



RISING UP FOR SMALL ISLAND DEVELOPING STATES

PROGRESS REPORT

CONTENTS

3

TURNING
CHALLENGES
INTO
OPPORTUNITIES

7

RISING
UP
FOR
SIDS

13

ACTIONS ON THE
FRONTLINES OF THE
CLIMATE EMERGENCY



24

EMBRACING THE
BLUE ECONOMY

33

ACCELERATING
DIGITAL TRANSFORMATION



41

FINANCING SUSTAINABLE
DEVELOPMENT IN SIDS

47

LOOKING AHEAD





ACKNOWLEDGEMENTS

United Nations Development Programme (UNDP) is the leading United Nations organization fighting to end the injustice of poverty, inequality and climate change. Working with our broad network of experts and partners in 170 countries, we help nations to build integrated, lasting solutions for people and planet. Learn more at undp.org or follow at [@UNDP](https://twitter.com/UNDP).

This progress report aims to provide an overview of UNDP's global and country-level work in accelerating sustainable development in Small Island Developing States (SIDS) through its global integrated offer, Rising Up for SIDS. This draws on the achievements and expertise of the extensive country office network in SIDS as well as the experience of the Regional Bureaux. This report showcases UNDP's work and results since the launch of the global integrated service offer, and highlights valuable and transformative development opportunities that arise from the specific context of SIDS. The three interconnected pillars of Climate Action, Blue Economy and Digital Transformation make up the three drivers identified as accelerators of transformative and sustainable development in SIDS, grounded in a foundation of equitable, innovative and accessible financial solutions. The offer was developed to reflect the reality that SIDS face and to focus interventions where the impact is intersectional.

This report was prepared after extensive consultations with Resident Representatives in SIDS Country Offices and Multicounty Offices, technical team leads, regional thematic leads, BERA and SIDS regional bureau focal points. The integrated efforts of all the bureaus is at the center of the SIDS Offer and we owe our colleagues a great deal of gratitude for their excellent work.

Cover Photo: V Sokhin/ Small Grants Programme UNDP GEF

TURNING
CHALLENGES
INTO
OPPORTUNITIES



TURNING CHALLENGES INTO OPPORTUNITIES

Spread across the oceans and seas of the world, small island developing States (SIDS) are remarkable for their diversity, from the rugged mountains of **Papua New Guinea** to the coral reefs of **Kiribati**, and from highly urbanized nations like **Nauru** and **Singapore** to mostly rural **St. Lucia**.

Yet SIDS face common **social, environmental** and **economic** vulnerabilities.



With small land areas, they tend to rely heavily on imports for **food** and **energy**, at high cost given their **remote locations**

Economic activity often centres on just a few sectors, like **tourism**, leaving **little flexibility to adapt to crises** like the COVID-19 pandemic.



Fiscal space is tight and **debt burdens can be high**; most SIDS are **middle-income countries** with **reduced access to concessional finance** despite persistent development constraints.

Worsening natural disasters drain scarce resources for risk mitigation and response.



SIDS are fully engaged in surmounting their vulnerabilities. They are committed to seeing opportunity and ingenuity flourish, and amplifying their global leadership on critical issues such as climate change and the health of the ocean.

At the same time, international partnership remains vital for SIDS to comprehensively manage their challenges and unlock their many possibilities. UNDP supports SIDS in line with the priorities of the Small Island Developing States Accelerated Modalities of Action or **SAMOA Pathway**, the goals of the Paris Agreement on climate change, the 2030 Agenda on Sustainable Development and its 17 Sustainable Development Goals (SDGs) as well as the priorities defined within each country, as detailed in the following report.

Globally, the ocean economy amounts to approximately **\$3.6 trillion a year and contributes 150 million jobs**. Knowing the potential of the ocean, but also committed to using them sustainably, SIDS are pioneering blue economy frameworks and solutions for diversifying their economies, building resilience to shocks and sustaining millions of livelihoods. The blue economy also means preserving and restoring marine and coastal ecosystems, protecting cultural heritage and safeguarding against biodiversity loss.

Building blue economies is also part of an unrelenting fight against climate change, including given the acute vulnerability of SIDS to sea level rise. Responsible for only 1 per cent of global greenhouse gas emissions, SIDS have made powerful appeals to the global community to act immediately to reduce emissions, pointing to severe consequences already at work in their countries.

Many have made strong political commitments to a net-zero carbon, climate-resilient future, including through updated and ambitious national climate action plans known as Nationally Determined Contributions (NDCs). The unambiguous message from island leaders, particularly during the COVID-19 recovery, is that this is a moment for transformation that must not be missed.

Small Island Developing States



Home to some of the richest stores of biodiversity, holding immense economic, ecosystem and societal value for island communities and the world as a whole.

LARGE OCEAN STATES

Some of these island states have ocean territories over 20 times larger than their land area.



In 10 SIDS, marine territories are thousands of times greater. They hold potent cultural and spiritual value in SIDS as well as being an essential source of food and livelihoods.



SIDS are demonstrating their promise in incubating solutions to accelerate progress towards achieving the 2030 Agenda, the Paris Agreement and the SAMOA Pathway. Digital transformation is key. Spurred by the socioeconomic shocks of the pandemic, innovations have included deploying drones to provide medical supplies to remote communities.



GLOBAL FUND FOR CORAL REEFS

Exploration of innovative finance encompasses the first-ever fund to protect coral reefs, [The Global Fund for Coral Reefs](#). This multi-party initiative will mobilize blended private and public funding to make reefs more resilient. It will back businesses and finance mechanisms that improve the health and suitability of reefs and associated ecosystems while empowering local communities and enterprises.

The COVID-19 pandemic has presented enormous challenges, but also inspired countries to rethink and reset. Mastering the uncertainty and complexity of the present and the future will demand continued innovation, a willingness to act across development systems rather than by issue or sector, and a commitment to collaborating within and across countries to devise shared solutions. UNDP stands ready to support SIDS in their efforts to build forward stronger, greener and bluer.

"Traumatic global events have the potential to engender positive turning points in the international community. We have seen this over and over again. Let us use this opportunity to ensure that small island developing States and other developing countries are able to build back better and be more resilient to future shocks."

-H.E. Gaston Browne, Prime Minister of Antigua and Barbuda and Chair of the Alliance of Small Island Developing States



RISING
UP
FOR
SIDS



RISING UP FOR SIDS

At a pivotal moment, UNDP is proud of its long-standing partnerships with SIDS around the world. Together, we are tackling tricky development challenges and unlocking paths to transformative sustainable development. Within UNDP, Rising Up for SIDS is a unique, wide-ranging portfolio of programmes specific to SIDS. With an estimated annual value of **US\$466 million**, it helps these countries advance national development priorities during the pandemic recovery and beyond.



Aligned with the SAMOA Pathway, Paris Agreement and 2030 Agenda, the offer helps SIDS safeguard and accelerate progress for their people and ecosystems. Programmes centre on human well-being and the careful stewardship of natural capital. They promote nature-based solutions aligned with cultural and societal values to protect, conserve and use ecosystem goods and services.

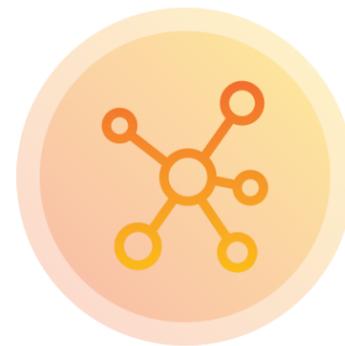
The SIDS offer emphasizes rapid, responsive technical and policy support under **three integrated pillars** that can kickstart green and blue recovery and transform development



climate action



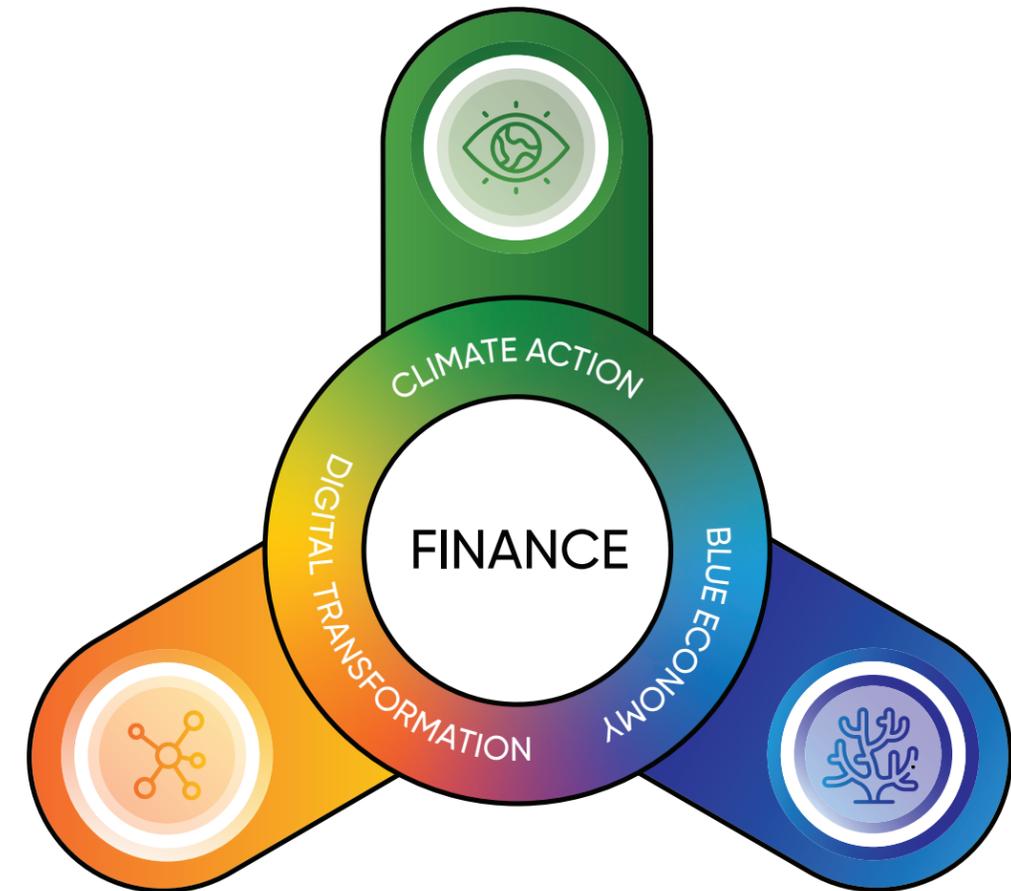
blue economy



digital transformation

Each pillar makes links to the others to advance progress simultaneously on multiple SDGs. A fourth pillar opens avenues to financing as a crucial enabler of transformation. An emphasis on the power of technology; capacity development; genuine, lasting partnerships; and gender equality cuts across all support. A commitment to securing gender equality, securing full and equal women's participation in all fields, and strengthening women's economic empowerment is mainstreamed across support.

With greater investment in and coordination across these key areas of development, UNDP will expand its capacities to provide responsive and rapid technical and policy support, accelerate progress in tackling complex development challenges, and help realize ambitions for a green and blue recovery.



In many SIDS, the pandemic has brought an urgent need for debt relief and restructuring. UNDP works with governments to access traditional and innovative finance, including through private sector investments, blended financial instruments, financing for conservation and domestic resource mobilization. In the immediate COVID-19 response, UNDP set up a Rapid Response Facility with **\$30 million**, with nearly 20 percent allocated within the first 72 hours. A second facility, the Rapid Financing Facility, has made available an additional **\$100 million** to support countries on the road beyond recovery.

While SIDS face severe structural challenges, worsened by the pandemic, their middle- or high-income status make most ineligible for concessional financing. Currently, only 7 of the 38 UN Member State SIDS are characterized as least developed countries (LDCs) eligible for concessional finance. In December 2020, the United Nations General Assembly passed resolution 75/215 calling on the United Nations system to coordinate efforts to develop a multidimensional vulnerability index that could help SIDS create the fiscal space necessary to overcome structural and external vulnerabilities, and build resilience to withstand future shocks.

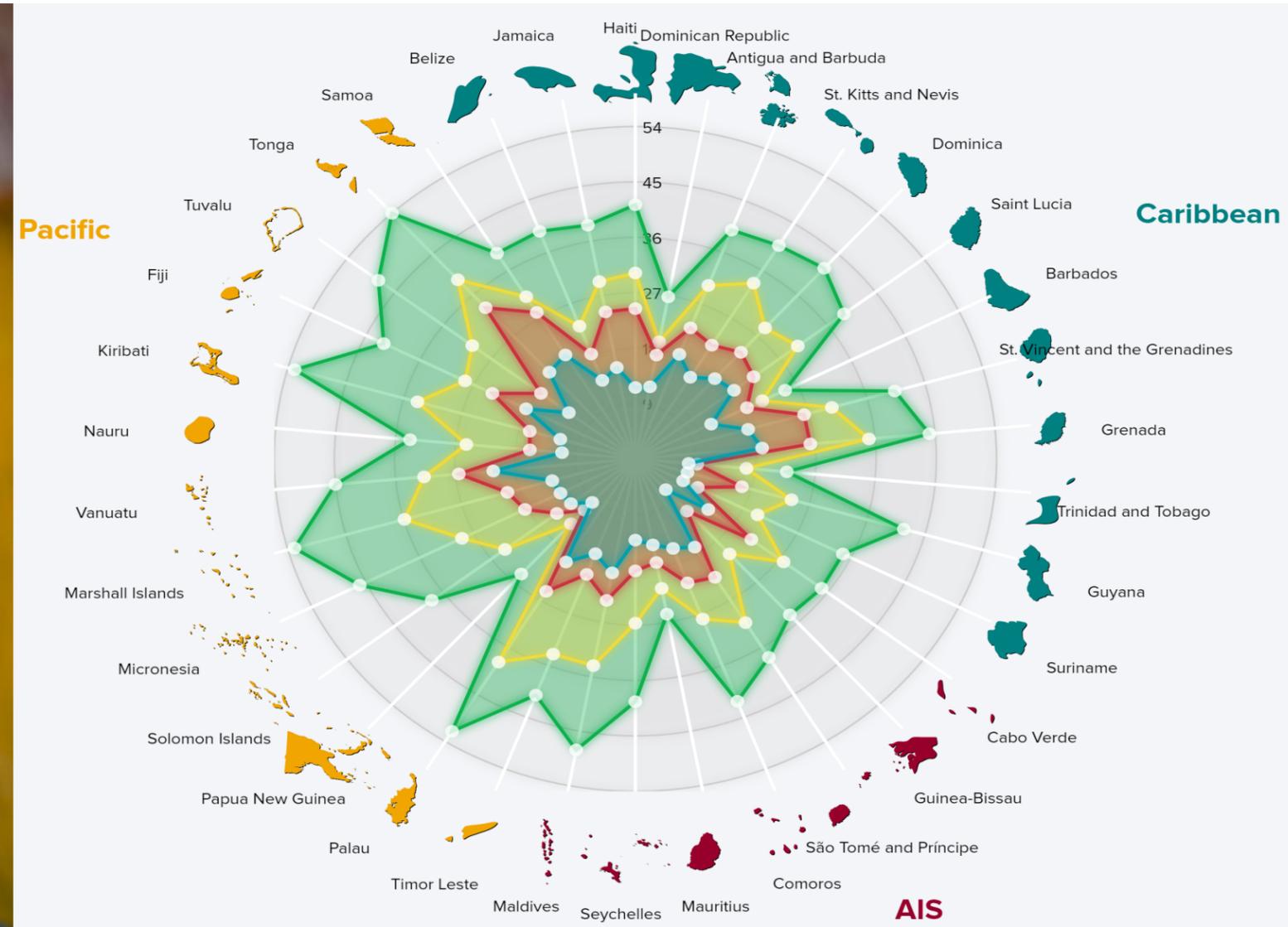
As a contribution to the United Nations response, UNDP has published a discussion paper proposing an index with 11 indicators reflecting the economic, geographic, environment and financial risks and vulnerabilities many developing countries face, and that are otherwise masked by purely income-based criteria. The analysis proves that all but five SIDS are more vulnerable than their income levels suggest. Using the proposed multidimensional vulnerability index, SIDS that are not LDCs could save close to 1.5 percent of gross-domestic product (GDP) annually if their long-term external public and publicly guaranteed debt was funded at the same average interest rate of SIDS that are LDCs.



Photo Credit: Small Grants Programme UNDP GEF

Towards a Multidimensional Vulnerability Index

Environmental Vulnerability Geographic Vulnerability Economic Vulnerability Financial Vulnerability

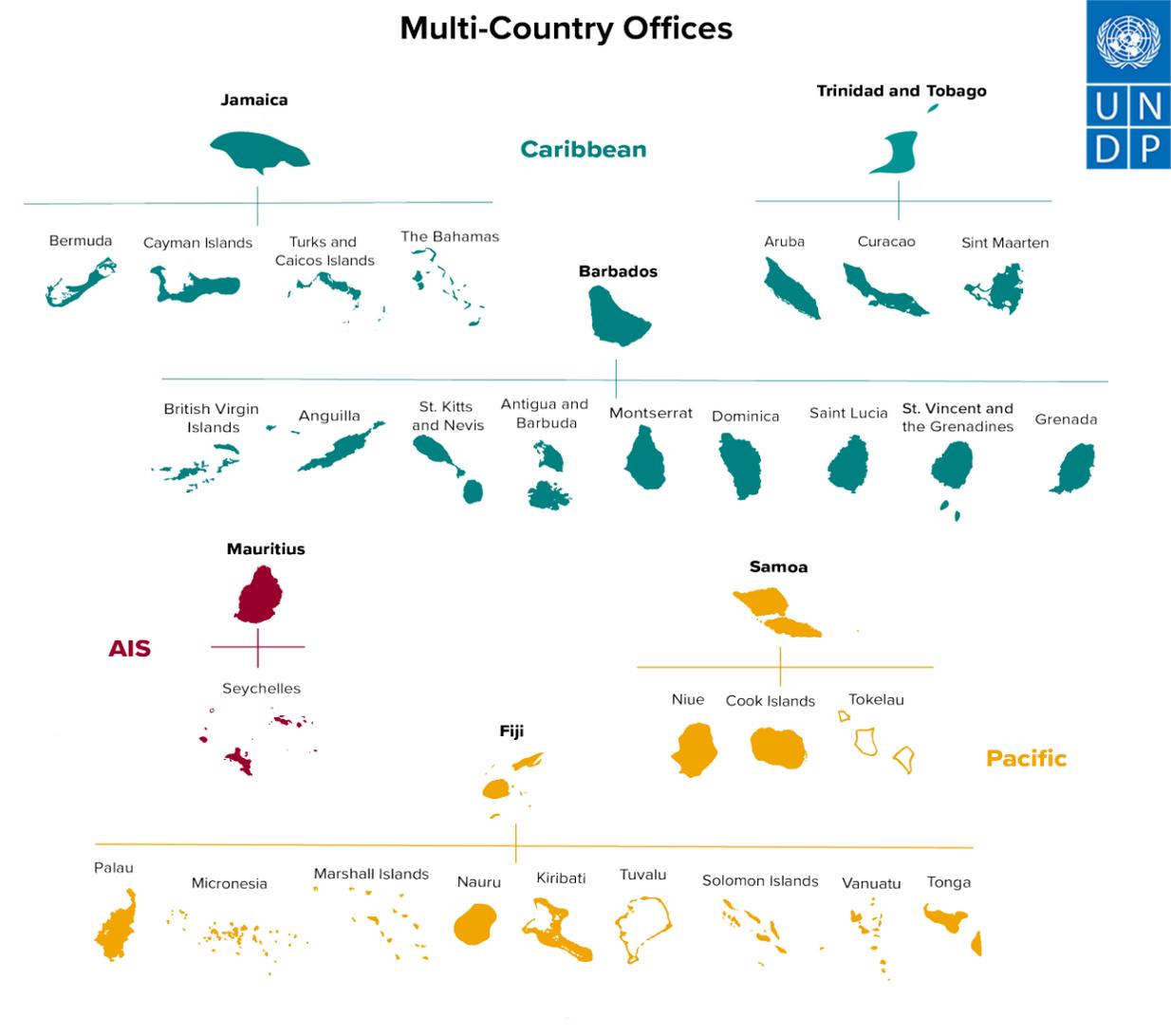


With its extensive presence in many SIDS, UNDP can deliver tailored support based on specific challenges in individual nations. It is equally well placed to broker and expand SIDS-SIDS networks and knowledge exchanges. Seven UNDP multi-country offices located in **Barbados, Fiji, Guyana** (covering **Suriname**), **Jamaica** (covering **Belize**), **Mauritius** (covering **Seychelles**), **Samoa**, and **Trinidad and Tobago** operate in tandem with 12 stand-alone country offices in **Bahrain, Cabo Verde, Comoros, Cuba, Dominican Republic, Guinea-Bissau, Haiti, Maldives, Papua New Guinea, São Tomé and Príncipe**, and **Timor-Leste**.

Leveraging and scaling up existing partnerships as well as engaging in new partnerships is essential to realizing UNDP’s ambitions in SIDS across the three pillars of its offer. In SIDS, UNDP works with a wide range of United Nations, non-governmental, civil society, youth network, bilateral and multilateral, private sector and philanthropic partners. UNDP is also enhancing its support to SIDS through continued advocacy for SIDS on the global stage.

UNDP has strengthened coordination of its global support to SIDS to facilitate the sharing of best practices and innovation, including through webinars, dialogues and links to international expertise. Topics explored include blue finance, the future of tourism, renewable energy transitions and use of satellite imagery for climate adaptation.

We are witnessing a moment where SIDS are pivoting to a better path of development. The COVID-19 pandemic has presented new and magnified existing hurdles in their development trajectories. It also has inspired SIDS to reinvent, building forward stronger, greener and bluer in ways not previously imaginable. UNDP supports SIDS in their pathways forward. Now is the time to come together to rise up for SIDS.



Fostering South-South and Triangular Cooperation

The United Nations Office for South-South Cooperation (UNOSSC), hosted by UNDP, collects and shares good practices in South-South and triangular cooperation for sustainable development in SIDS, with a focus on advancing the SAMOA Pathway and achieving a sustainable recovery. Through the office, an action plan is under development to guide a United Nations system-wide approach to South-South and triangular cooperation in SIDS. It is intended to deepen effective global, regional and national collaboration.

UNOSSC trust funds have supported numerous projects benefitting SIDS. These have included two multi-country projects in the Pacific on climate early warning and solar energy, and 19 country projects ranging from livelihood development to resilient infrastructure. The trust funds have also backed SIDS in participating in workshops and joint research on varied topics such as bioethanol production and trade infrastructure.

A COVID-19 socioeconomic survey brought forward the special needs of Pacific Islands countries for green recovery and climate action, which were prioritized in UNOSSC's 2021 workplan. A regional office in Asia and the Pacific already supports South-South cooperation on climate change between China and **Fiji** and has provisionally mobilized support for **2,000 solar home systems** for remote villages in the latter.



**ACTION ON THE
FRONTLINES OF
THE CLIMATE
EMERGENCY**

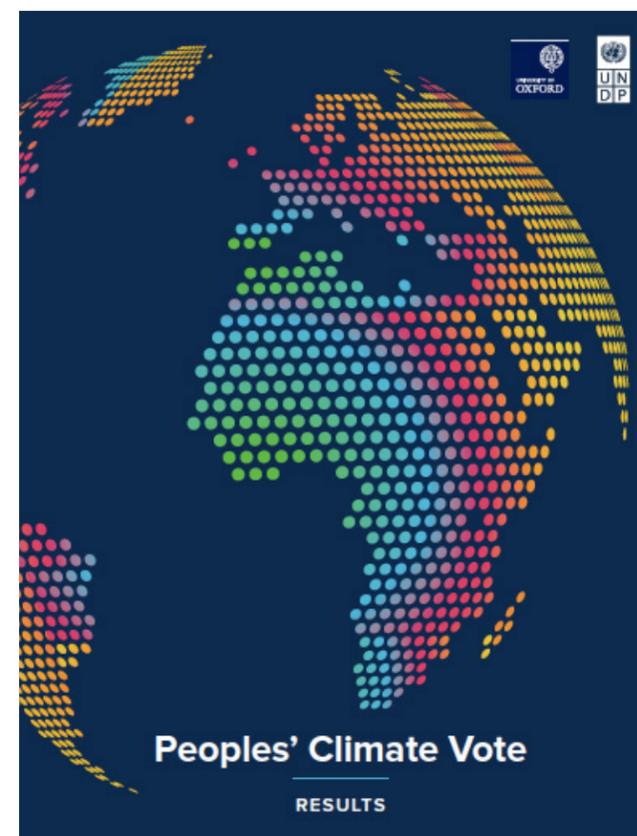


ACTION ON THE FRONTLINES OF THE **CLIMATE** EMERGENCY

SIDS are on the frontlines of the climate crisis. But they are also at the forefront of climate solutions. A number have made bold commitments to scale up their NDCs, and some are now among the first countries in the world to officially do so, outlining comprehensive plans and strategies for cutting greenhouse gas emissions, transforming energy and improving adaptation to climate shifts.

Their high ambitions and perceptions of urgency are mirrored in results from SIDS collected in UNDP's People's Climate Vote – the largest survey of public opinion on climate change ever conducted. The aim of the survey was to open a dialogue between the public and policymakers by providing the latter with reliable information on whether people considered climate change an emergency, and how they would like their countries to respond.

The highest level of support for recognizing climate change as a global emergency was found among people in SIDS



74%

believe that climate change is a global emergency compared to an average of 64 percent across all 50 countries surveyed.

The **Alliance of Small Island States (AOSIS)** has put forward the SIDS Ambition Package, which outlines far-reaching priorities to tackle climate change. It highlights collective determination to achieving net-zero emissions by 2050 and includes cross-cutting actions and partnerships defined by and focused on SIDS. Amid the COVID-19 pandemic, AOSIS held the Placencia Ambition Forum, hosted by the Government of Belize as the chair of AOSIS, and bringing together major actors in the climate change negotiations focusing on increasing ambition in compliance with the Paris Agreement. The outcome is the [Declaration on the Placencia Ambition Forum](#), urging ambitious recovery efforts aimed at transformation in line with climate goals. This included a call for renewed commitments to finance given SIDS' great losses from climate, weather and water-related hazards, which collectively total \$153 billion since 1970.

UNDP's vision is to support SIDS to move to a green recovery and decarbonized, climate-resilient societies. Work is firmly rooted in national development and climate policy priorities, under the overarching objective of meeting the SDGs. Three entry points comprise **energy transformation, resilience** and **adaptation**, and nature-based solutions, with a cross-cutting emphasis on accessing finance. Underpinning these actions in key thematic areas, UNDP and its partners are supporting 28 SIDS to enhance their NDCs and take to the global stage as effective champions of audacious climate action as part of its Climate Promise. Capitalizing on commitments made under the Climate Promise will enable green and inclusive recovery from COVID-19 in SIDS.



The Climate Promise

Although SIDS are low-emitting countries, many view enhancing NDCs as a key development opportunity. Countries are putting in place building blocks such as monitoring and costing systems. Broader societal engagement helps align NDCs with existing policies and plans and strengthen targets. Greater ambition has been most evident in energy, followed by infrastructure, transport and agriculture. There is strong emphasis on gender, youth, the SDGs and green recovery.

Within the Climate Promise, UNDP is directing **\$3 million** to support SIDS to prepare workplans that are ambitious and comprehensive. Many Pacific SIDS are committed to faster progress in cutting emissions, for example. The Cook Islands is strengthening NDC emissions targets and adding new sectors, including transport, agriculture and land use, aiming for a zero emissions target by 2030–2040. **Niue** plans to increase renewable energy to 80 percent of total energy use by 2020, while taking more adaptation action to protect its coastlines and marine areas. **Samoa** intends to update its emissions abatement strategy and include targets in key sectors, such as transport, maritime, tourism, agriculture and fisheries, forestry and marine.

In the **Caribbean**, with UNDP support, **Belize** aspires to revise its NDC so that it is more innovative, ambitious and accurate in its scope, proposed actions, costs, accounting of emissions and transparency mechanisms. **Grenada** plans a gender-responsive NDC revision that adds the refrigeration and air conditioning industries, and updates targets on energy, forestry and transport.

UNDP has helped **Seychelles** begin strengthening adaptation through blue economy objectives. The **Maldives** is completing scientific modelling to determine enhanced mitigation targets.



With high dependence on imported fossil fuels, SIDS are vulnerable to supply disruptions and price volatility. A forward-looking COVID-19 recovery and beyond will advance energy transition through investments in sustainable energy that build resilience and propel a greener economy.

Sustainable energy plays a double role in both response and recovery. Having a stable, reliable and affordable electricity supply, and related energy services such as cooling and clean cooking, improves the quality, accessibility and reliability of health services, the first line of action in the global health crisis. Energy allows access to online and mobile technologies critical to mitigating the negative effects of social distancing on people's well-being, livelihoods and the economy, enabling remote work and education, telemedicine, and digital financial and e-commerce transactions.

UNDP works with SIDS to increase renewable energy generation and energy efficiency, including through developing institutions and regulations to guide and speed the transition. UNDP policy advice has helped devise the Regional Framework on Energy Security in the Pacific as well as national energy road maps and policies. UNDP also mobilizes resources for specific renewable energy and energy efficiency policies and demonstration projects to meet national electrification targets.

In **Barbados**, UNDP has backed government efforts to reduce emissions from fossil fuel-based power generation by demonstrating renewable energy resources. New technologies are coming online related to battery storage, dispatchable bioenergy (notably biodigesters), and information systems for supervising and monitoring decentralized grids.

Through UNDP, a number of SIDS connect to cost-effective technologies that extend renewable energy solutions even to remote communities, a critical element of inclusive growth. In **Guyana**, UNDP is installing solar systems in 180 remote communities to power information and communications technology (ICT) hubs that provide government services. Construction of 48 micro hydroelectric plants benefits nearly 20,000 people in the **Dominican Republic**. UNDP has helped **Timor-Leste** introduce cleaner cooking stoves for almost 20 percent of households and extend solar-powered water pumps and high-performing lighting to about 3,000 households in isolated communities. With one of the lowest electrification rates and highest electricity service costs in Africa, **Guinea-Bissau** is drawing on UNDP support and Global Environment Fund (GEF) financing to develop solar mini-grid systems.



Photo Credit: Stéphane Bellerose/UNDP in Mauritius and Seychelles

The Climate Investment Platform helps solve climate finance gaps by catalysing investment in clean energy, channelling it where it is needed most and maximizing the impacts. Announced in September 2019 by UNDP, the International Renewable Energy Agency (IRENA) and Sustainable Energy for All (SEforALL) in coordination with the Green Climate Fund (GCF), the platform offers a powerful tool for SIDS to overcome financing gaps to accelerate energy transitions.

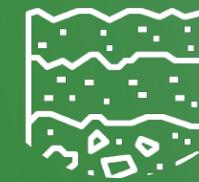
Comoros, São Tomé and Príncipe and **Vanuatu** are among an initial group of SIDS accessing the platform. Financing for the 'Sustainable Transformational Energy Platform and Upscaling Partnerships Project' in **São Tomé and Príncipe** has boosted reliable and affordable energy for health and education services as well as tourism, which is important to the economy.

Climate change adaptation and disaster risk reduction share a common goal: lowering vulnerability and building resilience. As the frequency and intensity of weather and climate-related hazards increase, integrating adaptation and risk reduction is ever more important. UNDP supports SIDS to harmonize the two.

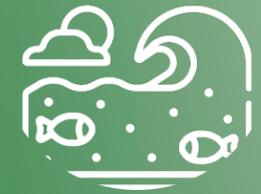
Since 2008, UNDP climate adaptation projects in SIDS have:



raised the resilience
of more than
1.3 million
people



protected
1.1 million
hectares of land



protected
141,400
hectares of marine
areas



safeguarded
7,800
kilometers of
coastline



Nearly
132,000 people
have reaped
benefits from
more **resilient**



Over
124,000
gained access
to **clean drinking**



Governance for resilient development in the Pacific

Many Pacific countries have made strong commitments to integrate adaptation and resilience into policies, plans and budgets. But realizing these commitments can be challenging. Overcoming the barriers is the task of the Governance for Resilient Development in the Pacific (Gov4Res) project.

The initiative works with ministries of finance and planning, supporting measures such as new institutional mechanisms dedicated to resilience. One example is the new Resilient Development and Financing Division in **Tonga**. Related efforts include helping governments create staff functions focused on risk-informed development, use strategic diagnostic tools, and link data and expertise on climate change, disaster and gender to inform decision-making.

The **Pacific** region is taking a global lead in tackling climate and disaster intersections through the Framework for Resilient Development in the Pacific (2017–2030). As part of a technical working group with partner organizations, UNDP supported the development of this first-of-its-kind framework, aimed at reducing the region's exposure to climate and disaster risk, supporting low carbon development, and improving disaster response and reconstruction. It has become a common reference point for governments, civil society, communities, the private sector, regional organizations and development partners.

In **Mauritius**, UNDP has assisted in establishing a state-of-the-art early warning system for surge forecasts. It has helped construct shelters, coastal reprofiling works, artificial reefs and a coastal wall, and supported an updated Disaster Information Management System.



Photo Credit: UNDP Climate

UNDP helped the **Dominican Republic** devise an index of vulnerability to climatic shocks that has guided the alignment of social protection policies with policies for climate adaptation and risk management. The index calculates the probability that a household will be vulnerable to a climatic phenomenon given certain socioeconomic and geographic characteristics. Similar efforts are underway in **Bahamas, Belize** and **Haiti**.

Through the [Japan-Caribbean Climate Change Partnership](#), UNDP pilot projects have brought together policymakers, experts and community representatives to pursue innovative policies that reduce the root causes of vulnerability, including in **Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, Saint Vincent and Grenadines**, and **Suriname**. In line with national climate strategies, the partnership backs the incubation of green, low-emissions, climate-resilient technologies by public entities as well as businesses and community groups. In **Jamaica**, the partnership has boosted community water storage capacity by 65,800 gallons and developed guttering and drip irrigation systems at 70 locations island wide. Over 90,000 people from 70 communities benefit from these measures.

UNDP works with SIDS in mobilizing funding for climate change adaptation through the GEF, GCF, Adaptation Fund and bilateral donors. It helps leverage co-financing from businesses, governments and United Nations organizations.

15 SIDS

supported by UNDP

24

adaptation projects
implemented

\$329 million

funds secured
from grants

\$544 million

additional funds leveraged
from co-financiers

Assistance for **9 SIDS**
is helping them to develop an
additional
10 projects
worth
\$141 million

New finance supports coastal area management, water security, fisheries and agriculture, waste management, gender and resilience, food security and ecosystem-based adaptation, including coral restoration and artificial reef construction.

One area of focus is water resource management and water security. In the **Maldives**, a project with \$23.6 million from GCF and \$4.6 million from co-financiers aims to provide safe and reliable freshwater to 105,000 people, roughly 30 percent of the population. This includes developing water desalination facilities and improving rainwater collection infrastructure in combination with groundwater protection.

In **Saint Vincent and the Grenadines**, funds from ECHO have strengthened disaster preparedness through more resilient early warning systems.



Mobilizing funds to increase safety, security and livelihoods

In **Comoros**, a project with \$41.9 million from GCF and \$18.8 million from co-financiers is introducing climate-resilient water supplies for 450,000 people, about half the population. Measures are underway to improve water monitoring, planning and management; design a water tariff system to ensure sustainability; and develop infrastructure.

In the **Republic of the Marshall Islands**, a project with 18.6 million from GCF and \$6.1 million from co-financiers supports adaptation to more frequent and extreme droughts by upgrading rainwater harvesting systems, installing community storage systems, and protecting groundwater wells from storm surges and contamination.

In **Solomon Islands**, a project with \$6.85 million from the Least Developed Countries Fund addresses climate-related water and hygiene challenges in six provinces. Sustainable financing, operation and maintenance plans, and better managed watersheds have provided 12,000 people with resilient water supplies.

In **Samoa**, a project with \$57.7 million from GCF and \$8 million from co-financiers is assisting the Government to reduce fallout from recurrent floods in the Vaisigano river catchment. Nearly 27,000 people will benefit from upgraded infrastructure, drainage and flood mitigation measures, and more effective planning to limit risks.

UNDP also helps secure finance for early warning systems and climate information, such as through the India-UN Partnership, where UNDP's Pacific Office mobilized \$1 million to support early warning systems for water resources. The project directly assists seven countries—**Cook Islands, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Solomon Islands** and **Tonga**—as well as regional efforts to improve technical capacity related to hydrology and meteorology.

In **Papua New Guinea**, a \$6 million Adaptation Fund-supported project has provided vulnerable communities with tools and capacities to make informed decisions about adapting to climate change hazards. Equipment generating critical weather and climate information now allows the National Weather Services to enhance coverage and disseminate climate and early warning information across the country. One result has been that nearly 270,000 people are more resilient to inland flooding.

In **Cook Islands**, a \$4.9 million Adaptation Fund-supported project has helped to modernize the capture, analysis and distribution of climate information, setting up automated weather stations and accelerating the transition to the next generation of technology. The process has built on partnerships between the private sector (Bluesky, a telecom company), regional organizations (the New Zealand Institute for Water and Atmospheric Research and the Fiji Meteorological Service), and local and national governments.

Funding for coastal resilience comprises an adaptation project in Tuvalu that drew in GCF funding of \$36.01 million and \$2.86 million from co-financiers, towards reducing vulnerability to coastal inundation and erosion on three islands. Protection of key infrastructure, including homes, schools, hospitals and other assets, involves reclamation and a combination of engineering and ecosystems-based measures augmenting the natural shoreline.

In **Timor-Leste**, a \$7 million grant from the Least Developed Countries Fund and \$31.6 million in co-financing from GIZ, the Government and the Korean International Cooperation Agency is strengthening the resilience of 31,000 people in coastal areas through nature-based coastal protection strategies. The project will help protect 1,000 hectares of mangroves and 5,000 kilometers of coastline, while increasing access to climate information and alternative livelihoods for 26,000 people.

In **Cuba**, Adaptation Fund investment has propelled an intensive water rehabilitation project that takes an ecosystems-based approach to mangrove restoration. It entails comprehensive reforestation, enhanced monitoring and control measures, and detailed vulnerability assessments of climate change fallout on communities and ecosystems.

Nature-based solutions offer vast potential in realizing SIDS ambitions for more resilient, sustainable societies. They can deliver at least a third of the carbon mitigation needed through 2030. SIDS can also use them to protect and restore land and ocean ecosystems and develop sustainable management practices that improve well-being and support biodiversity.

UNDP works with SIDS in incorporating more and better targets for nature-based solutions in their NDCs. UNDP supports 21 SIDS through ridge-to-reef initiatives and integrated coastal zone management projects. Nine SIDS in the **Caribbean** and three in **AIS** have begun using spatial data for mapping essential life support areas. UNDP has contributed to similar gains through the Pacific Ridge-to-Reef Programme (see box).

In the **Maldives**, UNDP supported the first pilot for integrated local development planning, the LaamuInfo database tool, and developed a natural resources map for one atoll intended to shape policymaking and planning. The tool will allow island and atoll authorities to manage administrative data from different sectors such as land use, energy, agriculture and food security. The database facilitates analyses, ensures safe and secure storage of data, and renders data accessible to all. The LaamuInfo database supports evidence-based decision making by providing users with national statistical data collected and scientific studies conducted over the past 30 years.





Photo Credit: UNDP

UNDP and the GEF Protected Areas Network have help map forests for restoration in **Mauritius**, complementing similar efforts for wetlands. Planned mapping of freshwater biodiversity will provide a complete, current assessment of environmentally sensitive areas.

In the **Dominican Republic**, UNDP has assisted in developing data and geospatial maps required for the conservation and sustainable use of biodiversity. It is supporting the Ministry of Environment in preparing cartography to update the national information system. Suriname has used UNDP support to improve the National Forest Cover Monitoring System, which now includes spatial data on mangroves based on remote sensing and on-the-ground inventory. Near-real-time monitoring is available on [Geoportal GONINI](#).

In the **Pacific**, UNDP assisted in mapping climate change impacts on tuna migration and in monitoring illegal fishing. Ongoing research is investigating models for analysis of climate effects that factor in variables in water temperatures.

Pacific Ridge-to-Reef Programme

The UNDP regional ridge-to-reef partnership with the Pacific Community uses spatial data to develop maps depicting resources, hot spots and habitats.

In **Vanuatu**, for instance, national and local analyses applied globally available spatial data sets to identify coral reefs and forest areas. A next step was to develop maps defining priorities for management (national) and forecasting outcomes of existing management plans (local).

Papua New Guinea, Samoa and **Tonga** are using spatial data for watershed analysis. Quantum GIS (geographic information system) models predict the impacts of existing land use over time. Such insights help identify critical watersheds for conservation, particularly those with a role in protecting terrestrial soil and freshwater resources, and downstream coastal and marine resources and habitats.

In **Niue**, UNDP is helping to map the entire island with LiDAR (light detection and ranging) technology, which provides detailed maps showing natural, agricultural and residential areas.

In **Samoa**, land-cover mapping used high resolution aerial photography and satellite imagery. Ground-truthing and field observations including GPS (global positioning system) positions helped verify or improve data by transferring and overlaying them onto satellite imagery.

Photo Credit: Yūichi Ishida/UNDP Timor-Leste

EMBRACING
THE
BLUE
ECONOMY



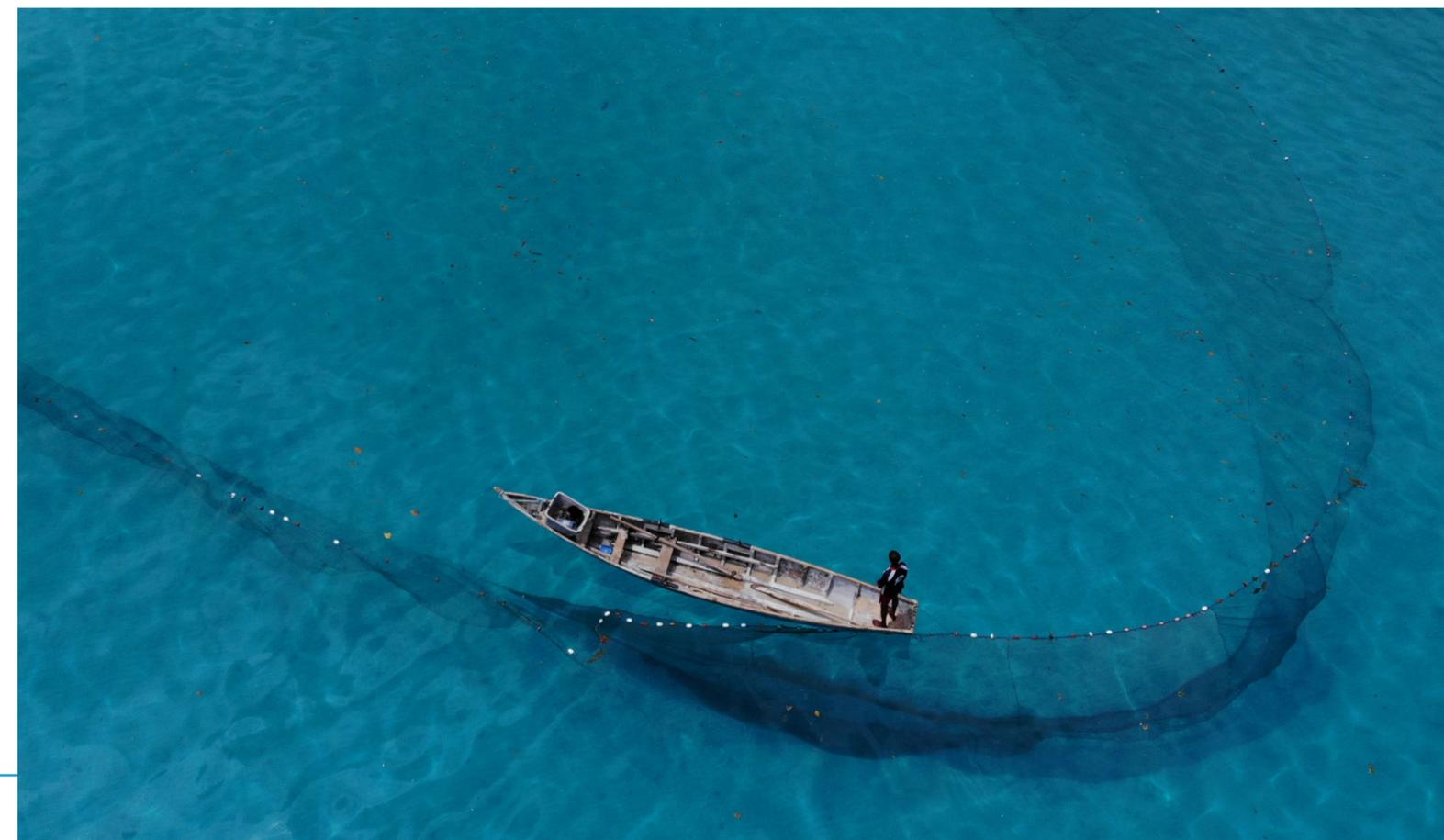
EMBRACING THE BLUE ECONOMY

As large ocean States, SIDS have tremendous potential to tap sustainable blue economies. These offer economic growth, jobs, and social and financial inclusion, while restoring and preserving healthy ocean ecosystems. Many SIDS have expressed ambitions to 'go blue', including to jumpstart a rapid, sustainable recovery from the pandemic. UNDP helps them realize their goals by supporting blue economy policies and programmes, ocean innovation and blue financing.

Sustainable blue economy opportunities cover a spectrum of sectors, including fishing and coastal tourism, both hard hit by the pandemic. New avenues are opening in aquaculture, ocean-based renewable energy, sustainable maritime transport, desalination, research and education, and marine genetic resources. Non-market economic benefits can come from carbon storage, coastal protection, and the preservation of cultural values and biodiversity.

Unlocking the full potential of their blue economies can assist SIDS in achieving not only SDG 14 on oceans, but also SDGs on poverty, hunger, gender quality, growth and decent work, and climate.

UNDP's blue economy investments now touch **\$210 million**, including current and upcoming projects. These encompass 17 ecosystem and biodiversity projects with a total value of **\$71 million**, and 9 water and oceans projects at **\$58 million**. Seven and five more projects, respectively, are underway.



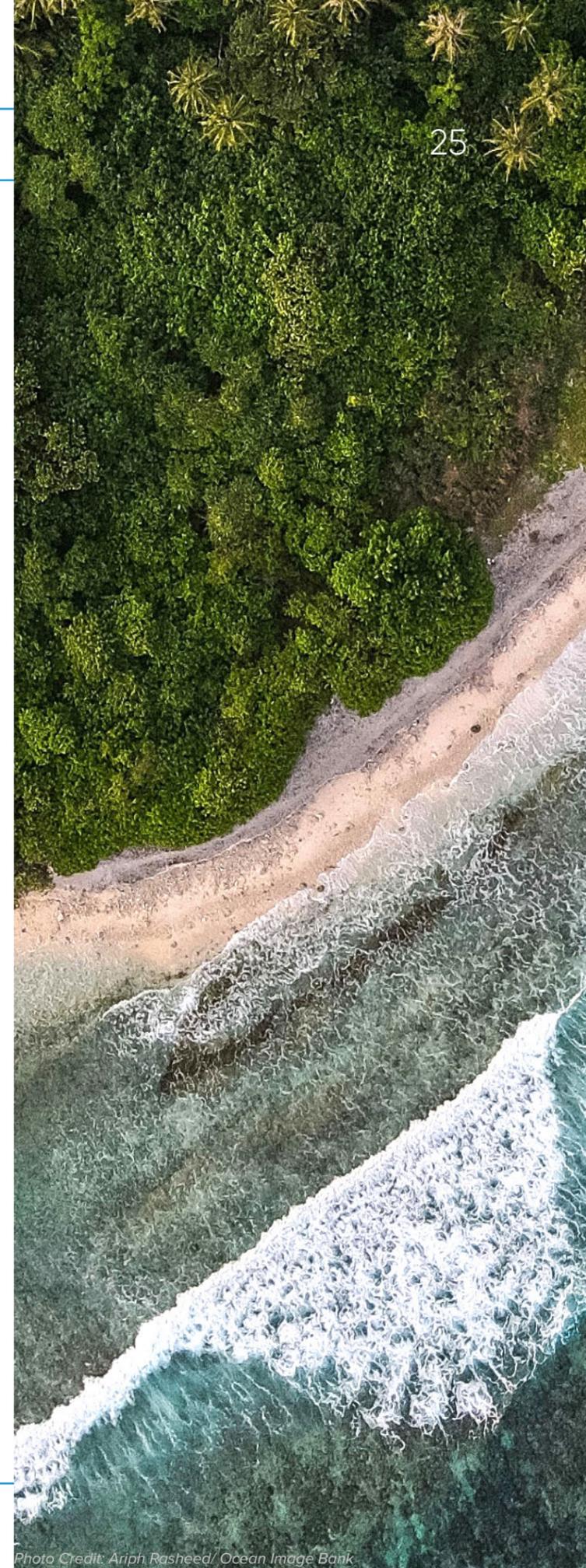
In all three SIDS regions, UNDP support comprises advancing national policies and strategies that are foundational for developing blue economies. The United Nations Economic Commission for Africa (UNECA) and UNDP have helped **Comoros** draw up a national strategic framework for a blue economy as one of the main bases of the Emerging Comoros Plan, for instance. Blue economy scoping studies in **Barbados** and **Dominica** and a blue economy roadmap and strategy for the **British Virgin Islands** built on UNDP technical assistance and capital investment.

UNDP is also undertaking a blue economy scoping study in **Montserrat**. UNDP, the United Nations Environment Programme (UNEP) and the GEF are developing a new international waters project to advance blue economy assessments, planning and implementation in each of the six AIS SIDS. In the **Pacific**, a partnership with the Pacific Tourism Organization intends to develop a Pacific Sustainable Tourism Policy Framework integrating green and blue economic growth. In the Caribbean and North Brazil, a UNDP and GEF programme to define regional ocean governance – Catalysing Implementation of the Strategic Action Programme for the Sustainable Management of Shared Living Marine Resources in the **Caribbean** and **North Brazil** Shelf Large Marine Ecosystems or CLME+ – has advanced implementation of a 10-year plan endorsed by 26 countries and 8 territories. This includes creating interim mechanisms coordinating regional bodies on fisheries and ecosystem programmes, while putting in place the foundations for a long-term ocean governance coordination mechanism. Over 20 countries and 15 regional organizations have shaped a draft agreement on core elements of such a mechanism.

In tandem, a People Managing Oceans civil society regional action programme has seen 60 priority actions endorsed by over 50 civil society organizations. Pilot initiatives include sea moss farming in **Saint Kitts and Nevis** that empowers women and provides alternative livelihoods. Enhanced management practices cover spiny lobster, flying fish, and shrimp and ground fish fisheries.

Collaborative knowledge management for healthier oceans comprises a regional platform, clmeplus.org. The UNDP-GEF programme has also supported the first reports under the Cartagena Convention, and a prototype of an integrated report on the state of the marine environment and associated economies.

Regional action and investment plans have been developed on illegal, unregulated and unreported fishing, the reduction of nutrient inputs into the marine environment, and the protection and restoration of key marine habitats.



Fisheries

Under the Pacific Islands Oceanic Fisheries Management Project, UNDP and the Food and Agriculture Organization (FAO) support 14 SIDS in meeting obligations to uphold global, regional and subregional arrangements to conserve and manage transboundary oceanic fisheries. A series of measures have introduced ecosystem-based approaches, market mechanisms for fisheries access, and electronic vessel monitoring systems to improve surveillance and control of the tuna fishery. All four tuna species of economic importance in the region are now fished at sustainable levels, as one result. A new **\$10 million Pacific Tuna Fisheries Management** project began in early 2021.

A \$9 million Adaptation Fund-financed coral restoration project in Mauritius and Seychelles will assist in mapping coral reefs and areas using innovative technologies and strengthening climate adaptation. UNDP is helping to develop sustainable partnerships and community-based, business-driven approaches for reef restoration; establish coral farming and nursery facilities; and actively restore degraded reefs. The project is improving understanding on how to use coral reef restoration as a tool for climate change adaptation, providing models for sustainable management of reef ecosystems, and building capacity for long-term restoration and management of these precious habitats.



Photo Credit: Umeed Mistry/ Ocean Image Bank

Ecosystem restoration

Coral reefs provide revenue and food security for up to 1 billion people globally and protect shoreline property, infrastructure and lives by reducing wave energy by 97 percent. Across the SIDS, UNDP is helping support the protection and restoration of marine ecosystems.

In **Comoros**, mangrove and coral reef restoration efforts have been supported as part of UNDP assistance in establishing a national network of terrestrial and marine protected areas, with an emphasis on generating sustainable economic activities for communities affected by new regulations. Efforts to restore coral reefs in both **Belize** and **Jamaica** also emphasize sustainable marine livelihoods.

Embracing the Blue Economy

Integrated coastal zone management

Fuelled by small grants through the GEF, community-based blue economy projects generate both marine environmental and socioeconomic benefits. To date, over 1,147 community projects have used more than **\$30 million in grants** to protect international waters at the local level. A similar sum for projects on biodiversity has improved sustainable ocean and coastal management, and supported sustainable fisheries and ecotourism. Grants for climate change, land degradation, and chemical and waste management have provided comparable benefits.

Projects in **Grenada** and **Saint Vincent and the Grenadines** unlock multiple global and local benefits by strengthening the management of land, forest and reef ecosystems and biodiversity, especially within and around marine and terrestrial protected areas. In **Cuba**, UNDP has helped 19 municipalities pioneer a method for integrated coastal management favouring environmental sustainability in the use of coastal resources.

The integrated management of marine, coastal and terrestrial ecosystems in **Seychelles** is starting to address 'whole island' priorities for improved management and conservation of upland forests and agricultural ecosystems as well as coastal and marine ecosystems. The process will help conserve globally significant biodiversity and manage large marine ecosystems while arresting and reversing ecosystem degradation.

In **Belize**, UNDP assisted in the creation of the National Coastal Zone Management Institute and Authority, the National Climate Change Office, the National Integrated Water Resources Management Authority and the National Biodiversity Office. Technical expertise supported the integration of landscape management principles in national legislation. An upcoming initiative will help formalize integrated watershed management through policy and legislation. It will aid in advancing national policy on conservation easements and voluntary conservation agreements, along with regulations for chemicals management.



Small grants embed sustainable solutions

The IWeco Ridge-to-Reef Project operates through a partnership between UNDP and UNEP, using GEF matching grants of \$1 million. The project helps pursue sustainable solutions to land degradation and loss of biodiversity and ecosystem services, and strengthen the resilience of socioecological systems to climate change. Ten Caribbean SIDS are participating: **Antigua and Barbuda, Barbados, Cuba, Dominican Republic, Grenada, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines,** and **Trinidad and Tobago.**

Projects enhance livelihoods and capture other socioeconomic co-benefits from improved ecosystem services. They help to strengthen national environmental monitoring systems, policies and laws, and increase capacities for water, land and ecosystems management that accounts for climate change. Knowledge-sharing networks foster engagement and link diverse practitioners within and across countries.

Small grants embed sustainable solutions

With **31 community projects** completed or under implementation, highlights include:

In **Antigua and Barbuda**, a beekeeping cooperative has been set up, and steps taken to protect ecosystems and establish a circular economy.

Projects in **Barbados** focus on building capacities for coral reef restoration and protected areas conservation, and establishing participatory management for the Barbados Marine Management Area.

Projects in **Cuba** advance fish conservation, and soil and ecosystem restoration.

In the **Dominican Republic**, projects are developing sustainable apiculture and river rehabilitation.

Biodiversity and marine ecosystem restoration and conservation projects are underway in **Jamaica**, with a focus on smart agriculture.

Saint Kitts and Nevis has projects on reforestation, water harvesting and land restoration, and is enhancing capacities for the sustainable use of water, land and ecosystems.

Saint Lucia's projects are fostering climate change resilience in the fisheries sector, establishing an agro-tourism landscape park, and creating sustainable employment for women and youth through the cultivation of indigenous fruits.

Saint Vincent and the Grenadines is developing an ecotourism project.

Two projects in **Trinidad and Tobago** have built climate resilience through community-led land rehabilitation.



UNDP's Accelerator Lab network assists SIDS in exploring innovation and scaling up blue economy solutions. In the **Barbados and Eastern Caribbean**, experiments are using robots for a bioplastic mapping of coral reefs, creating biofuel from fish offal and applying blockchain technology to the tuna fishery value chain.

To boost out-of-the-box solutions related to the ocean, UNDP launched its **Ocean Innovation Challenge** in January 2020, with a call for submissions receiving over 600 applications for proposals on preventing marine pollution.

Three SIDS-based innovations were among the nine winners of the call. Ocean innovations from **Cabo Verde**, **Comoros** and the **Maldives** were selected for their transferable, replicable and scalable nature, and potential to achieve maximum catalytic impact.

The Ocean Innovation Challenge launched a second call for proposals in early 2021 seeking innovative solutions focused on sustainable fisheries.

From 2020 to 2024, UNDP's GEF Small Grants Programme has opened a dedicated funding window of \$3 million for blue economy innovation in **Barbados**, **Cape Verde**, **Cuba**, **Dominica**, **Dominican Republic** and **Guinea-Bissau**. It focuses on fisheries, ecotourism, climate-resilient aquaculture and capacity development.



In **Cabo Verde**, the innovators tackled a common challenge for SIDS: coastal eutrophication due to nutrient releases from poorly treated wastewater. Digital technologies will be used to help the country's wastewater treatment sector optimize the biological removal and recovery of nutrients, recover nutrients for use as organic fertilizer and reduce wastewater treatment operating costs.



In **Comoros**, innovative financial mechanisms for plastic waste recovery, reuse and recycling aim to reduce marine plastics waste while creating new economic opportunities for communities through the development of plastic waste recovery and buy-back centres.



In the **Maldives**, a national Extended Producer Responsibility framework will help the country close the loop on plastics waste to reduce ocean pollution and tackle nearly 25,000 tons of plastic waste. Due to current poor waste management practices, as much as a third of this waste ends up in coastal areas.

With the GEF, UNDP has supported Samoa Green Products Ltd., a small but innovative company established in 2018. It has become the first firm in **Samoa** to introduce green alternative products including plates, bowls and baskets made from palm leaves, using a low-tech machine imported from India.

This is one example of how UNDP is exploring new solutions to reduce plastic pollution on islands and in the ocean. Another is in the **Dominican Republic**, where multiple actors have come together to work on managing plastics and waste.

IW:LEARN

The GEF-financed IW:LEARN programme was approved for a new four-year phase with **\$6 million** in total funding in December 2019. One component is delivering intra- and interregional coordination and knowledge management across GEF focal areas in SIDS to improve overall portfolio performance. Core activities include a strengthened web portal and resource catalogue to facilitate information-sharing in support of the Samoa Pathway and beyond, and training courses and other capacity-strengthening guidance on cross-cutting topics most relevant to SIDS.

Through a Joint SDG Fund project on blue economy financing for the Eastern Caribbean, which UNDP leads in collaboration with FAO and UNEP, a blue economy financing architecture is emerging, including integrated national financing frameworks in **Barbados, Grenada, and Saint Vincent and the Grenadines**. Ongoing activities support the creation of an investment facility for blue economy financing in these countries. UNDP is assisting Belize in developing a national policy for blue financing as part of the national portfolio for sustainable financing for biodiversity management.

Fiji is among four countries selected to receive financing under a \$41 million Joint SDG Fund portfolio to accelerate the SDGs. Through the programme Investing in Coral Reefs and the Blue Economy, three United Nations agencies, in collaboration with the Ministry of Economy, will create a blended finance facility and build capacity to mobilize private and public capital to invest in private sector initiatives focused on the conservation and protection of coastal reefs and marine life ecosystems.

UNDP support in mobilizing new blue economy finance helps SIDS access innovative solutions including blue bonds, blended financial instruments and coral reef insurance. In **Mauritius**, a \$10 million grant fuels a regional coral restoration project, and a UNDP-GEF mainstreaming biodiversity project has leveraged \$4.5 million. Under the \$10 million UNDP-GEF SAPPHERE project, \$2 million is dedicated to a regional project on joint management of the area between Mauritius and Seychelles.

UNDP has mobilized \$198,000 for basic blue economy activities in **Guinea-Bissau**, with expectations for \$1.5 million for further development.



Partnerships to fund greater protection of coral reefs

The Global Fund for Coral Reefs aims to raise and invest over \$500 million over the next 10 years through private market-based investments, public funds and development banks. Several SIDS depend heavily on coral reefs, not only as a valuable tourist attraction but as an effective means of flood control, ensuring food security and nutrition.

Without the reefs, they will be more vulnerable to climate events. As a blended finance instrument, the fund addresses the vast coral reef funding gap by catalysing private sector support (providing risk equity capital, debt and grant funding) to deliver smart solutions at scale to save coral reefs and related ecosystems. It will also strengthen the resilience of communities and businesses that depend on coral reefs for their livelihoods and other services in the face of accelerating climate change, and support economic recovery from the impacts of COVID-19.

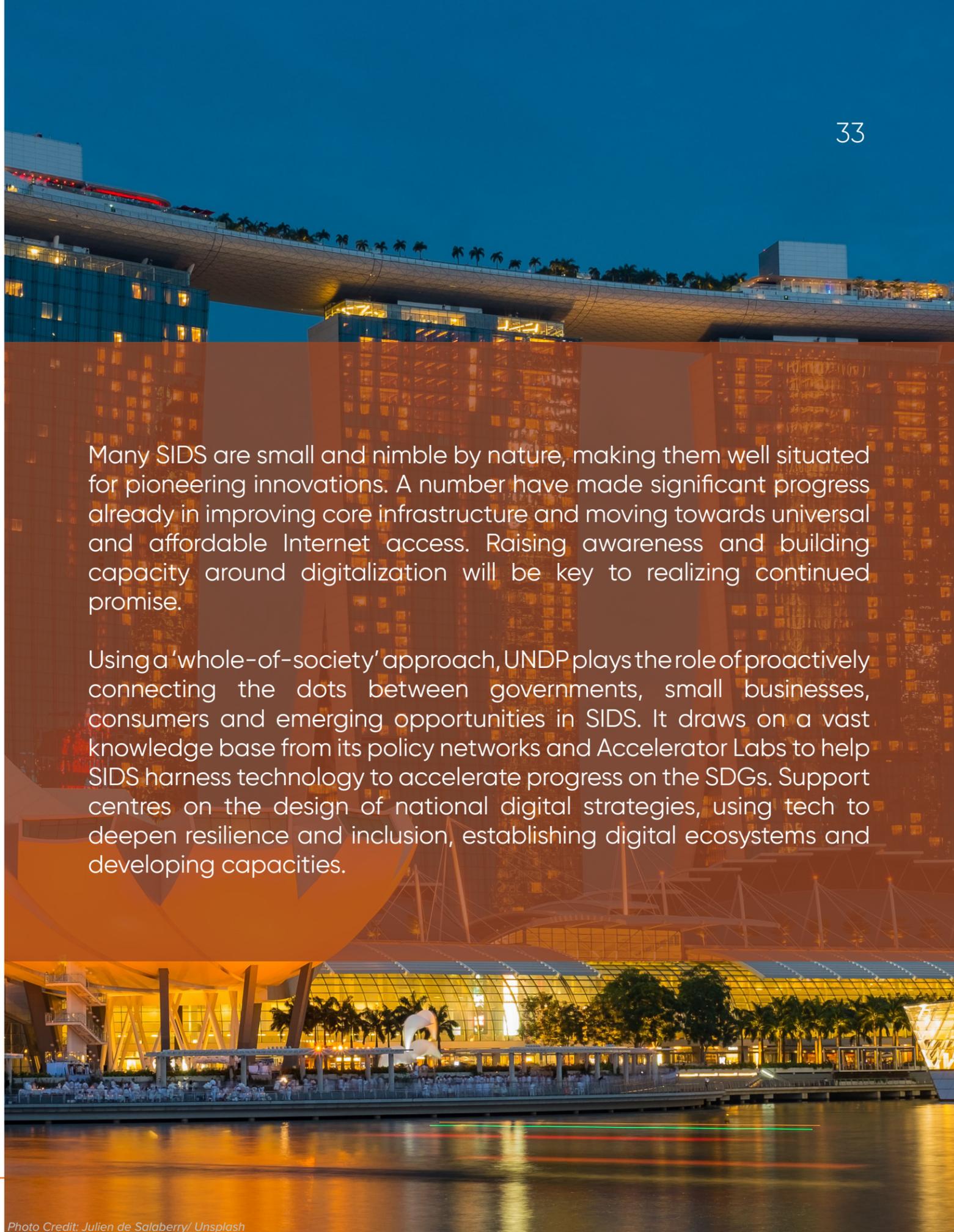
Launched in September 2020, the Fund brings together diverse partners: the Paul G. Allen Family Foundation, the Prince Albert II of Monaco Foundation, BNP Paribas, the Althelia Funds, UNDP, UNEP and the United Nations Capital Development Fund (UNCDF). To learn more, see: globalfundcoralreefs.org.

ACCELERATING
DIGITAL
TRANSFORMATION



ACCELERATING DIGITAL TRANSFORMATION

SIDS are at a moment of great promise where digital technology is concerned. Artificial intelligence, blockchain, cryptocurrency, the Internet of things, drones and satellite monitoring—the future is here. Digitalization is generating opportunities to leapfrog into a sustainable future where government services are more efficient, accountable and accessible to citizens, core sectors are less vulnerable to shocks and natural disasters, and goods and services are more sustainably produced, and affordable and accessible to all.



Many SIDS are small and nimble by nature, making them well situated for pioneering innovations. A number have made significant progress already in improving core infrastructure and moving towards universal and affordable Internet access. Raising awareness and building capacity around digitalization will be key to realizing continued promise.

Using a 'whole-of-society' approach, UNDP plays the role of proactively connecting the dots between governments, small businesses, consumers and emerging opportunities in SIDS. It draws on a vast knowledge base from its policy networks and Accelerator Labs to help SIDS harness technology to accelerate progress on the SDGs. Support centres on the design of national digital strategies, using tech to deepen resilience and inclusion, establishing digital ecosystems and developing capacities.

With the global pandemic pushing entire sectors of society and the economy into dependence on the digital domain, governments have rushed to develop and improve digital transformation strategies. Yet so far, only about half of SIDS have such a strategy in place. In response to quickly escalating demand in 2020, UNDP scaled up support to develop these.

With assistance from the Swedish International Development Agency (SIDA)-UNDP Strategic Collaboration Programme, UNDP's Global Policy Network has expanded its capacity to provide technical and policy support for digital transformation across SIDS. In **Grenada**, the Government is leveraging technology, innovation and human capital to define plans to be a [smart small State](#) that will take the nation to a more sustainable, inclusive and prosperous future. UNDP is supporting the Government to develop an overarching vision for digital transformation for the entire society. The Smart Grenada vision will deliver economic growth and development for the country. Harnessing digitalization as an enabler and accelerator of development, it will yield increased productivity across key sectors such as tourism, government administration, commerce, education and agriculture. It has the potential to expand and open new development opportunities in financial services, the creative arts, digital media, ITC development, medical research and more. While Government led, it will go beyond public administration, focusing on encouraging digital upskilling and incentivizing experimentation and innovation among businesses and citizens. The vision aims to leverage the strengths of the country, in the spirit of the SIDS offer, turning challenges into opportunities in agriculture, marine environments and tourism, and tackling key structural vulnerabilities to environmental and external shocks.

Globally, new tools are emerging through UNDP's ambitious corporate Digital Strategy. One example is the Digital Readiness Assessment tool, which **Dominica** is using to draft a national strategy linking digital transformation to jobs and sustainable growth. Developed entirely for the post-COVID-19 norm and completely virtual, the tool supports self-assessment and data aggregation, and establishes a national readiness dashboard facilitating data-driven policymaking.

A UNDP partnership with UNCDF and the United Nations Conference on Trade and Development (UNCTAD) on the Pacific Digital Economy Programme supports national digital economy strategies implemented through collaboration between the public and private sectors. In **Fiji, Samoa, Solomon Islands, Tonga** and **Vanuatu**, the programme builds capacities for data collection to inform the strategies as well as new policies and regulations to guide the digital economy.

UNDP collaborates with the Government of **Singapore**, a leader among SIDS in advancing digital transformation, on the Global Centre for Technology, Innovation and Sustainable Development.

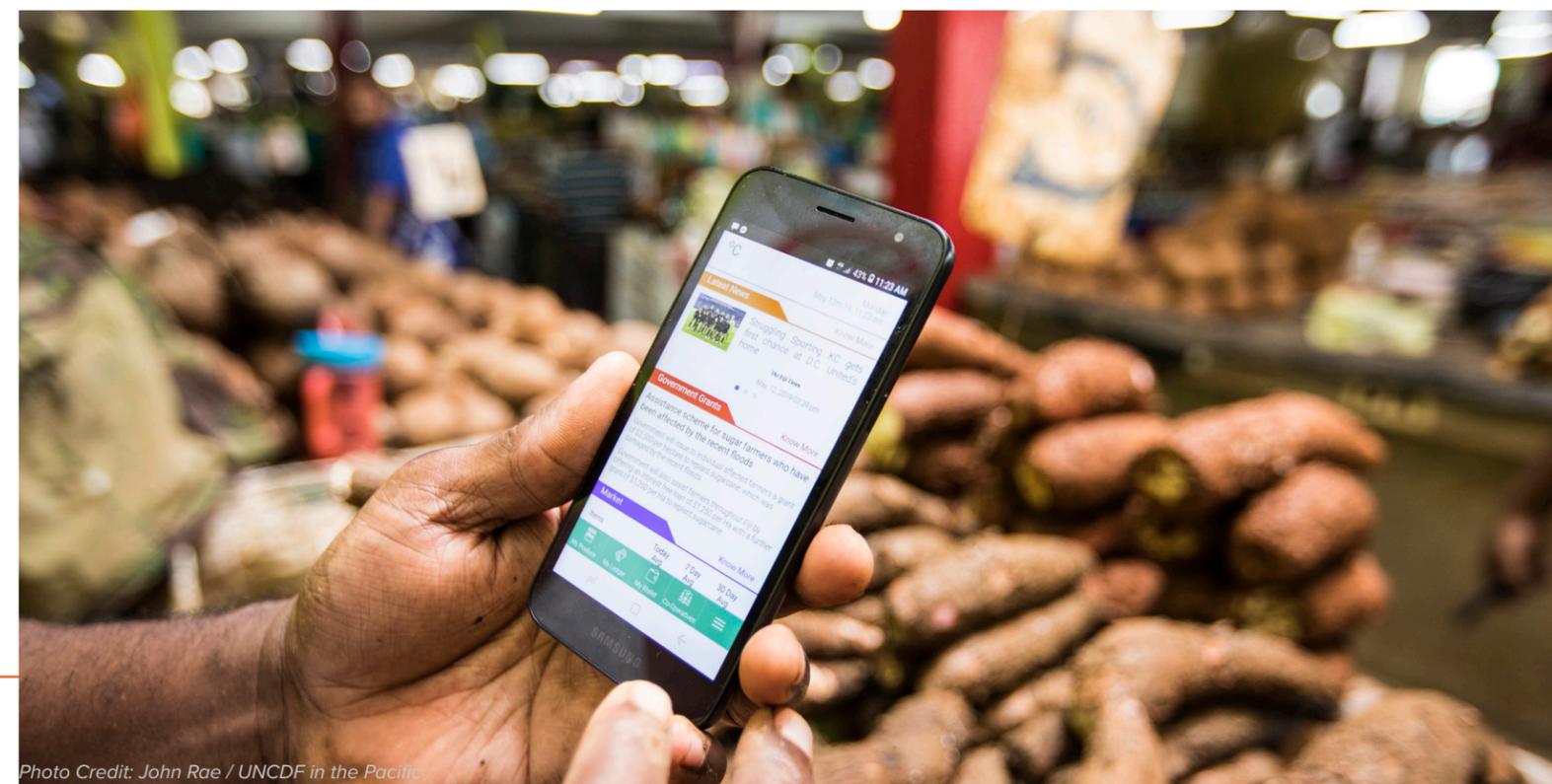


Photo Credit: John Rae / UNCDF in the Pacific

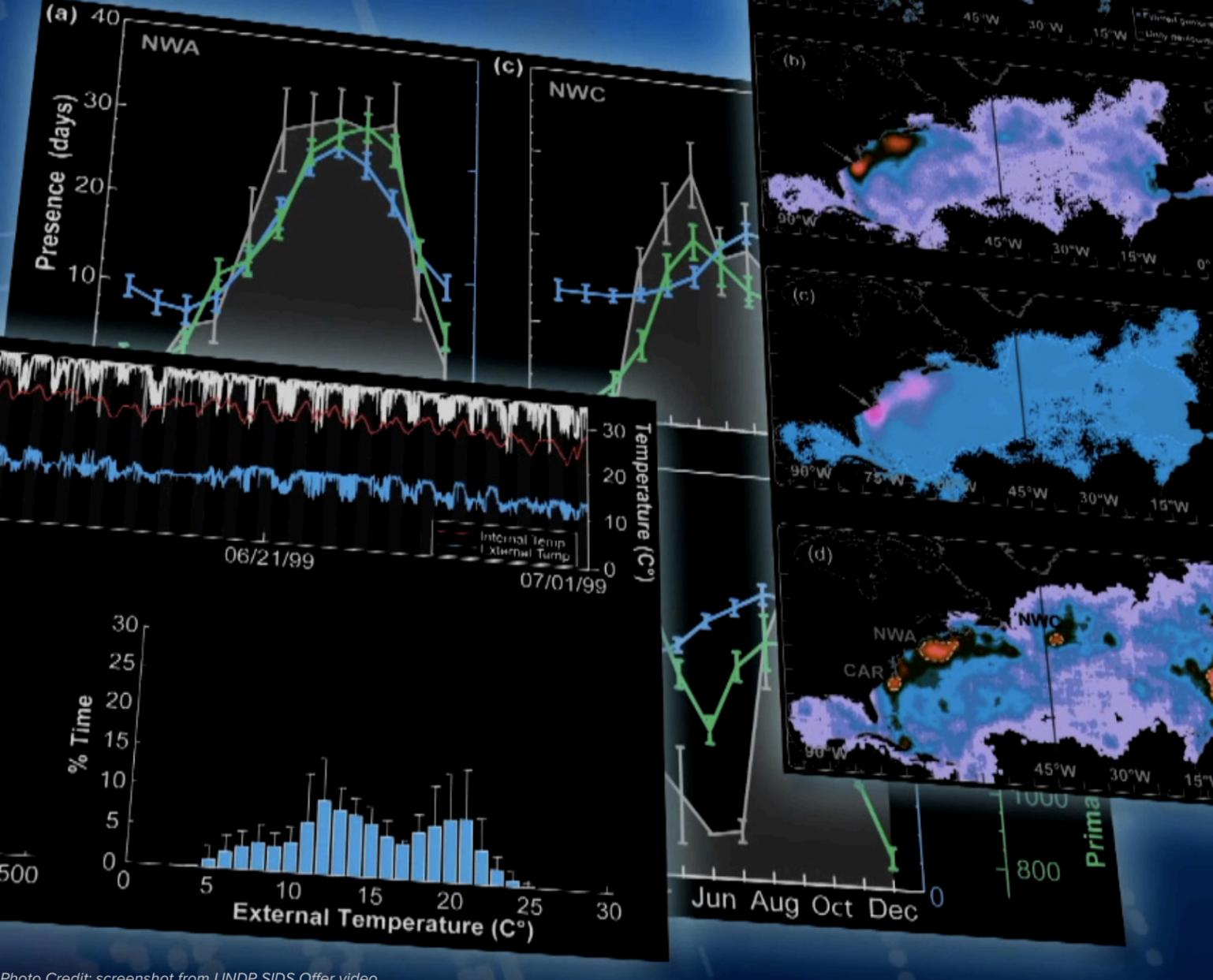


Photo Credit: screenshot from UNDP SIDS Offer video

Digitizing public data

Digitization is key in building government capacity and infrastructure to deliver on the SDGs, including as part of recovery efforts. A few SIDS have digitized data and government services, while in others, digitization remains at a rudimentary level. UNDP supports advances such as digitizing health-care services to reach marginalized and remote communities in Lusophone SIDS. Both **Cabo Verde** and **São Tomé and Príncipe** have implemented open-source district health information systems (DHIS2) to better extend health-care services to vulnerable groups.

Prior to the pandemic, UNDP supported **Guinea-Bissau** in digitizing the malaria response, replacing a hand-written lab data process that took up to three weeks. The dissemination of mobile tablets to health facilities enabled electronic monitoring and has contributed to a 16 percent decrease in malaria-related deaths since 2017. During the pandemic, Guinea-Bissau has continued to evolve by digitizing COVID-19 clinical and laboratory processes through a DHIS2 system, helping to expand service reach and increase efficiency and encourage data collection through its new healthcare portal.

Towards financial inclusion

Digital tools are rapidly increasing access to financial services for the poor in many SIDS, with the potential for significant impacts on their lives and livelihoods. Tools such as mobile banking are closing gender gaps and bringing people in rural areas and the informal sector into the formal financial arena. UNDP backs such efforts through digital identification systems and innovative finance, seeking to extend financial and social inclusion to all people in SIDS, and to close digital divides based on gender, geographical location, income level and other social determinants.

In the **Dominican Republic** and **Haiti**, UNDP is fostering financial inclusion through digital payments. This is transforming the provision of social protection services to 850,000 families who are beneficiaries of the Dominican Republic's primary poverty reduction programme. Digital payments are used for a basic food basket, with payment mechanisms installed in businesses allowing quick access. In Haiti, given the relatively high access to mobile phones (60 percent of the population), UNDP uses digital means of payment to support microenterprises and community recovery projects.

With the United Nations Secretary-General's Digital Financing Taskforce releasing its final report in 2020, generating momentum behind digitalization and financial inclusion globally, UNDP is ready to work more closely with UNCDF in exploring opportunities in SIDS to continue innovating and accelerating progress.

A programme in the Pacific provides financial inclusion to 2 million people

The Pacific Financial Inclusion Programme has been at the forefront in driving uptake and innovation in digital financial services in the region. Supporting seven SIDS—**Fiji, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga** and **Vanuatu**—this joint initiative by UNDP and UNCDF was launched in 2008, and since then has supported 2 million low-income Pacific Islanders to gain access to formal financial services and financial education.

The programme takes unconventional approaches. For instance, as a world first, Solomon Islanders can use airtime credit to deposit funds into their pension savings accounts. The voluntary saving scheme, launched in close collaboration with the Central Bank, is designed specifically for the self-employed and the informal sector to build a safety net.

While members initially had to deposit savings at only three offices countrywide, which was costly and time consuming, the programme has now joined mobile network operators to launch a digital savings channel allowing members to make deposits through mobile phones. The system uses mobile top ups, a service that can be accessed even via a very simple mobile phone and does not require a data connection. This enables easier and safer access for members anytime and anywhere in Solomon Islands.

Members can track their savings through free balance checks, which helps in planning, tracking and meeting savings goals. The programme has helped cushion the socioeconomic impacts of COVID-19 as many users were able to rely on money set aside in short-term savings account, and the Government was able to easily introduce a tax credit to support additional savings.



Resilience and inclusion

SIDS face immediate risks from sea-level rise and increasingly extreme weather induced by climate change. New technologies can be game changers in monitoring and communicating risks and coordinating responses.

In **Tuvalu**, where most of the land, communities and infrastructure are barely above sea level, UNDP is using state-of-the-art, airplane-mounted LiDAR technology to rapidly collect precise information on land surface height and sea floor depth. This provides baseline data on the relationship between the two in order to model future scenarios and inform the design of coastal infrastructure. The data are valuable across government departments, assisting with adaptation, development planning, resource management and environmental monitoring linked to climate change.

Barbados now deploys artificial intelligence to map coral reefs, working through the BlueBot project, which is supported by the UNDP Accelerator Lab in the Barbados and Eastern Caribbean office. Semi-autonomous robots dive underwater to collect marine data, while machine learning algorithms classify, categorize and compress labelled data sets. The data can equip policymakers to protect and restore a diminishing resource.

By supporting upgrades to national early warning systems, such as state-of-the-art software that provides real-time information and predictions on storm surges as well as hydrometeorological data, UNDP helps save lives, livelihoods and infrastructure, and support resilience in the SIDS. Cost-benefit ratios for investments in the systems have been estimated to be as high as 500 to 1.1 In **Papua New Guinea**, UNDP has installed automated weather stations and early flood warning in five provinces. An underwater climate information system will be developed in **Timor-Leste** within a GCF programme.



UNDP helped the Maldives become an early adopter of using drones to map disaster risks and collect data on changes in topography. This makes emergency teams better prepared to respond to disasters and supports more evidence-based decision-making.



In the Caribbean, UNDP has enhanced early warning capabilities through upgrades of systems and/or the installation and testing of equipment, including in Belize, Cuba, Barbados, Dominica, Dominican Republic, Guyana, Jamaica, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. These countries have strengthened GIS capabilities for disaster response, risk mapping, monitoring platforms and short-term forecasting systems. They have introduced new meteorological instruments and data collection using satellite imagery.

UNDP has assisted in strengthening data collection for early warning systems in Comoros, the Maldives, Mauritius, and São Tomé and Príncipe. A mapping of São Tomé as part of UNDP's Natural Hazards Dashboard for Surveyed African Households offers insights on types of natural hazards and an array of socioeconomic indicators.

Many SIDS continue to struggle with two key issues: digital capacities and inclusive access to digital technologies. The pandemic has accelerated use of technology yet exacerbated the digital divide for the most disconnected. Improving access to technology and skills is more urgent than ever. In 2020, UNDP took a number of related initiatives in SIDS, such as improving access to tablets and computers in schools, expanding Internet or mobile data access to remote areas, and targeting specific groups to acquire digital skills.

A programme in Guyana, for instance, is helping to extend the Internet and essential government services to people in hard-to-reach locations across the country. Up to 200 remote communities now have VSAT (very-small-aperture terminal) satellites that provide wi-fi. As a further measure, UNDP is partnering with key government ministries for health, education, public security, finance, local government, Amerindian affairs and others to make public services electronically accessible to communities. Training has encouraged populations in remote communities to begin using ICT to access public services.

In the Maldives, a UNDP social innovation grant backs development of the 'Thaana mellow' app, which enables blind and visually impaired persons to read and access local news in the local language. UNDP has joined the University of Bahrain, Tamkeen and Microsoft to enhance digital literacy for female students in Bahrain. An initiative in Trinidad and Tobago focused on youth in prison, bringing regular Internet access to one detention centre, and providing digital training and tools to residents and officers alike.

The Knowledge Society Initiative, a UNDP-United Nations Educational, Scientific and Cultural Organization (UNESCO) joint programme in the Cook Islands and Samoa, is helping to establish an accessible, localized knowledge platform providing access to full text, bibliographical and institutional information from national and international sources to students and researchers but also those living with disabilities and in rural areas.

COVID-19 has reinforced the imperative for SIDS to diversify their economies and reduce reliance on single industries, particularly tourism. Digital technologies have thus featured prominently in UNDP's pandemic response in the SIDS, including through rapid support for digitally enabled local entrepreneurship and jobs for youth and people in the informal sector. In São Tomé and Príncipe, UNDP assists young entrepreneurs to develop innovative digital solutions such as on-line shopping apps, COVID-19 and other disease-tracking apps, and mobile money systems. In Guinea-Bissau, digital solutions are emerging for COVID-19 tracking, call centres and overall testing, and a hackathon series is incubating a start-up/tech ecosystem.

In **Barbados** and the **Eastern Caribbean**, during the COVID-19 response, UNDP developed #eFUTURE, an online step-by-step guide to help smaller businesses re-tool and discover new ways to reach customers, with practical tips and simple strategies to go digital.

In partnership with IsraAid and UNDP, the Government of **Dominica** launched Work Online Dominica to jumpstart a digital marketplace for freelancers between the ages of 18 to 40 as part of efforts to equip young people with skills and access to the digital economy. In the Solomon Islands, UNCDF and UNDP supported the Digital Marketplace Project in collaboration with Bullk shop, a major food vendor, and youth groups. It explores digital solutions connecting farmers to markets to ensure uninterrupted supplies of food during the pandemic.

Hackathons and challenges have been a key mechanism for UNDP and its Accelerator Labs to proactively support local recovery, innovation and entrepreneurship. The Island Hack in the Eastern Caribbean and the Pacific Sustainable Livelihoods Challenge called for digital solutions to restart the economy post-COVID and assist the most vulnerable to cope with social and economic adversity. Additional hackathons in **Fiji, Guyana, Papua New Guinea** and **Samoa** have tapped into local innovations to enable digital transformation.

FINANCING SUSTAINABLE DEVELOPMENT IN **SIDS**



FINANCING SUSTAINABLE DEVELOPMENT IN SIDS

Mobilizing financing for development is at the heart of UNDP's offer to SIDS. This includes pursuing innovative instruments in line with a call by SIDS in the follow-up to the SAMOA Pathway. Many SIDS lack fiscal space, have limited domestic resource bases and face structural economic challenges exacerbated by the COVID-19 pandemic. Overcoming these obstacles is key to recovery and progress on the SDGs and the SAMOA Pathway.

At the [Placencia Ambition Forum](#) and in a [Statement on Debt](#) issued by AOSIS, SIDS underlined the urgency of global action on both the climate and COVID-19 crises. They have advocated for a multidimensional vulnerability index that considers island States' unique contexts to give policymakers, creditors and investors a better understanding of issues to address. This could in turn enable access to concessional finance and more favourable terms for existing debt.

UNDP works with SIDS to bolster capacities to recover rapidly, build forward better and enhance resilience to future shocks. Support to access finance focuses on innovative finance including blended instruments, financing for conservation and thematic bonds, catalysing private sector investment and leveraging domestic resources.



UNDP targets SIDS in a number of finance-related initiatives, including programmes under the previously mentioned Global Fund for Coral Reefs, the SDG Joint Fund and the Lions Share COVID-19 call. Under the SDG Joint Fund, UNDP has capitalized on opportunities for harnessing the blue economy, unlocking SDG financing, reinforcing national planning systems by aligning budgets and planning, and operationalizing integrated national financing frameworks.

The Lions Share COVID-19 call encompasses rapidly disbursed grants for temporary employment; reef insurance schemes triggered in times of crisis; crisis conscience loan terms for supported business; and partnerships with Blue Finance, a leading adviser on marine protected areas, and The Nature Conservancy, a global conservation leader.

These initiatives complement UNDP's SIDS debt offer, which encompasses SDG programmatic bonds to address the twin challenges of high debt and large SDG financing gaps. The **Maldives** is already pioneering this approach with a proposed \$250 million bond. It involves an innovative sovereign debt swap instrument to generate funds for high-impact social projects without aggravating the national debt position. Exploration of innovative finance includes the first-ever sovereign blue bond launched by Seychelles. In the Pacific, a \$1.5 million project will help establish a blue bond.

Other emerging tools that UNDP can explore with governments include debt-for-nature swaps that free funds for environmental initiatives while reducing external debt payments and/or refinancing risk. A variant is the debt-for-climate swap, which links debt relief to investment in sustainable development and green economy projects.



Photo Credit: John Rae / UNCDF in the Pacific

UNDP has conducted Development Finance Assessments in **Fiji, Papua New Guinea, Samoa, Solomon Islands** and **Timor-Leste**, and supported integrated national financing frameworks in **Cabo Verde, the Maldives, Fiji, the Marshall Islands, Papua New Guinea, Samoa, the Solomon Islands, Vanuatu, Barbados, Cuba, Haiti, Jamaica** and **Suriname**. In **São Tomé and Príncipe**, UNDP is establishing a blended finance partnership with donors such as the African Development Bank. The Pretoria Finance Hub was set up to support **Mauritius** on financing, investment and energy issues.

Finance decision makers are now more aware than ever that biodiversity underpins sustainable development, and biodiversity finance and investment is growing in value and sophistication. This has not yet resulted in a significant shift in financial flows, however. BIOFIN is a UNDP initiative to define and implement optimal, evidence-based biodiversity finance solutions. It is coordinated by a global team that supports application in countries and helps develop related national and global capacities. The BIOFIN methodology is currently being used in four SIDS: **Belize, Cuba, Fiji** and **Seychelles**.

BIOFIN in **Cuba** is working on a protected areas entrance fee system to mobilize financial resources for managing the areas. A payment for ecosystem services initiative is piloting a certification mechanism incentivizing the private sector to remove atmospheric carbon through sustainable forest management.

Work in **Belize** focuses on strengthening environmental funds by promoting benchmarking against Conservation Finance Alliance standards, providing capacity development, and assisting with monitoring and evaluation frameworks.



Photo Credit: Ecosystems & Biodiversity UNDP

In **Seychelles**, BIOFIN supports increasing investment in biodiversity conservation through promoting sustainable tourism practices with appropriate policies and investments. Work is geared towards a fiscal framework that encourages the private sector to invest more and in better ways in biodiversity, including through tax deductions for expenditures to obtain certifications, the wages of employees working on biodiversity issues and other costs related to biodiversity conservation.

Insurance and risk finance can contribute greatly to development and the SDGs, with their importance highlighted by COVID-19. They are essential to protect lives, livelihoods, infrastructure and homes from the impact of disasters, but also to provide coverage for sustainably protecting health-care and education services as well as employment and agricultural supply chains. Facing acute vulnerability and risks of extreme weather events, SIDS have persistent protection gaps that threaten prospects for rapid, inclusive recovery and set back progress across the SDGs. Little attention has been paid to risk financing at the global and country levels, however.

Innovative finance mechanisms

In late 2020, UNDP launched its Insurance and Risk Finance Facility as a flagship initiative to help countries solve complex problems through insurance, risk and resilience financing. The project will provide a variety of tools and types of assistance related to inclusive insurance, sovereign risk financing, natural capital and risk investment, the integration of industry expertise into development, and investments in technology, research and evidence, vulnerability and empowerment.

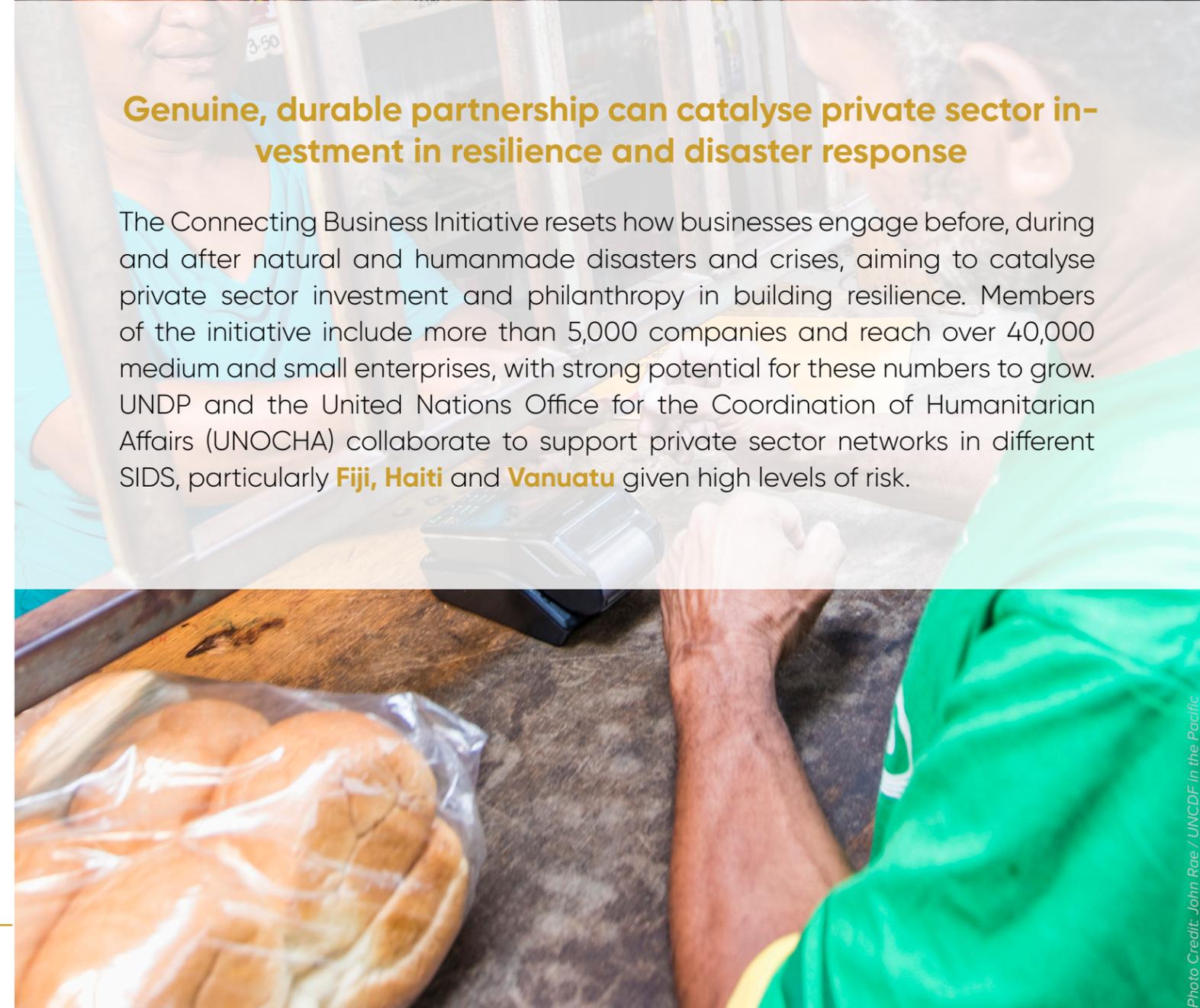
UNDP has also supported the **Eastern Caribbean** SIDS with using parametric insurance products for disaster risk financing. These offer low premiums and fast payouts. In the wake of Cyclone Gita, the Government of **Tonga** received a \$3.5 million payout from the Pacific Catastrophe Risk Insurance Company based on its insurance coverage against tropical cyclones. The model for the company draws on similar initiatives in the Caribbean (Caribbean Catastrophe Risk Insurance Facility) and Africa (African Risk Capacity).

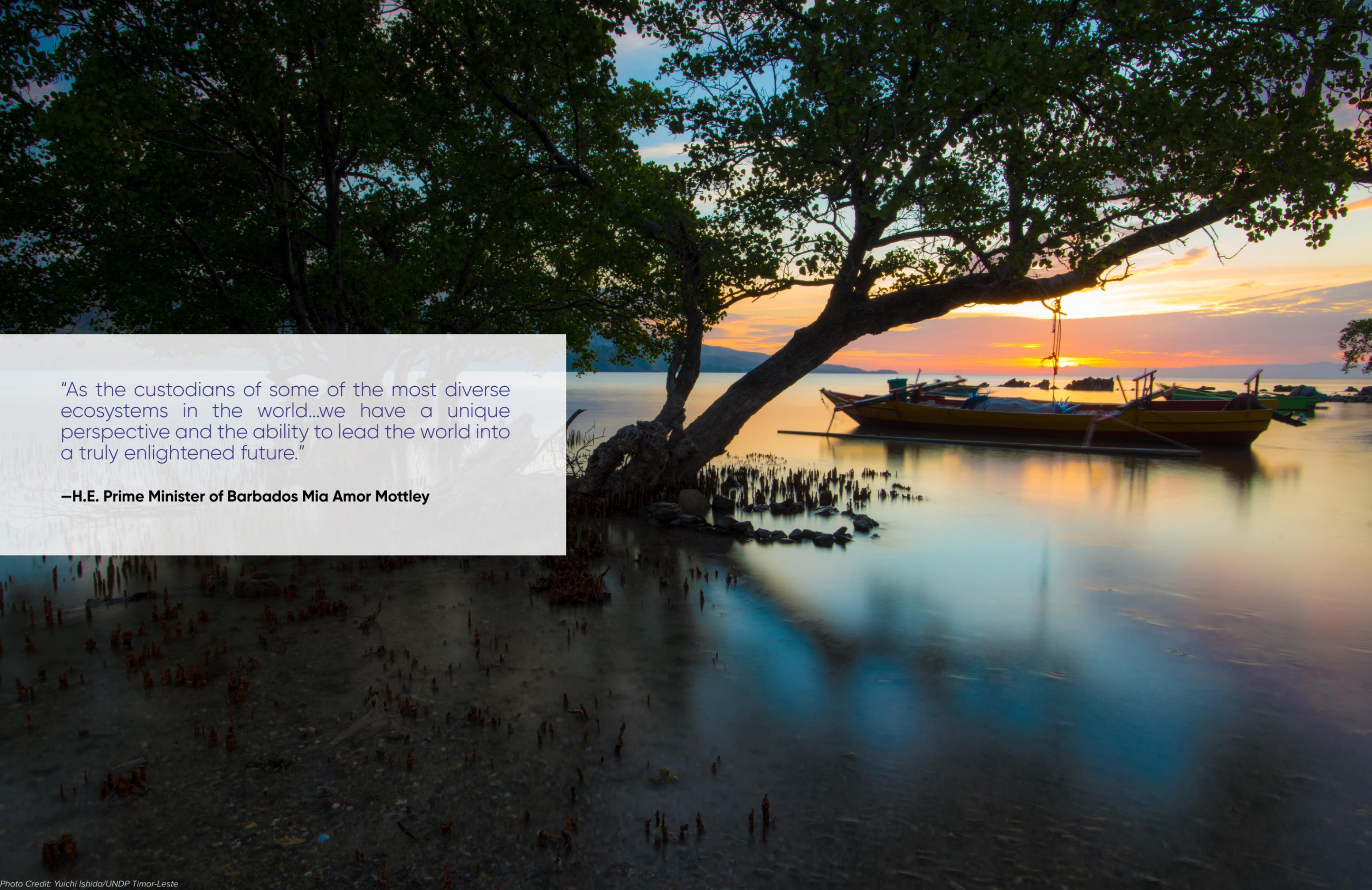
The Pacific Financial Inclusion Programme, in partnership with the Munich Climate Insurance Initiative, has explored potential climate risk adaptation and insurance programmes in the Pacific region and assessed opportunities to set up the **Pacific Insurance and Climate Adaptation Programme**. It is designed to respond to growing needs for financing solutions for natural catastrophes by federating all Southern Pacific states into a regional sovereign risk pool and offering quick financial assistance after natural catastrophes through insurance at affordable rates. The programme will also support national disaster risk management, and overall resilience through improved disaster risk financing and innovative market-based insurance products for middle- and lower-income groups.



Genuine, durable partnership can catalyse private sector investment in resilience and disaster response

The Connecting Business Initiative resets how businesses engage before, during and after natural and humanmade disasters and crises, aiming to catalyse private sector investment and philanthropy in building resilience. Members of the initiative include more than 5,000 companies and reach over 40,000 medium and small enterprises, with strong potential for these numbers to grow. UNDP and the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) collaborate to support private sector networks in different SIDS, particularly **Fiji, Haiti** and **Vanuatu** given high levels of risk.





"As the custodians of some of the most diverse ecosystems in the world...we have a unique perspective and the ability to lead the world into a truly enlightened future."

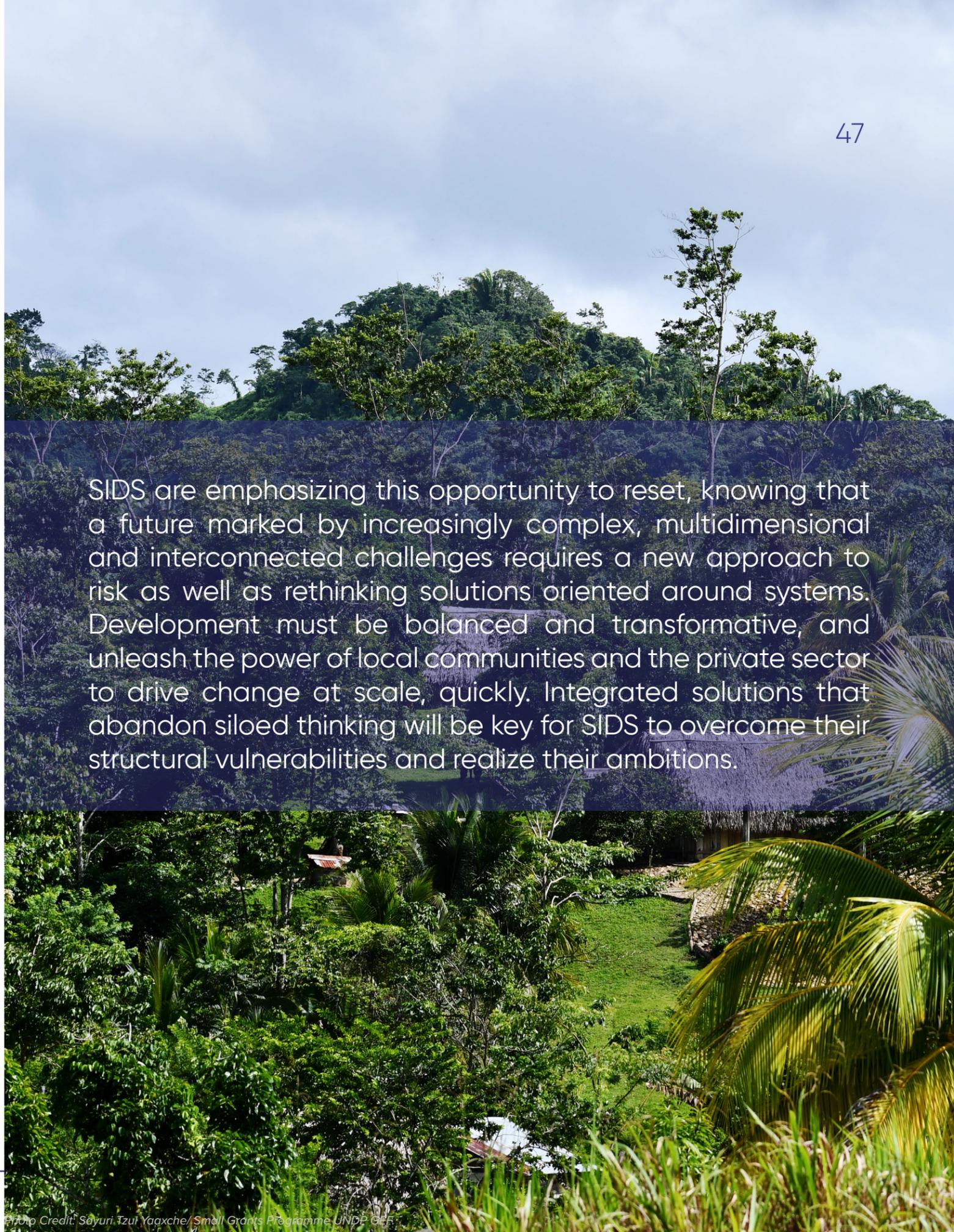
—H.E. Prime Minister of Barbados Mia Amor Mottley

LOOKING
AHEAD



LOOKING AHEAD

The world is in a moment of great reflection on past ways of living and thinking. SIDS have seen their vulnerabilities sharply magnified by the socioeconomic shocks triggered by COVID-19. But in a time of crisis, SIDS raised their voices, emerging as strong advocates for transformational change. The climate crisis remains the gravest threat to their future, and island leaders consistently demonstrate their ambitions and willingness to lead by example for a world not defined by the choice between economic growth and the environment, but by committed actions that ensure the safety and well-being of both people and planet.



SIDS are emphasizing this opportunity to reset, knowing that a future marked by increasingly complex, multidimensional and interconnected challenges requires a new approach to risk as well as rethinking solutions oriented around systems. Development must be balanced and transformative, and unleash the power of local communities and the private sector to drive change at scale, quickly. Integrated solutions that abandon siloed thinking will be key for SIDS to overcome their structural vulnerabilities and realize their ambitions.

Rising Up for SIDS is UNDP's response to a time of uncertainty and complexity. Aligned with the objectives of the SAMOA Pathway and 2030 Agenda, it offers agile, efficient support to SIDS through integrated solutions targeting systemic challenges. It seeks to demonstrate the necessity for more linkages among climate action, the blue economy, digital transformation, and sustainable and innovative finance as the enabler of change. Achieving progress in each of these pillars is dependent on progress across all.

Moving forward, UNDP will facilitate networked solutions and bring diverse stakeholders into designing development solutions, including youth, people with disabilities, vulnerable groups, local and regional governments and businesses. It will help to build trust and inclusion and mobilize private finance for transformational change at scale. Through the SIDS offer, UNDP sets out to be an innovator, advocate, partner and integrator.

On the cusp of an important series of major international conferences, including on biodiversity and climate change, there is strong momentum for SIDS to champion climate action. UNDP looks forward to supporting them in this role. It will continue to help SIDS tap ingenious local solutions to safeguard the ocean and pursue digital solutions that bridge digital divides. Efforts under the latter will help ensure the business continuity of medium and small enterprises through deeper integration into global markets, ease the transfer of remittances and transform vital tourism sectors, among other steps.

Digital solutions also have potential to rapidly expand climate adaptation and resilience, ensuring the future survival of SIDS. To this effect, UNDP's newly released [Digital Strategy](#) aims to continue empowering and inspiring the development sector by increasing digital capacities among partners, towards fostering innovation, digital literacy and digital communication, and enabling new ways of thinking and working. One of the greatest obstacles SIDS face to realizing their ambitious development goals is their lack of fiscal space and challenges accessing development finance. Converging climate and debt crises exacerbated by the pandemic are increasing these pressures. UNDP will stand behind the calls of SIDS leaders to expand access to concessional finance and harness innovative blue and green finance approaches that unleash economic potential while safeguarding natural environments.

Since appropriate metrics are required to capture the complex reality of the fiscal space of SIDS, UNDP will also back SIDS advocacy for a multidimensional vulnerability index that could change the paradigm of conventional development finance, shifting it towards a more realistic view of the intertwined causes and consequences of debt.



Photo Credit: Yuichi Ishida/UNDP Timor-Leste



2020 gave humanity a glimpse of what we could expect our future to be if we do not act. It also showed how intricately interconnected people and planet are, a message SIDS have been advocating for many years. The global challenge is to create development models that can achieve human well-being while accounting for the climate emergency and avoiding the depletion of natural capital. The upcoming year offers a chance to focus on innovative and intersectional actions for SIDS to realize fairer and more balanced development.



United Nations Development Programme

One United Nations Plaza

New York, NY 10017

www.undp.org

UNDP 2021