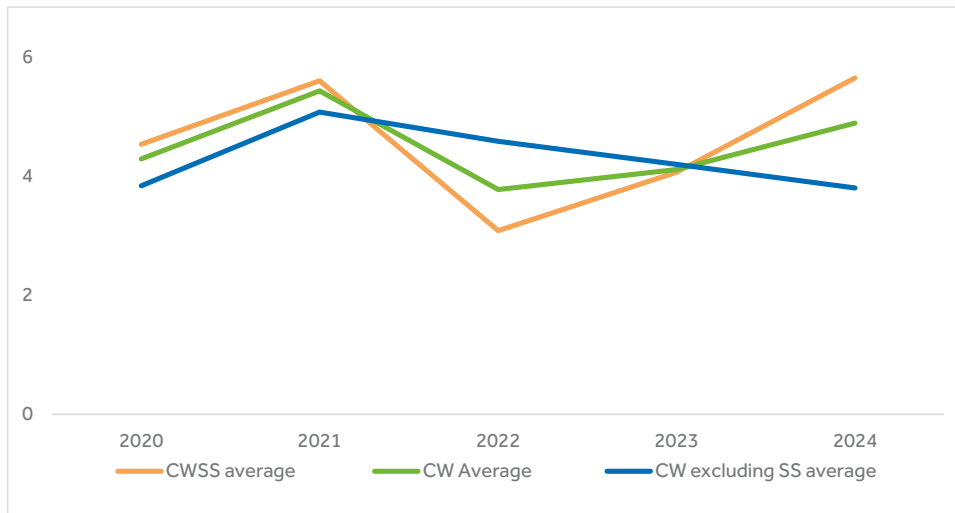
4.1. Trade and investment trends in Commonwealth Small States

CWSS have disproportionately high levels of FDI as a share of GDP compared to non-small Commonwealth countries. In 2024, CWSS averaged more than 1.5 times the FDI level of their larger Commonwealth counterparts (Figure 4.1). While FDI as a share of GDP dipped in 2022 in CWSS, it has been steadily rising and reached 5.7 per cent as a share of GDP in 2024. This trend highlights the critical importance of FDI for the GDP and economic growth of CWSS, demonstrating their heavy reliance on international trade and foreign capital. This high reliance

also introduces several major long-term vulnerabilities, especially in the face of escalating global trade policy uncertainty.

The war in the Middle East, starting in February 2026, will likely impact investment for some CWSS. For countries that have been receiving large investments from Gulf States, the war poses risks to their investments (World Bank, 2026). It is estimated that investments from Gulf countries exceeded US\$100 billion between 2022 and 2023 alone in sub-Saharan Africa (ibid.). As such, CWSS with investments from these countries remain at risk.

FIGURE 4.1. NET INFLOWS OF FOREIGN DIRECT INVESTMENT, 2020–2024 (AS A PERCENTAGE OF GDP)



Note: Because the volume of FDI into Cyprus and Malta was significantly large, we have excluded these two countries from the CW and CWSS average.

Source: World Bank (2025c).

Foreign direct investment trends, when measured as a percentage of GDP, show significant regional variation among CWSS. In 2024, FDI as a percentage of GDP ranged from a high of 61.8 per cent in Europe to a low of 1.4 per cent in the Pacific. Other regions recorded values of 6.4 per cent (Africa), 5.9 per cent (Asia) and 7.6 per cent (Caribbean) (Table 4.1).

Pacific receives the lowest level of FDI, at 1.4 per cent of GDP in 2024, indicating significant structural hurdles in attracting foreign capital. This could be down to its remoteness, which makes it difficult to attract FDI. According to the Asian Development Bank Institute (ADBI) (2018), Pacific Islands also face challenges attracting FDI because of barriers to trade that

TABLE 4.1. FOREIGN DIRECT INVESTMENT TRENDS ACROSS COMMONWEALTH SMALL STATES, 2020–2024 (AS A PERCENTAGE OF GDP)

	2020	2021	2022	2023	2024
Africa	3.8	4.6	5.2	6.5	6.4
Asia	8.3	6.9	5.1	5.6	5.9
Caribbean	6.9	8.5	3.1	4.2	7.6
Pacific	1.2	2.4	0.7	1.3	1.4
Europe	-52.1	227.8	63.1	25.2	61.8

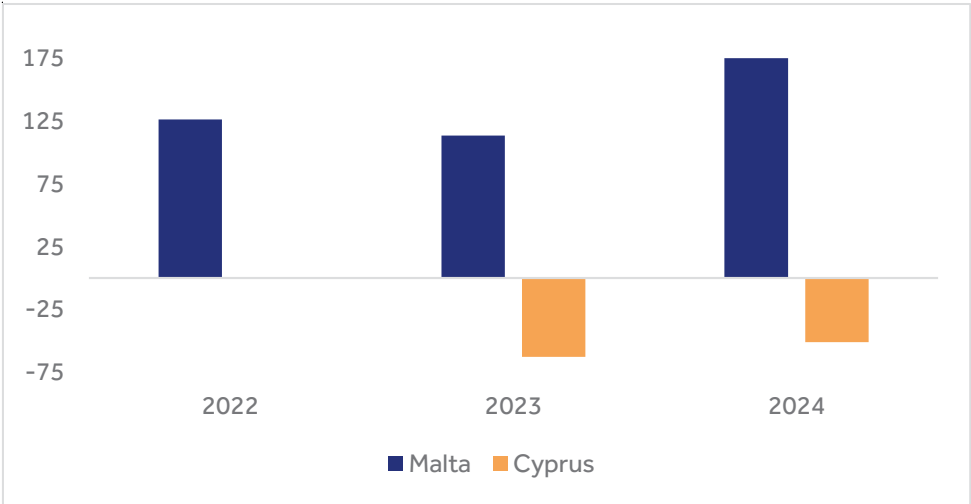
Source: World Bank (2025c).

raise the cost of doing business. The European CWSS grouping consists of only two nations – Malta and Cyprus – and the picture here is mixed. Malta receives a huge amount of FDI as a percentage of its GDP, at 175 per cent in 2024. In contrast, 51 per cent of Cyprus’ GDP in 2024 was eliminated because of capital outflow (Figure 4.2). FDI in Malta is driven by its favourable corporate taxation policy, stable social climate and telecommunications infrastructure (EY, 2025).

Looking at individual country trade balances since 2020, four CWSS – Brunei Darussalam, Guyana, Papua New Guinea, and Trinidad and Tobago – have registered and managed to increase their trade surpluses (IMF 2025a, Figure 4.3). Guyana has seen the most substantial growth, with a 368 per cent rise, followed by Trinidad and Tobago (268 per cent rise) and

Brunei Darussalam (84 per cent rise). This owes to their exports of crude petroleum, natural gas and liquefied natural gas. Papua New Guinea has also managed to increase its surplus, albeit by a smaller margin, of 7.5 per cent. Conversely, all other CWSS have reported trade deficits. The highest deficits are concentrated in the tourism-dependent island nations of Maldives and Tonga (both registering 47 per cent of GDP) and Samoa (42 per cent of GDP). Since 2020, the trade deficit increase has been particularly significant for Solomon Islands (387 per cent increase), followed by Malta (66 per cent increase), The Bahamas (58 per cent increase) and Samoa (50 per cent increase). Some countries, despite maintaining a deficit, have successfully reduced this since 2020, notably Dominica and Saint Lucia, which achieved the greatest reduction,

FIGURE 4.2. NET INFLOWS OF FOREIGN DIRECT INVESTMENT IN CYPRUS AND MALTA, 2022–2024 (AS A PERCENTAGE OF GDP)



Note: The 2022 value for Cyprus is 0.2%.

Source: World Bank (2025c).

FIGURE 4.3. TRADE BALANCE IN COMMONWEALTH SMALL STATES, 2020 AND 2025F
(AS A PERCENTAGE OF GDP)



Note: Analysis based on available data; data for some countries not available.

Source: IMF (2025a).

at 13 per cent (Figure 4.3). The decrease in the trade balance in Saint Lucia has owed to a higher export revenue, which has led to a doubling of the merchandise trade surplus (InvestStLucia, 2024).

The analysis of economic data for CWSS reveals a critical reality: these countries exhibit an extraordinary dependence on external capital, exemplified by FDI inflows that significantly outstrip global averages. While this high FDI is crucial for sustaining their economic growth, it simultaneously exposes them to significant structural vulnerabilities

tied to global economic fluctuations and trade uncertainty. Furthermore, this heavy reliance is contrasted by highly fragmented internal performance: some states manage to achieve impressive trade surpluses, while the majority struggle with persistent and rising trade deficits. Ultimately, the CWSS face a profound dilemma whereby the need to attract high levels of foreign investment is intrinsically linked to heightened risk and susceptibility to external economic shocks, demanding greater emphasis on building internal resilience.

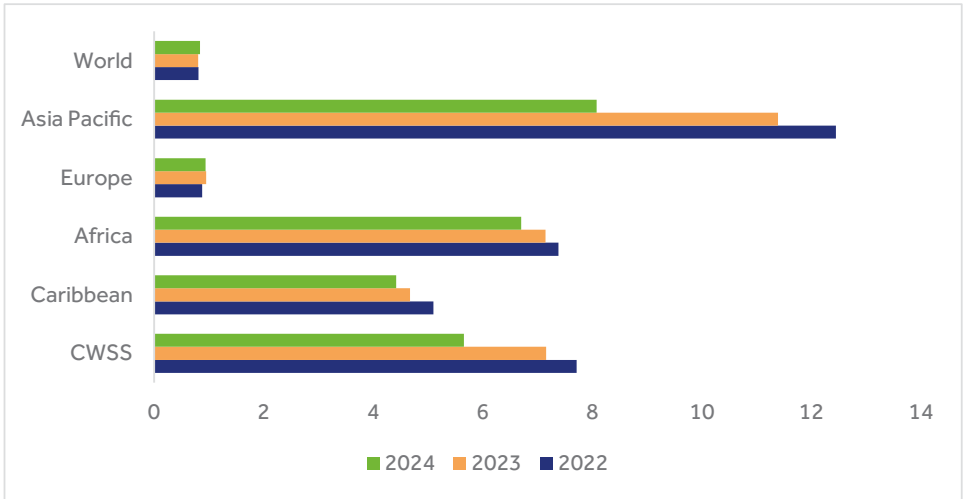
4.2. Remittances trends across Commonwealth Small States

Remittances remain important for CWSS, with these countries receiving more remittances as a share of GDP compared to the world average. Among CWSS, Asia-Pacific CWSS rely most on remittances, followed by African CWSS. In 2024, CWSS are expected to realise a decrease in the share of remittances to GDP relative to 2023 from 7.15 per cent to 5.6 per cent (Figure 4.4). However, in absolute terms, remittances to small states have actually increased. For some Asia-Pacific CWSS, like Tuvalu, remittances are expected to rise further as a result of initiatives such as the Australia–Tuvalu Falepili Union Treaty. Among other things, this has created a special visa pathway to allow Tuvalu citizens to live, work and study in Australia

(DFAT, nd). Remittances are a key driver for other CWSS like Samoa and Tonga, with the World Bank’s Macro Poverty Outlook for East Asia and Pacific (2025) highlighting that they drove growth in these countries in 2025.

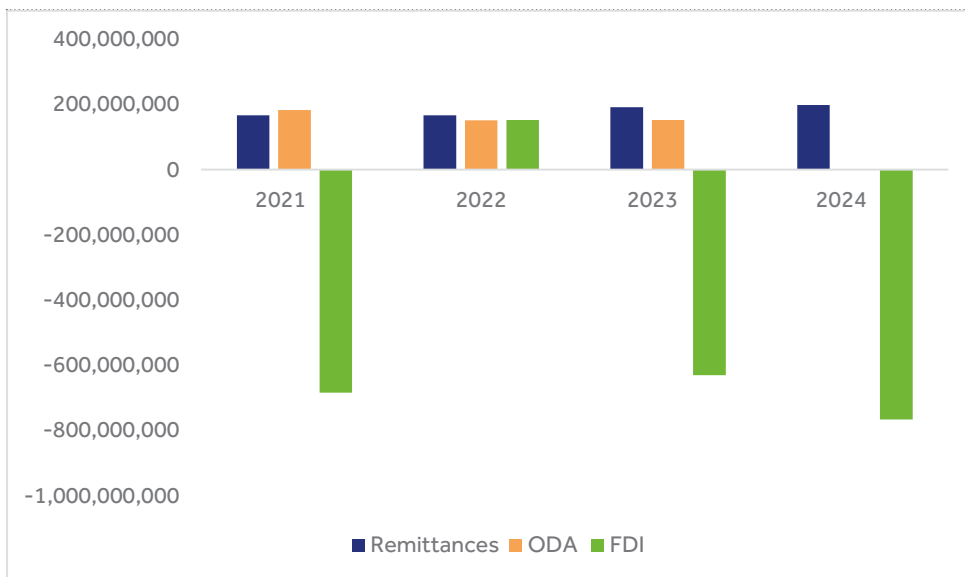
Remittances to CWSS have also been steadily rising ahead of other financial flows, such as ODA and FDI (Figure 4.5). Remittances therefore offer a more stable source of development finance to CWSS, with the potential to contribute more than just family and household consumption and support to investments. Going forward, the recent introduction of the 1 per cent tax in July 2025 on remittances from the United States will have an adverse impact on remittance flows to CWSS. It remains imperative to ensure that current flows of remittances are productive by enhancing diaspora investments in CWSS. It is important

FIGURE 4.4. PERSONAL REMITTANCES, 2022–2024 (AS A PERCENTAGE OF GDP)



to note that the recent war in the Middle East poses a risk to remittances flows for countries that are remittance-dependent like The Gambia and Lesotho, which have their diaspora located in affected countries.

FIGURE 4.5. REMITTANCES, FOREIGN DIRECT INVESTMENT AND OFFICIAL DEVELOPMENT ASSISTANCE TRENDS, 2021–2024 (US\$ CURRENT)



Source: world bank (2025c).

5. Looking forward: Policy considerations and conclusions

5.1. Conclusion

The report has examined the economic trends across CWSS over the past couple of years. From the analysis, economic growth across CWSS is expected to moderate, with GDP easing from 3.2 per cent in 2024 to 2.9 per cent in 2025 as the tourism-led recovery begins to normalise. The report also highlights how African CWSS are projected to continue growing while Caribbean CWSS are forecast to experience a decrease in growth as tourism arrivals revert to pre-pandemic levels. Disinflationary trends across CWSS will prevail following the global inflation forecast, to stabilise at around 2.8 per cent in 2025 and 2026. However, fiscal positions are expected to worsen as revenues decline. In terms of unemployment, among CWSS African CWSS record the highest unemployment rates, including Eswatini, which stands among the highest globally. Tourism continues to serve as a critical engine of growth, contributing an estimated 29.2 per cent of GDP.

The report has also highlighted some of the pressures CWSS experience, including recent trade policy measures and climate change shocks. The US tariff measures have disproportionately affected some CWSS, such as Lesotho,

which initially faced 50 percent tariffs before this was reduced in July 2025. ODA continues to decline globally, with sharp projected reductions for some small states, while climate vulnerability remains high despite these countries' minimal contribution to global emissions. Debt pressures are expected to remain elevated through 2030, with high interest payments reflecting pandemic-era borrowing.

Despite these challenges, CWSS continue to demonstrate not only resilience but also innovation. The early adoption of innovative digital financial infrastructure and innovative sustainable financing mechanisms underscores the strategic importance of CWSS and the potential role they can play as leaders in innovation. It is important to note that the strategic relevance of small states will be affected by how they respond to emerging shocks. In the current global environment, external shocks are now a recurring reality. Ongoing uncertainty calls for greater preparedness and underscores the need to move beyond just resilience towards robustness. By doing so, small states can augment the gains made so far and position themselves globally as small but mighty powerhouses with unique strengths that can offer lessons.

As CWSS navigate recurring external shocks, deeper partnerships will be central to strengthening both resilience and strategic relevance. Collaboration across member countries, multilateral institutions, regional platforms and the private sector can help countries mobilise finance, share practical solutions and scale up resilience-building efforts. This makes partnerships not only a policy priority but also a timely focus for this volume's special topic, which examines innovative partnerships in CWSS, including public-private partnerships, in line with the theme of the Commonwealth Heads of Government Meeting, 'Accelerating Partnerships and Investment for a Prosperous Commonwealth.'

5.2. Policy recommendations

While continuing to face mounting challenges, CWSS have an opportunity to revitalise their economies to move from resiliency to robustness and also to position themselves as trendsetters for innovation in several ways.

1. Promoting innovation in key growth sectors. This will entail grasping new opportunities in the services sector as well as enhancing productivity in other key sectors. The report has shown that tourism remains a key driver of CWSS economies. However, external shocks continue to emerge and, as such, fostering robust tourism industries is imperative. This will entail

developing country-specific innovative tourism models and niche tourism products, while enhancing community benefits and participation. Furthermore, as tourism normalises following the post-COVID-19 boom, countries can benefit from reducing their dependence on tourism to foster enhanced resilience. This includes investing in and leveraging from productivity gains from agriculture and the blue economy. This could entail promoting digital agriculture, modernising equipment and investing in the blue and green economy.

2. Improving fiscal and debt sustainability. Debt burdens remain a pressing challenge for many small states. With CWSS net borrowing projected to rise by 8 per cent by 2030 and interest rates having more than doubled in several countries since 2020, improving domestic revenue mobilisation and expenditure efficiency is no longer optional. CWSS can lessen their debt burdens and improve domestic revenue mobilisation by improving efficiency in taxation. Examples include aligning budgets with Integrated National Financing Frameworks and promoting natural resource and green taxation. Fiscal sustainability can also be improved by enhancing expenditure efficiency through re-targeting transfers, strengthening financial management and repurposing

inefficient subsidies. CWSS can also benefit from adopting sound debt management practices and innovative ways of managing their debt burdens, such as debt-for-climate swaps.

3. ***Enhancing FDI and diaspora investment.*** With FDI at 5.7 per cent of GDP in 2024 but exposed to significant downside risks from US tariff policy, the war in the Middle East and the broader pullback in US outward investment, strengthening the investment climate and diversifying sources of external capital represent a pressing priority.

With ODA declining sharply (Lesotho is facing a projected 52 per cent cut and Eswatini 46 per cent), remittances are now the largest single source of external finance for many CWSS. Leveraging private sector partnerships and diaspora networks has become structurally necessary rather than merely desirable. To foster remittance transfers, small states can promote these by reducing remittance costs and reducing bottlenecks to transferring money. Additionally, there is the potential to move beyond remittances for consumption by enhancing diaspora investment, through the development of appropriate diaspora investment tools and

fostering trust and engagement. This will help unlock an additional source of development financing.

4. ***Supporting digital and financial innovation.*** Building on the fintech leadership demonstrated by the SandDollar, DCash and the rapid expansion of mobile money across African and Pacific CWSS, scaling digital infrastructure and ensuring interoperability are the logical next steps. Lowering transfer costs can also help in scaling up fintech use and promoting financial inclusion.
5. ***Building resilience and fostering diversification.*** With several CWSS facing projected export losses of 25–70 per cent in specific sectors because of US tariff adjustments, the case for trade partner and sectoral diversification has moved from a long-term ambition to an immediate policy need.
6. ***Enhancing climate action.*** Given that CWSS are highly vulnerable to climate shocks and that adaptation finance currently covers only a fraction of estimated needs, scaling early warning systems and climate-resilient infrastructure cannot wait. Scaling up low-carbon or energy-efficient technology also remains crucial. Additionally, it will be essential to restore nature to absorb more carbon emissions and enhance the protection of marine and land-based resources.

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Part II

Enhancing Investment through Public–Private Partnerships in Commonwealth Small States

Preamble

The 23rd Volume of the *Small States Economic Review and Basic Statistics* centres on redefining the economic future of Commonwealth Small States by going beyond building resilience to positioning them for strategic relevance. In this context, leveraging partnerships that can boost investments is critical, especially in developing the relevant economic infrastructure that will form the bedrock for their long-term economic prosperity. It is in this context that the special topic of this volume focuses on Enhancing Investment through Public–Private Partnerships in Commonwealth Small States. This is in line with the Commonwealth Heads of Government Meeting theme of ‘Accelerating Partnerships and Investment for a Prosperous Commonwealth.’

6. Introduction

With the approach dating back to the 1970s and gaining prominence in the 1990s, public–private partnerships (PPPs) have become an important instrument for supporting infrastructure development, improving service delivery and mobilising private sector investment. PPPs are collaborative arrangements between government entities and private sector companies to finance, build and operate projects that serve the public interest. They take various forms, including Build-Own-Maintain, Build-Own-Operate, Build-Develop-Operate, Design-Construct-Manage-Finance, Design-Build-Operate, Buy-Build-Operate and Lease-Own-Operate. Botlhale (2016) notes that one of the most common forms is Design-Construct-Manage-Finance, under which the private sector finances, builds and operates an asset over several years. Core features of PPPs include risk transfer to the private sector, long-term contractual arrangements, often spanning 10 to 20 years, and mutual commitments that generate benefits for both public and private partners (Commonwealth Secretariat, 2010).

Many countries turn to PPPs to provide services traditionally viewed as the government’s responsibility. For countries with limited fiscal space, PPPs offer an opportunity to access private capital and improve efficiency by leveraging the private sector’s skills.

In the longer term, PPPs have been adopted to ensure improved delivery of infrastructure services at a low cost (Commonwealth Secretariat, 2010). PPPs also offer value for money by transferring risks and costs to the private sector.

PPPs have traditionally been associated with the financing, development and delivery of infrastructure projects. However, the concept has evolved considerably to encompass a broader range of collaborative investment models that extend beyond infrastructure. Increasingly, PPPs facilitate joint public and private sector investment in areas such as agriculture, climate resilience, health care, innovation, digitalisation and support for small and medium-sized enterprises (SMEs). This broader approach captures collaborative arrangements in which public and private actors co-finance investments to achieve shared development objectives. Such partnerships include blended finance mechanisms, whereby governments use public resources and risk mitigation instruments to mobilise private capital across both infrastructure and non-infrastructure sectors.

More pertinently, PPPs offer Commonwealth Small States (CWSS) a valuable opportunity to mobilise investment. Realising this potential will require a stronger focus on bankable projects that are

commercially attractive and suitable for PPP delivery (Commonwealth Secretariat, 2012). In 2023, the 33 CWSS had absorbed just 15 per cent of Commonwealth inward (foreign direct investment) and only 1.8 per cent of greenfield investments (Balchin and Kampel, 2025). This investment was highly concentrated in a small number of countries, including Cyprus, Guyana, Malta, Namibia and The Bahamas, indicating significant scope for PPPs to support broader investment mobilisation across CWSS.

This report provides an overview of projects supported through PPPs, with particular attention to the experiences of CWSS. It also examines the key prerequisites for successful PPPs. This is important for drawing lessons on how CWSS can design and implement PPPs that are better aligned with their development needs, maximise benefits and minimise costs.

7. Why public–private partnerships matter

7.1. Examining the benefits of public-private partnerships

Public-private partnerships have benefits for both the public and the private sectors, including the following.

Promoting investment. PPPs can be an important instrument for mobilising investment in CWSS (Commonwealth Secretariat, 2012). By helping reduce barriers to investment, improve project bankability and create a better enabling environment for private participation, PPPs can leverage private capital to support sustained economic growth. They can also help channel investment into sectors aligned with the Sustainable Development Goals, including infrastructure, health, agriculture and other priority areas for small states.

Fostering increased climate investment. PPPs can also support climate-related investment, particularly as private sector participation in climate finance continues to grow. For small states, green energy and climate-resilient infrastructure projects often require high upfront capital costs, which can be difficult to meet through public resources alone. PPPs can help bridge this financing gap by combining public support with private capital and

expertise. They can also be linked to innovative financing instruments, such as green bonds, to mobilise additional resources for projects with strong climate and development benefits (David and Venkatachalam, 2018).

Enhancing efficiency. By incorporating and applying the private sector's emerging technology and expertise to public services, PPPs help encourage efficiency in public operations. Additionally, the whole-of-life project approach adopted for PPPs fosters this efficiency and improves competition, helping improve project delivery (PPIAF, 2026). An example is the privatisation of Sangster International Airport in Jamaica, which helped turn it into a world-class airport (ICAO, 2015). The airport's ranking improved to number 3 in Latin America and the Caribbean and it was named the Caribbean's Leading Airport in the World Travel Awards five years in a row. The success of this PPP was attributed to a competitive and well-coordinated PPP procurement process, supported by experienced staff, qualified advisors, strong political leadership and clear bid requirements that enhanced value for money and contributed to successful long-term project outcomes (ibid.). Similarly, a partnership between the Government of Samoa and Virgin Australia helped transform the airline industry in Samoa and

enhance efficiency. Within two years of signing in 2005, the partnership generated a profit of US\$6.9 million and improved airline service for 243,000 people (Commonwealth Governance, 2024). The model adopted used the strengths of the private sector to manage and operate the airline while the government took a lead in mobilising local support, negotiating local contracts and championing the business (IFC, 2013).

Addressing capacity constraints.

PPPs can ease capacity constraints in the public sector by allocating certain risks and activities to the private sector. This can enhance value for money and also enable public sector administrators to focus on planning, policy and regulation where they have a comparative advantage (PPIAF, 2026), while the private sector focuses on improving efficiency and quality of service.

Bolstering public sector reform.

Where PPPs foster increased transparency and accountability, they can help bolster public sector reform. They can also act as an avenue for the public sector to improve procurement and management skills (PPIAF, 2026).

Enhancing financing for

development. For countries with limited fiscal space, PPPs can help deliver more development outcomes with fewer public resources. This is particularly crucial for many CWSS, where access to concessional financing has long been an issue of contention. With official development

assistance declining in recent years, PPPs can offer an alternative means of enhancing infrastructure development in CWSS.

Promoting competition and private sector development.

PPPs can increase a country's competitiveness by helping open the environment to increased private sector activity. Partnerships with international firms can also help develop the local private sector. Increased development of infrastructure as a result of PPPs can help promote domestic business and industry.

Boosting economic growth and

development. PPPs can also promote economic growth and help generate lasting development impact.

Nyirinkindi (2023) identifies several ways in which this can be achieved. First, PPPs can strengthen the resilience of infrastructure to climate change while sharing project risks and making investments more reliable and financially viable. This is especially important for CWSS, which are highly vulnerable to climate-related shocks. Second, PPPs can improve the delivery of essential public services, including water and sanitation, health care and education, thereby supporting higher living standards and progress towards the Sustainable Development Goals. Third, PPPs can help promote gender equality and economic inclusion when project design incorporates standards that ensure benefits reach marginalised and underserved groups, including women and young people. One example of PPPs supporting

BOX 7.1: SUPPORTING DEVELOPMENT IN SOLOMON ISLANDS THROUGH THE TINA RIVER HYDROPOWER PROJECT

The Tina River Hydropower Project, valued at US\$200 million and reflecting the first-ever large-scale PPP in Solomon Islands, is expected to reduce reliance on diesel by 70 per cent. The project, which is being supported by the International Finance Cooperation (IFC), is expected to create over 440 jobs and lower the price of electricity in homes and businesses. It will also help Solomon Islands reduce its greenhouse gas emissions targets by more than two times the target for 2025. The project benefits will be shared with more than 4,000 inhabitants who live near the Tina River (IFC, 2020; Nyirinkindi, 2023).

livelihoods and development is the Tina River Hydropower Project in Solomon Islands, whose benefits will be shared among the 4,000 inhabitants who live near the area (Box 7.1).

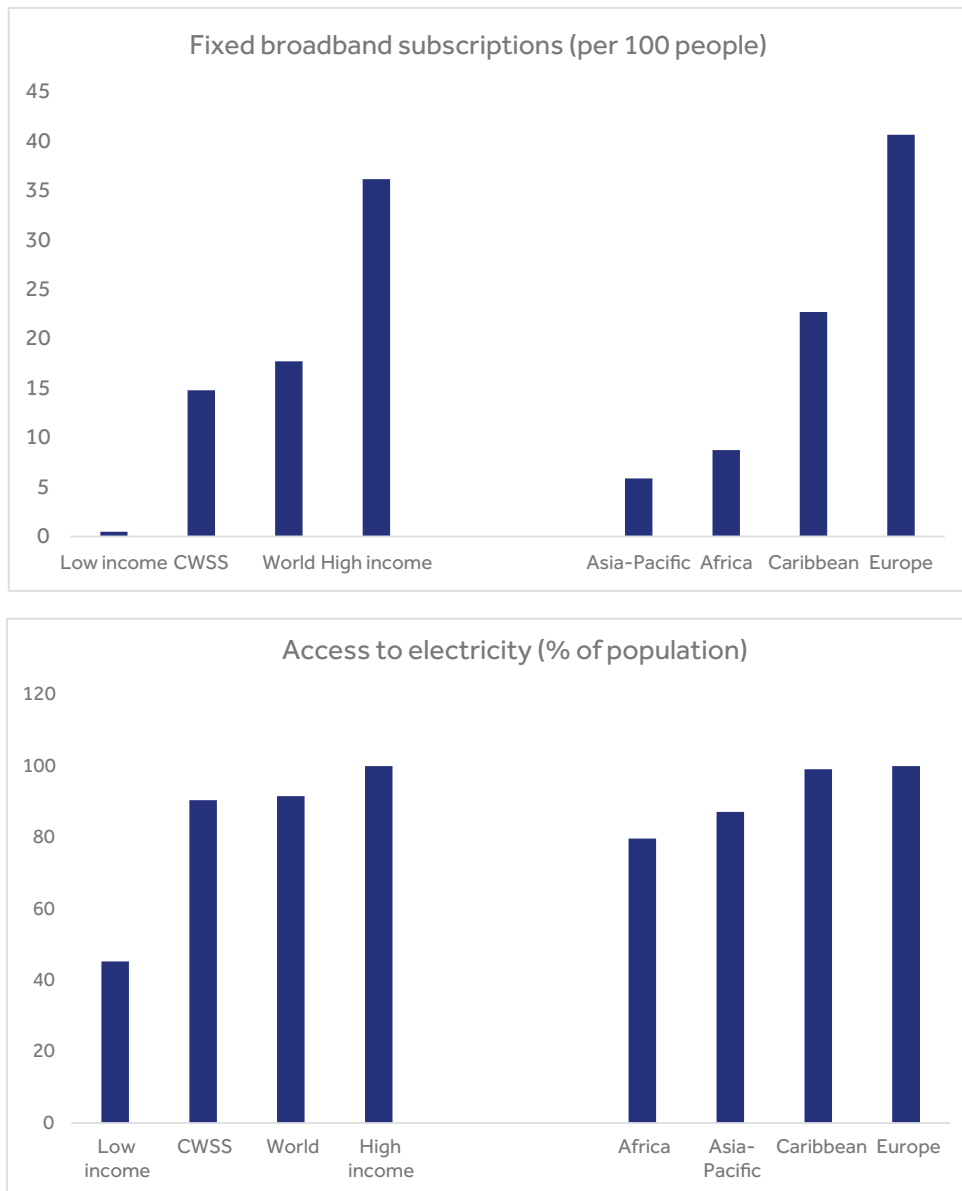
7.2. Bridging infrastructure gaps in Commonwealth Small States for enhanced investments

Public-private partnerships provide a crucial avenue for bridging infrastructure gaps in sectors such as transportation, energy, and information and communication technology (ICT). This is particularly important for many CWSS, where inadequate infrastructure can constrain foreign investment prospects. Reliable infrastructure is essential for attracting investment because it reduces the cost of doing business for both local and international firms. Transport infrastructure, for example, can help improve accessibility and lower transport costs (Seetanah and Khadaroo, 2007). Similarly, adequate ICT and electricity infrastructure

have been shown to make a significant contribution to FDI in developing countries (Mensah and Traore, 2022).

Public-private partnerships can also help boost investment in climate-resilient infrastructure. With CWSS bearing the brunt of climate shocks and natural hazards, their infrastructure is continuously at risk and vulnerable to shocks. This is seen in regions like the Caribbean, where infrastructure is constantly hit by climate shocks, and this is contributing to deteriorating road infrastructure, which is directly linked to higher numbers of road fatalities compared to in Latin American countries (CAF, 2024). In such contexts, PPPs can help facilitate investment in infrastructure that is capable of withstanding climate shocks. PPPs can also unlock investments in projects with large climate benefits (David and Venkatachalam, 2018). For example, the Government of Dominica and Dominica Electricity Services have signed a partnership with Ormat Technologies Inc. to build a 10 MW geothermal power plant. In this PPP, Ormat Technologies will build, operate

FIGURE 7.1. INTERNET AND ELECTRICITY INFRASTRUCTURE ACCESS ACROSS COMMONWEALTH SMALL STATES



Source: World Bank (2026a).

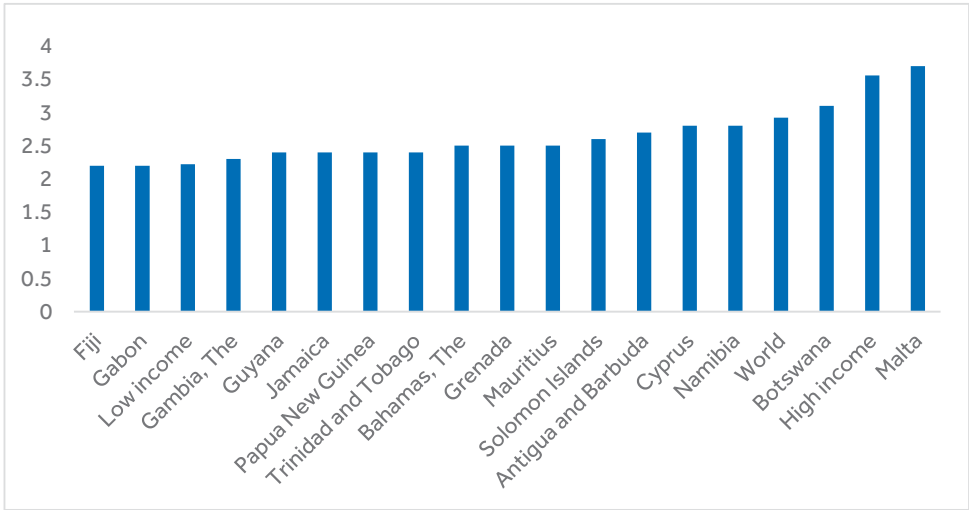
and maintain the plant, which seeks to decarbonise electricity generation and promote the responsible use of Dominica’s rich geothermal resources (Government of the Commonwealth of Dominica, 2023).

An examination of the state of infrastructure development across CWSS presents a mixed picture. In terms of internet access, European CWSS perform relatively well, with 40 fixed broadband subscriptions per 100 people (Figure 7.1). This exceeds both the world average of 17.7 and the high-income country average of 36. However, access in Asia-Pacific and African CWSS remains limited, with only 5.9 and 8.7 fixed broadband subscriptions per 100 people, respectively. Access to electricity varies less across CWSS regions: African CWSS record access for 79 per cent of the population, while European CWSS have achieved universal access.

In terms of trade and transport infrastructure, Malta records the strongest performance among CWSS, with a score of 3.7 (Figure 7.2). This is above the high-income country average of 3.5. By contrast, Fiji and Gabon are at the lower end of the scale, each scoring 2.2. Some African CWSS, including Botswana and Namibia, perform relatively better, indicating comparatively stronger logistics infrastructure.

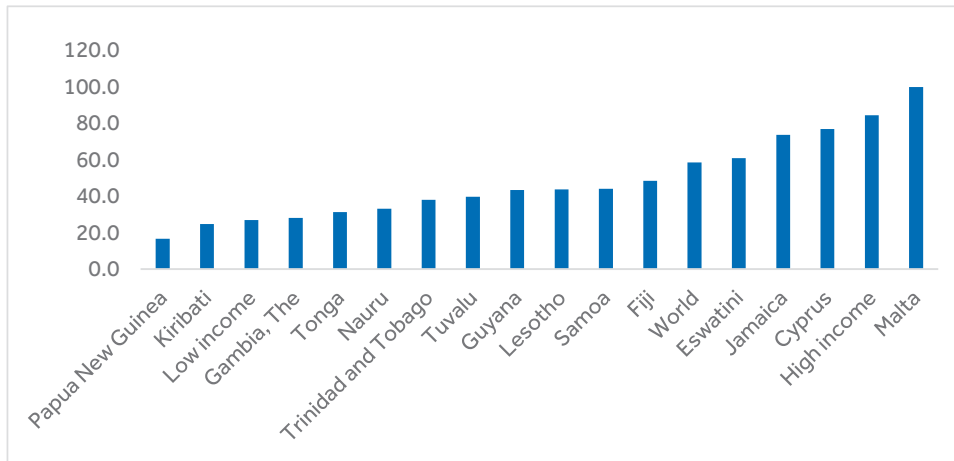
PPPs have also been used to build sanitation infrastructure, including in wastewater treatment, desalination and faecal sludge management. In an examination of trends across CWSS, European CWSS again fare better, this time with regard to access to sanitation services, than some Pacific and African CWSS (Figure 7.3). Across Caribbean CWSS, some countries

FIGURE 7.2. QUALITY OF TRADE AND TRANSPORT-RELATED INFRASTRUCTURE (LOGISTICS PERFORMANCE INDEX: 1=LOW TO 5=HIGH)



Source: World Bank Logistics Performance Index (<https://lpi.worldbank.org/en/home>).

FIGURE 7.3. PEOPLE USING SAFELY MANAGED SANITATION SERVICES (PERCENTAGE OF POPULATION)



Note: Data unavailable for many CWSS.

Source: World Bank (2026a).

show wide variation: 73 per cent of Jamaica's population has access to safely managed sanitation services compared to 38 per cent of Trinidad and Tobago's.

8. Navigating PPP risks and creating the conditions for success

8.1. Risks involved in PPPs

Alongside their benefits, PPPs carry risks that must be carefully managed. For instance, private partners may limit delivery to the specific activities for which they are contracted and paid, meaning it is essential to define clear performance requirements. In addition, private actors may be unwilling or unable to assume certain risks, underscoring the importance of appropriate risk allocation between public and private partners.

Moreover, given their long-term nature, PPPs are vulnerable to external factors such as shifts in demand, delays in land access, pandemics, socio-economic shocks, climate change and natural disasters. During the COVID-19 pandemic, for example, reduced economic activity affected both operational projects and the planning, preparation and procurement of PPPs, leading to restructuring, disruption or delay for some projects (World Bank, 2021). In Barbados, for example, procurement for a 30-year concession PPP to expand and maintain Grantley Adams International Airport was delayed (*ibid.*).

For governments, some PPP projects may be politically or socially sensitive to implement. Where the public sector retains debt or contingent liabilities, projects can also create

fiscal pressures. Meanwhile, project development processes may be lengthy and costly. Projects are more likely to attract financing when their operating cash flows demonstrate clear returns on investment, and early value-for-money assessments can mitigate development costs.

For many CWSS, the risks associated with PPPs can be particularly significant. For CWSS, the constraints may be largely institutional rather than legislative. They include limited public sector capacity and inadequate access to project preparation finance, which can hinder the proper identification of bankable projects. An unsuccessful PPP with limited institutional capacity, constrained fiscal space and small domestic markets can have disproportionately large consequences, including increased public debt, disruption to essential services and weakened investor confidence. In some cases, these risks can extend beyond financial exposure to affect service continuity and long-term development outcomes. This underscores the importance of robust legal and regulatory frameworks, effective project preparation and sound risk management to ensure PPPs deliver sustainable outcomes and do not create additional fiscal or institutional pressures.

8.2. Creating a conducive environment for PPPs

Several factors are essential to the success of PPPs. These include balanced risk-sharing to which private partners have committed substantially, as well as flexibility to changing needs and social value for countries, including through environmental outcomes and economic benefits. Fundamentally, for PPPs to be successful, mutual trust is crucial. Private partners require confidence in stable public institutions, policy continuity and the government's commitment to honour contractual obligations. Governments must be sure that private partners possess the technical capability, financial capacity and commitment to deliver public services in accordance with agreed standards. Relatedly, transparency is critical, as is outlining clear benchmarks and frameworks for public reporting.

The success of PPPs is also contingent on clear project objectives. These can help governments determine whether a PPP is the most appropriate delivery model and ensure projects remain aligned with national development priorities and public value considerations. Therefore, for CWSS, where development financing is often limited, project prioritisation in areas that have public benefits is key.

PPPs may entail increased risk of opportunistic behaviour by public partners (Mabuza, 2022). This is because PPPs, which incur high sunk costs, are area-specific and cannot

be moved to a different place or used for different functions. To overcome this and protect investors' interests, a strong legal framework that reduces uncertainty must be a priority. This will entail transparent and enforceable laws, an independent judiciary, and clear property and contract rights. Adequate regulatory frameworks will also need to be developed.

Countries will also need to create a conducive environment for private participation. This includes strengthening governance by tackling corruption, promoting political stability and maintaining macro-economic fundamentals. Building public sector capacity is also crucial, particularly in procurement, bidding, contracting, contract negotiation and project monitoring (Mabuza, 2022).

Given that PPPs entail private sector investment, their effectiveness relies on the existence of a supportive and enabling business environment, including adequate regulation and public sector efficiency. Across CWSS, the business environment differs widely, as showcased by the World Bank's B-READY index, which compares the extent to which countries with available data provide a conducive environment (Table 8.1). Among CWSS, Cyprus, Malta and Mauritius perform relatively well, whereas The Gambia, Papua New Guinea and Tonga have scope to strengthen their business environments. Overall, public service provision emerges as an area where many CWSS could improve effectiveness. In some cases, countries

TABLE 8.1. B-READY INDEX SCORE IN COMMONWEALTH SMALL STATES

Economy	Pillar 1 Regulatory Framework	Pillar 2 Public Services	Pillar 3 Operational Efficiency
Barbados	61.67	48.39	65.64
Botswana	64.38	45.37	60.37
Cyprus	70.43	60.53	56.44
Eswatini	59.70	41.12	60.79
The Gambia	53.97	27.22	45.79
Jamaica	64.07	57.07	60.52
Lesotho	55.58	39.27	54.19
Malta	67.22	55.59	64.35
Mauritius	64.69	59.48	65.44
Namibia	64.21	44.57	48.90
Papua New Guinea	55.28	33.46	42.69
Samoa	56.77	34.23	58.31
Seychelles	58.73	39.09	57.35
Tonga	45.35	32.34	54.25
Trinidad and Tobago	61.16	44.83	49.68
Vanuatu	55.85	33.64	51.40
Colour legend			
Top quintile			
Second quintile			
Third quintile			
Fourth quintile			
Bottom quintile			

Note: The table shows the CWSS for which B-READY index score data is available.

Source: World Bank (2025).

have a relatively strong regulatory and legal framework but show weaker performance on public services or less operational efficiency. For CWSS, weaker performance with regard to public services and operational effectiveness may increase transaction costs, delay project preparation and procurement, and reduce investor confidence, making it more challenging to develop bankable PPP projects.

9. Overview of public–private partnerships in Commonwealth Small States

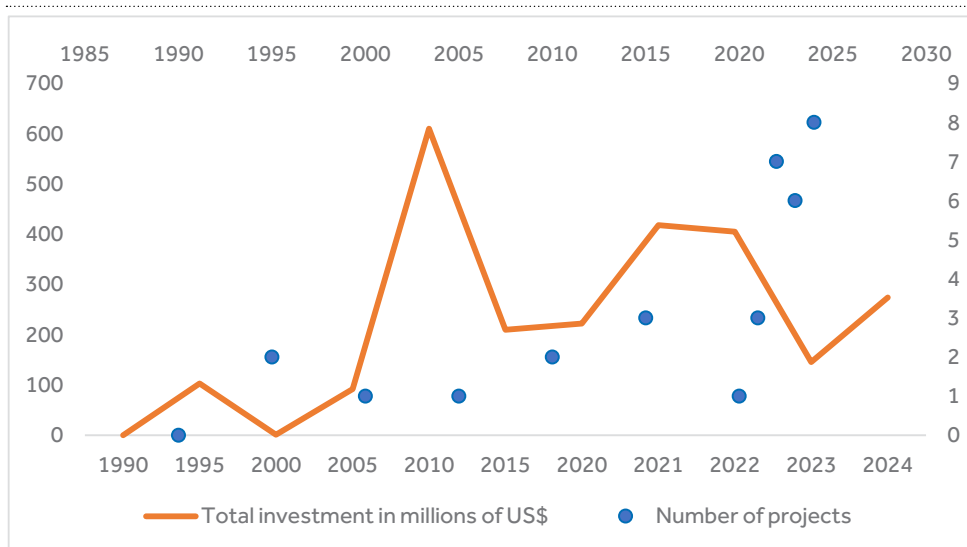
Public-private partnerships serve as an important tool for delivering services where countries are financially constrained. As such, there has been increased adoption of PPPs in CWSS over the years. In a sample of 21 CWSS, between 1990 and 2024 there were 90 PPPs (or infrastructure projects with private participation) (Figure 9.1). This is the equivalent of US\$9.125 billion in investments (World Bank, 2026b).

Private participation in infrastructure projects varies considerably across the different Commonwealth regions. Between 1990 and 2024, Sub-Saharan Africa accounted for the largest share

of investment in CWSS, amounting to US\$5.25 billion (Table 9.1). This is followed by the Caribbean CWSS. A large share of the PPP projects have been implemented in the electricity sector, with 57 in total between 1990 and 2024 (Table 9.1). This is followed by the water and sewerage sector (nine projects). Private sector participation has also supported transport and logistical infrastructure in small states, including ports and railways.

As of 2024, the World Bank's PPP dashboard records a total of eight active PPP projects across CWSS (Table 9.2). Of these, six are in the electricity sector, one is in water and

FIGURE 9.1. HISTORICAL TRENDS IN PPPs IN COMMONWEALTH SMALL STATES, 1990–2024



Source: World Bank (2026b).

TABLE 9.1. PPP TRENDS IN CWSS BY REGION AND KEY SECTORS OF INVESTMENT

PPP trends, 1990–2024 (US\$ million)			Key sectors of investment, 1990–2024	
Total investments		9,856.39	Electricity	57
Region	Asia-Pacific	895.77	ICT	5
	Africa	5,254.92	Water and sewerage	9
	Caribbean	3,705.7	Ports	7
Project status	Active	9,033.69	Railways	5
	Cancelled	524.7	Roads	2
		294	Airports	5

Source: World Bank (2026b).

sewerage and one is a port development. Total investments in 2024 amounted to US\$273.8 million. A large share of these projects are supported by multilateral development banks (MDBs), and many are greenfield investments, with investors establishing facilities from scratch.

Caribbean CWSS have been found to have relatively fewer PPPs than their Latin American counterparts (Cecchi et al., 2026). PPP investment in the Caribbean thus remained low, at 0.3 per cent, between 2010 and 2023. Between 2010 and 2024, PPP investment as a share of GDP was highest in Jamaica (0.88%), followed by St Vincent and the Grenadines (0.63%) and St Kitts and Nevis (0.33%) (ibid.).

Despite the potential benefits ascribed to PPPs, uptake has remained slow. Several factors account for this, including the high cost of capital and financing, political and regulatory risks, legal and contract enforcement challenges, dispute settlement challenges, and operational and project implementation setbacks (UNCTAD, 2025). As such, in scaling up PPPs, it will be necessary to mitigate risk by implementing de-risking mechanisms and government support measures. Additionally, MDBs and international financial institutions can help reduce investment risks and crowd in private capital. Blended finance and technical assistance are also important tools in making projects bankable (ibid.).

TABLE 9.2. PPP INVESTMENTS IN COMMONWEALTH SMALL STATES, 2024 (US\$ MILLION)

Type of PPP		International Development Association (IDA) status	
Greenfield	159.8	Non-IDA	257.5
Brownfield	114	IDA	16.3
MDB support		Region	
MDB-supported	253.8	Caribbean	191
Non-MDB-supported	20	Africa	82.8

Source: World Bank (2026b).

10. Case studies

10.1. Case study: public-private partnerships supporting logistical and utilities infrastructure in Commonwealth Small States

Public-private partnerships have often been used to support infrastructure development, including ports and road networks. For CWSS, such partnerships help facilitate trade in both goods and services.

The Bahamas operates two ports as PPPs, which rank among the most efficient in the Caribbean (World Bank, 2017). **The Bahamas** has also run Lynden Pindling International Airport (LPIA) as a PPP, with great success. LPIA is one of the country's busiest airports, and the number of seats into the destination rose after the PPP was established. The airport also realised an increase in aeronautical revenue generated, from US\$26.1 million in 2008 to \$61.5 million in 2016. Similarly, commercial revenue also increased, from \$1 million to \$4.2 million. This owed to increased retail and food and beverage options (LPIA, 2026).

In European CWSS, **Cyprus** also presents a success story of PPPs being used to run airports. The PPP under which Cyprus's Larnaca and Paphos airports operate not only

represents a success in **Cyprus** but also ranks among Europe's most resilient PPPs (Invest Cyprus, 2025). The tender began in 2001; with a €600 million investment, this was one of Cyprus's largest privately financed infrastructure projects at the time. The project resulted in passenger numbers doubling from 6 million to 12 million, with the government receiving 33 per cent of the returns. A key factor in its success lay in making it bankable. This was achieved by hiring a transaction advisor to ensure the financial model attracted capital, a legal advisor to create contracts that could weather disputes and technical advisors to ensure the project design aligned with operational and public needs (ibid.). Clear definition of the roles the government and private sector would play was also essential.

Another successful PPP in **Cyprus** has been the commercialisation of Limassol Port. Since the inception of the PPP, the port has served an impressive 250 cruise ships and has efficiently managed the arrival of over 400,000 passengers (InfraPPP, 2021). To enhance its operations and remain competitive, the port has made significant investments in cutting-edge equipment and technology, resulting in improved efficiency and reduced turnaround times for vessels. This has positioned the port as a key player in supporting the exploration

of energy reserves in the region and improving efficiency. Meanwhile, in the transit trade sector, the company has successfully processed over 3,500 commercial vessels and handled more than 3 million tonnes of cargo (ibid.). The PPP contract was awarded for 25 years in 2016. The project has been very beneficial to the Cypriot government, generating revenue of €67 million in 2017 (KNEWS, 2018).

While most PPPs start out with some element of government reaching out to the private sector, in some cases the private sector initiates the process, in what is called an unsolicited proposal. One example of this is the **Jamaica North–South Highway**. Perceptions of unsolicited proposals are mixed. Some governments view them as ways to overcome capacity gaps. However, they can suffer from limited trust and accountability, as well as issues related to limited competition. This was seen in the case of the **Jamaica North–South Highway**, where queries were raised related to the procurement process (World Bank, 2017).

Gabon presents a story of a successful PPP agreement within the utilities sector. In 1997, **Gabon** privatised its electricity and water utility, Société d’Energie et d’Eau du Gabon. This was achieved through a 20-year concession, which represented the first-ever concession on the African continent. According to the International Finance Corporation (IFC) (2010), the project achieved several successes, including the following.

- Enhanced access to clean water and electricity for citizens at no cost to the government.
- Increased customer satisfaction post-privatisation through innovative technologies.
- Increased financial performance, with dividends rising from 6.5 per cent of the share price in the first year of operations to 20 per cent in 2000.
- 80 per cent of the contractually required investments made five years into the concession.

Before the concession was signed, 10 years of rigorous preparation were necessary. This period saw implementation of the prerequisite reforms, including defining a legal framework, raising tariffs to levels reflecting costs and reducing staffing (Tremolet and Neale, 2002). This helped ensure a transparent and smooth transition. The preparation period also helped in facilitating the sharing of resources and saw the creation of a platform for integrated investment planning, vital for this multi-utility arrangement (ibid.).

10.2. Case study: Improving agriculture value chains in the Pacific

In the Pacific, the International Trade Centre is implementing the European Union–African, Caribbean and Pacific Business-Friendly Programme jointly with the Pacific Community in **Fiji**, **Papua New Guinea** and **Vanuatu**.

This focuses on improving the value chains of coconut in **Papua New Guinea** and kava in **Fiji** and **Vanuatu**. Key objectives are strengthening productive capabilities, promoting inclusive market linkages, enhancing value addition and facilitating investment opportunities to support resilient economic growth across the Pacific.

Between 2024 and 2025, the programme supported an innovative PPP in **Papua New Guinea** aimed at addressing long-standing financing and investment constraints in the agriculture sector. The PPP brought together public institutions, banks and private value chain actors to reduce investment risk and improve access to finance.

A core component of this PPP was the establishment of formal partnerships between Papua New Guinea's Kokonas Industri Koporesen and the Credit Guarantee Corporation to introduce targeted credit guarantee schemes for the coconut sector. These partnerships enable farmers, processors and SMEs to access financial support tailored to their specific needs. In addition, financial institutions such as the National Development Bank, the Bank of South Pacific, Kina Bank and Mama Bank have been supported to develop financing solutions that address the unique challenges and opportunities of the coconut value chain.

Building on this framework, the programme has also supported Papua New Guinea's National Development Bank to design and operationalise four

Agri Value Chain Finance Facilities, covering coconut, coffee, cocoa, and fresh fruits and vegetables. The Coconut Value Chain Finance Facility, the first of its kind in the country, is expected to benefit an estimated 20,000–30,000 smallholder farmers and 10,000–15,000 SMEs by enabling access to structured and affordable finance aligned with production cycles and market realities.

The impact of this PPP-driven innovation is extending regionally. In 2025, the National Development Bank signed a memorandum of understanding with the Sugar Cane Growers Fund in **Fiji**, facilitating South–South knowledge transfer (between small island developing states) and strengthening institutional capacity to scale agri value chain-based financing products across the Pacific.

Beyond finance design, the programme has also supported Kokonas Industri Koporesen and key public institutions through policy dialogue, PPP structuring, institutional strengthening and regional knowledge exchange. These interventions have improved co-ordination between government, financial institutions and industry actors, laying the foundation for a more inclusive and commercially sustainable agriculture sector in **Papua New Guinea**.

10.3. Case study: Investing in health care through public-private partnerships in African and Pacific Commonwealth Small States

Public-partnerships partnerships have increasingly been used to support the delivery of health care services in CWSS. Between 2010 and 2011, the Government of **Lesotho** opened what became Sub-Saharan Africa's first and largest integrated health care PPP. The objective of this was to replace the 100-year-old referral hospital through the design, construction and operation of Queen Mamohato Memorial Hospital (McGuire et al., 2024). The initiative also included four affiliated clinics. In 2021, the hospital was transferred to government management following tensions and some legal disagreements, resulting in the contract ending five years before its stipulated date. Despite this, the project was able to provide better quality of care and advanced technologies, and contributed to a 41 per cent decline in fatalities and a 10 per cent decrease in maternal deaths (World Bank, 2016). The PPP also generated higher demand for health care, highlighting the importance of ensuring PPPs are embedded within broader, sector-wide health strategies to be able to cater for increased demand.

Another PPP in health care in Sub-Saharan Africa was the African Comprehensive HIV/AIDS

Partnerships (ACHAP). Initially planned for five years (2001–2005), with partners including the Government of **Botswana**, Merck & Co., Inc. and the Bill & Melinda Gates Foundation, this sought to enhance and support Botswana's HIV and AIDS response. It has successfully supported HIV prevention, care and treatment in Botswana for over 14 years now (ACHAP, nd). The partnership has resulted in **Botswana** having more people on antiretroviral medication than any other African country, and it is the only country to provide free treatment for all (Ramiah and Reich, 2006). It represents one of the most successful health PPPs in Sub-Saharan Africa (Botlhale, 2016).

In the Pacific, **Fiji** highlights another example of PPP activity in the health sector, through the redevelopment of Lautoka Hospital and Ba Hospital. The Government of Fiji signed a concession agreement in 2019 with Healthcare Fiji Private, a consortium formed between the Fiji National Provident Fund and Aspen Medical. The project entailed a US\$80 million injection in infrastructure (IFC, 2019). The 23-year PPP aims to enhance health care and improve services in Fiji by providing 400 inpatient beds to serve more than 365,000 people. The PPP has achieved many successes as of 2025. For example, 220 patients have been treated via a new cardiothoracic surgical programme, more than 1,000 patients have been referred to specialist cardiac services, and diagnostics and patient monitoring have been enhanced in both hospitals.

10.4. Case study: Facilitating water and sanitation projects in the Caribbean through public-private partnerships

Public-private partnerships have played an important role in the delivery of water and sanitation services in Caribbean CWSS, including through projects aimed at reducing non-revenue water (NRW) levels.¹ In **The Bahamas**, NRW levels fell from 57.7 per cent in 2013 to 32.2 per cent in 2015, and there was a similar reduction in **Jamaica** (World Bank, 2017). Other examples of PPP projects in the water and sanitation sector are outlined below.

Barbados has implemented a PPP for solid waste management through the Sustainable Barbados Recycling Centre (SBRC), which began operations in 2009 under a 20-year Build-Own-Operate-Transfer contract as part of the country's Integrated Solid Waste Management Programme. The Government of Barbados provided the land, while the private partner invested in the equipment and operates the facility; the government pays a tipping fee for each tonne of acceptable waste deposited at the site (Queyranne et al., 2019).

Barbados generates an average of 900–1,200 tonnes of waste per day. The SBRC diverts waste from landfill through recycling, reuse and the

production of mulch and compost, achieving a diversion rate of 70 per cent (Government of Barbados, nd). Before the project was implemented, the Government of Barbados assessed its fiscal impact using the joint International Monetary Fund (IMF)–World Bank PPP Financial Risk Assessment Model, which indicated that the project would increase overall debt by less than 1.5 per cent at any point in its life cycle (Queyranne et al., 2019).

The Government of **Trinidad and Tobago** has implemented two PPPs aimed at providing access to clean water through desalination. The first project involved the Point Lisas Desalination Plant, established in 1999 under the Build-Own-Operate model. This provided drinking water to the Trinidadian Water and Sewerage Authority for a 20-year period (Castrosin et al., 2021). The second was the Point Fortin Seven Seas Desalination Plant in Trinidad, established under the same type of contract for 17.5 years.

The Point Lisas Desalination Plant cost an estimated US\$120 million, and it became fully operational in 2002 (Commonwealth Secretariat, 2010). The project accounted for 10 per cent of total water production in the country and was the largest seawater reverse osmosis system in the Western hemisphere. While the plant had targeted 50 per cent total recovery, by 2006 it was operating at 62 per cent recovery (ibid.). It is important to note that the project had its share of challenges, including public perception

¹ NRW is treated drinking water that is pumped into a distribution system but lost before it reaches the end consumer.

issues and governance concerns, which generate important lessons. Another important lesson learned is the need to ensure the private partner has adequate financing to sustain the project long term.

The Point Fortin Seven Seas Desalination Plant was established to address the severe drought and water shortages Trinidad and Tobago faced in the late 2000s. Prior to its establishment in 2012, residents of Point Fortin received a water service only one day a week. Water services were then accessible daily at all times within 14 months of establishment of the desalination plant (Seven Seas Water Group, nd).

11. Preconditions for successful public–private partnerships

The preceding section outlined examples of PPPs in CWSS that have had varying degrees of success. And yet PPPs do not always run smoothly. In some cases, contracts have had to be ended earlier than intended, or there have been allegations of poor governance and corruption. As such, for PPPs to be successful, there are a number of important prerequisites. These are highlighted below.

Adequate legal and regulatory frameworks

Because PPPs involve large outlays of money, and contracts between two parties with differing mandates, it is crucial to ensure that appropriate legal and regulatory frameworks are in place to support them. Some CWSS have established such frameworks but need to improve enforcement, especially where institutional capacity is limited. This will ensure that obligations stipulated in contracts are fulfilled and that no party defaults on the agreement. Frameworks thus need to be both transparent and enforced while also minimising bureaucracy (OECD, 2012).

A well-resourced institutional framework

PPP success depends on a clear mapping of key institutional actors and their roles, responsibilities and mandates. Such actors can include PPP

units, budget authorities and audit agencies (OECD, 2012). For CWSS where institutional capacity is limited, inter-stakeholder collaboration will be crucial to address some of the gaps.

Transparency

Fostering the transparency of PPPs entails enhancing or ensuring regular reporting to the public by the PPP operators. Such reporting can include raising awareness of PPP benefits, costs and risks, and will necessitate active engagement with stakeholders (OECD, 2012). This will help ensure the sustainability of the PPP. There are several compliance frameworks available to ensure the transparency of PPPs, including the Climate Disclosure Standards Board, the Global Reporting Initiative, the International Integrated Reporting Council and the Sustainability Accounting Standards Board (Clements Hunt and Noble, 2020).

Value for money

As with any investment, a PPP project needs to realise gains. Countries will thus need to assess which investment will yield the most in terms of value for money. This will entail evaluating key risk factors and characteristics (OECD, 2012). Ensuring value for money will remain crucial even during the renegotiation of PPP contracts. For small states with small markets and

TABLE 11.1. CHECKLIST OF PUBLIC-PRIVATE PARTNERSHIPS PREPARATION BEST PRACTICES

Rigorous project preparation process	Team and leadership	1.1 Assemble an experienced cross-functional team	1.2 Secure buy-in and leadership of high-level political champions and public servants
	Governance and project management	1.3 Set up a governance structure with clear roles/responsibilities and a coordinator	1.4 Pursue rigorous project management and devise multi-stage planning
	Preparation funding	1.5 Secure sufficient preparation funding and minimise costs through standardisation	1.6 Leverage project-preparation facilities (with cost recovery, advisory and monitoring)
Bankable feasibility study	Technical scope	2.1 Conduct robust and sophisticated demand forecasting	2.2 Fix contractible, innovation-friendly output specification cross checked by cost forecast
	Commercial effectiveness	2.3 Apply user charges, ancillary revenues land- value capture and government payments	2.4 Test bankability continuously and conduct market sounding early
	Prerequisites	2.5 Pursue proactive, inclusive and professional stakeholder engagement	2.6 Complete holistic legal feasibility check and expedite permits and land acquisition
Balanced risk allocation and regulation	Incentives	3.1 Adopt a life cycle-oriented contract model aligned with the policy objectives	3.2 Apply incentive-based price regulation and evaluate competition options
	Risk mitigation	3.3 Identify all risks, allocate them to the best-suited party and apply risk sharing/mitigation	3.4 Adopt regulation that is adaptive to exogenous changes and volatility
	Safeguards	3.5 Fulfil social objectives via enforced quality regulation and efficient monitoring	3.6 Provide for government intervention options in a predictable and fair way
Conducive enabling environment	Public-sector readiness	4.1 Establish a solid legal framework and independent regulators/dispute resolution	4.2 Enhance individual capacity with training and build institutional capacity in PPP units
	Private-sector readiness	4.3 Facilitate access to local currency, long-term finance and guarantees	4.4 Develop a competitive and capable local industry/workforce and pursue trade reforms
	Civil-society readiness	4.5 Insist on transparency and enforce anti-corruption standards	4.6 Optimise public communication, information and participation

Source: World Economic Forum (2013).

fewer bidders, conducting rigorous value for money assessments is key to ensuring PPPs deliver benefits.

Leveraging support from international financial institutions and multilateral partners

Governments stand to gain by leveraging agencies such as the World Bank and its subsidiaries, the IMF and the Inter-American Development Bank, among others. These actors offer a wide range of support to

countries, ranging from technical to financial assistance. This is crucial in small states where such support to implement PPP projects can be scarce.

Governments can also help ensure PPP success by ensuring they bring PPP projects to market with the help of reputable international banking houses that are well connected in the major financing centres (Commonwealth Secretariat, 2012).

To support member countries in their PPP efforts, in 2012 the Commonwealth Secretariat established the Commonwealth Public–Private Partnership Network (C3PN) to encourage South–South learning, dialogue and peer review. This later became the Commonwealth Enterprise and Investment Council. In 2014, the Secretariat developed a PPP reference guide. This presented key lessons learned and emerging best practices from successful and failed PPP transactions over the past 30 years (Commonwealth Secretariat, 2012).

Future-proofing

Many CWSS are highly vulnerable to the effects of climate change. As such, it is essential that they build infrastructure that is resilient and able to withstand any adverse effects, such as natural disasters. This will help ensure that projects are sustainable and have longevity (Baxter, 2017).

Flexibility

Most PPP contracts are long term, with some lasting more than 30 years. Infrastructure must therefore be adaptable to changing needs and contexts, including technological advances as well as climate change. This is particularly important for small states, given their vulnerability to external shocks and the increasing incidence of such shocks.

Adequate preparation

Thorough preparation is essential to successful PPPs. As demonstrated by Gabon’s privatisation of the utilities

sector, a lengthy preparation process can allow for detailed due diligence, clear checks and balances, and appropriate safeguards. High-quality data and strong statistical capacity are also critical to developing bankable projects. Reliable data on demand, demographics, macro-economic trends and users’ willingness to pay enable governments and investors to prepare robust financial models, allocate risks appropriately and price projects accurately. Where such data are lacking, this can raise financing costs, increase reliance on public guarantees or transfer demand risk back to the state. For CWSS, limited technical capacity, scarce project preparation funding and persistent data gaps can therefore hinder the development of bankable PPP projects.

Overall, successful PPPs require appropriate institutional, financial and technical support, both to facilitate implementation and to mitigate potential adverse effects. Table 11.1 presents the World Economic Forum’s checklist of PPP best practices.

12. Emerging priorities for thriving public-private partnership ecosystems in Commonwealth Small States

A review of the case studies in Section 10 and the preconditions in Section 11 generates a set of forward-looking priorities that will help move CWSS from isolated PPP successes towards a genuinely thriving and self-sustaining PPP ecosystem. These priorities respond directly to the structural constraints that distinguish small states from larger PPP markets – namely, thin project pipelines, limited technical capacity, higher relative transaction costs and constrained access to capital.

Key elements in building a thriving PPP ecosystem in CWSS include project aggregation, de-risking and guarantee instruments, shared institutional capacity, digital and data infrastructure, climate-contingent contract design, a pipeline of bankable projects, transparency and a CWSS PPP pipeline.

Project aggregation. Individual CWSS projects are frequently too small to attract international investors once fixed transaction costs are taken into account. One option would be to examine the potential for bundling smaller projects, so as to achieve sufficient scale and commercial attractiveness for private investors. Others could be bundling similar-sector projects across several small states or establishing regional PPP

facilities to help achieve the scale needed to lower the cost of capital and widen the investor pool.

De-risking and guarantee instruments. CWSS often carry a higher perceived risk premium even where underlying project fundamentals are sound. Wider use of political risk insurance, partial risk guarantees, and blended or catalytic capital where development finance institutions absorb early-stage losses could materially reduce financing costs and make marginal projects bankable.

Shared institutional capacity. Few small states can justify having a full standalone PPP unit. Regional or shared PPP secondment arrangements and sustained technical assistance would allow CWSS to build and retain the specialist capacity that PPP preparation and contract management require.

Digital and data infrastructure. As digital governance and connectivity needs grow, PPPs in submarine cables, data centres and digital public platforms represent an increasingly important investment frontier for small states. This area is currently underexplored relative to traditional infrastructure sectors.

Climate-contingent contract design.

Beyond general future-proofing, PPP contracts in CWSS could incorporate explicit climate-contingent features such as state-contingent debt clauses, natural catastrophe clauses in concession agreements and parametric insurance linked to PPP assets, given the acute exposure of small states, especially small island developing states, to climate shocks.

Pipeline of bankable projects. For many CWSS, it will also be essential to develop a pipeline of bankable projects. This is because, for many of these countries, the challenge is not just a lack of investor interest or capital, but a shortage of projects that are sufficiently prepared to attract investment. A greater emphasis on project preparation is needed, including feasibility studies, market assessments, financial structuring, risk allocation and transaction support. Furthermore, it will be imperative to maintain a pipeline of investment-ready projects and to engage investors, development finance institutions and MDBs early in the project cycle.

Transparency and a CWSS PPP

pipeline. A live Commonwealth-wide PPP pipeline and transparency register maintained collaboratively with member countries would give investors a better view of upcoming opportunities and the Secretariat a concrete convening role in supporting PPP readiness across CWSS.

13. Conclusion

Public-private partnerships have an important role to play in helping CWSS close critical public infrastructure and service gaps, mobilise investment and improve service delivery. They also enable the financing of investment and development in small states, which in turn builds such states' capacity for long-term fiscal sustainability, which is vital given their structural vulnerabilities.

For many small states, the challenge is twofold: infrastructure deficits constrain productivity, trade, resilience and service delivery, while limited fiscal space restricts the ability of governments to finance large-scale infrastructure on their own. Well-designed PPPs offer CWSS a practical mechanism to leverage private sector financing, technical expertise, innovation and operational efficiencies in support of national development goals. PPPs should not be viewed as a substitute for sound public investment planning or strong governance, however. Their success depends on careful project preparation, transparent procurement, balanced risk allocation, robust legal and regulatory frameworks, value-for-money assessments and sustained public sector capacity to manage contracts over the long term.

This report has shown that PPPs have been used across CWSS in a wide range of sectors, including energy,

transport, utilities, agriculture, health, water and sanitation. The case studies demonstrate that PPPs can deliver tangible development gains, from expanding access to essential services to strengthening trade-related infrastructure and improving operational performance. Developing economic infrastructure is particularly important in advancing intra-Commonwealth trade. At the same time, PPPs can entail significant risks and challenges, including fiscal exposure, difficulties in contract management and affordability. Governance weaknesses and vulnerability to external shocks, such as climate events and economic disruptions, can create additional challenges. For CWSS, where markets are often small and climate risks are high, these considerations are particularly important.

Going forward, expanding the use of PPPs in CWSS will require a deliberate and context-specific approach. Governments will need to prioritise bankable and developmentally relevant projects, strengthen institutional readiness, draw on support from international financial institutions and multilateral partners and foster stronger collaboration across CWSS to share lessons, build capacity and replicate successful models. If supported by the right enabling conditions, PPPs can become a valuable instrument for

advancing resilient infrastructure, improving public services, crowding in private investment, accelerating trade and supporting long-term

sustainable development across CWSS, hence positioning them for strategic relevance.

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Annex: Public–private partnerships in infrastructure in sampled Commonwealth Small States, 1990–2024

Country	Infrastructure sector	Total investment	Sector with largest share in investment	Projects cancelled or in distress
Caribbean and America				
Belize	Electricity, ICT, ports, water and sewerage	US\$545 million	Electricity	3, or 53.9% of total investment
Grenada	Electricity	US\$39 million	Electricity	0, or 0% of total investment
Africa				
Eswatini	Electricity, ICT	US\$132 million	Electricity	0, or 0% of total investment
Gabon	Electricity, ICT, ports, railways, water and sewerage	US\$3.339 million	Electricity	2, or 10.2% of total investment
Botswana	Electricity, ICT, water and sewerage	US\$353 million	Electricity	0, or 0% of total investment
The Gambia	Electricity, ICT, water and sewerage	US\$742 million	ICT	2 representing 4.72% of total investment
Lesotho	Electricity, ICT	US\$39 million	ICT	0, or 0% of total investment
Seychelles	ICT	US\$63 million	ICT	0, or 0% of total investment
Pacific				
Fiji	Electricity, ICT	US\$96 million	ICT	0, or 0% of total investment
Samoa	ICT	US\$67 million	ICT	0, or 0% of total investment
Tonga	Electricity	US\$13 million	Electricity	0, or 0% of total investment

Sources: <https://ppp.worldbank.org/>; <https://ppi.worldbank.org/en/snapshots/country/>

Statistical Annexes

GDP growth rate at constant prices (% change)

Country	2021	2022	2023	2024	2025	2026E	2027E	2028E
Antigua and Barbuda	8.2	8.5	3.9	2.5	3.0	2.6	2.4	2.5
Barbados	8.0	15.9	1.8	3.4	2.7	2.5	2.2	2.0
Belize	18.0	9.3	0.5	3.5	2.7	2.2	2.1	2.0
Botswana	11.9	5.5	3.2	-3.0	-0.9	4.7	2.2	3.0
Brunei Darussalam	-1.6	-1.6	1.1	4.1	0.6	2.6	2.7	2.5
Cyprus	11.4	8.3	3.6	3.9	3.8	3.0	3.0	3.0
Dominica	6.9	5.6	4.7	3.5	4.5	3.1	2.8	2.7
Eswatini	4.2	0.4	3.5	3.0	3.6	4.0	3.5	2.9
Fiji	-4.4	17.7	9.4	3.5	3.2	2.4	2.7	3.0
Gabon	1.5	3.0	2.4	3.4	2.5	2.7	2.8	2.8
The Gambia	5.3	5.5	5.9	5.6	6.0	5.1	5.0	5.0
Grenada	4.7	7.3	4.5	2.4	4.4	3.1	3.1	3.0
Guyana	20.1	63.3	33.8	43.8	19.3	16.2	19.7	22.1
Jamaica	5.7	6.4	2.7	-0.5	-0.1	-1.2	3.1	1.8
Kiribati	8.6	5.0	3.3	4.6	4.3	3.1	2.4	2.2
Lesotho	4.6	1.6	2.5	4.9	1.4	1.1	0.8	1.4
Maldives	37.5	13.8	5.1	3.1	5.0	3.0	4.6	4.2
Malta	13.4	2.6	10.6	6.2	4.0	3.7	3.8	4.0
Mauritius	3.4	8.7	5.0	4.9	3.1	3.4	3.4	3.4
Namibia	3.6	5.4	4.4	3.7	2.4	2.4	2.7	3.0
Naoero	7.2	0.1	-0.3	1.4	2.2	2.1	2.0	2.0
Palau	-11.9	-0.5	1.2	12.0	6.3	3.3	2.8	3.2
Papua New Guinea	-0.5	5.7	3.8	3.9	5.6	3.8	3.8	3.2
Samoa	-5.1	2.3	15.2	4.8	4.2	3.2	2.8	2.5
Seychelles	0.6	9.9	5.2	3.4	5.1	1.5	4.0	3.3
Solomon Islands	-0.2	-2.6	2.8	3.0	2.7	2.8	2.9	3.0
St Kitts and Nevis	0.6	10.5	4.6	1.7	1.5	2.0	2.5	2.6
Saint Lucia	11.3	20.6	3.3	4.7	1.7	2.0	1.7	1.6
St Vincent and the Grenadines	2.1	5.0	4.5	4.5	3.4	3.0	2.7	2.7
Tonga	-0.9	-2.1	2.8	1.7	2.8	2.3	1.3	1.3
Trinidad and Tobago	-0.7	0.9	1.5	2.5	0.8	0.8	3.0	3.5
Tuvalu	0.1	-11.8	4.0	3.1	2.2	2.5	2.4	2.3
Vanuatu	-1.2	5.6	5.8	3.8	3.1	3.5	3.2	2.8

Source: IMF World Economic Outlook, April 2026.

Debt to GDP (% of GDP)

Country	2021	2022	2023	2024	2025	2026E	2027E	2028E
Antigua and Barbuda	93.0	82.4	74.5	71.8	69.7	66.5	65.2	63.9
Barbados	108.6	104.0	104.1	98.9	94.2	89.5	85.1	81.2
Belize	82.2	66.8	67.5	65.4	67.9	63.2	62.7	62.4
Botswana	22.3	21.0	22.5	33.2	38.6	47.0	51.9	55.5
Brunei Darussalam	1.4	1.3	1.7	1.6	1.5	1.5	1.4	1.4
Cyprus	96.5	80.3	71.1	62.8	55.3	50.9	46.6	42.4
Dominica	116.3	110.0	101.3	108.2	102.6	98.3	94.7	91.4
Eswatini	37.3	39.5	39.4	40.1	44.9	50.0	52.7	54.0
Fiji	86.7	91.5	82.9	79.1	78.7	82.5	83.6	83.0
Gabon	72.9	65.6	70.6	70.9	78.9	86.1	94.3	102.1
The Gambia	83.1	83.9	77.4	78.5	73.9	68.3	61.6	56.4
Grenada	86.6	79.3	74.5	75.1	71.6	69.0	69.5	69.8
Guyana	38.9	24.8	26.7	24.3	28.6	29.2	28.0	28.3
Jamaica	86.3	70.2	66.5	62.5	67.7	65.8	65.0	63.8
Kiribati	17.3	16.2	11.3	8.9	8.0	7.7	15.8	21.2
Lesotho	58.0	64.4	61.1	52.8	49.1	49.0	48.6	48.1
Maldives	123.4	111.6	122.4	133.3	125.4	129.4	130.3	131.4
Malta	49.6	50.1	46.8	46.0	46.8	47.3	47.5	47.5
Mauritius	86.1	81.8	81.5	86.1	86.5	86.5	85.0	83.5
Namibia	69.6	70.1	67.9	69.8	70.2	70.5	71.2	72.4
Naoero	24.2	18.9	19.2	16.9	14.7	12.7	10.5	9.0
Palau	69.9	68.9	76.4	66.3	62.3	56.7	50.5	44.9
Papua New Guinea	52.6	48.2	53.9	53.3	52.1	49.2	46.4	43.2
Samoa	45.4	41.0	31.8	25.2	21.2	17.1	16.6	17.2
Seychelles	71.0	60.6	55.1	56.1	51.5	55.0	54.0	52.4
Solomon Islands	16.1	16.5	22.3	26.1	28.7	29.9	31.3	32.5
St Kitts and Nevis	73.0	64.5	60.0	58.1	58.4	64.0	68.7	71.3
Saint Lucia	81.9	73.9	75.2	76.7	77.1	77.5	77.7	77.7
St Vincent and the Grenadines	88.3	88.6	91.3	102.8	113.4	120.1	126.1	131.3
Tonga	43.0	40.2	37.2	31.9	27.4	34.4	41.1	48.9
Trinidad and Tobago	80.2	69.9	78.2	81.8	84.2	84.1	82.8	80.7
Tuvalu	11.3	6.3	6.7	7.0	3.6	3.2	2.9	2.6
Vanuatu	42.2	39.2	39.2	39.1	40.9	43.2	45.3	47.3

Source: IMF World Economic Outlook, April 2026.

Government revenue (% of GDP)

Country	2021	2022	2023	2024	2025	2026E	2027E	2028E
Antigua and Barbuda	18.9	18.0	16.7	21.9	22.4	21.6	21.0	20.9
The Bahamas	17.0	20.1	19.6	19.8	21.0	22.0	22.1	22.0
Barbados	23.2	25.2	24.9	27.2	26.7	26.1	26.2	26.2
Belize	22.4	22.4	23.4	25.2	24.9	24.6	24.5	24.5
Botswana	29.1	29.1	28.2	26.5	27.6	25.0	27.0	27.4
Brunei Darussalam	21.7	25.9	21.5	17.4	16.5	18.4	18.9	19.0
Cyprus	41.1	40.4	42.3	42.4	43.4	42.8	41.7	41.6
Dominica	58.8	62.5	60.3	60.6	54.1	46.6	41.5	41.4
Eswatini	24.7	23.6	30.9	32.5	29.6	31.5	32.4	32.3
Fiji	21.5	21.6	23.0	27.4	29.1	28.2	27.8	28.0
Gabon	15.3	18.8	23.3	21.5	20.2	19.6	19.3	19.2
The Gambia	16.7	18.9	20.4	21.3	24.2	24.5	23.6	22.9
Grenada	31.6	32.9	36.6	45.2	34.1	31.7	31.1	30.9
Guyana	17.8	15.3	18.1	16.1	18.5	16.0	17.0	16.0
Jamaica	28.4	27.4	27.7	30.3	30.1	28.3	28.6	28.7
Kiribati	73.2	68.9	96.2	72.0	73.7	99.5	79.0	80.7
Lesotho	48.9	44.4	56.4	60.6	56.4	56.8	57.5	57.4
Maldives	26.4	30.8	33.5	32.3	33.6	30.9	30.9	31.2
Malta	32.5	33.0	31.4	33.9	33.9	33.1	33.1	33.2
Mauritius	24.2	24.5	24.0	25.8	27.7	28.2	28.1	27.9
Namibia	30.6	30.2	33.9	35.8	33.0	31.6	31.0	31.3
Naoero	161.8	134.3	129.2	147.2	132.2	144.7	141.2	140.8
Palau	56.0	59.5	48.1	53.8	53.8	52.3	52.0	51.7
Papua New Guinea	15.1	16.6	17.9	17.5	17.3	18.2	18.5	18.5
Samoa	35.8	36.1	31.5	35.6	31.1	30.5	30.2	29.7
Seychelles	33.1	30.8	32.0	32.3	31.7	33.3	32.1	32.6
Solomon Islands	35.1	40.8	40.1	37.5	37.4	37.4	36.5	36.3
St Kitts and Nevis	47.5	46.1	43.9	33.1	30.7	32.2	32.7	33.2
Saint Lucia	21.3	21.3	22.1	22.6	22.4	22.2	22.1	22.2
St Vincent and the Grenadines	30.0	27.3	27.2	27.9	28.7	28.5	28.5	28.5
Tonga	43.7	41.2	46.7	47.9	51.6	37.9	37.0	35.6
Trinidad and Tobago	23.0	29.2	31.2	26.3	26.9	30.2	31.3	31.8
Tuvalu	100.5	100.7	156.0	114.0	136.9	112.9	110.8	109.6
Vanuatu	40.6	32.6	38.2	30.7	31.6	28.1	27.5	27.3

Source: IMF World Economic Outlook, April 2026.

Government expenditure (% of GDP)

Country	2021	2022	2023	2024	2025	2026E	2027E	2028E
Antigua and Barbuda	23.4	20.8	18.4	20.2	19.3	22.3	22.2	21.9
Barbados	27.1	26.9	26.5	28.1	27.0	26.2	26.0	26.0
Belize	25.7	23.4	25.8	26.8	25.9	26.1	26.3	26.1
Botswana	31.4	29.1	32.4	33.7	35.0	35.7	34.8	35.0
Brunei Darussalam	30.1	26.1	30.1	30.3	29.9	29.1	28.7	28.6
Cyprus	42.7	37.7	40.6	38.3	40.4	40.1	39.2	39.2
Dominica	67.0	69.7	64.8	67.4	55.4	47.6	42.5	42.2
Eswatini	29.3	28.9	31.5	33.6	35.7	38.3	37.4	36.4
Fiji	35.8	33.9	30.2	30.8	31.5	34.6	32.9	31.8
Gabon	17.3	19.7	21.5	24.8	28.6	29.6	30.5	31.2
The Gambia	21.5	24.6	23.9	25.3	27.1	25.5	24.0	23.5
Grenada	31.3	32.0	28.7	38.3	39.1	36.9	31.2	31.0
Guyana	24.8	20.4	23.7	23.3	23.9	22.4	20.8	20.2
Jamaica	27.6	27.1	27.7	30.1	33.8	33.1	31.7	30.8
Kiribati	84.0	87.2	94.4	86.1	88.2	116.3	94.2	93.2
Lesotho	53.6	50.8	49.0	52.5	54.2	52.6	53.0	53.0
Maldives	40.6	42.0	46.7	43.9	36.5	42.1	40.0	40.1
Malta	39.5	38.4	35.8	37.4	37.0	35.9	35.8	35.8
Mauritius	28.3	27.6	28.5	32.6	31.4	31.3	29.9	29.4
Namibia	39.3	36.6	37.0	39.6	39.4	37.6	36.4	36.3
Naoero	109.5	113.8	111.0	118.4	128.7	131.6	130.9	127.5
Palau	65.9	63.7	50.4	52.6	52.1	51.5	51.1	50.9
Papua New Guinea	22.0	21.9	22.3	20.9	19.7	19.3	18.7	18.5
Samoa	34.1	31.1	28.8	26.3	26.4	29.9	30.6	31.0
Seychelles	38.8	31.6	33.1	33.0	32.7	35.3	33.4	33.4
Solomon Islands	36.9	43.5	44.2	39.6	40.6	40.8	39.7	39.5
St Kitts and Nevis	42.0	50.4	43.7	44.4	42.4	40.8	40.2	38.8
Saint Lucia	26.7	23.8	25.3	24.4	25.2	25.1	25.0	24.9
St Vincent and the Grenadines	37.2	36.6	39.7	43.9	41.0	40.6	39.6	38.7
Tonga	44.5	41.3	41.5	44.3	46.8	46.3	45.0	44.9
Trinidad and Tobago	31.4	28.3	32.4	32.2	32.4	34.7	33.8	33.5
Tuvalu	113.8	115.3	145.9	117.5	105.3	114.2	115.3	115.5
Vanuatu	38.6	38.5	38.9	33.1	35.5	32.3	31.5	31.1

Source: IMF World Economic Outlook, April 2026.

Current account balance (US\$ billions)

Country	2021	2022	2023	2024	2025	2026E	2027E	2028E
Antigua and Barbuda	-0.28	-0.28	-0.27	-0.16	-0.27	-0.28	-0.28	-0.28
Barbados	-0.47	-0.54	-0.56	-0.30	-0.60	-0.59	-0.59	-0.56
Belize	-0.16	-0.24	-0.03	-0.06	-0.12	-0.16	-0.14	-0.13
Botswana	-0.33	-0.12	0.29	-0.82	0.72	-0.42	-0.34	-0.51
Brunei Darussalam	1.56	3.26	1.94	2.23	2.19	2.44	2.74	2.96
Cyprus	-1.67	-2.15	-3.42	-3.09	-3.30	-4.22	-4.89	-5.44
Dominica	-0.19	-0.17	-0.27	-0.26	-0.28	-0.26	-0.21	-0.18
Eswatini	0.13	-0.13	0.10	0.08	-0.03	-0.10	-0.03	0.00
Fiji	-0.27	-0.76	-0.36	-0.47	-0.57	-0.80	-0.72	-0.68
Gabon	0.63	1.81	0.60	0.36	-0.68	-1.00	-1.32	-1.55
The Gambia	-0.09	-0.09	-0.13	-0.16	-0.13	-0.14	-0.12	-0.11
Grenada	-0.16	-0.15	-0.27	-0.30	-0.25	-0.27	-0.25	-0.25
Guyana	-1.98	3.81	1.68	4.06	3.49	7.30	5.44	11.25
Jamaica	0.15	-0.14	0.57	0.65	0.27	-1.38	-1.58	-0.91
Kiribati	0.02	-0.03	-0.01	-0.06	-0.07	-0.07	-0.07	-0.07
Lesotho	-0.22	-0.32	-0.02	0.05	-0.09	-0.10	-0.07	-0.05
Maldives	-0.45	-1.00	-1.40	-1.32	-0.65	-1.43	-1.35	-1.30
Malta	1.85	-0.54	1.48	1.77	1.58	1.78	1.68	1.73
Mauritius	-1.50	-1.43	-0.42	-0.96	-1.04	-1.19	-0.93	-0.67
Namibia	-1.34	-1.58	-1.88	-1.89	-1.95	-2.71	-2.50	-2.57
Naoero	0.01	0.00	0.00	0.01	0.01	0.01	0.00	0.01
Palau	-0.10	-0.11	-0.11	-0.07	-0.07	-0.07	-0.06	-0.06
Papua New Guinea	3.28	4.57	2.80	4.78	4.78	4.70	4.05	4.18
Samoa	-0.13	-0.09	-0.03	0.05	0.07	-0.02	-0.06	-0.04
Seychelles	-0.16	-0.15	-0.14	-0.18	-0.15	-0.18	-0.14	-0.15
Solomon Islands	-0.08	-0.22	-0.17	-0.07	-0.02	-0.08	-0.10	-0.10
St Kitts and Nevis	-0.03	-0.10	-0.14	-0.14	-0.16	-0.18	-0.17	-0.16
Saint Lucia	-0.19	-0.08	-0.05	-0.04	-0.12	-0.13	-0.11	-0.09
St Vincent and the Grenadines	-0.21	-0.20	-0.19	-0.19	-0.24	-0.25	-0.22	-0.22
Tonga	-0.03	-0.03	-0.03	-0.02	-0.04	-0.05	-0.06	-0.05
Trinidad and Tobago	2.63	2.88	2.89	0.65	0.81	1.03	1.37	1.62
Tuvalu	0.02	0.00	0.02	0.01	0.02	0.00	0.00	0.00
Vanuatu	-0.16	-0.14	-0.09	-0.26	-0.14	-0.12	-0.11	-0.09

Source: IMF World Economic Outlook, April 2026.

Imports (goods and services, % change)

Country	2021	2022	2023	2024	2025	2026E	2027E	2028E
Antigua and Barbuda	4.5	24.3	4.0	0.6	9.1	-0.7	4.1	4.0
Barbados	2.8	3.1	5.5	7.9	12.1	1.3	6.2	3.5
Belize	32.1	10.1	-2.3	11.7	-2.1	3.9	1.1	1.5
Botswana	2.3	-15.9	-8.8	18.9	-15.8	7.5	5.7	3.6
Brunei Darussalam	30.0	8.6	-5.3	0.7	2.5	5.8	1.5	3.0
Cyprus	19.6	29.9	1.1	5.0	4.1	6.3	6.0	4.5
Dominica	4.1	11.3	28.1	3.6	12.9	-3.1	-7.3	-0.2
Eswatini	15.4	-18.9	-0.9	12.4	14.3	18.5	3.4	4.0
Gabon	-7.3	-2.8	11.1	16.7	16.0	11.7	5.9	4.4
The Gambia	-7.0	13.3	58.5	16.3	3.4	0.2	4.9	6.7
Grenada	-8.9	13.5	10.4	4.6	12.2	7.1	3.7	4.2
Guyana	13.9	7.8	49.0	34.2	-3.4	15.9	12.3	9.1
Jamaica	-0.4	12.7	10.7	-0.7	12.4	10.2	13.7	0.6
Kiribati	24.5	37.5	-0.6	0.7	13.5	3.9	1.4	1.4
Lesotho	-1.0	-1.0	-1.5	-0.3	2.7	-3.3	1.6	1.5
Maldives	13.6	21.2	8.2	7.3	-0.3	8.5	10.9	4.2
Malta	3.2	18.8	-1.9	5.2	4.4	6.7	4.5	4.6
Mauritius	10.5	9.8	-0.1	1.1	4.8	3.2	3.0	3.1
Namibia	6.1	6.5	6.2	8.4	4.3	2.4	2.7	3.0
Palau	-19.7	7.9	-5.4	3.4	5.0	6.2	4.3	3.6
Papua New Guinea	-2.3	35.3	3.1	-13.5	29.4	2.4	2.6	4.3
Seychelles	10.3	8.1	12.9	-3.1	11.6	-6.7	8.3	3.2
Solomon Islands	12.9	32.3	2.6	-3.3	-8.9	9.5	7.7	3.6
St Kitts and Nevis	-22.0	28.1	20.3	-3.5	5.8	3.3	5.3	3.2
Saint Lucia	5.4	25.0	8.9	16.0	-1.0	7.4	5.0	5.3
St Vincent and the Grenadines	-4.4	7.2	20.9	19.3	2.0	7.4	2.1	3.5
Tonga	-7.3	5.1						
Trinidad and Tobago	-0.9	12.6	-10.7	12.1	1.6	-0.1	2.8	2.4

Source: IMF World Economic Outlook, April 2026.

Exports (goods and services, % change)

Country	2021	2022	2023	2024	2025	2026E	2026E2	2027E	2028E
Antigua and Barbuda	17.9	56.8	6.8	9.7	-4.4	1.6	3.3	4.3	3.5
Barbados	19.4	15.0	5.4	12.0	0.2	5.9	6.1	4.3	5.3
Belize	32.3	14.3	12.7	6.6	-1.2	2.1	2.2	2.2	1.6
Botswana	31.7	0.0	-13.5	-4.7	51.9	-1.8	-1.3	-4.1	5.5
Brunei Darussalam	11.3	4.5	0.4	4.5	-0.9	4.3	2.7	3.0	1.2
Cyprus	27.2	27.5	-1.6	6.1	4.7	5.0	5.6	4.1	4.1
Dominica	16.7	47.8	8.6	17.5	10.6	1.0	5.5	11.3	9.5
Eswatini	16.7	-19.1	-10.0	19.7	13.1	13.0	3.1	2.7	3.7
Gabon	2.5	6.4	2.6	-2.8	-0.5	4.5	2.5	1.5	1.0
The Gambia	-10.1	89.5	167.1	14.2	6.7	3.3	6.5	6.4	2.7
Grenada	-32.5	241.2	35.1	1.5	-3.1	4.1	6.1	4.6	2.3
Guyana	39.9	101.9	38.3	55.0	15.2	17.1	8.3	25.8	5.3
Jamaica	26.1	36.3	16.9	-0.9	-6.6	-7.0	17.3	11.3	10.5
Kiribati	-53.5	95.5	-23.5	-20.0	67.3	-8.3	8.8	8.7	8.4
Lesotho	16.1	-6.1	4.6	1.9	9.3	-8.3	0.8	3.6	7.3
Maldives	83.6	14.7	1.2	10.3	13.6	-3.3	13.8	7.4	10.8
Malta	4.5	11.6	5.2	6.3	4.6	5.8	4.1	4.1	4.3
Mauritius	-5.4	31.3	10.3	3.9	6.0	6.3	8.4	7.0	7.2
Namibia	6.4	4.5	7.0	-1.0	6.3	-15.1	-1.2	-0.4	8.8
Palau	-74.9	135.7	65.2	39.1	18.2	15.7	9.0	8.4	8.2
Papua New Guinea	8.2	-6.1	4.6	-3.2	16.7	2.3	0.4	5.2	5.8
Seychelles	7.0	2.6	9.3	-2.7	17.8	-5.3	8.8	2.1	2.7
Solomon Islands	-1.9	-4.6	21.7	7.3	28.0	-12.0	5.5	2.2	5.3
St Kitts and Nevis	-1.3	23.1	12.2	0.9	-1.3	8.4	5.2	4.2	4.5
Saint Lucia	20.9	52.3	24.3	16.7	-3.5	8.2	5.9	3.5	2.7
St Vincent and the Grenadines	-27.6	71.2	19.2	17.4	-2.8	7.5	6.5	4.8	2.9
Tonga	-49.2	-0.7							
Trinidad and Tobago	40.4	31.0	-28.6	-1.4	6.8	2.6	5.9	3.8	-2.4

Source: IMF World Economic Outlook, April 2026.

Personal remittances, received (% of GDP)

Country	2020	2021	2022	2023	2024
Antigua and Barbuda	2.57	2.83	1.86	1.74	1.19
The Bahamas	0.49	0.44	0.42	0.41	0.42
Belize	5.89	5.57	5.00	4.90	4.81
Botswana	0.30	0.32	0.31	0.36	0.66
Cyprus	2.22	2.06	1.67	1.81	1.80
Dominica	6.36	7.14	6.06	5.23	5.67
Eswatini	2.72	2.75	2.66	1.73	0.69
Fiji	7.50	9.46	9.22	8.75	7.11
The Gambia	22.98	27.16	22.76	21.61	22.00
Grenada	6.75	5.53	5.15	3.05	3.50
Guyana	8.06	6.88	3.66	3.22	
Jamaica	20.45	23.22	19.60	16.81	16.19
Kiribati	6.75	4.68	10.41	4.03	4.76
Lesotho	21.91	19.67	22.62	22.65	20.94
Maldives	0.13	0.09	0.08	0.08	0.08
Mauritius	2.46	2.34	2.12	2.24	1.92
Namibia	0.57	0.51	0.57	0.68	0.72
Naoero	1.99	0.68	0.60	0.58	1.37
Papua New Guinea	0.01	0.01	0.05	0.04	0.01
Samoa	23.50	28.89	31.47	25.35	24.01
Solomon Islands	1.79	3.27	5.53	5.61	6.01
St Kitts and Nevis	3.57	4.32	3.83	3.52	3.45
Saint Lucia	3.76	3.39	2.65	2.60	2.38
St Vincent and the Grenadines	7.29	7.88	8.96	8.55	7.94
Tonga	37.50	41.53	38.68	42.61	
Trinidad and Tobago	0.93	0.97	0.72	0.81	0.78
Tuvalu	4.25	4.90	4.18	4.16	
Vanuatu	13.97	21.03	18.75		

Source: World Development Indicators 2026.

Consumer prices (index score)

Country	2021	2022	2023	2024	2025	2026E	2027E	2028E
Antigua and Barbuda	104.9	114.6	118.3	124.7	128.5	131.7	134.3	136.9
Barbados	104.1	108.1	111.6	112.0	113.8	116.8	119.1	121.9
Belize	104.9	112.0	116.1	119.1	119.6	121.9	123.4	125.0
Botswana	369.4	415.3	430.0	437.4	454.3	483.0	507.6	530.4
Brunei Darussalam	103.6	107.0	107.7	107.2	106.5	108.2	109.1	110.2
Cyprus	88.1	94.8	96.6	99.7	99.7	101.9	104.0	106.0
Dominica	108.1	117.5	120.4	122.9	124.9	129.8	132.1	135.0
Eswatini	105.3	111.2	116.0	120.5	123.3	127.6	132.5	137.0
Fiji	126.5	131.9	138.2	138.0	138.0	143.2	146.6	150.3
Gabon	143.1	150.8	154.2	155.6	159.8	163.8	167.6	171.4
The Gambia	604.7	687.8	806.8	888.9	947.6	995.0	1044.7	1096.9
Grenada	113.3	116.6	119.2	120.2	120.5	123.0	124.9	127.4
Guyana	127.5	136.7	139.4	143.5	147.1	155.5	163.6	172.5
Jamaica	117.0	127.9	136.7	143.5	150.0	156.4	164.3	172.5
Kiribati	89.7	104.2	102.0	105.0	111.6	115.3	118.1	121.1
Lesotho	97.2	103.9	111.6	116.4	121.4	127.1	131.9	137.2
Maldives	98.4	101.7	103.6	108.1	108.4	110.6	112.8	115.0
Malta	84.5	90.6	94.0	95.7	98.0	100.4	102.8	104.8
Mauritius	113.3	127.1	132.0	135.8	142.0	147.5	152.9	158.3
Namibia	148.2	158.4	166.8	172.5	178.0	185.6	191.1	196.8
Naoero	113.8	116.4	119.9	134.7	140.1	145.2	151.2	156.3
Palau	108.7	123.6	134.7	137.8	136.6	148.9	148.7	152.2
Papua New Guinea	161.6	167.1	173.6	174.7	181.9	189.9	198.4	207.4
Samoa	109.2	121.0	133.9	135.0	137.9	141.7	145.8	150.2
Seychelles	125.6	128.7	125.2	127.4	127.1	131.1	133.1	136.0
Solomon Islands	108.9	118.4	123.5	130.4	129.8	133.0	136.3	139.7
St Kitts and Nevis	106.6	110.7	112.5	114.6	116.3	118.9	121.4	123.9
Saint Lucia	105.0	118.4	115.1	117.4	117.8	120.7	123.3	125.9
St Vincent and the Grenadines	114.0	121.6	126.5	129.1	129.7	132.3	134.9	137.6
Tonga	99.6	109.5	124.5	132.4	134.2	139.6	147.5	152.5
Trinidad and Tobago	128.6	139.8	140.9	141.5	142.1	146.6	150.1	153.2
Tuvalu	184.0	209.1	218.4	228.2	232.7	239.9	246.3	252.6
Vanuatu	172.8	192.2	205.6	204.1	208.6	217.5	224.7	229.8

Source: IMF World Economic Outlook, April 2026.

Inflation (% change)

Country	2021	2022	2023	2024	2025	2026E	2027E	2028E
Antigua and Barbuda	1.2	9.3	3.3	5.4	3.1	2.5	2.0	2.0
Barbados	2.4	3.8	3.2	0.4	1.6	2.7	2.0	2.3
Belize	4.9	6.7	3.7	2.6	0.4	1.9	1.3	1.3
Botswana	8.7	12.4	3.5	1.7	3.9	6.3	5.1	4.5
Brunei Darussalam	2.2	3.3	0.7	-0.5	-0.7	1.6	0.9	1.0
Cyprus	4.8	7.6	1.9	3.1	0.1	2.2	2.0	2.0
Dominica	3.5	8.7	2.5	2.1	1.6	3.9	1.8	2.2
Eswatini	3.5	5.6	4.3	3.9	2.3	3.5	3.8	3.4
Fiji	5.6	4.3	4.8	-0.2		3.8	2.4	2.5
Gabon	1.7	5.4	2.3	0.9	2.7	2.5	2.3	2.3
The Gambia	7.6	13.7	17.3	10.2	6.6	5.0	5.0	5.0
Grenada	1.9	2.9	2.2	0.8	0.3	2.1	1.6	2.0
Guyana	5.7	7.2	2.0	2.9	2.5	5.7	5.2	5.4
Jamaica	7.3	9.4	6.9	5.0	4.5	4.3	5.0	5.0
Kiribati	2.5	16.2	-2.1	2.9	6.3	3.3	2.5	2.5
Lesotho	7.2	6.8	7.4	4.2	4.3	4.7	3.8	4.0
Maldives	0.2	3.3	1.9	4.3	0.3	2.0	2.0	2.0
Malta	2.6	7.3	3.7	1.8	2.5	2.5	2.4	2.0
Mauritius	6.8	12.2	3.9	2.9	4.5	3.9	3.6	3.5
Namibia	4.5	6.9	5.3	3.4	3.2	4.3	2.9	3.0
Naoero	3.3	2.4	3.0	12.3	4.1	3.6	4.1	3.4
Palau	4.6	13.7	9.0	2.3	-0.9	9.0	-0.1	2.4
Papua New Guinea	5.7	3.4	3.9	0.7	4.1	4.4	4.5	4.5
Samoa	4.1	10.8	10.7	0.8	2.1	2.8	2.9	3.0
Seychelles	7.9	2.5	-2.7	1.7	-0.2	3.1	1.6	2.2
Solomon Islands	4.6	8.7	4.3	5.6	-0.5	2.5	2.5	2.5
St Kitts and Nevis	1.9	3.8	1.6	1.9	1.5	2.2	2.1	2.0
Saint Lucia	4.1	12.8	-2.8	2.0	0.3	2.5	2.1	2.1
St Vincent and the Grenadines	3.4	6.7	4.0	2.1	0.5	2.0	2.0	2.0
Tonga	4.9	9.9	13.7	6.4	1.3	4.0	5.7	3.4
Trinidad and Tobago	3.5	8.7	0.7	0.5	0.4	3.1	2.4	2.1
Tuvalu	9.8	13.6	4.5	4.5	2.0	3.1	2.7	2.5
Vanuatu	0.7	11.2	7.0	-0.7	2.2	4.3	3.3	2.3

Source: IMF World Economic Outlook, April 2026.

Unemployment, total (% of total labour force) (modelled International Labour Organization estimate)

Country	2018	2019	2020	2021	2022	2023	2024	2025
The Bahamas	10.0	9.3	12.0	11.1	9.3	8.6	9.0	9.2
Barbados	8.3	8.4	10.6	11.0	7.3	6.5	6.4	6.5
Belize	9.3	9.1	10.8	10.3	8.7	8.3	8.7	8.9
Botswana	19.7	20.1	21.0	23.1	23.6	23.4	23.8	24.5
Brunei Darussalam	8.7	6.6	7.4	4.9	5.2	5.3	5.2	5.3
Cyprus	8.5	7.2	7.8	7.5	6.8	5.8	4.9	4.9
Eswatini	26.5	28.2	33.0	34.2	36.5	34.6	34.6	34.2
Fiji	4.5	4.7	5.1	5.2	5.4	5.3	5.4	5.3
Gabon	20.5	20.4	21.3	21.2	20.3	20.2	20.1	20.2
The Gambia	4.1	4.5	5.8	6.2	6.1	6.5	6.5	6.5
Guyana	13.6	13.2	15.3	14.6	11.9	11.9	11.9	12.0
Jamaica	5.5	5.0	6.5	5.2	4.1	3.0	3.2	3.3
Lesotho	16.6	16.9	18.4	18.2	16.6	16.3	16.3	16.3
Maldives	5.0	4.6	5.4	5.0	4.3	4.0	4.3	4.5
Mauritius	6.4	6.3	8.6	7.7	6.3	5.6	5.5	5.6
Namibia	19.9	19.9	21.0	20.9	19.6	19.2	19.2	19.3
Papua New Guinea	2.7	2.7	2.9	3.0	2.7	2.6	2.6	2.6
Solomon Islands	0.7	0.7	0.9	0.9	1.5	1.4	1.4	1.4
Saint Lucia	19.3	15.6	25.2	20.5	15.9	12.1	10.2	9.5
St Vincent and the Grenadines	19.0	19.2	20.6	20.4	19.3	18.3	18.1	18.0
Trinidad and Tobago	3.5	3.5	4.2	4.4	4.4	3.4	3.3	3.3
Tonga	2.2	2.2	2.7	2.1	2.0	1.7	2.0	2.0
Vanuatu	5.4	5.4	4.0	4.8	5.1	5.0	5.0	5.1
Samoa	8.6	7.9	7.5	6.7	5.0	4.9	4.9	5.0
Malta	4.0	4.1	4.9	3.8	3.5	3.5	3.1	2.9

Source: World Development Indicators.

Travel and tourism direct GDP contribution, US\$, nominal (% of whole economy GDP)

Country	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Antigua and Barbuda	27.4	14.8	15.6	22.5	22.7	24.1	24.4	25.4	25.3	25.2
Bahamas	20.7	7.1	13.7	20.1	20.7	23.0	22.2	22.8	23.1	23.5
Barbados	10.3	5.5	6.0	7.2	8.3	8.6	9.3	9.8	10.0	10.2
Belize	14.1	7.8	9.6	13.2	15.1	15.9	15.6	16.8	16.8	16.5
Botswana	5.7	1.9	2.2	3.3	3.7	5.2	6.3	6.9	7.1	7.2
Brunei Darussalam	1.8	0.7	0.8	1.0	1.5	1.8	1.9	2.1	2.2	2.2
Cyprus	6.7	1.5	3.7	4.9	5.7	5.8	6.3	6.5	6.8	7.0
Dominica	11.0	4.0	3.2	6.7	7.9	8.8	8.8	9.7	10.1	10.6
Eswatini	2.1	1.6	1.6	1.8	2.1	2.2	2.3	2.3	2.4	2.4
Fiji	8.5	2.7	1.9	7.7	10.1	10.0	10.4	11.0	11.0	11.0
Gabon	1.0	0.6	0.7	0.8	0.9	0.9	1.0	1.0	1.0	1.0
The Gambia	5.0	2.3	2.5	4.3	6.4	7.7	7.0	7.0	7.0	7.0
Grenada	19.0	7.2	8.5	14.8	19.7	27.4	24.3	26.9	26.6	26.4
Guyana	2.3	1.1	1.2	1.0	1.1	0.9	0.8	0.7	0.7	0.7
Jamaica	10.6	4.5	6.9	9.9	10.4	10.2	9.9	10.6	11.0	11.7
Kiribati	5.6	3.6	3.9	5.1	5.7	5.8	6.4	6.8	6.9	7.0
Lesotho	5.8	5.2	5.0	5.5	6.1	6.2	6.2	6.4	6.5	6.5
Maldives	21.2	14.8	26.0	27.9	25.0	27.1	30.5	31.0	31.3	30.9
Malta	4.6	1.2	1.7	3.4	3.8	4.4	4.9	5.0	5.0	4.9
Mauritius	7.7	2.8	2.2	7.1	8.5	8.5	8.9	8.9	8.9	8.8
Namibia	4.2	3.6	3.8	4.4	5.1	5.8	6.2	6.4	6.3	6.2
Papua New Guinea	0.5	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6
Seychelles	20.9	11.2	17.5	21.0	20.2	22.0	24.1	24.9	25.1	25.1
Solomon Islands	2.9	0.8	0.6	1.0	1.8	2.0	2.5	2.8	3.0	3.0
St Kitts and Nevis	16.2	6.5	9.3	15.1	16.6	15.8	16.3	17.3	17.5	17.7
Saint Lucia	25.4	12.2	16.0	23.0	24.7	26.5	24.4	25.5	25.5	25.7
St Vincent and the Grenadines	13.5	5.4	3.8	9.2	11.2	13.1	12.9	13.8	14.0	14.3
Tonga	5.4	4.4	1.1	1.2	4.1	5.6	5.8	6.1	6.1	6.1
Trinidad and Tobago	2.8	1.6	2.0	2.6	3.3	3.4	3.4	3.5	3.5	3.5
Vanuatu	11.8	3.4	0.9	2.6	2.2	6.6	8.3	11.0	12.6	13.6

Source: World Travel and Tourism Council 2026.

Travel and tourism direct GDP contribution, US\$, real 2025 prices and exchange rates (millions)

Country	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Antigua and Barbuda	601	263	299	475	496	551	576	616	638	659
Bahamas	3,014	826	1,858	3,034	3,232	3,680	3,663	3,825	3,926	4,024
Barbados	706	318	345	489	583	634	704	761	787	813
Belize	393	188	277	411	473	518	516	568	579	584
Botswana	1,034	312	410	635	740	1,020	1,229	1,358	1,412	1,463
Brunei Darussalam	275	108	119	148	222	277	303	338	358	374
Cyprus	2,074	460	1,242	1,760	2,121	2,225	2,509	2,666	2,828	2,984
Dominica	76	24	20	44	54	62	64	73	78	83
Eswatini	101	75	78	86	107	113	122	130	135	139
Fiji	463	121	83	397	558	572	609	660	683	699
Gabon	181	114	127	146	169	187	203	216	226	234
The Gambia	108	50	57	104	163	205	196	206	214	219
Grenada	267	88	107	202	279	393	360	400	416	426
Guyana	109	77	97	132	200	223	253	275	290	306
Jamaica	2,140	823	1,320	1,979	2,131	2,074	2,044	2,245	2,408	2,609
Kiribati	15	9	11	15	18	18	19	19	19	20
Lesotho	133	109	109	122	137	143	149	155	160	165
Maldives	1,308	605	1,472	1,805	1,690	1,893	2,173	2,310	2,420	2,488
Malta	924	225	382	772	943	1,180	1,366	1,434	1,474	1,508
Mauritius	1,142	353	291	1,002	1,261	1,323	1,433	1,478	1,528	1,560
Namibia	549	441	472	585	713	827	911	956	979	998
Papua New Guinea	146	113	124	144	153	161	173	182	191	202
Seychelles	427	202	319	430	424	477	539	570	590	608
Solomon Islands	50	13	10	18	33	37	47	56	59	62
St Kitts and Nevis	193	66	95	170	191	185	195	210	218	225
Saint Lucia	602	220	321	555	608	695	660	708	724	747
St Vincent and the Grenadines	145	55	41	100	130	159	162	178	185	192
Tonga	27	23	6	6	21	30	31	33	34	35
Trinidad and Tobago	764	411	498	668	829	863	878	931	948	968
Vanuatu	155	42	11	33	29	86	109	149	174	193

Source: World Travel and Tourism Council 2026.

Commonwealth small states are operating in an increasingly complex global environment shaped by economic uncertainty, geopolitical tensions, climate change and evolving development challenges. Yet, despite their vulnerabilities, these nations continue to demonstrate resilience, innovation and leadership. This 23rd edition of the *Small States Economic Review and Basic Statistics* examines recent socio-economic trends across 33 Commonwealth small states, providing authoritative analysis and the latest statistical insights.

The report explores growth prospects, inflation, debt pressures, trade, investment and employment, while assessing the impacts of external shocks, including global conflicts, trade disruptions and climate-related risks. It also highlights how small states are pioneering solutions in digital finance, financial inclusion, artificial intelligence and sustainable finance, positioning themselves as important contributors to global economic progress.

