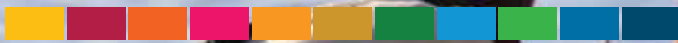




SIDS: Looking Back and Forward



Accelerating Action in the next 10 Years

May
2024

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SIDS: LOOKING BACK AND FORWARD

Accelerating Action in the next 10 Years

The United Nations Development Programme (UNDP) is proud of its long-standing partnership with Small Island Developing States (SIDS) to support their national development goals, address various challenges, and seize emerging opportunities. UNDP maintains a robust presence through a network of six multi-country offices and 15 stand-alone country offices, serving all SIDS.

With a wide-ranging portfolio of programmes specific to SIDS, and an estimated annual average value of US\$466 million, UNDP will continue to support SIDS to advance their priorities in the coming decade with the adoption of the Antigua and Barbuda Agenda for SIDS (ABAS).

Over the past 10 years, UNDP's initiatives aligned closely to the SAMOA Pathway, Paris Agreement and 2030 Agenda action areas. UNDP's integrated SIDS Offer Rising Up for SIDS, launched in 2020, articulates a clear strategy to respond to their most pressing needs as well as bring forth innovative solutions to the complex developmental challenges and threats they face for a better future. This offer aims to boost actions on nature and climate, drive efforts on the blue and green economy and propel digital transformation across SIDS, with innovative development finance and data as enabling cross-cutting areas.

This report takes stock of achievements and lessons learned during the last decade with the SAMOA Pathway and development priorities in SIDS, offering insights for the next 10 years. The global challenge is to embrace development that achieves human well-being while accounting for the climate emergency and avoiding the further depletion of natural capital. The upcoming decade offers a chance to focus on innovative, interconnected actions for SIDS to realize ever more inclusive and equitable development.

As we come to the close of the SAMOA Pathway, UNDP is committed to continuing to offer agile, efficient, and coordinated support through integrated solutions targeting systemic challenges whilst driving benefits for communities.

In anticipation of the Fourth International SIDS Conference in Antigua and Barbuda, this report outlines new pathways to a greener and bluer future. By leveraging their inherent strengths, embracing innovation, and building on collective progress, SIDS are well-positioned to overcome their challenges.

SIDS BY THE NUMBERS

39 SIDS - 38 UNDP PROGRAMME COUNTRIES

POPULATION

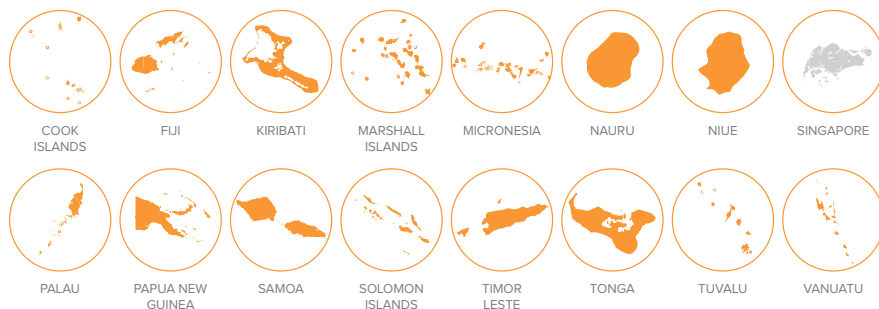
69
million people



4 COUNTRIES

47
million people

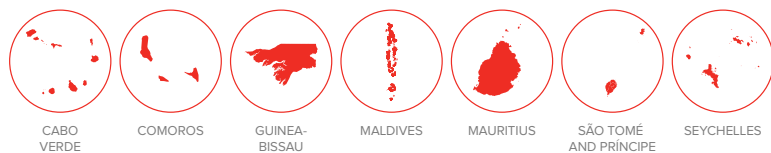
PACIFIC SIDS



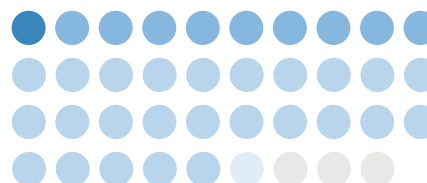
CARIBBEAN SIDS



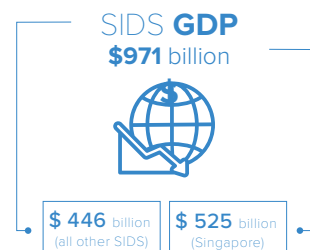
AS SIDS



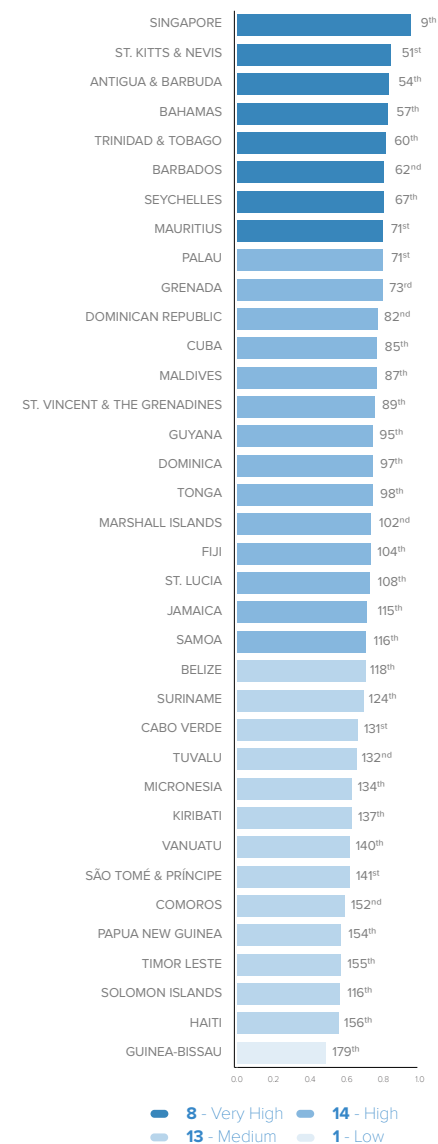
INCOME CLASSIFICATION



8 LDCs



HUMAN DEVELOPMENT INDEX (2022)



10 Years: Top 10 Takeaways

SIDS face a range of unique and interconnected development challenges due to their small size, geographic isolation, limited resource base, and vulnerability to external shocks. These are a diverse group of 39 countries including nine high-, 26 middle- and one low-income country, eight countries categorized as least developed, 33 as emerging and developing economies, one (Singapore) under advanced economies, and eleven are categorized under ‘institutional and social fragility’ contexts.

With diverse development trajectories, they are also bound by certain commonalities. Significant natural assets, unique indigenous knowledge, younger populations, and agile governance can help SIDS develop sustainably and manage their natural environment productively and equitably. They possess strong potential for innovation to build forward better, greener, and bluer. SIDS also encounter similar structural constraints, such as a lack of economic diversification and insufficient social protection. Fiscal limitations can be acute; they are challenged by heavy indebtedness and barriers to full integration in the global economy. Among the world’s most climate vulnerable countries, SIDS urgently feel the consequences of intensified extreme weather events, rising seas and ocean acidification.

Amidst compounded development challenges, SIDS are biodiversity hotspots and harbour unique ecosystems, as well as a rich reservoir of cultural diversity, including unique languages, traditions, and artistic expressions. SIDS have access to vast marine resources, including fisheries and marine biodiversity, essential for food security and livelihoods, and they control vast tracts of ocean, known as economic exclusive zones (EEZs). They have significant potential for renewable energy development, particularly solar, wind, and geothermal energy. They are at the forefront of implementing nature-based solutions, climate adaptation strategies, and sustainable development practices. These provide plenty of opportunities to accelerate progress, as well as inform the future of other SIDS, of us all.

Learning from the past 10 years with the SAMOA Pathway and UNDP’s support to SIDS, below are top 10 key takeaways to inform the next decade of action.

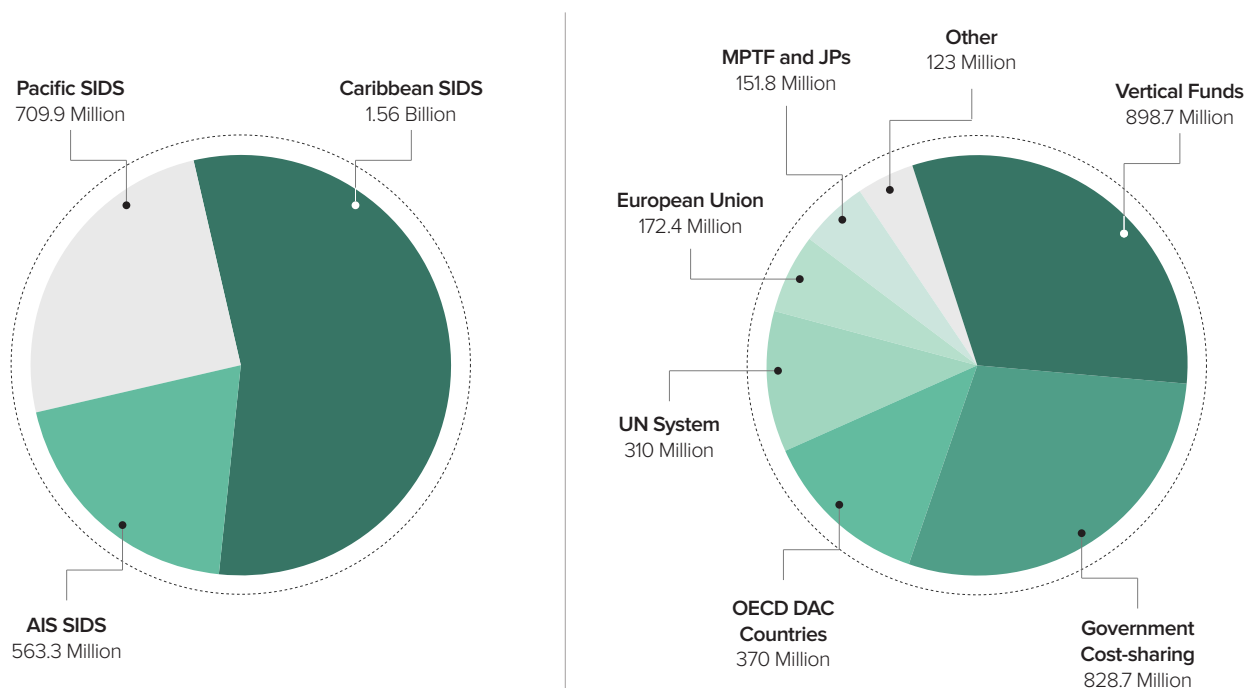
Within the UN Development System, UNDP has been an important partner to SIDS backed by technical and financial support.

In the past decade, UNDP invested about \$3 billion across 38 programmatic countries. The Caribbean SIDS received the largest share of funds, amounting to 1.56 billion, followed by the Pacific SIDS with 709.9 million and AIS SIDS with 563.3 million (*Fig. 1*). Notably, the Caribbean SIDS are home to 41 million out of the 69 million people living in SIDS globally, which partly explains their substantial share of the funding.

The contributions of vertical funds, which amount to 32% of the total funding, have been essential in establishing a financially viable structure at the country level. Government cost-sharing is another major source of funding, with 93% of this cost-sharing attributed to Caribbean SIDS. This significant contribution primarily comes from three countries: the Dominican Republic, Dominica, and Haiti.

FIGURE 1

UNDP Investment in SIDS by Region and Source of Funding (2014 - 2023)*



* The financial figures for 2023 are unaudited.

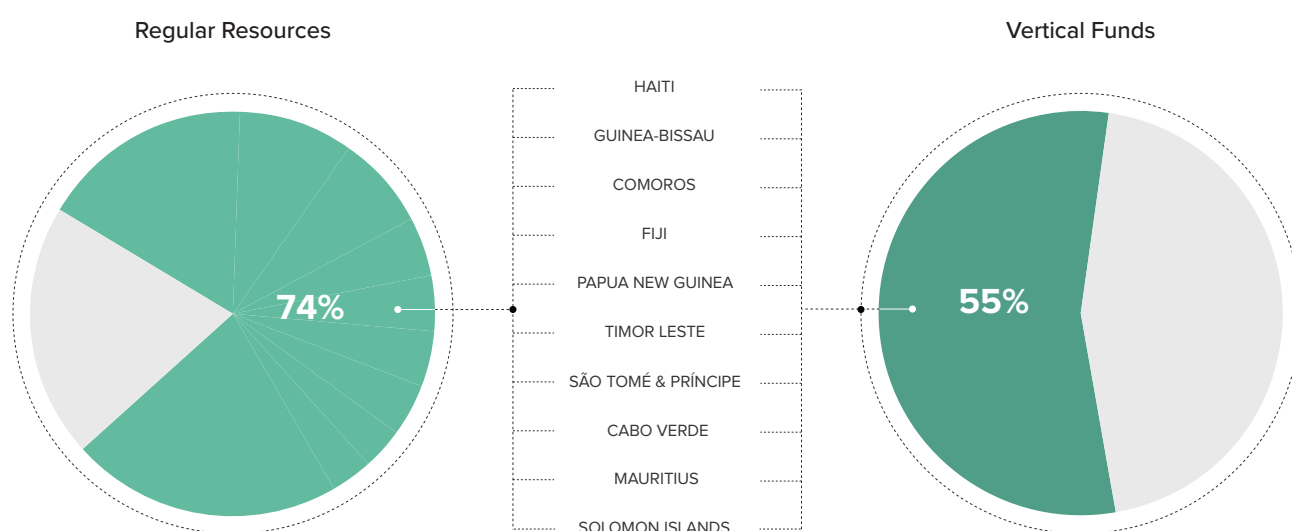
KEY MESSAGE 1

UNDP's Regular Resources account for approximately 7.7% of the investment in SIDS. Fig. 2 highlights that 10 SIDS—Haiti, Guinea-Bissau, Comoros, Fiji, Papua New Guinea, Timor Leste, São Tomé & Príncipe, Cabo Verde, Mauritius, and Solomon Islands—receive about 74% of these Regular Resources. The same cohort of countries receive 55% of the Vertical Funds.

The substantial allocation of both Regular Resources and Vertical Funds to these nations underscores the critical need for targeted financial support. This investment is essential to strengthen their resilience and adaptive capacity, ensuring they can better cope with and recover from the multifaceted challenges they face.

FIGURE 2

Top 10 SIDS - UNDP Regular Resource allocations (2014 - 2023)*



* The financial figures for 2023 are unaudited.

The European Union (EU) is the most significant multilateral donor supporting SIDS, having contributed over \$170 millions over the past decade, which accounts for 84% of multilateral donor funds. In addition to multilateral support, key bilateral donors have also played a crucial role in providing financial support to SIDS. Japan leads the bilateral donors with a significant investment of approximately \$72 million, followed by New Zealand and Canada with \$53 million and \$51.2 million respectively. Other notable donors include Australia, Switzerland, the Republic of Korea, the United States, Germany, Norway, and the United Kingdom. The contributions from both multilateral and bilateral donors reflect a strong global effort to support the development and sustainability of SIDS, addressing their vulnerabilities and promoting resilience.

Fig. 3 provides a detailed breakdown of vertical fund allocations (predominantly GEF - 47%, GFATM - 28% and GCF - 18%) to the top ten SIDS recipients. Collectively, these ten countries account for 80% of the total vertical funds disbursed by UNDP. However, it is important to note that this breakdown does not indicate the overall scale of support from each of these vertical funds, as they channel resources through multiple accredited agencies, each contributing to different aspects of development and climate resilience in SIDS.

KEY MESSAGE 1

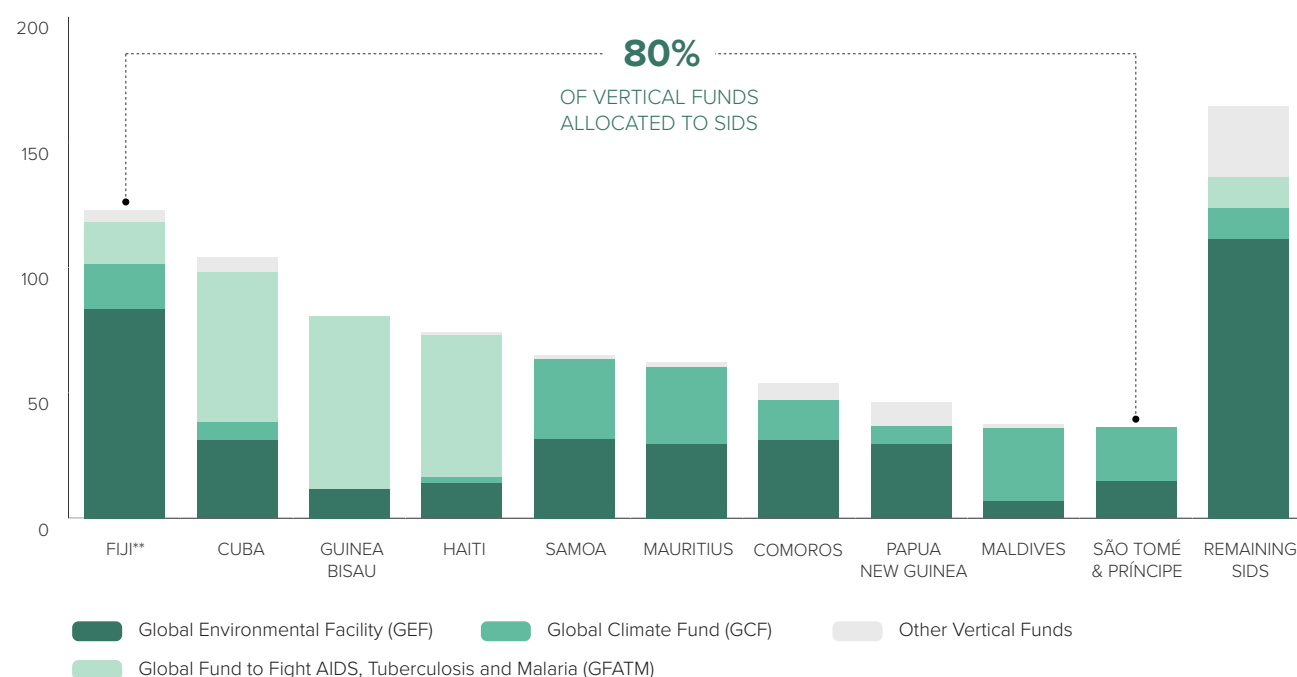
Among the top 10 recipients of vertical funds Fiji emerges as the largest beneficiary, receiving a substantial mix of funds from the Global Environmental Facility (GEF), Global Climate Fund (GCF), and the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM), alongside other vertical funds. This significant allocation to Fiji reflects its considerable environmental challenges and climate vulnerabilities, necessitating extensive support for biodiversity preservation, climate resilience projects, communicable and non-communicable disease responses and public health improvements.

Cuba, as the second-largest recipient, benefits significantly from GEF and GCF contributions, supplemented by GFATM and other vertical funds. The focus on Cuba addresses its urgent need to mitigate climate impacts and enhance environmental sustainability. Additionally, Cuba, along with Haiti, has a significantly larger population compared to other SIDS, which amplifies their need for substantial funding to support extensive climate and health programmes, especially those serving the most vulnerable and marginalized people. Guinea-Bissau's considerable funding from GEF and GFATM, with additional support from GCF and other vertical funds, is directed towards strengthening environmental management and combating infectious diseases. Haiti's funding, dominated by GFATM and further supported by GEF, GCF, and other vertical funds, underscores the critical need for health system strengthening and disease prevention efforts in a challenging operating environment. Samoa, Mauritius, Comoros, Papua New Guinea, Maldives, and São Tomé & Príncipe each receive a diverse mix of funding sources, predominantly from GEF and GCF.

Vertical funds play a key role in enhancing the resilience and development capacity of the most vulnerable SIDS. By aligning the funding sources with the needs of these nations, the global community supports the creation of resilient, sustainable, and healthy communities, addressing their interconnected challenges and promoting sustainable development.

FIGURE 3

Top 10 SIDS Recipients of Vertical Funds 2014-2023* (by type and in million USD)



* The financial figures for 2023 are unaudited.

** The Global Fund allocation to Fiji reflects an integrated multi-country grant covering 11 countries.

The last decade has shown a fast-changing development financing landscape for SIDS

SIDS have limited access to finance

SIDS receive less concessional finance and less non-concessional finance than other developing and emerging economies. SIDS receive seven times less finance than least developed countries, 11 times less than lower-middle-income countries, and five times less than upper-middle-income countries.

SIDS are under debt pressure

The current international financial architecture is not sufficiently responsive to the unique challenges faced by SIDS. Despite upper-middle income and high-income status, SIDS are constrained by debt, and obstacles to accessing new sources of development and climate financing. Over 40% of SIDS are grappling with, or are on the edge of, unsustainable levels of debt, severely constraining their ability to invest in resilience, climate action and sustainable development.



Examples:



Barbados is developing financing strategies to support the blue economy and create an enabling framework for SDG investment.



Optimizing public revenues and mobilizing private finance to realize Cabo Verde's ambition of becoming a self-reliant, sustainable, and inclusive economy by 2030.



The Solomon Islands' INFF links the aspirations of the national development strategy to the policies that will mobilise the necessary financing.

SIDS have made significant strides in adopting integrated national financing frameworks (INFFs) and accessing climate finance to support sustainable development. **16 out of the 39 SIDS are actively engaging in the development of INFFs**, with UNDP's extensive experience in public finance, private sector development, and mobilizing private capital for the SDGs, standing as a pivotal ally in advancing SDG financing within these countries.

KEY MESSAGE 2

The financing for development landscape has been changing significantly for SIDS, including:

- Increasing emphasis on mobilizing climate finance to address vulnerabilities to climate change. Efforts have focused on accessing catalytic funds from international sources like the Green Climate Fund (GCF) and the Global Environment Facility (GEF).
- Enhanced public and private sector engagement to leverage private investment towards achieving the SDGs. This includes fostering public-private partnerships and piloting blended finance instruments, and scaling up successful solutions.
- Strengthening capacities at national and local levels to manage finances effectively, improve public financial management, and align national planning and budgeting processes with SDG targets.

Mounting debt limits SIDS' already strained resources for climate action, making further discussion on debt relief urgent. SIDS have repeatedly said that traditional measures of development insufficiently capture their vulnerabilities. In 2022, Barbados presented the Bridgetown Initiative for the reform of the global financial system, with a set of strong asks to address spiraling debt and growing susceptibility to climate change for low-income countries. Importantly, the initiative seeks to improve liquidity and fiscal space for low-income countries and make the global financial system more shock absorbent.

The Multidimensional Vulnerability Index (MVI) will continue to play a vital role as an advocacy tool for access to concessional financing and better terms for existing debt to guide programmatic support, viable debt service payment and financing for sustainability. The call for exploration of criteria based on vulnerability was repeated in the Barbados Programme of Action, mentioned in the Mauritius Strategy, and re-echoed in the SAMOA Pathway. This is expected to continue in the ABAS.

Amongst the solutions and priorities for the Next 10 Years, we see SIDS:

- Implementing governance reforms to enhance transparency, accountability, and efficiency in public financial management. Building institutional capacities to better align with SDG targets and ensure inclusive growth.
- Pursuing options for increasing climate resilience through substantial investments in climate adaptation and mitigation projects. Mobilizing innovative financing solutions such as green bonds and climate-focused funds. Recognizing that nature is our most powerful ally in combatting climate change, UNDP will seek to expand and leverage the **Blue and Green Islands Integrated Programme (BGI-IP)** for all SIDS as a crucial means of implementation for the ABAS. This initiative will sit at the heart of UNDP's SIDS Offer going forward, evolving to focus on nature-climate action, blue and green economy, and digital, among other priorities.
- Many SIDS are **integrating climate action into their financing strategies**, reflecting the urgency of addressing climate vulnerabilities and the need for climate-focused investments (e.g., **Maldives** is the first country develop and formally endorse a financing strategy using the INFF. Further it has launched the climate-focused integrated financing strategy in March 2023, including budgeting tagging).

KEY MESSAGE 2

- Innovative financing instruments are being developed to mobilize public and private financing towards achieving the SDGs, with a particular emphasis on climate action. This includes **collaborations with the GEF, GCF, and other blended financing mechanisms such as the Global Fund for Coral Reefs** to catalyze private investments. **Guyana** aims to earn financial resources from environmental services provided globally, notably through the Reducing Emissions from Deforestation and Forest Degradation (REDD+) programme.
- There is a focus on **leveraging** a mix of domestic and international, as well as **public and private financing**, to achieve national priorities and SDGs. **Mauritius and Seychelles** have developed the first SDG Investor Maps of SIDS countries, providing insights into investment opportunity areas and prospective rates of return.
- SIDS are working on **strengthening their financial systems and governance mechanisms** to enhance the impact of financing for sustainable development.
- Existing financing strategies prioritize strengthening the capacities of relevant institutions and the enabling framework related to **fair tax systems, SDG-aligned expenditure, transparent debt management, financial inclusion, diaspora investment and Islamic and green finance**, whereas appropriate, as a step to enhance mobilization and alignment of finance with national priorities.

Climate Finance Dynamics

Climate finance is a key component of UNDP's strategy to address the evident decline in development finance flows, including to SIDS. Resource mobilization from diverse funding avenues, including vertical funds, to reinforce climate change adaptation frameworks and disaster risk management are needed. Significant financial resources are expected from the implementation of environmental services like the REDD+ programme. This entails leveraging existing and novel financial mechanisms, expanding partnerships with IFIs, regional agencies, civil societies, and the private sector.

Intention to scale up efforts with governments, national development banks, and international financial institutions to leverage private sector engagement and explore new sources of blue and green finance. This includes developing innovative products like de-risking instruments, insurance products designed to support vulnerable communities, thematic bonds, debt-for-nature swaps (where feasible), regional blended finance for renewable energy infrastructure, and leveraging resources through capital markets.

Building resilience to cope with shocks will continue to be a top priority in the next decade

In the past decade, SIDS have frequently shifted development priorities to focus on ‘emergency response’ due to their vulnerability and lack of resilience in coping with shocks. The frequency and severity of impacts from hurricanes, earthquakes, floods, and other climate-related events as well as the socio-economic impacts of the Covid-19 pandemic have often necessitated immediate action, disrupting long-term development plans. This has also affected the way in which UNDP operated on the ground to respond to immediate needs, which led to reprogramming of resources and re-prioritization.



Cuba has faced substantial economic losses due to recurrent high-intensity hurricanes. Despite Cuba's preparedness efforts, the agricultural and housing sectors remain heavily impacted by these natural disasters. UNDP worked with Cuba to strengthen comprehensive disaster risk management strategies. These included promoting natural solutions for climate change adaptation and sustainable land and water management to enhance resilience.



The Dominican Republic experienced significant vulnerability to tropical storms and hurricanes. The country has prioritized strengthening its disaster risk management capabilities, early recovery, and preparedness. UNDP efforts include developing technological tools for integrated risk management and supporting innovative data collection for early warning systems.



Comoros has focused on strengthening technical, technological, and financial capacities required for disaster preparedness and response, improving institutional frameworks, and understanding the interrelationships between disasters, climate hazards, and biodiversity conservation.



Tuvalu is strengthening its national capacities by developing a long-term coastal adaptation strategy, incorporating nature-based solutions, coral reef restoration, and enhancements to critical infrastructure, across 2,780m of vulnerable coastline to build resilience against coastal inundation, storm surges, and sea level rise.

Looking at the priorities for the next 10 years, SIDS will continue to focus on building resilience, including climate resilience, and effectively managing disaster risks, ensuring improved capacity to handle future challenges.

SIDS necessitate a risk-informed approach to development, and a risk-based decision process that enables development to become more sustainable and resilient.

KEY MESSAGE 3

- Promoting the application of nature-based solutions for climate change adaptation is a top priority. These solutions include integrated coastal zone management, sustainable land use, and water management practices to enhance ecosystem resilience.
- Comprehensive early warning systems and integrating disaster risk reduction into broader development planning processes are essential. This includes supporting national and local governments in developing evidence-based plans and budgets informed by disaster risk considerations.
- Developing innovative financing mechanisms, such as risk insurance, to support disaster risk reduction and recovery efforts. Leveraging international funds and fostering public-private partnerships will be crucial.
- Mobilizing resources and expanding partnerships with multilateral and bilateral partners to support climate action initiatives. This includes accessing international financial markets.
- Enhancing governance and institutional capacities to manage and implement effective disaster risk reduction strategies by fostering community engagement and participation in disaster preparedness and resilience-building activities.
- Ensuring that disaster risk management and low carbon policies are integrated into development programs and budgets.
- Adopting advanced technology and tools for effective disaster management, including digital technologies for real-time data access and risk management planning.

UNDP is backing 28 SIDS with their bold national climate action plans

Vulnerability to climate change

Despite their minimal historical greenhouse gas emissions, SIDS face some of the most severe impacts of climate change, with serious loss and damage in the form of destroyed infrastructure, economic and cultural loss, loss of lives and livelihoods, loss of biodiversity and forced displacement.

Small island states are on the frontlines of the climate crisis, but they are also at the forefront of climate solutions. SIDS have also historically played a key role in climate change negotiations, driving important milestones in climate action through various negotiating blocks, such as the Alliance of Small Island States (AOSIS), the G77, and the High Ambition Coalition. Together with the group of LDCs, they have been the driving force behind loss and damage discussions and the establishment of a fund for responding to loss and damage at COP27. They have also been instrumental in keeping the 1.5°C target in the Paris Agreement, arguing that a 2°C limit would put their countries at very high risk of impacts.

In 2023, **Vanuatu** led a global coalition that resulted in the historic UN Resolution requesting the International Court of Justice to hold polluting countries legally accountable for failing to tackle the climate emergency.

Supporting SIDS is a matter of climate justice. Accounting for only 1% of global emissions, SIDS hold the least responsibility for the climate crisis, yet suffer some of its worst impacts. While these countries are taking bold measures, the existence, development and wellbeing of their populations is undoubtedly heavily affected by the actions of larger and more industrialized nations.

There is an urgent need to direct resources towards the protection of ocean and marine resources that act as carbon sinks, as they globally absorb 30% of atmospheric carbon dioxide and are essential to mitigate climate change. But SIDS will also need resources to urgently adapt and respond to impacts such as sea level rise, even if the world limits average temperature increase to 1.5 °C.

Many SIDS have made strong political commitments to a net-zero, climate-resilient, and nature-positive future, including through ambitious national climate action plans known as Nationally Determined Contributions (NDCs). Although, despite the importance of nature in achieving both mitigation and adaptation goals, the latest round of Nationally Determined Contributions (national action plans on climate), generally do not sufficiently reflect the critical role of nature. This 3rd generation of NDCs is the last chance of elevating ambition before 2030, making this period critical to emphasizing approaches to nature-based mitigation and adaptation targets.

Through the Climate Promise initiative, UNDP is working with SIDS to prepare enhanced NDCs that are ambitious and comprehensive. For example, the **Cook Islands** is strengthening emissions reduction targets and adding new sectors in its NDC, aiming for net zero emissions between 2030 and 2040. **Antigua and Barbuda** is embarking on a just transition of its workforce with an energy target of 86

KEY MESSAGE 4

percent renewable energy from local resources by 2030. **Vanuatu** set a target of 65 percent renewable energy by 2030 and embraced a circular economy. **Dominica** is focusing on the protection of its forests, ensuring a robust tracking of progress and the inclusion of Indigenous communities.

SIDS around the world, including **Saint Vincent and the Grenadines**, are recognizing that addressing gender gaps and empowering women is crucial for effective and sustainable climate action.



With support from UNDP, **Antigua and Barbuda** undertook a preliminary study that analyzed the employment implications of transitioning to a low-carbon economy, based on the country's proposed NDC targets in the electricity and transport sectors. Actions included training the workforce in mitigation technologies; support for MSMEs to enter renewable energy value chains; development of a gender-responsive approach to just transition in the energy and construction sectors; development of new training and entrepreneurial programmes; and operationalization of the Sustainable Island Resources Framework Fund (SIRF).



An assessment supported by UNDP has shown that **Dominica** has the potential to replace up to 16% of electricity from fossil fuels by using biomass and biofuels. The country has also prioritized gender equality in its climate action and recognized the needs of the youth and indigenous communities. This includes developing a roadmap to mainstream gender in NDC institutional and coordination mechanisms.



As part of these efforts, **Grenada** has created a National Cooling Action Plan, with the aim of reducing emissions from the refrigeration and air-conditioning industry, which contribute to nearly 30 percent of the country's GHG emissions. UNDP supported Grenada to produce a financial plan that outlines the costs associated with the implementation of the National Cooling Action Plan and to conduct a renewable energy assessment of agriculture facilities. These measures are in support of the country's pledge to further reduce its emissions and transition to greener sources of energy. Grenada is also emphasising the inclusion of youth perspectives on climate action and prioritising education efforts that will support effective and sustainable climate action.



Under its enhanced NDC, **Cabo Verde** increased the scope and ambition of its mitigation goals to help the country achieve a net-zero economy by 2050. It has committed to reducing GHG emissions by 18 percent by 2030 as compared to the Business-as-Usual scenario. Adaptation sectors now include: health, water, coastal zone, environment, social development, agriculture, disaster risk management, energy, LULUCF, and cross-cutting issues. Critically, the enhanced NDC also strengthened its focus on climate justice, gender equality, transparency, and good governance.



In collaboration with the EnGenDER initiative, **Saint Vincent and the Grenadines** collected and analyzed data on social inequities and how climate change will impact men, women, and vulnerable groups. The analysis highlighted gaps, opportunities and challenges and recommended inclusive policies and plans to build climate resilience. This information allowed the country to prepare a roadmap to guide and enhance the consideration of gender across NDC actions and plans. This includes improving the collection and use of sex-disaggregated data at the sectoral level and raising awareness about gender budgeting within the national budgetary process.

UNDP will support SIDS to improve climate resilience through various strategies, such as promoting renewable energy, energy-efficient practices, and community-level capacities for sustainable natural resource management. It also highlights the importance of gender-responsive planning and monitoring in adaptation and mitigation measures, promoting low-carbon solutions through renewable energy and energy-efficient technologies, and developing nature-based solutions to enhance local climate change adaptation capacities.

Unlocking nature's potential in SIDS using nature-based solutions to tackle climate change and secure sustainable futures

Dependence on ocean resources

Some SIDS also refer to themselves as “large ocean states.” Ocean areas under the control of SIDS are, on average, 28 times larger than their landmass, making ocean and marine resources vital to their economies. Industries like tourism and fisheries can constitute up to half of the GDP of some small island economies, such as **Antigua and Barbuda, Seychelles and the Maldives**.

In recent years, all SIDS have identified the interconnection between climate change adaptation efforts and the sustainable management of natural resources, including marine and coastal ecosystems. It underlines the need for an integrated approach to ensure the long-term conservation and sustainable use of these ecosystems, promoting resilience and enhancing biodiversity. It advocates for increasing the representation of women, youth, indigenous peoples, and other vulnerable groups in decision-making processes related to climate change and natural resource management, including ocean governance.

The SIDS Coalition for Nature was launched at the 15th Conference of Parties of the Convention of Biological Diversity (COP15) in 2022. With a focus on enhanced means of implementation, the Coalition aims to catalyze SIDS strategic partnerships and advocate as ONE for SIDS priorities. Co-lead by the Governments of **Cabo Verde, Samoa and Seychelles, Coalition for Nature** is a platform created for SIDS members to advocate as ONE for agreed common SIDS priorities and needs, including the needs for greater means to implement biodiversity objectives.

Tapping on its rich biodiversity and ecosystems, SIDS are turning to nature-based solutions, in addition to new infrastructure measures, as means to adapt to climate change impacts. Cuba is restoring ecosystems within mangroves and swamp forests to help protect coasts from saline flooding and erosion, and channel freshwater to coastal areas. **Mauritius and Seychelles** are restoring degraded coral reefs through community-based coral farming and nursery facilities.

In 15 projects across 14 Pacific SIDS, the GEF funded Pacific Ridge to Reef Programme, UNDP is implementing integrated solutions including marine ecosystems restoration, biodiversity conservation, carbon sequestration, and sustainable land and forest management.

Many countries, such as **Cuba, Guinea Bissau, Haiti, and Papua New Guinea**, are focusing on strengthening and implementing National Adaptation Plans. The **Maldives** is ensuring access to water through a system that integrates rainwater and desalinated water in a way that is affordable, easier to maintain and is not vulnerable to rainfall variability or sea level rise.

KEY MESSAGE 5

In partnership with UNDP, SIDS are transforming the way they manage ecosystems and natural resources, working to improve food systems, foster sustainable agriculture and fisheries and promote eco-sustainable tourism – recognizing that nature underpins their societies and economies. Some examples of UNDP projects that follow this approach include:

- **FUT-Tourism:** Rethinking tourism and MSMEs in times of COVID-19.
- **Accelerator Lab:** Finding innovative grassroots solutions to promote the blue economy in the Caribbean region.
- **SDG Fund:** Harnessing Blue Economy Finance for the Eastern Caribbean
- **BESS:** Blue Economy Scoping Studies for Eastern Caribbean Countries and Territories

Papua New Guinea is a high forest cover country, with almost 80% of its land area taken up by forest, and with 60% of this land considered primary forest. This makes PNG steward to one of the world's great forest ecosystems, one that is home to incredible biodiversity and that has immense carbon sequestration possibilities. PNG is employing innovative financing mechanisms such as the Biodiversity and Climate Fund, Debt4Nature Swaps, blue-green bonds, and biodiversity offsets. These efforts are focused on enhancing the integrity of natural resource management and protecting biodiversity.

Blue-Green Economy

Globally, the ocean economy amounts to approximately \$3.6 trillion a year and contributes 150 million jobs. SIDS are pioneering blue economy frameworks and scaling up nature-based solutions for diversifying their economies, building resilience to shocks and sustaining millions of livelihoods. A priori for the next decade is to scale up investments for a blue-green economy as fundamental for the building resilience and generating the needed jobs and investments in small islands.

The UNDP “Blue Economy for Green Islands” approach incorporates the deep interlinkages between blue and green economies while encompassing an entire island system and its maritime waters as one interlinked economic, social and environmental system. With regards to SIDS or BOS, recognizing this ecosystem aspect and looking at many islands as an entire coastal zone is key – due to size, proximity and various vulnerabilities, green intersects with blue, and therefore both ocean and land-based activities must be recognized as one interconnected system. At UNDP in **Barbados and the Eastern Caribbean**, we follow the Blue Economy for Green Islands approach in order to promote economic diversification, job creation and resilience. This approach is critical in order to promote resilience to external shocks including COVID-19 and other pandemics, climate and natural disasters and it is particularly important in times of COVID-19.

In the Caribbean, countries like the **Bahamas, Belize and Suriname** are harnessing the blue economy to achieve their climate action goals, and in the Pacific, a new finance facility will drive finance towards the protection of Fijian coral reefs and communities.

KEY MESSAGE 5

The Blue and Green Islands Integrated Programme

The BGI-IP is a transformative and comprehensive initiative designed to address pressing environmental challenges faced by SIDS. The BGI-IP, financed by the Global Environment Facility and led by UNDP, will support 15 SIDS and the broader cohort of SIDS in their pathways to implement the Antigua and Barbuda Agenda for SIDS. The programme emphasizes the crucial role of nature and scaling up nature-based solutions to combat environmental degradation and demonstrate new models of development in three high impact economic sectors: urban development, food production, and tourism.

It is a first-of-its-kind integrated programme dedicated to SIDS to drive systems-level change. This means lifting key barriers and pulling levers to change the way that ecosystems are utilized and managed in SIDS, generating vital global environment and development benefits over time by working with SIDS to adapt the way that they live and do business. For example, transforming food systems in SIDS to be more sustainable and self-sufficient by working with local farmers and producers to protect and restore nature while providing communities with more affordable food & reducing dependency on imports. Globally, the 15 BGI-IP child projects will work to improve food systems, support sustainable agriculture and fisheries, promote nature-friendly tourism, and develop sustainable urban and rural areas.

Reducing fossil fuel dependency for a sustainable future through an ambitious just energy transition

Energy insecurity

SIDS face some of the highest electricity costs in the world, due in part to their dependence on imported fossil fuels. Energy security and just transition remain at the forefront of their NDCs. Energy security of SIDS has been traditionally compromised by their reliance on fossil fuel imports resulting in bills ranging from approximately 0.5% to 18% of GDP. Despite limited resources and space for renewable energy infrastructure, SIDS aim to reach net zero ahead of 2050 by tapping into solar, wind and geothermal energy sources.

Although SIDS had an average electricity access rate of approximately 91%, with notable disparities within and among islands. Despite progress in the recent years on electricity access, SIDS remain dependent on expensive imported fossil fuels for electricity generation and transport, putting a major strain on their resources, jeopardizing their energy security, and worsening their terms of trade which has had a significant impact on their national budgets.

Use of renewable energy remains low in the SIDS –an average of less than 20% overall. SIDS have considerable potential to scale up renewable energy (RE). This potential is also underpinned by the continued decrease per unit costs of most RE. However, lack of infrastructure, and lack of smart grid remains high barriers to cope with the intermittency of RE.

Between 2002 and 2016, SIDS received around US\$ 4.13 billion in energy aid, with the majority going to the Caribbean. However, there is a mismatch between the allocation of aid and the energy access gaps in these regions. Some islands with low energy access rates are not receiving proportionate aid. Additionally, there are challenges in disbursing these funds, partly due to the limited capacity of small public sectors in SIDS.

There are needs to tailor international funding options to SIDS contexts and remedy the lack of available data to prove the bankability of new renewable projects.

UNDP is committed to support energy sector transformation in SIDS by 2030 through:

- Providing 6 million people across 24 SIDS with access to clean energy.
- Assisting 24 SIDS that have not yet reached universal access to electricity to achieve up to 50 percent improvement.
- Assisting 25 SIDS with less than a 25 percent share of renewable energy in their power mix to achieve at least 25 percent by 2030 and assist those that have committed to reaching a 100 percent target.

KEY MESSAGE 6

UNDP's strategy involves transparent communication about the urgency and scale of interventions required, coupled with pragmatic adaptation measures. These include:

- by enhancing policy, regulatory, and advisory services to promote greater uptake of renewables, including the development of roadmaps, resource assessments, grid stability analysis, project planning, identification, and execution.
- through investments aimed at ensuring project bankability, thereby attracting more investors to support energy transformation.
- by providing capacity building for local policymakers, utilities, the private sector, and financing institutions.

The challenges in most islands include establishing guaranteed off-take agreements, instilling confidence in predictable long-term revenues, and mitigating potential curtailment events within a suitable regulatory framework. Access to finance through innovative and traditional sources is a key enabler for many SIDS on the path for sustainable development and energy transition. UNDP supports SIDS in accessing energy finance in three key areas:

- 1 Innovative finance, including blended finance approaches and risk-mitigating solutions like insurance for protection from disasters ex ante, and enhanced protection for coral reefs and other types of natural capital.
- 2 Financing for conservation and debt restructuring, in hand with fiscal policy advice, using blue bonds and resilience bonds.
- 3 Leveraging domestic resource mobilization and scarce public investment to find other sources of finance for sustainable development in SIDS, Green Bonds for catalyzing private sector investment for infrastructure.

To translate SIDS commitments into tangible results, **UNDP leverages its substantial climate and energy portfolio, which encompasses investments exceeding \$210 million across 42 small islands focusing on integrated nature-based solutions**, boosting renewable energy and policy support in leveraging private sector investment in the clean energy markets and rural electrification.

- To support the crucial energy sector transformation, in Comoros, UNDP's Africa Minigrids Program will expand electricity access in last-mile settlements across the three islands. CloudSolar, in Barbados, provides a digital platform to de-risk investment in solar energy by allowing anyone to purchase and invest in solar panels.
- **Guinea-Bissau** is focusing on the need to expand sustainable energy access through renewable energy investments, particularly for vulnerable communities. This includes enhancing policy, institutional, and legal frameworks to promote the adoption of renewable energy technologies.
- **Guyana** is advancing sustainable energy access policies include mainstreaming low-emission technologies and working with government bodies to integrate sustainable energy solutions into national infrastructure.

KEY MESSAGE 6

- **Haiti** emphasizes efforts to support national capacities to access renewable energy, highlighting the importance of transitioning to sustainable energy sources as part of Haiti's economic and environmental strategies.
- UNDP is supporting **Mauritius** in expanding renewable energy sources within Mauritius' energy mix, including increasing the proportion of renewable energy in local electricity production.
- **Jamaica** focuses on enhancing private sector capacities to transition to low-emission energy and transport systems, with a goal to increase the number of applied solutions to accelerate this transition.
- **Suriname** is enhancing access to renewable energy sources for indigenous and tribal people, aiming to improve their living standards and reduce dependencies on non-renewable energy sources.
- **Timor-Leste** is focusing on developing a green/blue economy and livelihoods linked to nature-based solutions, including clean and sustainable energy practices.

UNDP plays a critical role in supporting SIDS through various initiatives aimed at promoting renewable and sustainable energy including:

- **Policy and Institutional Support:** Assisting countries in developing and implementing policies and legal frameworks that promote renewable energy adoption and sustainability..
- **Capacity Building:** Enhancing national and local capacities to manage and implement renewable energy projects effectively.
- **Climate Financing:** Supporting countries in attracting climate finance for renewable energy projects, ensuring that adequate funding is available to support the transition to sustainable energy sources.
- **Public Awareness and Education:** Promoting sustainable lifestyles and increasing public awareness about the benefits of renewable energy and the importance of reducing carbon footprints.
- **Innovative Financing Mechanisms:** Creating new financing mechanisms to support renewable energy transitions and leveraging private sector engagement to secure investments.
- **Regional and International Cooperation:** Facilitating South-South cooperation and knowledge transfer to ensure the affordability and effectiveness of renewable energy solutions across different regions.

Economic vulnerabilities are compounded by the lack of diversification, over-reliance on tourism, and dependency on imported goods

Reliance on Imports and International Tourism

Reliance on imports: SIDS have small land areas meaning that they can't produce everything they need and rely on imports of food and energy. This leaves them highly vulnerable to external shocks, such as climate change impacts, global financial crises or the COVID-19 pandemic.

International tourism dependency: 38 SIDS derive 42% of all their export revenues from inbound tourism compared to 11% for all other developing countries, making SIDS highly vulnerable.

The limited size of SIDS results in constrained resources, both in terms of land and human capital, as well as small economies, leading to significant challenges in economic diversification.

SIDS often have small and open economies, heavily reliant on a few sectors such as tourism, agriculture, fisheries, and remittances. Economic vulnerabilities include limited export diversification, susceptibility to external economic shocks, and high dependence on imported goods such as food, leading to trade deficits and debt accumulation. They face significant challenges due to their economic dependence on a narrow range of sectors, often leading to heightened vulnerability to external shocks, such as global market fluctuations and natural disasters. This lack of economic diversification has resulted in economic instability, limited job creation, and reduced resilience against economic and environmental crises.

To overcome the economic vulnerabilities, SIDS need to diversify their economies by developing new sectors such as digital services, green and blue economies, and value-added industries. Expanding the creative economy, grounded on cultural diversity, and exploring the incipient care economy could generate the jobs and resources required by SIDS. Key strategies include fostering entrepreneurship, supporting small and medium-sized enterprises (SMEs), promoting innovation, and improving access to financing.

Other key strategies to promote economic diversification include fostering entrepreneurship, supporting small and medium-sized enterprises (SMEs), promoting innovation, and improving access to financing.

- UNDP has focused on building the capacity of SMEs and fostering entrepreneurship. For example, in **Suriname**, UNDP supports innovative economic solutions and sustainable natural resource management to diversify the economy and stimulate growth.

KEY MESSAGE 7

- In countries like **Barbados**, UNDP promotes the blue and green economies, leveraging marine resources for sustainable economic growth while ensuring ecological integrity.
- In **Timor-Leste**, UNDP is supporting the government to promote economic diversification to reduce reliance on oil revenues and create sustainable economic opportunities. This involves promoting green, blue, and circular economies.
- Supporting digital transformation is a key strategy for economic diversification. In the **Maldives**, UNDP's supported the development of an economic diversification strategy aligned with the blue economy framework, focusing on digital innovation and private sector engagement.
- Through the Pacific Financial Inclusion Programme, UNDP has supported over 1.78 million people across **Fiji, Samoa, Tonga, Kiribati, Papua New Guinea, Vanuatu, and Solomon Islands**, in gaining access to financial services, including the expansion of mobile banking, digital financial services, micro-insurance products, and financial literacy training for individuals and SMEs.
- In Fiji, UNDP supported the development of a blue investment fund and a sustainable bond framework to attract private sector investments and improve innovations across sustainable fisheries, sustainable transportation and shipping, ocean waste management, and other key sectors in the blue economy.

SIDS have implemented notable strategies to support SMEs, promote trade, and achieve economic diversification. Here are some examples:

- **Dominican Republic** emphasizes enhancing the productivity, competitiveness, sustainability, and resilience of MSMEs, particularly those led by women. Key sectors include tourism and agroindustry. Efforts to increase digital capabilities among entrepreneurs and leveraging innovative methods and tools are part of the strategy to boost MSME productivity and contribute to economic diversification.
- **Guyana** focuses on enhancing the competitiveness and market access for local businesses, particularly MSMEs. Strategies include developing and supporting programs to promote export quality products and improving the business environment to support trade. This involves strengthening policies to promote business development and integrating MSMEs into value chains and markets.
- **Haiti** outlines efforts to strengthen the institutional capacities of the Ministry of Commerce and Industry to improve services to economic actors, particularly micro and small enterprises. This includes promoting sustainable consumption and production practices within the public and private sectors, aiming to integrate trade into national development goals and enhance employability and job creation in key sectors like agriculture and manufacturing.
- **Fiji and Samoa for Pacific Island Countries and Territories** highlight policies and programs to support SMEs, particularly in the blue-green and circular economy sectors. Efforts focus on building national ownership and durable partnerships to deliver integrated development solutions, enhancing capacities for financial management, and exploring innovative financing pathways to support economic recovery and sustainable growth.

KEY MESSAGE 7

- **São Tomé and Príncipe** emphasizes economic diversification beyond primary sectors like agriculture, tourism, and oil. Strategies include enhancing skills, employability, and entrepreneurship among women and youth, and promoting innovations and digitalization to improve basic service delivery. This approach aims to create new job opportunities and foster sustainable economic growth.

These examples illustrate how SIDS are working towards creating resilient, diversified, and inclusive economies by supporting SMEs, promoting sustainable trade practices, and leveraging innovative financing mechanisms.

UNDP will continue to support SIDS "blue and green economy islands" approach, focusing on economic diversification, sustainable job creation, and resilience through the promotion of sustainable natural resource management. This includes leveraging the marine environment and its resources for economic development in a way that does not compromise their ecological integrity.

Transition towards a blue and green economy, specific mentions of ocean governance, ocean conservation, and the blue economy are integrated within the broader goals of promoting sustainable management of ecosystems and transitioning towards more sustainable economic models.

Tackling social inequalities, while promoting gender equality, protecting vulnerable communities, access to services and expanding jobs

Small populations: SIDS generally have very small populations, which limits their options in building diversified economies and taking advantage of scale. The aggregate population of all SIDS, living across more than 1,000 islands, is 65 million people, or less than 1% of the world's population.

Only 12% of SIDS maintain gender-specific data, crucial for assessing and addressing gender specific vulnerabilities. The absence of trend data limits SIDS' ability to demonstrate progress on the Multidimensional Vulnerability Index (MVI) and Sustainable Development Goals (SDGs).

SIDS experience some of the highest rates of non-communicable diseases (NCDs) globally, with NCDs being a leading cause of death. Approximately 52% of individuals living with NCDs in SIDS die prematurely. Currently, NCDs account for around 75% of all deaths in the Pacific countries compared to the global average.

SIDS have made efforts to address social inequalities, but challenges remain, especially in gender-based violence and disparities in access to resources and opportunities for women and youth. UNDP has been instrumental in supporting health system strengthening, promoting universal health coverage, and facilitating partnerships with other UN agencies to leverage technical expertise and funding, such as the Global Fund grants.

Gender equality is a top priority for SIDS, including enhancing efforts to combat gender-based violence, ensuring equal access to resources and opportunities for women. Many SIDS are prioritizing youth inclusion through programs that target youth employment and entrepreneurship through education, skills development, and employment opportunities. A few examples of social development priorities include:

- **Barbados** focused on economic resilience, climate change adaptation, and addressing social inequalities such as gender-based violence.
- **Jamaica** prioritized economic recovery post-COVID-19, crime reduction, social inclusion, and gender equality.
- **Guinea-Bissau** emphasized strengthening health systems, universal health coverage, and expanding social protection.
- **Belize** focused on the need for shock-responsive social protection systems and addressing socio-economic health inequities.
- **Dominican Republic** is focusing on multidimensional poverty and vulnerabilities, while expanding its focus on adaptive social protection.

KEY MESSAGE 8

- In the **Cook Islands**, UNDP together with the Global Fund, UNAIDS, civil society, and LGBTIQ+ community supported legislative reform to decriminalize adult consensual same-sex sex.

There are a few stark differences between Pacific and Caribbean SIDS in the social development agenda. While both Pacific and Caribbean SIDS have a strong focus on social inequalities, including addressing gender-based violence and improving justice systems, the Caribbean SIDS place a stronger emphasis on crime reduction. On the other hand Pacific SIDS are focused on addressing Non-Communicable Diseases (NCDs), among their health priorities, due to their high prevalence. In the frame of the UN Spotlight Initiative, UNDP is supporting Pacific and Caribbean SIDS in strengthening partnerships, laws and policies, data and evidence, and national capacities in addressing and mitigating gender-based violence and discrimination.

Given SIDS' economic dependence on a narrow range of sectors, the lack of economic diversification has resulted in limited job creation, particularly for youth. Over the years, UNDP has implemented several initiatives to support youth in SIDS, focusing on empowerment, skills development, entrepreneurship, and participation in sustainable development.

- **Timor-Leste:** UNDP established innovation hubs such as the Youth Innovation Hub and the Accelerator Lab in Dili. These hubs foster entrepreneurship, develop digital and innovative capacities among youth, and build 21st-century skills and competencies.
- **Maldives:** UNDP supports the development of digital and technological skills among youth, aiming to enhance their employability and support the growth of scalable and digitized businesses. This includes partnering with financial institutions and mobile operators to strengthen access to digital finance and mobile banking services.
- **Dominican Republic:** UNDP focuses on enhancing the digital capabilities of entrepreneurs, including youth, to increase productivity, resilience, and sustainability. In addition, UNDP works with local partners to strengthen policies, institutions, and partnerships for LGBTIQ+ inclusion.
- **Suriname:** UNDP engages youth in environmental sustainability projects, including the management of natural resources and climate action initiatives. This helps build local capacities and fosters innovative sustainable strategies tailored to the country's specific needs.
- **Fiji and Samoa:** UNDP emphasizes inclusive growth by targeting youth employment, livelihoods generation, environmental conservation, and peacebuilding.
- **Cuba:** UNDP integrates gender perspectives and youth empowerment across all programmatic areas, contributing to reducing gender gaps and promoting youth participation in local development plans.
- **Guyana:** UNDP leverages its global network to build local capacities and enhance national capabilities in promoting youth participation and leadership in development initiatives.
- **Guinea-Bissau:** UNDP supports youth and women entrepreneurs through capacity building and participation in decision-making processes. This effort aims to foster a more productive and innovative private sector that can drive economic diversification and growth.
- **Barbados:** UNDP works with various stakeholders, including regional organizations and international financial institutions, to support youth-led initiatives and foster sustainable economic development. This includes promoting the blue and green economy sectors.

Fostering island innovations by elevating digital transformation in SIDS

SIDS have made significant strides in integrating digital technologies to enhance public service delivery, support economic empowerment, and improve infrastructure. Emphasis has been on setting up an ecosystem to facilitate digital connectivity. Looking forward, SIDS will be focusing on deepening digital transformation, fostering innovation, building capacity, and leveraging global partnerships to drive sustainable development and resilience. The emphasis on data-driven decision-making and environmental sustainability through technological solutions reflects a forward-looking approach to tackling future challenges.

During the SAMOA Pathway, UNDP supported SIDS in promoting digital literacy and the development of digital capacities in a fast-moving era, especially in underserved areas.

- Initiatives aimed at enhancing the digital capabilities of the population were a significant focus, as seen in **Suriname**'s efforts to strengthen digital literacy and inclusion to bridge the digital divide and provide broadband access for all. Governments invested in e-governance to improve public service delivery.
- For instance, **Belize** supported the expansion of government capacities for e-governance to enhance social services and governance. Digital solutions were introduced to address the digital divide and foster economic empowerment for Micro, Small, and Medium Enterprises (MSMEs), enhancing their access to markets.
- The integration of technology into health, education, and governance was prioritized. For example, in **Cabo Verde**, digital health information systems were rolled out to improve data management in health services.

The next 10 years will accelerate digital transformation and connectivity in SIDS. UNDP will continue to support small islands countries with digital transformation across various sectors, including health, governance, and financing, while expanding digital infrastructure to ensure widespread connectivity and support for e-services, especially in remote communities, as highlighted in **Guyana**'s strategy. Support includes:

- Helping SIDS in leveraging data-driven solutions for development goals. This involves using advanced technologies for data collection, analysis, and decision-making to enhance governance and service delivery. Innovative data solutions are set to play a crucial role in climate action and environmental management.
- Enhancing capacities at national and local levels to utilize technology and innovation effectively. This involves building skills among community members and government officials to leverage digital tools for development planning and implementation.

KEY MESSAGE 9

- Promoting environmental sustainability through technological innovations. Plans include developing tech-driven solutions for sustainable management of natural resources, energy efficiency, and waste reduction.

All SIDS are exploring the role of digital in their economies and societies. At the heart of these priorities is the way in which SIDS are exploring digital to fundamentally reshape their very existence – including moving beyond traditional ‘e-government’ approaches toward defining ‘Digital Nations’. From digital-first public services to creating core digital assets for a digital economy and society, and building the skills, workflows, and processes to safeguard culture, heritage, and other assets using digital tools, This approach is being explored by a number of countries (including the ‘**Smart Nation**’ initiative in Singapore). A ‘**Digital Nation**’ initiative also reaffirms the broad relevance of digital for SIDS. With more than 60% of SIDS populations living in an urban setting, ‘smart cities’ can make these environments more liveable, sustainable, inclusive, and people-centred.

As SIDS transition to a digital economy, a number of countries have begun to prepare their economies for participation in international and regional markets. To promote simpler and more secure payment mechanisms, the **Republic of Palau** is proactively pursuing a central bank digital currency by establishing a **national ‘stablecoin’ programme**. Meanwhile, **Cabo Verde** sees digital remittances and related financial services as a **pathway to important growth**. Digital skills and governance are also essential components, with a well-functioning digital economy requiring strong human capital. A **blended learning course on the legal implications of e-commerce** for SIDS was designed as part of a 2023 distance learning initiative.

SIDS also need to put the next generation at the centre of their digital efforts. As highlighted in the forthcoming analysis of a UNDP survey of 4,000 young people across SIDS, this important segment of the population sees digital as a key driver of national development. They are building digital businesses, leveraging digital for communication and connection, and developing skills and knowledge about digital – and through using digital tools. The youth of SIDS have proven that they have a crucial perspective and enthusiasm that must also be nurtured through learning programs like the Samoa-Knowledge Society – but also by providing young people with the platforms and support to drive digital development within their societies and economies. Collaboration between SIDS in sharing youth-led innovations is essential for addressing the geographical dispersion and lack of access to youth funding, such as regional networks like the SIDS Youth AIMS Hub. Ultimately, the greatest resource in SIDS is human capital.

Digital initiatives in SIDS are reshaping economies, promoting sustainability, and empowering youth, positioning SIDS to overcome their unique challenges through innovation and collaboration.

Supporting capable government institutions to accelerate progress in SIDS

There are notable gaps in governance and institutional capacity, particularly in the areas of transportation, energy, and digital connectivity. Weak governance structures and institutional fragility demonstrate the need for enhanced rule of law and justice systems are recurrent themes.

Strengthening public financial management and expanding fiscal space are critical for achieving the Sustainable Development Goals (SDGs). Improving accountability and efficient allocation of resources is a priority.

Many SIDS are focusing on aligning national planning and budgeting processes with SDG targets, incorporating human rights indicators, and local-level plans to ensure inclusive growth.

- **Cabo Verde** is establishing an efficient public administration system aligned with SDG targets and integrating human rights indicators.
- **Maldives spent** significantly on climate change mitigation and adaptation from the state budget.

UNDP plays a crucial role in supporting SIDS through various initiatives:

- **Resource Mobilization:** UNDP has helped in mobilizing resources from vertical funds and other partners to strengthen national institutions for biodiversity conservation and ecosystem management, climate change adaptation and disaster risk management.
- **Capacity Building:** UNDP has supported the enhancement of state capacities to implement evidence-based development policies that integrate climate change adaptation and mitigation.
- **Technical and Operational Support:** UNDP has provided technical and operational support for the implementation of nationally determined contributions and fostering climate change adaptation and mitigation strategies.
- **Policy and Legislative Support:** UNDP support SIDS in strengthening policy and legislative frameworks for sustainable development, natural resource management, and climate resilience.

To tackle the gaps in data availability, UNDP created the Data Platform for SIDS, a freely available digital tool that provides updated, standardized, and comprehensive information on country figures, geospatial data, and development indicators.

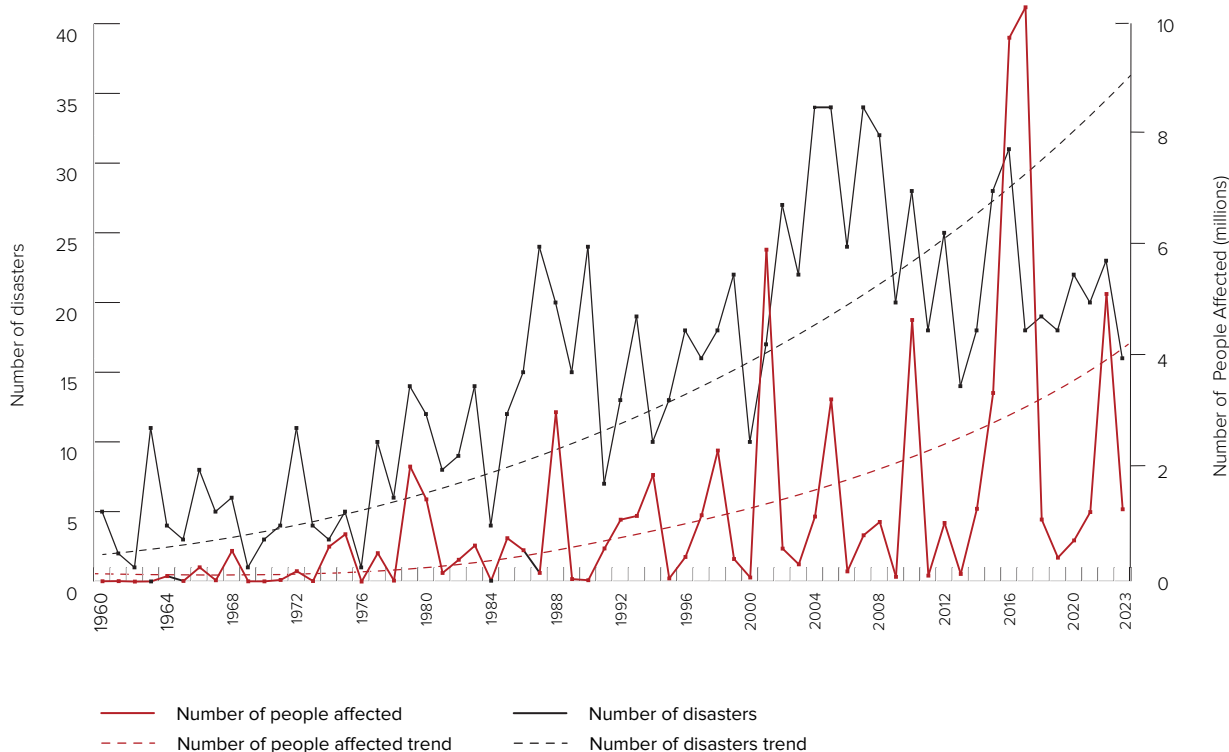
The UNDP Regional Ridge to Reef partnership with the Pacific Community also contributes to closing this gap by using spatial data to develop maps of resources, hotspots and habitats.

Looking ahead to the next 10 years

The escalating frequency and severity of disasters in SIDS (Fig. 4) highlights the critical need to address the unique development challenges these regions face. Effective responses require coordinated efforts at the national, regional, and international levels, emphasizing resilience-building, sustainable development, and fostering partnerships for socio-economic and environmental advancement, positioning SIDS as leaders in global change.

FIGURE 4

Increasing frequency of disasters and impact of disasters in UNDP Programme SIDS, 1960-2023



Data Source: EM-DAT: The emergency events database, www.emdat.be, accessed March 2024.

Note: The data utilized represent 37 out of 38 UNDP programme countries. Data from Nauru not available.

UNDP's distinct advantage in SIDS stems from our comprehensive approach to climate action and our ability to deliver integrated and inclusive solutions tailored to the diverse crises SIDS encounter. Our efforts align with national priorities, ranging from poverty alleviation and job creation to reversing environmental degradation, strengthening governance and systems for health, and combating pollution.

Key strategies include enhancing resilience through integrated climate and nature-based solutions, securing climate finance under the global loss and damage framework, and ensuring debt sustainability

via effective liquidity support, access to debt restructuring, and the application of the Multidimensional Vulnerability Index (MVI). Additionally, investments in digital transformation, economic diversification with a focus on private sector development, trade, value chains, and tourism are vital. Holistic progress also demands prioritizing well-being, social development, cultural values, human capital, and fostering robust partnerships. a focus on private sector development, trade, value chains, and tourism are vital. Holistic progress also demands prioritizing well-being, social development, inclusion, cultural values, human capital, and fostering robust partnerships.

Over the past decade, UNDP has adeptly redirected regular and donor resources, in collaboration with donors, to address immediate post-disaster needs. While this responsiveness is crucial, the increasing frequency and intensity of disasters, particularly due to climate change, necessitates enhanced resource allocation. Specifically, augmenting core resources is essential to address disaster-related needs without compromising foundational support for broader developmental goals. This dual approach ensures both immediate and long-term resilience and growth for SIDS.

¹ <https://www.un.org/ohrlls/content/list-sids>

² <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

³ <https://www.un.org/ohrlls/content/list-sids> &

⁴ <https://www.imf.org/en/Publications/WEO/weo-database/2024/April/groups-and-aggregates>

⁵ <https://www.imf.org/en/Publications/WEO/weo-database/2024/April/groups-and-aggregates>

⁶ <https://thedocs.worldbank.org/en/doc/608a53dd83f21ef6712b5dfef050b00b-0090082023/original/FCSListFY24-final.pdf>

⁷ <https://odi.org/en/publications/a-fair-share-of-resilience-finance/>

10 YEARS FLAGSHIP INITIATIVES

NATURE, CLIMATE, BIODIVERSITY

Biodiversity Finance Initiative

Established by UNDP in 2012 in response to the need for increased and more efficient financing, BIOFIN is a global partnership that aims to address the financing gap for biodiversity conservation. The initiative works with countries to develop and implement comprehensive national biodiversity finance plans.

- **Biodiversity Finance Policy and Institutional Review:** Analyzing existing policies, institutions, and finance mechanisms related to biodiversity.
- **Biodiversity Expenditure Review:** Assessing current spending on biodiversity conservation and identifying gaps.
- **Finance Needs Assessment:** Estimating the financial resources required to achieve national biodiversity targets.
- **Biodiversity Finance Plan:** Developing strategies and actions to mobilize additional resources for biodiversity conservation.



CUBA

Joined the BIOFIN initiative in 2016. An institutional platform was consolidated among key ministries enhancing environmental accounting. For the first time, a Specific Standard of "Environmental Accounting" was approved, allowing for the recording of expenses and income related to biodiversity and ecosystem conservation. Over 300 national actors were trained in biodiversity, economics, and finance. A Financial Plan for biodiversity, including short- and medium-term financial solutions, was also designed, to be implemented by 2025.



SEYCHELLES

The Biodiversity Finance Plan was approved in 2019, as well as a suite of biodiversity finance solutions that will realize benefits of more than USD 6 million per year. Seychelles is protecting 50% of its terrestrial territory but is expanding its marine protected area to cover 30% of its Economic Exclusive Zone representing 400,000 km².



BELIZE

BIOFIN has established the National Biodiversity Office within the Ministry of Sustainable Development, Climate Change and Disaster Risk Management; and developed a Business Investment Framework and Tracking Tool for Protected Areas in Belize.

Japan-Caribbean Climate Change Partnership (J-CCCP)

J-CCCP is a collaborative initiative aimed at addressing climate change challenges in Caribbean countries. The partnership focuses on enhancing climate resilience and sustainable development in the region through various projects and initiatives.

- **Supporting Policy Development:** Assisting Caribbean countries in developing and implementing policies related to climate change mitigation and adaptation.
- **Capacity Building:** Strengthening the capacity of local institutions and communities to effectively respond to climate change impacts.
- **Implementing Climate Projects:** Facilitating the implementation of specific climate change projects, such as renewable energy installations, climate-smart agriculture, and coastal management.
- **Knowledge Sharing:** Promoting the exchange of knowledge and best practices among Caribbean countries and with international partners.

1

In **Saint Lucia**, UNDP supported the development of the National Adaptation Plan, covering a 10-year period across 8 priority sectors (water, agriculture, fisheries, infrastructure and spatial planning, natural resource management, education, health, and tourism).

2

In **St. Vincent and the Grenadines**, the J-CCCP developed standardized baselines for monitoring emissions in the transport and water sectors. It also supported community potable water resources management, increasing residential and commercial water storage capacity by nearly 70,000 gallons of water, while reducing water shortages and transport costs. 117 farmers across 3 geographical districts were also supported with enhanced irrigation systems and crop yield.

3

In **Jamaica**, J-CCCP increased access to clean water with targeted community members benefiting from reliable water supply, with less school closures due to water shortages.

4

In **Grenada**, more efficient irrigation systems were installed, increasing storage capacity to 53,000 gallons, while increasing irrigation capacity for an additional 4-6 weeks and reducing crop loss by nearly 10%.

5

In **Suriname**, solar photovoltaic systems were installed in targeted households, providing reductions of greenhouse gas emissions per year.

10 YEARS FLAGSHIP INITIATIVES

NATURE, CLIMATE, BIODIVERSITY

Regional Ridge to Reef Project in Pacific Island Countries (2015 – 2022)

The Regional Ridge to Reef (R2R) Project aimed to promote sustainable management of natural resources, enhance biodiversity conservation, improve climate resilience, and support sustainable development in Pacific island countries through an integrated watershed approach.

- **Ridge to Reef Approach:** This approach involves managing the entire watershed area, from the ridges (mountains) to the reefs (coastal and marine areas), as a single interconnected system.
- **Community Engagement:** Strong emphasis on involving local communities in planning and implementing conservation and sustainable management activities.
- **Capacity Building:** Training and capacity building for local stakeholders to ensure long-term sustainability and effective management.
- **Policy and Institutional Support:** Assisting governments in developing and implementing policies and frameworks to support integrated resource management.

1

The project increased and enhanced **Tuvalu's** Locally Managed Marine Areas, including Marine Protected Areas, by 15% with nine formalized community management systems of marine conservation areas across nine islands equipped with functional management plans

2

In **Fiji**, the project improved carbon sequestration, ecosystem service management, biodiversity conservation, livelihoods, and climate resilience through integrated management across 6 priority water catchment areas.

3

In **Marshall Islands**, the project supported the operationalization of the Reimaanlok - the National Conservation Area Plan, adopted in 2008 to effectively conserve at least 30% of the nearshore marine resources and 20% of the terrestrial resources across Marshall Islands by 2020.

4

In the **Federated States of Micronesia**, the project strengthened national, state, and local capacities and actions to implement an integrated ecosystems management programme, with sustainable land management and biodiversity conservation, across 4 states.

5

In **Nauru**, the project improved the management of marine conservation areas with integrated frameworks and landscape management practices adopted by local communities.

Restoring Marine Ecosystem Services by Rehabilitating Coral Reefs to Meet a Changing Climate Future (2019 – 2026)

The project aims to rehabilitate degraded coral reefs in Mauritius and Seychelles to enhance their resilience to climate change, restore ecosystem services, and involve local communities in sustainable practices.

- **Enhanced Reef Health:** Improved health and resilience of coral reefs, leading to increased biodiversity and ecosystem stability.
- **Climate Resilience:** Coral reefs better adapted to withstand the impacts of climate change, such as rising sea temperatures and ocean acidification.
- **Sustainable Livelihoods:** Enhanced livelihoods for local communities through sustainable fisheries and eco-tourism opportunities.
- **Informed Policy Making:** Evidence-based policies and management practices that support long-term conservation and sustainable use of marine resources.



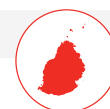
SEYCHELLES

1

Improved coastal resilience and biodiversity in Mauritius and Seychelles.

3

Improved livelihoods from coral restoration activities and/or due to the improved coastal and marine ecosystems supported by the restored corals.



MAURITIUS

2

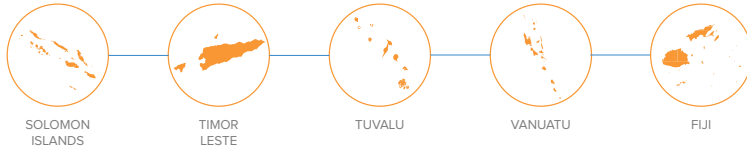
Restoration of degraded coastal ecosystems in Mauritius, Rodrigues, and Seychelles using farmed corals.

4

At least 10% increase in live coral cover, fish density and diversity in Mauritius and Rodrigues.

10 YEARS FLAGSHIP INITIATIVES

DISASTER RESILIENCE



Pacific Risk Resilience Programme (PRRP)

The Pacific Risk Resilience Programme (PRRP) aims to strengthen the resilience of Pacific Island communities to climate change and disaster risks. The program focuses on integrating risk reduction and climate change adaptation into development planning and decision-making processes at all levels, from national to community.

- Enhancing early warning systems, improving disaster risk management, and supporting climate-resilient infrastructure.

IMPACT

In Fiji, community leaders were trained to coach residents across 9 communities in 3 districts to support the development of Community Development Plans for climate resilience and disaster risk management.

PACIFIC SIDS

Pacific Insurance and Climate Adaptation Programme (2021 – 2025)

Improve the financial preparedness of Pacific households, communities, small businesses, organisations and governments towards climate change and natural hazards

- Building innovative financing and insurance options through a combination of stakeholder engagement, digital technologies, and increased awareness and capacity building.

IMPACT

Scaling of market-based Climate Disaster Risk Financing (CDRF) tools and instruments, targeting vulnerable population groups, with a focus on women, youth and MSME segments across agriculture, fisheries, and tourism sectors, for increased resilience against climate impacts.



Antigua and Barbuda Reconstruction after Hurricane Irma

The United Nations Development Programme (UNDP) has played a crucial role in supporting the government of Antigua and Barbuda with reconstruction efforts, particularly following the devastating impacts of Hurricane Irma in 2017.

Selected Initiatives

1

Post-Hurricane Irma Recovery

The Immediate Response and Relief initiative for Hurricane Irma aimed to provide immediate relief and support to affected communities by delivering emergency supplies such as food, water, and medical aid, setting up temporary shelters with basic services for displaced persons, and conducting rapid assessments to identify and prioritize urgent needs.

2

Building Back Better

The initiative focused on reconstructing and rehabilitating housing and critical infrastructure damaged by the hurricane by repairing and rebuilding homes with resilient construction techniques, restoring essential services in schools, healthcare facilities, and public buildings, and providing technical assistance and training to local builders on resilient practices.

3

Barbuda Recovery and Resilience

The Barbuda Recovery and Resilience Programme aimed to support long-term recovery and build resilience in Barbuda by implementing comprehensive recovery plans addressing housing, infrastructure, livelihoods, and social services, engaging local communities to ensure interventions meet their needs and priorities, and promoting sustainable and resilient development practices.

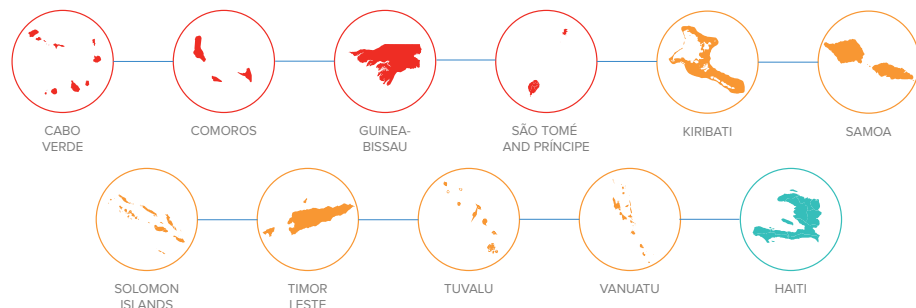
4

DRR and Climate Resilience

The initiative aimed to enhance Antigua and Barbuda's capacity to manage and reduce disaster risks by developing and implementing disaster risk reduction strategies and action plans, establishing early warning systems and improving emergency preparedness and response mechanisms, and building the capacity of local authorities and communities in disaster risk management and climate resilience.

10 YEARS FLAGSHIP INITIATIVES

ECONOMIC DIVERSIFICATION



Enhanced Integrated Framework (EIF) for Trade-Related Assistance

Strengthening trade capacities and integrating SIDS into the global trading system.

- Conducting Diagnostic Trade Integration Studies (DTIS) to identify trade constraints and opportunities.
- Developing action matrices to address trade-related challenges.
- Providing technical assistance to improve trade policies and regulatory frameworks.
- Supporting the development of export strategies for key sectors.

IMPACT

Improved trade policy frameworks, increased export capacities, and enhanced participation in global trade.

PACIFIC
SIDS

Pacific Digital Economy Programme (2021 – 2025)

Support the development of inclusive digital economies to accelerate poverty reduction, improved livelihoods, and resilient economic growth

- Enhance the policy and regulatory environment, open digital payments ecosystem, and innovative digital technologies and services to facilitate digital access, connectivity, literacy and enhanced digital capabilities among digital workers and customers.

IMPACT

Enhanced digital access and connectivity to increase market participation among rural communities, women, labour mobility workers, and Micro, Small & Medium Enterprises (MSMEs).



Building Back Blue – Leveraging COVID-19 Recovery for Sustainable Blue Economy in Fiji (2021 – 2023)

Development of a pipeline of investment-ready blue economy opportunities and funding for innovative solutions in partnership with ongoing UNDP and UNCDF initiatives and the Government's 'Drua Incubator'

- Leverage innovative financing options to inform a blue COVID-19 recovery and economy and improve innovation and investments in sustainable blue economy activities through technical and financial assistance, including support for sustainable fisheries, sustainable transportation and shipping, ocean waste management, and attracting private sector investments into a blue investment fund.

MILESTONES

Sustainable
Bond
Framework

Feasibility
studies

Blue
Accelerator
Grant
Scheme

Blue Bond
Prospectus
drafted

Blue
Investment
Fund



Kiribati Trade Capacity Development and Institutional Strengthening Project (2020 – 2023)

Supporting Kiribati in benefitting from trade by developing national capacities to implement and assess trade-related strategies that are aligned with the Kiribati Development Plan and the 20-year vision Development Plan (KV20).

- Assist Kiribati to develop its inclusive trade development as envisaged in its Trade Policy Framework 2017 - 2027 and KV20.
- Enhance links between trade, human development, and poverty reduction, and maintain the adoption of a whole-of-government approach to mainstream trade and aid coordination.
- Support the inclusive participation of stakeholders in trade policy implementation.

IMPACT

Strengthen institutional and stakeholder capacities to implement trade policies that support poverty reduction, inclusive economic growth, and equitable sustainable development. In doing so, the project also continues to address institutional capacity constraints by incorporating sustainable development and gender perspectives.

10 YEARS FLAGSHIP INITIATIVES

PACIFIC FINANCIAL INCLUSION PROGRAMME 2014 - 2020

BENEFICIARIES

1.78

million low-income
islanders



Increasing access to formal financial services across vulnerable communities Pacific Island Countries

Developing Financial Products and Services

Financial Literacy and Education

Policy and Regulatory Support

Digital Financial Services



FIJI

Focused on expanding mobile banking and financial literacy programs.



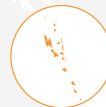
SOLOMON ISLANDS

Emphasis on developing microinsurance products and enhancing financial literacy



PAPUA NEW GUINEA

Implementation of digital financial services and financial inclusion policies.



VANUATU

Support for MSMEs through financial education and access to credit.



TONGA

Expansion of mobile banking services and financial literacy initiatives



SAMOA

Promotion of savings products and microinsurance, along with regulatory support

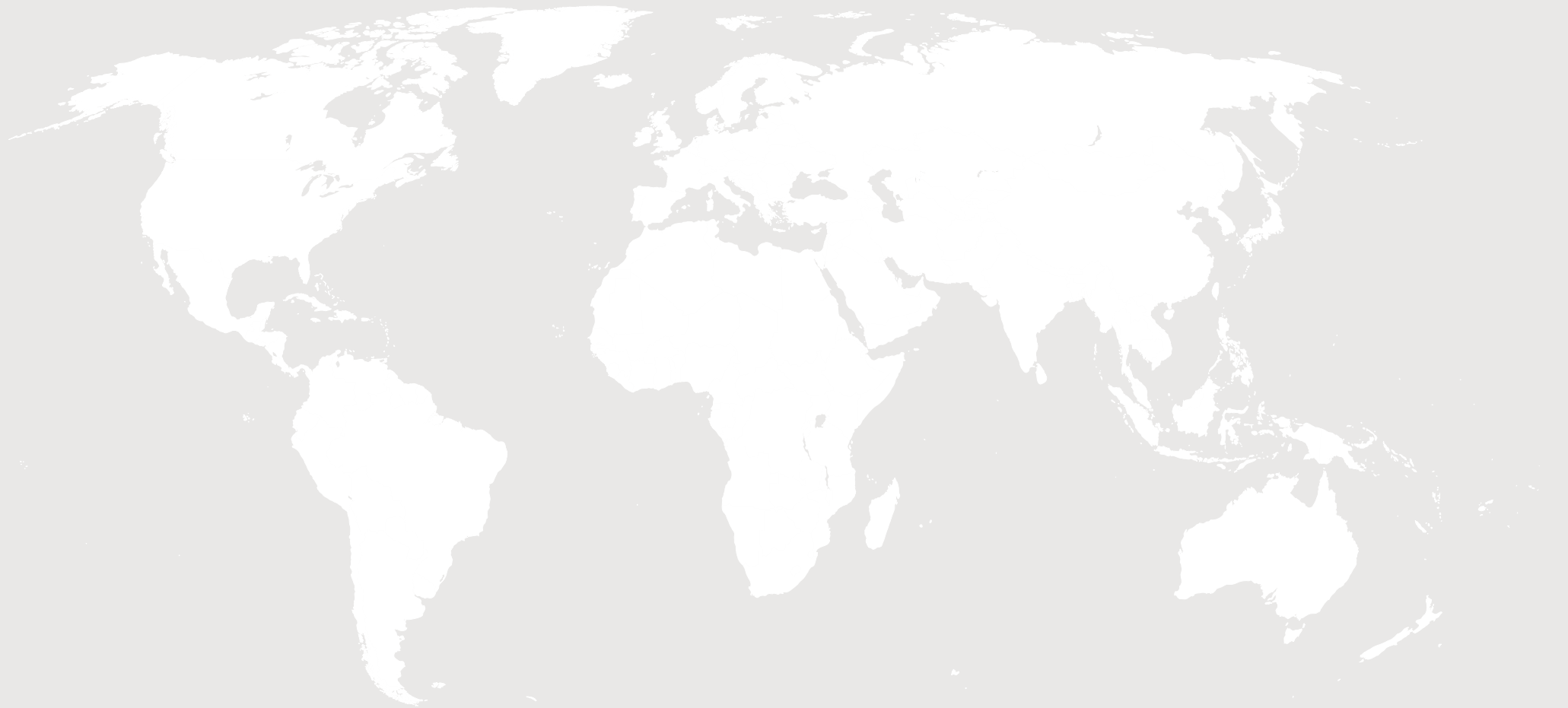


KIRIBATI

Development of financial products tailored to the local context and financial literacy programs

10 YEARS FLAGSHIP INITIATIVES

ECONOMIC DIVERSIFICATION



10 YEARS FLAGSHIP INITIATIVES

ENERGY TRANSITION



Vanuatu Low-Emissions Capacity Building Phase II (2017 – 2022)

Assist Vanuatu to strengthen and harmonize the policies, institutional frameworks and national Monitoring Reporting and Verification (MRV) systems to mainstream national mitigation policies and targets in the context of Nationally Determined Contributions (NDCs)

- Support the review and formulate the NDC implementation roadmap, while identifying and developing new mitigation actions beyond current NDC commitment periods.

IMPACT

Design of NDC implementation plans and institutional frameworks

Design and implement MRV systems to support the implementation and evaluation of NDCs

Detail techno-economic feasibility assessments of mitigation interventions

Implement small-scale mitigation and awareness raising initiatives

Design and strengthen the Nationally Appropriate Mitigation Action



Vanuatu Green Transformation Initiative (2023 – 2025)

Supporting Vanuatu in reducing its reliance on fossil fuels and ultimately achieving its National Energy Road Map goal of 100% renewable energy electrification by 2030 through the installation of pico hydro power stations.

- Undertake comprehensive feasibility studies and develop detailed design estimates to ensure the technical and financial viability of installing pico hydro power stations in targeted rural areas.
- Execute the installation of pico hydro power stations in selected locations, focusing on providing reliable and sustainable renewable energy to rural communities.
- Strengthen the operational and maintenance capabilities of national and local governments by providing targeted training programs and resources.

IMPACT

3,716 direct beneficiaries to gain access to clean energy

6,000 indirect beneficiaries to gain access to clean energy

61 kW cumulative energy generating capacity installed

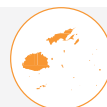
Supported green and sustainable job creation

Government officials and staff trained

Climate Investment Platform

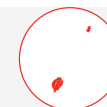
A joint initiative of the International Renewable Energy Agency (IRENA), United Nations Development Programme (UNDP), and the Sustainable Energy for All (SEforALL), in collaboration with the Green Climate Fund (GCF). The CIP aims to significantly scale up climate investments in developing countries, contributing to the achievement of the Paris Agreement goals by promoting sustainable development and reducing greenhouse gas emissions.

- The CIP helps bridge the gap between project developers and financial institutions, making it easier for climate projects to obtain the necessary funding.
- The platform offers technical assistance and capacity-building services to project developers to enhance their ability to design and implement viable climate projects.
- Assistance is provided for the preparation of projects to ensure they meet the necessary criteria for funding and are aligned with the climate goals of the respective countries.
- By providing a centralized platform, the CIP mobilizes investments by making it easier for investors to find suitable projects and for project developers to showcase their initiatives.
- The platform covers a wide range of sectors including renewable energy, energy efficiency, climate-smart agriculture, and sustainable urban development.



FIJI

Increased investment in renewable energy infrastructure, leading to greater energy independence and resilience against climate change impacts.



SÃO TOMÉ AND PRÍNCIPE

The CIP is working to increase renewable energy use and improve clean energy access for households and businesses.



COMOROS

The CIP is helping to de-risk geothermal investments and align regulations to support sustainable energy transitions in African SIDS.



BARBADOS

The CIP has focused on improving energy efficiency and expanding the use of renewable energy sources such as solar photovoltaic systems.

10 YEARS FLAGSHIP INITIATIVES

ENERGY TRANSITION



Facilitation of the Achievement of Sustainable National Energy Targets of Tuvalu (FASNETT) (2018 – 2023)

Contributing to the realization of Tuvalu's energy targets, specifically the goal of reducing greenhouse gas emissions from the power sector by 100% and achieving almost zero emissions by 2030

- **Raising Awareness:** Improving public and sector-specific awareness and attitudes towards energy efficiency (EE) and renewable energy (RE) applications.
- **Policy and Institutional Capacity Building:** Enhancing policies, regulations, and the institutional framework to support renewable energy and energy efficiency applications and low-carbon development.
- **Application of renewable energy and energy efficiency technologies:** Demonstrating viable RE and EE technologies and techniques in community-based projects to promote their widespread adoption.
- **Financing for renewable energy and energy efficiency initiatives:** Improving access to financial resources to support the implementation of RE and EE technologies and initiatives.

IMPACT

1

Floating Solar Technology

The project successfully incorporated new technologies like Floating Solar, which is a significant step in promoting renewable energy sources.

2

Legislative Framework

The project paved the way for the Energy Bill that would determine the progress of clean energy implementation in Tuvalu and ensuring long-term sustainability and governance of RE policies.

3

Community Engagement

The project strengthened community participation in renewable energy initiatives and increased the government's investment in low-carbon products.

4

Petroleum-Based Electricity Usage

The project aimed to reduce annual petroleum-based electricity consumption by 4,570.9 MWh/yr by mid-2021 and contribute 8,796.3 MWh/yr from renewable energy sources by 2025.



Maldives Low Emission Carbon Resilient Development Project (2013 – 2020)

Promote low-carbon development and enhance climate resilience

- Implementing renewable energy and climate adaptation projects, improving energy efficiency, and developing policies for sustainable development.

IMPACT

Assisted the Laamu Atoll to realize low emission and climate resilient development

Four local councils secured grants for solid waste management systems

Enhanced emergency response capacity, emergency kits provided for 10,000 people

11 schools saved \$53,000/year in electricity costs and reduced annual diesel use by 840,000 liters

Disaster Management plans developed across all 11 inhabited islands



Promoting Outer Island Development through an Integrated Energy Roadmap for Kiribati (2020 – 2024)

Enhance outer island development by achieving renewable energy and energy efficiency targets for Kiribati.

- Multi-pronged approach to address the challenges to renewable energy and energy efficiency dissemination in the outer islands along with the broader challenges of outer island economic development. It addresses capacity gaps through training and outreach, facilitates adoption and enforcement of needed policies, promotes the financing of outer island renewable energy and energy efficiency, addresses cost and technical challenges, and brings these together through demonstrations.

IMPACT

Productive use of renewable energy and energy efficiency and expanded emphasis of outer island energy development from institutional systems alone to include community systems that can support revenue generating activity, particularly related to coconuts, fish, and agricultural produce.