

Common Country Analysis – Update 2022

Cayman Islands

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Abbreviations

CARICOM	Caribbean Community
CIFNSP	Cayman Islands Food and Nutrition Security Policy
CARDI	Caribbean Agricultural Research and Development Institute
CCA	Common Country Analysis
ESO	Economic and Statistics Office
GDP	Gross Domestic Product
MSDCF	Multi-Country Sustainable Development Cooperation Framework
OT	Overseas Territory
SDG	Sustainable Development Goal
UKHO	United Kingdom Hydrographic Office
UNCT	United Nations Country Team

Executive Summary

In 2022, the Cayman Islands, like Turks and Caicos Islands and Bermuda, are well on its way to an economic rebound, despite inflationary pressures triggered by the war in Ukraine. This update provides a snapshot of progress on the SDGs since the 2021 update, status of COVID-19 in the country and responses thereto, and the economic situation in the country (see Chapter V).



As of 1 November 2022, in the Cayman Islands, COVID-19-related hospitalizations continued to decline (see p. 9 for additional details regarding the status of and government response to COVID-19).

As with the previous update, progress on the SDGs are difficult to capture in a systematic way given limited access to standardized and timely data. As such, this update relies on readily available public data and information linked to significant policy changes since December 2021.

During the height of the COVID-19 pandemic and well into the latter part of

Introduction

The CCA is a key instrument designed to reflect the United Nations integrated, forward-looking and evidence-based joint analysis of the context for sustainable development, in view of achieving the 2030 Agenda and the Sustainable Development

2021, entry into the Cayman Islands was significantly restricted. With the phased removal of restrictions, economic growth has steadily climbed and experienced a 3.4% increase in GDP in the first quarter of this year, while other economies contracted. Despite the soundness of the economy as well as the expected increase in tourism revenue because of a direct air route to Los Angeles, California; inflation is projected to reach 10% in the islands.¹

With respect to the impacts from climate change, the Cayman Islands are most vulnerable to sea level rise and extreme weather events – generally, hurricanes, tropical storms, and related storm surges. The Islands were spared a direct hit from Hurricane Ian in the 2022 Atlantic season. Notwithstanding the absence of severe damage, storm surges exacerbated the erosion of already crumbling infrastructure along shorelines, including sea walls.²



Goals. It forms the basis of UN programmatic support through the Multi-Country Sustainable Development Cooperation Framework (MSDCF).

This document is the second CCA update of the newest cycle, with the first CCA update for the Cayman Islands was completed at the end of 2021. This document provides an overview of major changes that have taken

¹ Klein, M. (2022, 6 September). Cayman's economy grows 3.8% in first quarter 2022. Available at <https://www.caymancompass.com/2022/09/06/caymans-economy-grows-3-8-in-first-quarter-2022/>

² Whittaker, J. (2022, 25 November). Clean-up underway at Royal Palms as property recommended for demolition. Available at <https://www.caymancompass.com/2022/11/25/clean-up-underway-at-royal-palms-as-property-recommended-for-demolition/>

place in 2022 and includes data that has become available since then.

At the time of this update, the global inflationary crisis and its attendant impacts have become as much a priority as managing recovery in relation to the COVID-19 pandemic. Chapter III will outline policy efforts which simultaneously address the effects of these crises as well as their links to SDG achievement. Chapter IV will

Progress on the SDGs

The 2021 CCA update mentioned the commencement of the Cayman Islands' census in October last year. This year, the Economics & Statistics Office (ESO) released the Cayman Islands' 2021 Census of



Population and Housing Report in July. The information contained in this document, over 700 pages is a useful source of baseline information for understanding the current situation regarding Cayman Island's demography, disability and illness, education, marital and union status, fertility, employment, household and housing characteristics, mortality, emigration, crime, agriculture and fishing activities and food security.

A summary of key statistics are as follow: population had slightly more males (50.6%) than females (49.3%); percentage of population with post-secondary education increased from 45.5% in 2010 to 52.3% in 2021 education; the top two disabilities



highlight the economic outlook and effects of the crises in Cayman Islands.

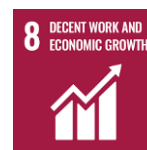
Chapter V delves into the upcoming threats and opportunities including those that may be identified by UN Agencies, Funds and Programmes that contribute to programming. For this report, inputs of the different UN entities will be sought.



were sight and lower limb (leg) disabilities, with incidence rates of 35.0 and 31.1 per 1,000 persons.

Total employment was registered at 44,441; Caymanians accounted for 43.9% of total employment while non-Caymanians constituted 56.1% of employed persons. Unemployment stood at 5.7 % of the labour force. By sex, male Caymanians had the highest unemployment rate (8.7%), followed by female Caymanians (8.2%), female non-Caymanians (4.6%) and male non-Caymanians (2.4%).

Across age groups, the highest unemployment rate (32.7%) was recorded among male Caymanians aged 15-24 years.



As it relates to food systems and food security, approximately 71.8% of households purchased locally produced food and food insecurity in the Cayman Islands was 2.2 percent (or 652 households) – 65% of the households were Caymanian.³

³ Government of Cayman Islands. (2022, 28 July). 2021 Population and Housing Report – Press Release. Available at

<https://www.gov.ky/news/press-release-details/2021-census-of-population-and-housing-report>

While the rate of food insecurity appears to be relatively low, the Government of Cayman Islands noted that the combination of poor diets and poverty is causing significant health problems. This reality has prompted the creation of the draft Cayman Islands Food and Nutrition Security Policy (CIFNSP) – prepared by the Ministry of Planning, Agriculture, Housing and Infrastructure with the support of the Caribbean Agricultural Research and Development Institute (CARDI) and other stakeholders. The policy consists of four goals which, while not explicitly stated, have clear synergies with the SDGs.

Goal 1 - Increase adequate supplies of affordable, safe, and nutritious food are available to always meet national requirements, through increased domestic production and sustainable levels of imports.



Goal 2 - Increase access of Cayman Islands households, individuals, and visitors to sufficient, wholesome, affordable food: speaking to the need to increase job and income creation and strengthen national safety nets to better target the vulnerable – the differently-abled, the indigent, children, and female-headed households. This goal cuts across SDGs 1, 2, 3, and 10.

Goal 3 - Protect the public by providing quality and safety assurance for all food supplies (locally produced or imported)

⁴ Ministry of Planning, Agriculture, Housing, and Infrastructure. (2022). Cayman Islands Food and Nutrition Security Policy (CIFNSP). Available at <https://www.gov.ky/pahi/national-food-policy>

⁵ Cayman News. (2022, 21 March). Free school meals rolled out in high schools. Available at

offered for sale in the Cayman Islands: promoting safe, wholesome foods.

Goal 4 - Enhance integration of evidence-based nutrition interventions within broader public health framework - health service, water, and sanitation: recognizing that nutritious food could be compromised by poor hygiene and sanitation.⁴

Tied into this effort was the recent rollout of free school meals. Notwithstanding the relatively low number of households facing food insecurity, the government introduced free breakfast, lunch, and snacks every school day in primary schools last August. The second phase of this programme, which involved extending the offering to all government high schools, was rolled out by the Ministry of Education this year. The decision to offer the meals to all children was made to preclude the stigma and indignity of means testing and potential discrimination.⁵

With respect to school participation, it should be noted that while school is mandatory at the primary school level; there have been severe shortages at the preschool and primary school levels. The expectation is that the opening of private schools should, at least partially, address this shortage.⁶



Emerging from the worst impacts of the pandemic, Cayman Islands is expanding the service offer of its health care system for

<https://caymannewsservice.com/2022/03/free-school-meals-rolled-out-in-high-schools/>

⁶ Boxall, J. (2022, 16 November). The school system in Cayman. Available at <https://caymanresident.com/education/school-system#:~:text=According%20to%20the%202021%20Education,77%20teachers%20teaching%20these%20students.>

residents as well as tourists. Breaking ground on a new hospital in January, the Cayman Islands is aiming to introduce enhanced neonatal, cancer, transplant, and other services to local and international patients.⁷ Given the specialized, exclusive



nature of the care to be provided, there is a risk that the uninsured will be effectively barred from accessing such care without incurring great personal debt.

Furthermore, Cayman Islands also focused on providing mental health services in order to address the impact of the COVID-19 pandemic, creating resources for youth and elders as well as helplines.

The government has also partnered with the private sector to provide free health care services, including cancer screenings, to select communities.⁸

While this update does not include data on human rights issues, one of the noteworthy developments earlier this year was the Privy Council's ruling in relation to the 2019 Court of Appeal decision that expressed that the Constitution (supported by the Marriage Law) denotes marriage as being between opposite-sex persons. As such, there is no right to marriage for same-sex couples. That said, the 2020 Civil Partnership Act provides the necessary legal protections to same-sex couples.⁹



⁷ Cayman News. (2022, 27 January). Health City breaks ground on new \$100M hospital. Available at <https://caymannewsservice.com/2022/01/health-city-breaks-ground-on-new-100m-hospital/>

⁸ Loop News. (2022, 9 September). Health minister brings free health care services to Prospect. Available at <https://cayman.loopnews.com/content/health-minister-brings-free-health-care-services-prospect>



As it relates to gender equality, a survey administered by a local non-profit organization, Gender Equality Cayman found that inequality found in women's participation in politics (i.e. only 22% of candidates in the recent election were women) also plays out in the private sector whereby 73% of women believe that women encounter barriers in career progression – 45% shared this belief.¹⁰ This further reinforces the information contained in the initial CCA.

Finally, the Government of Cayman Islands has undertaken several exercises to support their



strengthened focus on the environment and climate change. These fall under The Ministry of Sustainability and Climate Resiliency's commitment to undertake a comprehensive assessment of the risks the country faces from climate change. During this process, fifty areas have been identified as being under threat. One area of concern is the fact that over the last 40 years the average temperature in the Cayman Islands has increased by 2.2°C and is expected to increase by as much as 3°C more over the next 80 years. The warming seas are expected to cause local ocean acidification to increase by at least a 20%, which is another direct threat to the local coral reefs and marine habitat. By 2050,



⁹ Burke, V. (2022, 15 March). Opposition statement on the Privy Council ruling on same-sex marriage. Available at <https://www.caymanchamber.ky/opposition-statement-on-the-privy-council-ruling-on-same-sex-marriage/>

¹⁰ Loop Cayman News. (2022, 8 March). Loop Cayman explores: Is it harder to be a woman than a man in Cayman? Available at <https://cayman.loopnews.com/content/loop-cayman-explores-it-harder-be-woman-man-cayman>

sea levels around the Cayman Islands will rise by at least 30cm which will affect oceanfront properties as well as turtle nesting areas – earlier this year, the UK Hydrographic Office (UKHO) installed four tide gauges to remotely monitor sea-level change.¹¹

In November 2021, the three Cayman Islands underwent a seabed mapping exercise by international geo-data specialists as part of a £1 million cross-overseas territory project funded by the UK Government’s Overseas Territories (OTs) Seabed Mapping Programme. The mapping, the first of its kind in the territory, provided a clear outline of coral, sand and seagrass beds. The data yielded from the mapping is intended to “facilitate the creation of more comprehensive storm surge and flooding models, enabling effective mitigation strategies for the

COVID-19 Update

With respect to developments on COVID-19 here were a total of 10 COVID-19 patients admitted in October 2022, a 56% decrease from the 22 admissions during September. 94.4% of the population had completed the vaccination schedule.¹⁴

Two months prior to having achieved this vaccination rate, the territory has eliminated travel restrictions for all travelers since 24 August 2022. all

impacts of severe weather and climate change.”¹²

In addition to this data, the Ministry of Sustainability and Climate Resiliency noted that 80% of Cayman Island residents were concerned about the impact of climate change on their lived; but 90% indicated that it was an issue that could be effectively addressed. This and the information above are intended to inform the planned update of the 2011 Climate Change Policy.¹³



travelers—vaccinated and unvaccinated—are permitted to enter the Cayman Islands, via air or sea, without the need of any additional documents or health-related steps due to the COVID-19 pandemic.¹⁵

¹¹ Cayman News Service. (2022, 26 May). Turtles, coral, and mangroves top climate risk list. Available at <https://caymannewsservice.com/2022/05/turtles-coral-and-mangroves-top-climate-risk-list/>

¹² Government of Cayman Islands. (2022, 27 August). CIG Receives Hydrographic Data. Available at <https://www.gov.ky/news/press-release-details/cig-receives-hydrographic-data>

¹³ Cayman News Service. (2022, 18 August). Caymanians fear climate change will impact their lives. Available at

<https://caymannewsservice.com/2022/08/caymanians-fear-climate-change-will-impact-their-lives/>

¹⁴ Government of Cayman Islands. (2022). Public Health Spotlight – November 2022. Available at <https://www.gov.ky/publication-detail/copy-of-public-health-spotlight--november-2022>

¹⁵ Cayman Islands Department of Tourism. (2022). Travel Requirements. Available at <https://www.visitcaymanislands.com/en-us/travel-requirements>

Economic Update

Although the census reported an unemployment rate at the time of the count of 5.7% across the workforce, Caymanian unemployment stood at 8.5%. Since then, the Labour Force Survey recorded a drop in overall unemployment to 3% at the end of June this year, with the rate of unemployment for Caymanians at 5.1%.

As shown in Figure 1, there was an increase in absolute numbers of persons in the labour force – as a share of persons who constitute the working age population. However, the relative rate of unemployment increased slightly. From 2020 to 2021, there was a greater increase in unemployment among males than females in the labour force. As with the employment figures in the previous CCA update, there is a sharp distinction in the unemployment rates of Caymanians and non-Caymanians.

The extraordinarily high inflation rates reflected in the consumer price index (CPI) will likely compound the effects of unemployment. The CPI for the second quarter of 2022 was 125.3, higher by 12.1% in comparison to the corresponding quarter of 2021 – representing the highest rate of inflation in decades. Eleven of the twelve divisions recorded higher price indices.¹⁶ However, education declined by 0.6 percent.

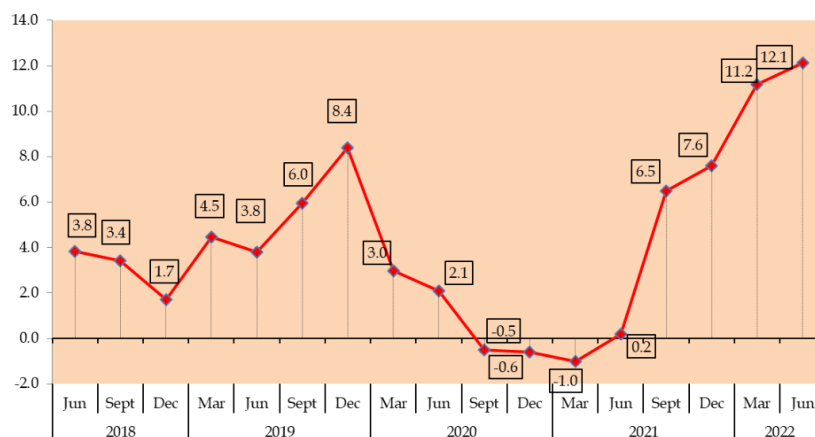
¹⁶ The Consumer Price Index (CPI) twelve divisions: Housing and Utilities: up 19.2%; Transport: up 17.0%; Clothing and Footwear: up 10.4%; Recreation and Culture: up 8.3%; Food & Non-Alcoholic Beverages: up 7.9%; Furnishings, Household Equipment, and

Figure 1: Cayman Islands Employment and Labour Force (2021-2021)

	2020	2021	2020	2021
Working Age Population 15+	54,620	57,360		
<i>Caymanian</i>	<u>29,520</u>	<u>29,108</u>		
<i>In the labour force</i>	21,249	21,298	71.9%	73.2%
<i>Employed</i>	19,490	19,494		
<i>Unemployed</i>	1,759	1,803	8.3%	8.5%
<i>Not in the Labour Force</i>	8,271	7,811		
<i>Non-Caymanian</i>	<u>25,100</u>	<u>28,252</u>		
<i>In the labour force</i>	22,674	25,823	90.3%	91.4%
<i>Employed</i>	22,154	24,947		
<i>Unemployed</i>	520	876	2.3%	3.4%
<i>Not in the Labour Force</i>	2,426	2,429		
Unemployment Rate (%)	5.2	5.7		
<i>Male</i>	4.2	5.1		
<i>Female</i>	6.2	6.3		

Source: Government of Cayman Islands (Economic and Statistics Office)

Figure 2: Inflation Rates, June 2018–June 2022 (% Change in CPI of Current Quarter over Same Quarter a Year Ago)



Source: Government of Cayman Islands (Economic and Statistics Office)

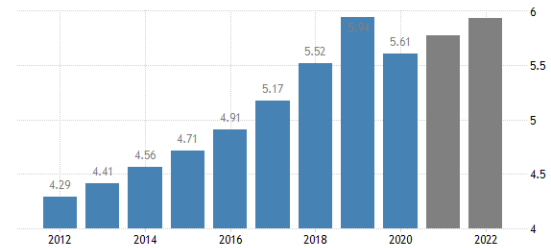
Despite the historic rates of inflation, Cayman Islands has outperformed economic projections from the January to

Routine Household Maintenance: up 7.4%; Restaurants and Hotels: up 6.9%; Communication: up 6.6%; Miscellaneous Goods and Services: up 3.2%; Alcoholic Beverages and Tobacco: up 1.1%; Health: up 0.7%; Education: down 0.6%

July 2022 period. Central Government – Better than Budget by \$18.9 million

At the end of the first seven months of 2022, the public sector had a surplus of \$129.6 million, which is \$25.2 million more than the projected year-to-date operating surplus of \$104.4 million. Revenues surpassed projections by \$38.2 million. Notwithstanding this performance, expenses for the seven-month period was \$19.2 million more than expected.¹⁷ It is no surprise, then that GDP is projected to rise in the coming years as shown in Figure 3.

Figure 3: Cayman Islands Projected GDP (in billions of dollars)



Source: Trading Economics

¹⁷ Loop News. (2022, 5 September). Government's July 2022 Year-To-Date financials published. Available at

<https://cayman.loopnews.com/content/governments-july-2022-year-date-financials-published>

Emerging Opportunities and Challenges

Given the positive expectations regarding long-term economic performance, low crime rates, and promising efforts to promote social inclusion; the challenges in the Cayman Islands are expected to primarily be linked to the impact of climate change and alleviation of the current consequences of inflation.

Conclusion

Cayman Islands has seen the introduction of promising initiatives since the 2021 CCA update. These demonstrate a positive step by the Government of Cayman Islands to advance progress on a range of SDGs. That said, it is important to ensure that groups at risk of being left behind in development processes be more explicitly foregrounded, especially in data.