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Research Report

A fair share of resilience finance for Small Island Developing States: Closing the gap between vulnerability and allocation

ODI Report

Provided in Cooperation with:

Overseas Development Institute (ODI), London

Suggested Citation: Wilkinson, Emily et al. (2023) : A fair share of resilience finance for Small Island Developing States: Closing the gap between vulnerability and allocation, ODI Report, Overseas Development Institute (ODI), London

This Version is available at:

<https://hdl.handle.net/10419/280306>

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Report

A fair share of resilience finance for Small Island Developing States

Closing the gap between vulnerability and allocation

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Yue Cao, Jack Corbett, Rachid Bouhia**

April 2023





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How to cite: Wilkinson, E., Panwar, V., Pettinotti, L., Cao, Y., Corbett, J. & Bouhia, R. (2023) A Fair Share of Resilience Finance for Small Island Developing States: Closing the gap between vulnerability and allocation. ODI. London: ODI (www.odi.org).

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Acknowledgements

The authors would like to thank Isabella Massa, Matthew Bishop, Michelle Scobie and Alan Whaites for their insightful comments and suggestions for improvement of this report.

Acronyms

ADB	Asian Development Bank
ADF	Asian Development Fund
AIMS	Atlantic, Indian Ocean, Mediterranean and South China Sea
CCA	climate change adaptation
CDB	Caribbean Development Bank
CFU	Climate funds update database
CRDF	climate-related development finance
CREAD	Climate Resilience Executing Agency of Dominica
DRR	disaster risk reduction
GCF	Green Climate Fund
GNI	gross national income
IBRD	International Bank for Reconstruction and Development (World Bank)
IO	international organisation
IPCC	Intergovernmental Panel on Climate Change
LDCs	least developed countries
LMICs	lower-middle-income countries
MDB	multilateral development bank
MICs	middle-income countries
MVI	Multidimensional Vulnerability Index
NCQG	New Collective Quantified Goal on Climate Finance
ODA	Official Development Assistance
OECD DAC	The Organisation for Economic Co-operation and Development's Development Assistance Committee
RESI	The Resilient and Sustainable Islands Initiative (ODI)
SAMOA	SIDS Accelerated Modalities of Action (SAMOA Pathway)
SDSN	Sustainable Development Solutions Network
UMICs	upper-middle-income countries
UN DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

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Executive summary

Small Island Developing States (SIDS) have long argued that their unique condition, including their small populations and geographic location, makes them especially vulnerable to multiple climate impacts that they have had a negligible role in generating. Yet this vulnerability is barely accounted for in the allocation of development or climate finance, and only partially embedded in international organisations (IOs), including across the UN system, World Bank, and World Trade Organisation. This vulnerability will only increase, with climate change and disaster impacts driving higher and higher debt levels, which in turn undermine SIDS' resilience and adaptation potential. Yet investments can and do increase SIDS' ability to cope with external shocks, and to adapt and build resilience to future climate change impacts. Until now, it was unclear how much and which types of finance were being allocated to SIDS to build resilience. This paper provides clear evidence of the gap between vulnerability and allocation of finance.

The authors find that total levels of resilience finance allocated to SIDS are lower than for other developing country groups.¹ SIDS receive seven times less finance than least developed countries (LDCs) (excluding SIDS), 11 times less than lower-middle-income countries (LMICs) (excluding SIDS), and 5 times less than upper-middle-income countries (UMICs) (excluding SIDS). This means that the allocation of climate finance is not linked to levels of vulnerability.

Pacific SIDS, in particular, have high levels of vulnerability to climate change and disasters, followed by Caribbean SIDS and then Atlantic, Indian Ocean, Mediterranean and South China Sea (AIMS) SIDS, but there is variation in each SIDS group, and some non-SIDS have higher levels of environmental vulnerability than some SIDS, including very low-lying states. Despite this, those developing countries receiving the highest levels of resilience finance are not among the most vulnerable countries (as per the Sustainable Development Solutions Network (SDSN)'s pilot Multidimensional Vulnerability Index (MVI) score for environmental vulnerability). Meanwhile, the most vulnerable countries including SIDS receive below-average resilience finance flows (in relation to the developing country group as a whole).

The lesson is that, as many individual SIDS' governments have intuited, this group of countries is being disadvantaged by development and climate finance institutions who are charged with providing them the resources to ameliorate their condition. This effectively compounds the impacts of the climate crisis for SIDS because, despite their negligible contribution to the problem and their acute vulnerability to impacts, IOs are favouring other states instead in their resource allocations. Whether they mean to or not, the net effect is a form of systemic injustice against a significant proportion of their membership. In response the

¹ Resilience finance is all finance aimed at reducing vulnerability and building resilience to climate change and disasters. It is composed of finance for climate adaptation, finance for climate mitigation (for energy sector only) and disaster risk reduction (DRR)-related development finance (excluding emergency response). More details are presented in the Methodology section.

report proposes several practical steps that these institutions could take to better meet the needs of SIDS, including:

1. special consideration of SIDS in relation to ODA eligibility
2. the endorsement and uptake of an MVI for finance allocations of donors and MDBs, and
3. a defined climate finance target for SIDS and other vulnerable countries.

A combination of these changes can ensure that international donors and climate finance institutions are more responsive to the unique needs of SIDS, which in turn will increase their ability to adapt and thrive in a warming world. Through this research and other advisory activities, ODI's Resilient and Sustainable Islands Initiative (RESI) is helping SIDS and their partners to bring about changes in international development and climate finance, and find solutions to growing sustainability challenges in small islands.

1 Background

The IPCC's Sixth Assessment Report (2021) states that Small Island Developing States (SIDS) and least developed countries (LDCs) are particularly vulnerable to climate change due to their geographic locations and high levels of exposure to climate impacts, as well as low levels of economic diversification and technological development. SIDS face severe structural vulnerabilities related to their size, which limits their ability to adapt and strengthen resilience in the face of climate and other shocks.

Those vulnerabilities and their implications for economic development have long been identified by the international community, and were robustly reaffirmed during the third International Conference on Small Island Developing States through the SIDS Accelerated Modalities of Action (SAMOA) Pathway, which recognises that:

sea-level rise and other adverse impacts of climate change continue to pose a significant risk to small island developing States and their efforts to achieve sustainable development and, for many, represent the gravest of threats to their survival and viability, including, for some, through the loss of territory (UNGA, 2014, paragraph 11)

However, even if governments aggressively cut their greenhouse gas emissions, global temperatures are likely to surpass the 1.5°C limit

set by the Paris Agreement within this century (Tollefson, 2022). One consequence of breaching 1.5 degrees of warming is that financial and technical support for adaptation and to address climate-related losses and damages in SIDS will need to be increased significantly.

Warming will compound endemic debt sustainability issues in SIDS, entailing liquidity and solvency problems: the discrepancy between needs and available fiscal space means that SIDS cannot rely only on domestic resource mobilisation (including through tax revenues) to confront disaster and climate risks, and therefore need significant external assistance (Wilkinson et al., 2021; Bouhia and Wilkinson 2021; Piemonte, 2021). Some SIDS are ineligible for Official Development Assistance (ODA), and even for those that are, the levels of finance received are disproportionately low when considering levels of vulnerability and needs.² The problem is that this money doesn't go as far in a remote, small-island context; it underwrites the provision of basic services, but it doesn't lead to productive investment that would in turn lead to genuine, sustainable development (Utz, 2021). There are also severe capacity constraints on their ability to access and manage finance. A constraint on the SIDS side is that countries' absorptive capacity for deploying finance remains limited.

Similar constraints are at play with climate finance, where most finance to date has been channelled

² For some SIDS, especially in the Pacific, levels of ODA are high in per capita terms compared with other larger states, but, as this report argues, such comparisons disadvantage SIDS.

to middle-income countries to support mitigation (OECD, 2022),³ with lower sums going to the most vulnerable countries and to adaptation.⁴ It has been particularly difficult for SIDS to access climate finance. Even if finance to SIDS has recently increased compared to other developing countries, its distribution has been uneven, going mainly to Pacific SIDS (Piemonte and Cattaneo, 2022). In the case of the Green Climate Fund (GCF), long project approval processes and lack of flexibility and support on key issues of importance to SIDS (including co-financing, concessionality, incremental costs, and programmatic approaches) are all to blame, alongside capacity constraints within SIDS (Chase et al., 2020). Grants and concessional loans continue to be crucial for SIDS, as they face severe difficulties in raising significant private finance to pay for large infrastructure and DRR projects. As a result, SIDS pay a risk premium with increased cost of capital due to their vulnerability and debt sustainability issues (OECD, 2018).

Rethinking SIDS' place within the international financial architecture is timely, as pressure mounts for reform of the multilateral development banks (MDBs) and international climate funds. The Bridgetown Initiative, spearheaded by the Prime Minister of Barbados, Mia Mottley, sets out an agenda for MDBs to provide more affordable long-term finance and debt relief to vulnerable countries to give them the fiscal space needed to deal with the climate crisis. Calls for more

effective development cooperation are also mounting, with an Effective Development Cooperation Summit and adoption of the Geneva Summit Declaration in 2022 emphasising country-led, results-oriented, transparent and accountable development assistance.⁵ In parallel, discussions are now commencing on the structure and governance of a new Loss and Damage fund to be set up under the UNFCCC, alongside an assessment of the global panorama of loss and damage finance.⁶ The outcomes of these reforms will be critical for SIDS.

SIDS and their partners will need to work together to inform these debates, shape reforms and secure favourable outcomes for their populations. They will need to identify new sources of financing, improve access and absorption, and ensure that finance is used effectively to foster economic development, increase financial and environmental resilience, and reduce poverty. But they will also need to ensure that funding allocations flow to where they are most needed. To guide alignment, this study examines levels of international public and private (including philanthropic) finance flowing to SIDS. It defines 'resilience finance flows' to include all concessional and non-concessional flows that aim to reduce climate (and disaster) vulnerability and increase resilience of SIDS. The focus of this analysis is on the intended aims of finance committed to SIDS, and not the outcomes.

3 Over 2016–2020, climate finance provided and mobilised mainly targeted Asia (42%) and middle-income countries (43% and 27% for lower – and upper-middle-income countries respectively). <https://doi.org/10.1787/5f1f4182-en>

4 Approximately 62% (US\$6.98 billion) of GCF funds are dedicated to mitigation finance, and 38% (US\$4.25 billion) to adaptation finance. See Green Climate Fund (2021).

5 <https://effectivecooperation.org/hlm3>

6 <https://unfccc.int/news/cop27-reaches-breakthrough-agreement-on-new-loss-and-damage-fund-for-vulnerable-countries>

The objectives of this research are to quantify levels (quantity) and identify different sources (public and private philanthropic) as well as type of finance (grant-based and loans) that has been allocated to SIDS to build resilience to climate change and other natural hazards over 2013–2020; to compare these financial flows with levels of environmental vulnerability in SIDS and, hence, financial needs; and to contrast them with similar flows to other developing country groups such as the least developed countries (LDCs) and middle-income countries (MICs). The scope of the study therefore focuses on historical flows and contrasts them with measures of wealth and vulnerability. Future analyses could include regressions or other explanatory models for observed allocation patterns, and contrast historical flows with, for example, frequency of disasters and number of affected people, SIDS government revenue, expenditure data and debt levels, or total ODA received by instrument.

This report will be used to inform ongoing climate policy discussions around levels of climate finance – and particularly finance for adaptation – and country-by-country distributions, feeding into SIDS on the New Collective Quantified Goal on Climate Finance (NCQG). Outside the climate change arena, this study will help inform debates in the run-up to the 4th SIDS conference in 2024 on improving access to development finance and absorption capacity in SIDS, and the use of a new Multidimensional Vulnerability Index (MVI) being developed by the UN to inform the allocation of development and climate finance.

2 Defining SIDS' vulnerability

SIDS in the Caribbean, Pacific Ocean, Indian Ocean, and coastal Africa have a very particular set of characteristics, including a pronounced structural vulnerability that principally arises from their size and, in many cases, remoteness. Hence, SIDS present commonalities in terms of structural and climate challenges that call for context-specific solutions. Their vulnerability was traditionally defined in economic terms – in relation to sudden currency crises or trade shocks – but is now increasingly seen to have critical environmental dimensions (Bishop, 2012).

The key point is that vulnerability to external shocks renders SIDS' development gains fragile and subject to rapid deterioration. Almost all are located in the tropics and near tectonic plate boundaries, and therefore highly exposed to natural hazards (Wilkinson et al., 2016), and with tropical cyclones becoming more intense and flooding more frequent coupled with gradual-onset climate impacts, their societies and economies are finding it increasingly difficult to cope (Bishop and Payne, 2012; Connell, 2013). SIDS' location makes them vulnerable to climate change and other natural hazards, but their size limits their adaptation options: for example, Hurricane Ivan in 2004 wiped out the equivalent of 200% of Grenada's GDP (Reliefweb, 2009); Hurricane Maria in 2017 destroyed 226% of Dominica's GDP (CREAD and Ministry of Economic Affairs, 2020); and half of the island of Montserrat remains off-limits after the Soufrière volcano eruption in 1995–97 (Wilkinson, 2015).

Even the fundamental future viability of some SIDS, especially those that are low-lying atoll states, has been brought into question, with projected sea-level rise threatening to flood entire islands and render them uninhabitable (Vaha, 2015; Armstrong and Corbett, 2021).

Vulnerability to external shocks has led SIDS to take on high levels of external indebtedness – disaster recovery, in particular, is expensive – which makes it difficult for them to raise further finance to invest in adaptation and resilience and reduce their vulnerability to extreme events and longer-term stresses (Bouhia and Wilkinson, 2021; Wilkinson et al., 2021). SIDS have extremely high levels of debt distress; 10 countries – Bahrain, Barbados, Belize, Cabo Verde, Dominica, Fiji, Maldives, Saint Vincent and the Grenadines, Singapore and Suriname – have had a debt-to-GDP ratio above 100% for several years. One EUROWAD study (2022) found that while SIDS collectively received US\$1.5 billion in climate finance – mostly as concessional loans – between 2016 and 2020, over the same period 22 SIDS paid more than US\$26.6 billion to their external creditors. SIDS cannot afford to take on further debt to finance resilience initiatives, so grant finance is particularly important.

SIDS, alongside LDCs, are recognised by the UN as a special category of countries and as requiring particular support.⁷ They are considered a special case for sustainable development, enshrined in the Small Island Developing States Accelerated

7 Of the countries that belong to the group of least developed countries (based on three criteria: low income, weak human assets and high economic vulnerability), 33 are in Africa, 10 in Asia, 1 in the Caribbean and 5 in the Pacific.

Modalities of Action ('SAMOA Pathway') (UNGA, 1994; 2014)) and other multilateral agreements.⁸ The World Bank (2021) gives small states (including SIDS) special treatment in terms of access, financing volumes and concessionality, while the Asian Development Bank (ADB) considers SIDS a special category alongside fragile and conflict-affected situations (FCAS). Currently eight SIDS receive 100% grants through the Asian Development Fund (ADF) because of their high levels of debt distress (ADB, 2023).⁹ However, the Global Environment Facility is the only UN climate fund with a dedicated window for 30 SIDS that are not LDCs to help them adapt to the impacts of climate change.

Despite their structural vulnerabilities and recognition of their 'special case', SIDS encounter a number of difficulties in accessing the development assistance that they need. Most are MICs, and many are not eligible to receive concessional finance from multilateral financial institutions, while evidence suggests that as countries approach or join the MIC group, donor governments scale down their development cooperation programmes (Jalles d'Orey and Prizzon, 2019).

Eight SIDS are ineligible for ODA because they have high levels of gross national income (GNI) per capita: Antigua and Barbuda, the Bahamas, Bahrain, Barbados, Saint Kitts and Nevis, Seychelles, Singapore, and Trinidad and Tobago. But the use of GNI per capita criteria as a measure

of developmental progress in SIDS can be poor, or even deeply misleading (Bishop and Murray-Evans, 2020). This is because:

- dividing the sum of national income among a small population inherently overstates living standards in the community
- taking a snapshot in time tells us little about changes in growth rates (many SIDS have suffered real-term stagnation for decades)
- GNI per capita tells us little about the distribution of income levels (most SIDS are extremely unequal, with small elites capturing most gains), and
- SIDS are generally dependent on external finance and enclave forms of development (such as tourism or offshore finance) with limited sectoral diversification, so rents often accrue to non-domestic actors that may not be reinvested in the domestic economy (Bishop, 2013).

In August 2020, the UN Secretary-General committed the UN to advocate for SIDS on the issue of access to concessional finance, and in November 2020 called for the development and coordination of work within the UN on a Multidimensional Vulnerability Index (MVI), including its finalisation and use. The MVI offers great potential for developing additional (or exceptional) eligibility criteria for concessional finance that align with commitments under the Paris Agreement. The MVI could be used to improve resource allocation across all

⁸ Under the UNFCCC in particular, SIDS and LDCs are recognised as being among the least responsible for climate change, and likely to suffer the most from its adverse effects. SIDS could in some cases even become uninhabitable. SIDS are represented by the Alliance of Small Islands States (AOSIS) in the climate change negotiations.

⁹ ADB's FCAS and SIDS approach, adopted in 2021, recognises that a differentiated approach to engagement is needed in certain developing member countries (DMCs), based on understanding the causes and drivers of fragility and conflict, and the multidimensional aspects of risk and resilience factors.

international financial institutions and help SIDS that graduate in the future to access concessional finance. This would support a transition to more sustained models of development in SIDS in combination with increased climate finance, debt reduction and capacity development.

3 Methodology

Given the high vulnerability of SIDS to climate extremes and other natural hazards, and the more insidious impacts of climate change due to slow-onset stresses such as sea-level rise, this study focuses on international finance allocated to building resilience.

The study is based on three research questions:

1. How much and what kind of donor finance flows to SIDS to reduce climate and disaster vulnerability and increase resilience?
2. How do these finance flows compare with SIDS's vulnerability and financial needs?
3. How do these finance flows contrast with similar flows to other developing country groups, including LDCs that are not SIDS and MICs that are not SIDS?

To examine international finance flowing to SIDS in support of efforts to build resilience and adapt to these mounting exogenous threats, we have created a new 'resilience finance' dataset, which includes concessional and non-concessional flows from official agencies (international public and private philanthropic finance) that aim to reduce climate, and disaster, vulnerability and increase the resilience of SIDS.

The resilience finance dataset includes: (i) finance for climate adaptation, (ii) finance for climate mitigation (for energy sector only) and (iii) disaster risk reduction (DRR)-related development finance (excluding emergency response). Finance for climate mitigation is considered in the analysis because energy access and (decentralised) energy generation and distribution in SIDS enable the functioning of basic and emergency services. Reducing reliance on costly energy imports is beneficial for SIDS' economies, as well as the health and livelihoods of their populations, and contributes to recovery efforts following shocks and stresses (UNDP, 2018).

The study covers 38 UN member SIDS, of which 30 are recipients of official development assistance (ODA) and 8 are non-ODA SIDS as of 2022 (see Annex 1).¹⁰ Data are collected for the period 2013–2020 and include bilateral, multilateral and private philanthropic finance flows.¹¹ The finance flows include ODA and other official flows (OOF). Caribbean and Oceania regional finance flows (including multi-region and multi-country) are excluded from the analysis due to limited country allocation information.¹³

The study examines the sources and types of finance being allocated (grant-based vs loans), how that finance is distributed across SIDS, and

¹⁰ The official UN classification is a large and relatively heterogeneous grouping of SIDS countries. Some SIDS are much larger than others, some are not islands, some have very high levels of development, and some are not sovereign states. For a further discussion of classifications see <https://dgff2021.unctad.org/unctad-and-the-sids/>

¹¹ Multilateral development banks started reporting to the DAC on 2013 finance flows.

¹² Donor finance data for the year 2021 is available only for bilateral flows. Multilateral finance flows data is yet to be updated on the OECD DAC database.

¹³ For regional resilience finance flows, see Annex 2.

Box 1 Data sources

- **Climate-related development finance (CRDF) dataset:** This OECD dataset includes, inter alia, climate-related development finance from bilateral, multilateral and private philanthropic sources. Data is disaggregated by objective (viz., adaptation, mitigation, climate component, cross-cutting). This dataset has the objective of tracking the mainstreaming of climate mitigation and adaptation objectives in development finance, but, following general practice, it is used here to proxy ‘climate finance’ data (which have the different objective of accounting towards the goals established by the UNFCCC and the Paris Agreement, such as the \$100 billion that developed countries have to provide to support developing countries in addressing climate change).¹⁵ The CRDF includes both concessional and non-concessional activities. It does not include guarantees as they are categorised as non-flow operations. The full dataset can be accessed [here](#).
- **OECD Creditor Reporting System (CRS) Aid Activity Database:** The objective of this database is to provide a set of readily available basic data that enables analysis on where official development finance goes, what objective it serves and what policies it aims to implement. The data is comparable across recipients and DAC members. Financial data are collected on individual projects and programmes. The DRR-related development finance flows are sourced from the CRS. The full database can be accessed [here](#).
- **Climate funds update (CFU):** This database tracks climate finance from multilateral climate change funds (MCFs). It carries cumulative data on the pledges, deposits and project approvals made by MCFs. Data can be accessed by recipients, country groups and regions, among other filters. The CFU dataset covers several smaller multilateral climate funds that are not included in the OECD database (for example, Adaptation for Smallholder Agriculture Programme (ASAP), Forest Investment Program (FIP), Global Climate Change Alliance (GCCA), among others. The database is available [here](#).
- **Joint Report on Multilateral Development Banks’ Climate Finance:** This report presents an annual collaborative effort to publish MDBs’ climate finance figures, together with a clear explanation of the methodologies for tracking this finance.

¹⁵ OECD DAC member countries report ‘climate finance’ data to the UNFCCC in their Biennial Reports drawing from the climate-related development finance they report to the OECD DAC, but downscale the amounts reported to better reflect the financial contribution of the respective activities to the objectives of the Convention. The key difference is that the methodology to report data to the OECD DAC (Rio markers) is a descriptive qualitative measure, whereas climate finance is reported to the UNFCCC as an exact monetary value. For more information, see OECD (2022).

how much funding they receive in relation to other developing countries.

The analysis considers finance ‘commitments’ and not the actual disbursement to recipient countries, and the focus of the analysis is on the intent (objective) of such finance flows and not the outcome. As such, the measured flows are estimates of actual flows and cannot be used as proxies for effective results.

The resilience finance flows data are extracted from four main data sources (see Box 1).

Adaptation and mitigation (energy sector only)-related development finance flows are extracted from the climate-related development finance (CRDF) dataset maintained by OECD. The adaptation and mitigation-related data includes principal, significant and climate components. Adaptation and mitigation flows include overlapping activities.¹⁴ DRR-related development finance flows are sourced from OECD’s creditor reporting system (CRS). This excludes finance for emergency response which is assumed not to reduce climate vulnerability and increase resilience. The climate funds update (CFU) dataset is used to identify additional finance flow from multilateral and regional climate funds that are not included in the OECD database (see Annex 3). Table 1 below shows the data sources used by finance stream and flow types.

To avoid double counting, the adaptation-related development finance data in this analysis is adjusted for DRR-related finance flows, as the CRDF set includes selected (but not all) finance flows captured with DRR purpose codes. As these DRR-related purpose codes – 43060 (Other multisector: disaster risk reduction), 73010 (Reconstruction relief and rehabilitation) and 74020 (Disaster prevention and preparedness) – are captured separately under ‘DRR finance’, they have been excluded from the CRDF dataset.

¹⁴ CRDF dataset (retrieved on 24 February 2023) accounts for overlaps as either 100% of adaptation or 100% of mitigation. Robust values for overlapping flows could not be obtained using the given formula in the dataset (i.e. $\text{Overlaps} = \text{Total commitments} - \text{Adaptation only} + \text{Mitigation only}$).

Table 1 Data sources used by finance type and flow types

Objective	Finance stream to focus	Database	Available flow type	Remarks
Finance for reducing climate and disaster vulnerability and increasing resilience (2013–2020)	Finance for adaptation	OECD's climate-related development finance	Bilateral, multilateral and private philanthropic	Other databases consulted: 1. MDBs' annual joint reports for non-ODA SIDS 2. UNFCCC Biennial reports for non-ODA SIDS (up to 2018)
		Climate funds update	Multilateral (additional climate funds)	
	Finance for mitigation (energy sector only)	OECD's climate-related development finance	Bilateral, multilateral and private philanthropic	
		Climate funds update	Multilateral (additional climate funds)	
	Finance for DRR (excluding emergency response)	OECD's creditor reporting system	Bilateral, multilateral and private philanthropic	
		Climate funds update	Multilateral (additional climate funds)	

Resilience finance flows data is consistently available across the three datasets for the ODA recipient SIDS. For non-ODA SIDS, resilience finance flows are limited as these countries are either high-income or upper-middle income countries. However, these SIDS receive some climate-related financial support; for example, from MDBs and regional channels. This data is extracted from the annual joint report of MDBs. This analysis also captures relevant finance flows to three of the current non-ODA SIDS that graduated from the DAC list during 2014–2021: Antigua and Barbuda, Seychelles, and Saint Kitts and Nevis.¹⁶

Section 4, below outlines results of the analysis of resilience finance for SIDS by region, by income level (ODA vs non-ODA SIDS), types of flows (multi – vs bilateral), finance allocations by donor, types of finance (grants vs concessional vs non-concessional), and by sector (adaptation, DRR, renewable energy etc.).

Section 5, presents a comparison of resilience finance flows to SIDS and non-SIDS, examining these in relation to levels of structural vulnerability, using the Sustainable Development Solutions Network (SDSN)'s pilot MVI environmental vulnerability dimension.

¹⁶ Note that the CRS database includes data for Antigua and Barbuda until 2021 (graduation is effective from 2022 onwards). Anguilla is included in the CRS database and also graduated in 2014, but is a UK Overseas Territory and not a UN member state, so not included in this report.

4 Resilience finance for SIDS

This section presents the analysis of resilience finance flows to SIDS from 2013 to 2020. Figure 1 shows annual levels of finance, with total volumes increasing over the 8-year period, and finance for adaptation almost tripling between 2013 and 2020.¹⁷ This rise is largely accounted for by increases in multilateral climate finance over the period (see Figure 2).¹⁸ Private philanthropic levels of finance remain low over the period of analysis.

The annual fluctuations are to be expected for any group of countries, with donor bilateral finance in particular responding to domestic agendas in donor countries, and multilateral finance depending on the volume of funding applications being submitted in a given year. DRR finance – and, in particular, finance for disaster recovery and reconstruction – is likely to vary in relation to the number and scale of impact of disasters that occur in a given year.

A more useful way of looking at the data is therefore to take an average for the 8-year period. Table 2 shows annual averages for all 38 SIDS, with Haiti receiving by far the highest level of resilience finance of the group, followed by Papua New Guinea and the Dominican Republic. These three SIDS are the only countries receiving more than US\$100 million per annum. They are also three of the largest SIDS in terms of area and population,

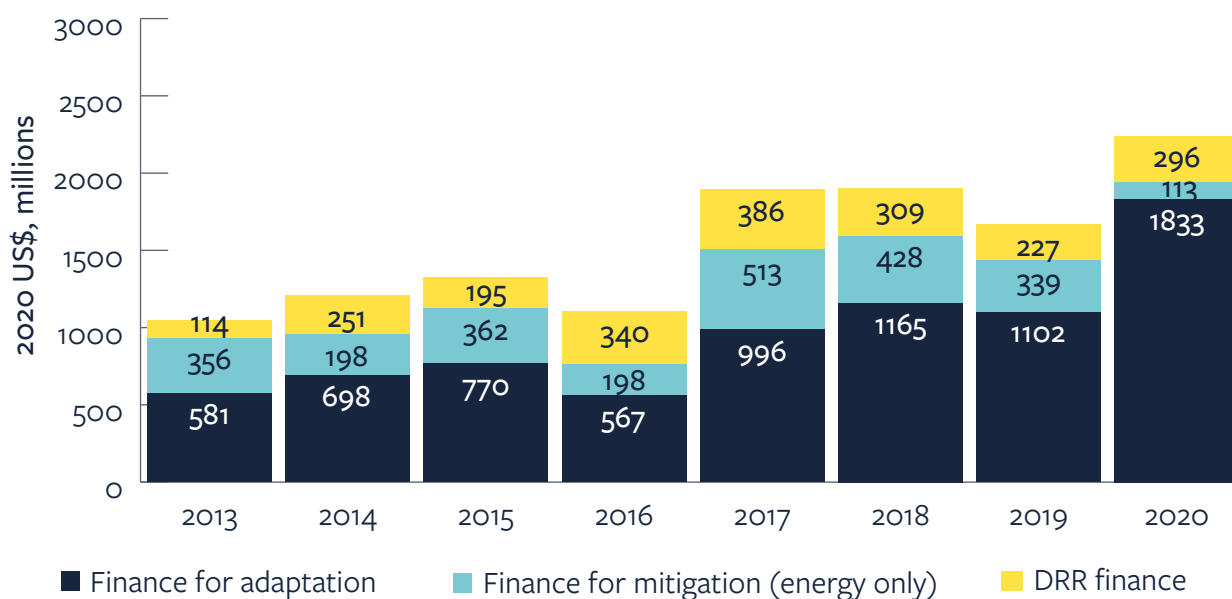
suggesting a bias towards larger countries even within the SIDS group.¹⁹ Unsurprisingly, the eight SIDS that are no longer eligible for ODA cluster at the bottom end of the table, receiving very low levels of resilience finance from any source; that said, there are also other SIDS that are ODA-eligible but that receive very low levels of resilience finance including the Pacific islands of Micronesia, Palau and Nauru, which all receive less than US\$20 million per annum on average.

The level of resilience finance for SIDS is extremely low in relation to their needs (although no standardised methodology exists for calculating these) and their capacity to raise funds domestically (for some estimates of SIDS' financial needs relating to climate action, see UNFCCC (2021)). As an example, Dominica has a 10-year Climate Resilience and Recovery Plan (CRRP) estimated to cost US\$3 billion in total. The government's budget for fiscal year 2019–20 was US\$377 million, of which 60% went on recurrent costs – including large debt repayments – leaving just US\$150 million that year for resilience measures (Bardouille and Wilkinson, 2020). Government expenditure has fallen in many SIDS since 2020 (including Dominica) (Fresnillo and Crotti, 2022), which means that Dominica would need at least US\$150 million in external funding every year to implement its plan and achieve its resilience goals. However, it only

¹⁷ Annex 4 presents decomposition of adaptation and mitigation finance flows by objective, i.e. principal, significant and climate components.

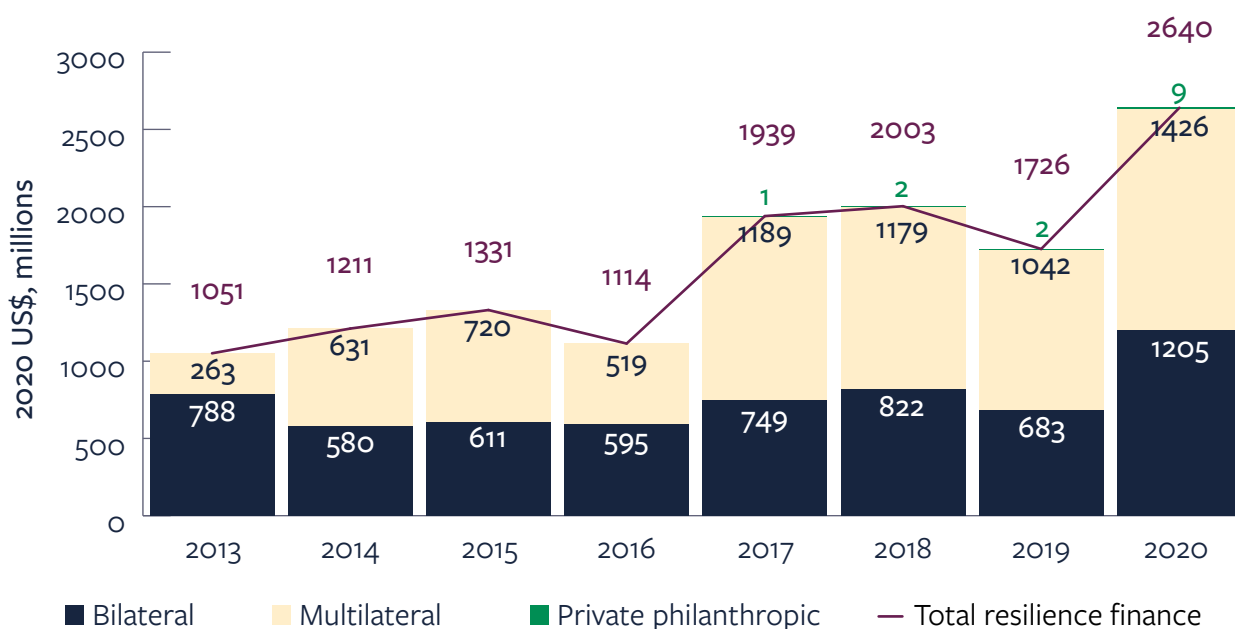
¹⁸ The average resilience finance flows do not include average annual regional finance flows to the Caribbean region (US\$ 111 million) and the Oceania region (US\$ 119 million) because of limited information on country allocations.

¹⁹ MacFeely et al. (2021) create a SIDS Smallness Index based on land area, population and GDP variables. The largest SIDS in this index are PNG, Singapore, Cuba, the Dominican Republic and Haiti.

Figure 1 Annual resilience finance flows to SIDS by objective

Note: 38 UN member SIDS are included. Total finance flows do not include MDBs' finance to non-ODA SIDS, namely Bahamas, Barbados and Trinidad and Tobago, for which disaggregated data is not available.

Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs

Figure 2 Annual resilience finance flows to SIDS by funds flow channel

Note: Figures are rounded off. 38 UN member SIDS are included. Total finance flows include MDBs' finance to non-ODA SIDS, namely Bahamas, Barbados and Trinidad and Tobago.

Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs

receives US\$37.64 million in resilience finance. ODA will never be able to cover all SIDS' needs,

but greater assistance could help to fill gaps, leverage other sources of finance, and develop capacities.

Table 2 Average annual resilience finance flows to SIDS (2013–2020), in US\$ million (2020 prices)

SIDS	Finance for adaptation	Finance for mitigation (energy only)	DRR finance	Average resilience finance flows
Haiti [†]	163.43	21.05	43.50	227.99
Papua New Guinea	105.09	24.08	4.93	134.10
Dominican Republic	57.33	47.34	20.21	124.89
Solomon Islands [†]	46.76	35.35	3.93	86.04
Vanuatu	54.34	7.09	14.70	76.13
Mauritius	50.97	21.07	1.60	73.63
Fiji	34.63	3.15	22.14	59.92
Guyana	38.59	6.38	11.75	56.72
Samoa	29.08	4.03	14.57	47.67
Tonga	14.59	20.58	11.57	46.74
Jamaica	21.81	11.20	11.90	44.91
Timor-Leste [†]	34.41	0.29	6.54	41.24
Comoros [†]	21.51	11.08	6.85	39.44
Cuba	29.77	6.90	2.71	39.38
Maldives	13.98	20.54	4.21	38.73
Dominica	14.91	5.52	17.21	37.64
Kiribati [†]	30.38	3.47	2.86	36.70
Guinea-Bissau [†]	19.62	14.19	1.72	35.52
Cabo Verde	28.60	5.07	1.66	35.33
Saint Vincent and the Grenadines	17.88	2.74	12.11	32.72
Belize	22.60	4.11	1.09	27.80
Marshall Islands	13.04	7.79	6.70	27.54
Tuvalu [†]	11.02	5.13	6.47	22.62
Saint Lucia	10.77	1.49	10.35	22.61
Grenada	16.61	0.54	5.11	22.26
Suriname	13.47	5.82	2.86	22.15
São Tomé and Príncipe [†]	12.40	6.30	2.63	21.33
Antigua and Barbuda*	8.05	4.19	7.98	20.23
Micronesia	7.88	9.02	2.76	19.67
Nauru	7.82	4.49	0.05	12.35
Palau	5.73	1.13	0.46	7.32

SIDS	Finance for adaptation	Finance for mitigation (energy only)	DRR finance	Average resilience finance flows
Seychelles*	4.86	0.10	1.66	6.63
Saint Kitts and Nevis*	1.99	0.00	0.00	2.00
Bahamas*	0.26	0.00	0.25	0.51
Barbados*	0.13	0.00	0.13	0.25
Trinidad and Tobago*	0.21	0.00	0.00	0.21
Singapore*	0.01	0.00	0.01	0.01
Bahrain*	No data	No data	No data	No data

* No longer eligible for ODA † Also LDCs

ODA-eligible SIDS receive the majority of resilience finance flows, with Pacific and Caribbean SIDS getting similar amounts on average. This is perhaps surprising, as there are fewer ODA-eligible Caribbean countries, but the results are skewed by the relatively large amount of resilience finance committed to Haiti. The Africa, Indian Ocean, Mediterranean and South China Sea (AIMS) regional group of SIDS receives lower levels of resilience finance than the other two regions (see Figure 3).

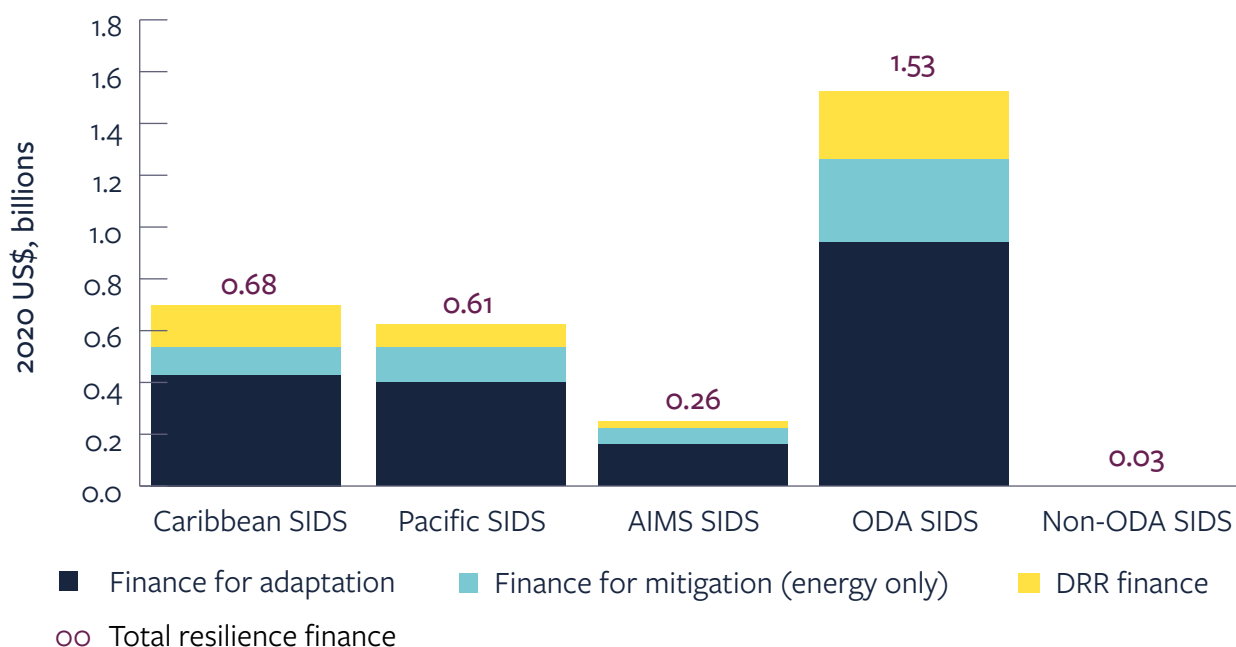
Another important question for SIDS is the type of finance they are able to access to implement resilience, adaptation and DRR plans. Over the period 2013–2020, 64% of resilience finance for SIDS was grant-based, but 36% was in the form of loans (of which 62% are concessional loans) (see Figure 4).

Resilience finance for SIDS is a combination of bi- and multilateral flows (including some private philanthropic funding) (Figure 5). The main bilateral resilience finance providers to SIDS are Australia, France and Japan, with Australia committing the most finance for adaptation,

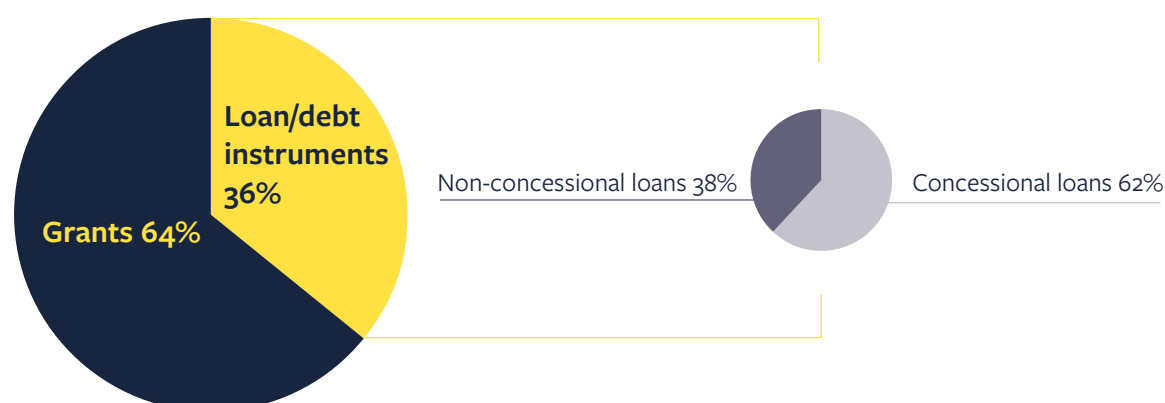
and Japan the most DRR finance. France, Japan and the United Arab Emirates are also major bilateral funders of energy projects in SIDS. Some DAC countries are not major bilateral donors to SIDS but contribute larger amounts to the multilateral climate funds and MDBs.

The largest multilateral resilience finance providers to SIDS are the World Bank, through the International Development Association (IDA), the EU, Green Climate Fund (GCF) and Inter-American Development Bank (IADB). IDA provides 100% grant funding for countries with a high risk of debt distress, while those with a medium risk of debt distress receive 50% in the form of grants. Currently, 13 SIDS are considered to have high levels of debt distress, two are ‘in distress’ and five have ‘moderate’ debt distress.²⁰

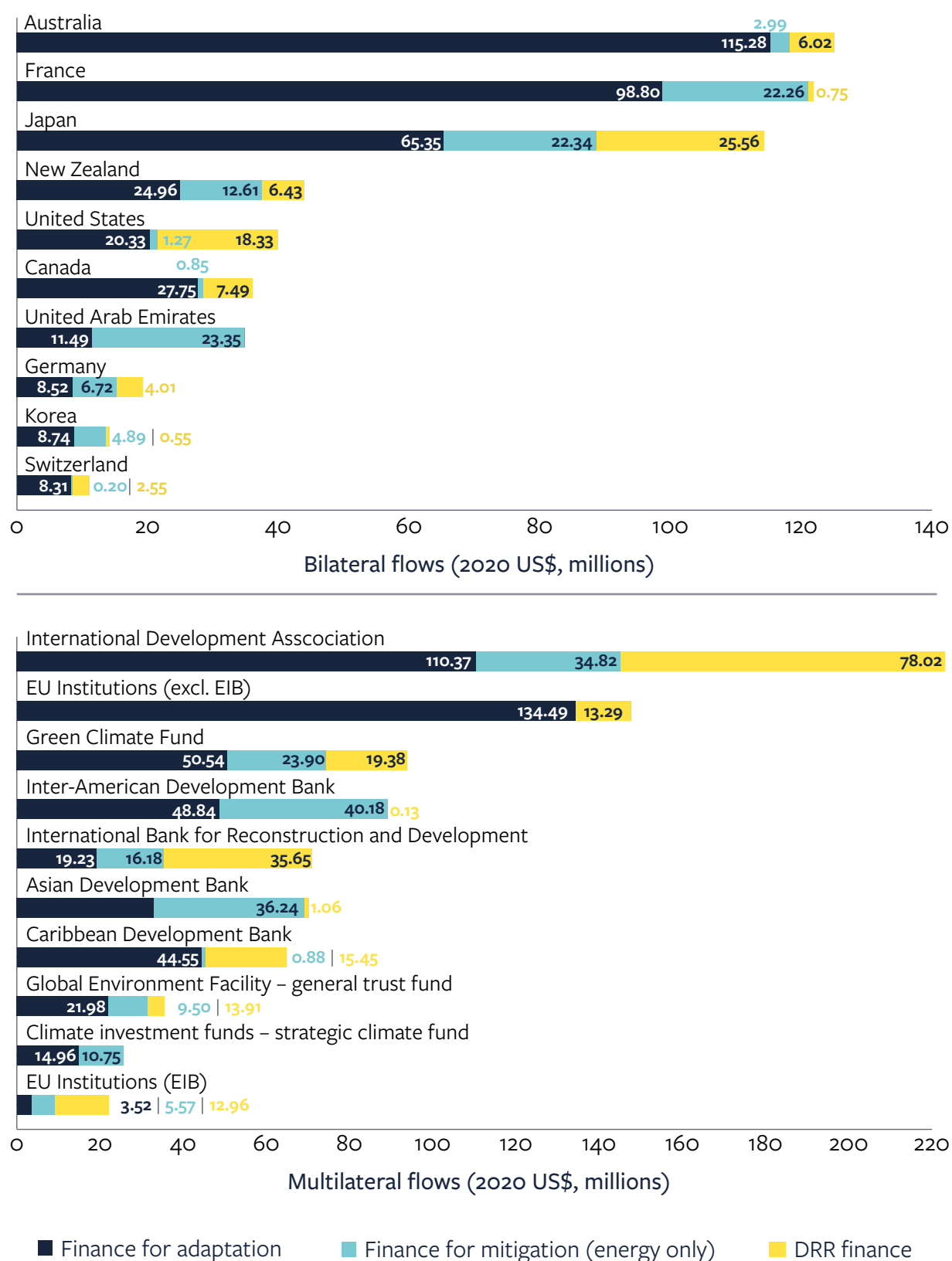
Other regional banks – ADB and the Caribbean Development Bank (CDB) – are also important resilience finance providers, as well as the World Bank’s International Bank for Reconstruction and Development (IBRD).

Figure 3 Resilience finance flows to different groups of SIDS (annual averages 2013-2020)

Note: Figures are rounded off. 38 UN member SIDS are included with no data available for Bahrain. Average total finance does not include MDBs' average annual finance to non-ODA SIDS, namely Bahamas (US\$ 46 million), Barbados (US\$ 27 million), Trinidad and Tobago (US\$ 2.9 million), for which disaggregated data is not available.
Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs

Figure 4 Resilience finance flows to SIDS (2013-2020) by financial instruments and concessionality

Note: Figures are rounded off. 38 UN member SIDS are included with no data available for Bahrain. Total resilience finance does not include MDBs' contributions to non-ODA SIDS, namely Bahamas, Barbados and Trinidad and Tobago, for which disaggregated data was not available.
Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs

Figure 5 Top 10 resilience finance providers to SIDS by flow channels (average figures 2013-2020)

Note: Figures are rounded off. 38 UN member SIDS are included with no data available for Bahrain.

Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs

5 Distribution of resilience finance

This section presents the results of a comparative analysis carried out using the resilience finance data, comparing finance flows to SIDS with those to non-SIDS developing countries,²¹ and comparing levels of finance in relation to levels of structural vulnerability.

Total levels of resilience finance allocated to SIDS are, unsurprisingly, lower than for other developing country groups (see Figure 6), despite the fact that the number of countries in each group is fairly similar: the LDCs (excluding SIDS) group is slightly larger (40 countries), followed by SIDS (38 countries), UMICs (excluding SIDS) (36 countries) and then LMICs (excluding SIDS) (34 countries). LMICs (excluding SIDS) receive the largest volumes of finance (US\$17 billion), followed by LDCs (excluding SIDS) (US\$11 billion), and even UMICs (excluding SIDS) are favoured over SIDS, with resilience finance levels five times higher in UMICs.

Allocations of resilience finance as a percentage of GDP are similar for SIDS and the LMICs (excluding SIDS) groups. On average, LDCs (excluding SIDS) receive nearly five times more than SIDS. UMICs (excluding SIDS) receive the lowest levels of resilience finance as a percentage of GDP.

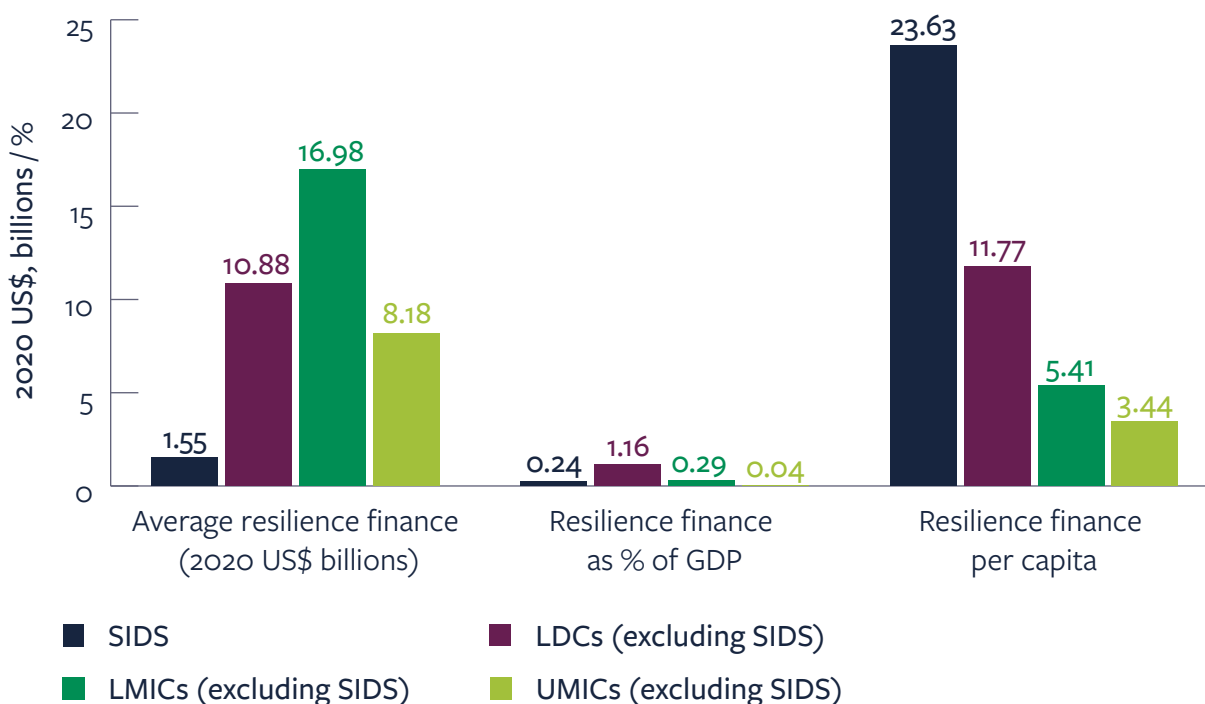
The final bar chart on right hand side of Figure 6 is a per capita comparison of resilience finance flows to different country groups. We have included this for transparency, but any per capita comparison will always be unfair to SIDS when it comes to analysing finance flows because of their tiny populations (and therefore smaller denominator). Both population size and income levels are, on their own, poor measures of needs when it comes to resilience finance in particular. In fact having a smaller population creates huge capacity problems for SIDS when it comes to building resilience. Instead, the subsequent analysis in this section focuses on vulnerability.

To examine resilience finance flows in relation to levels of structural vulnerability, this study uses the ‘environmental’ dimension of the SDSN’s pilot MVI.²² The pilot MVI framework is made up of three pillars: economic vulnerabilities, structural development vulnerabilities and environmental vulnerability (Sachs et al., 2021). The proposed environmental vulnerability dimension has six indicators (see Figure 7), each weighted equally, which represent broad dimensions of structural vulnerability in relation to climate change extremes, slow onset processes (e.g. sea-level rise) and geophysical hazards.²³

²¹ The country groups are based on OECD country classification.

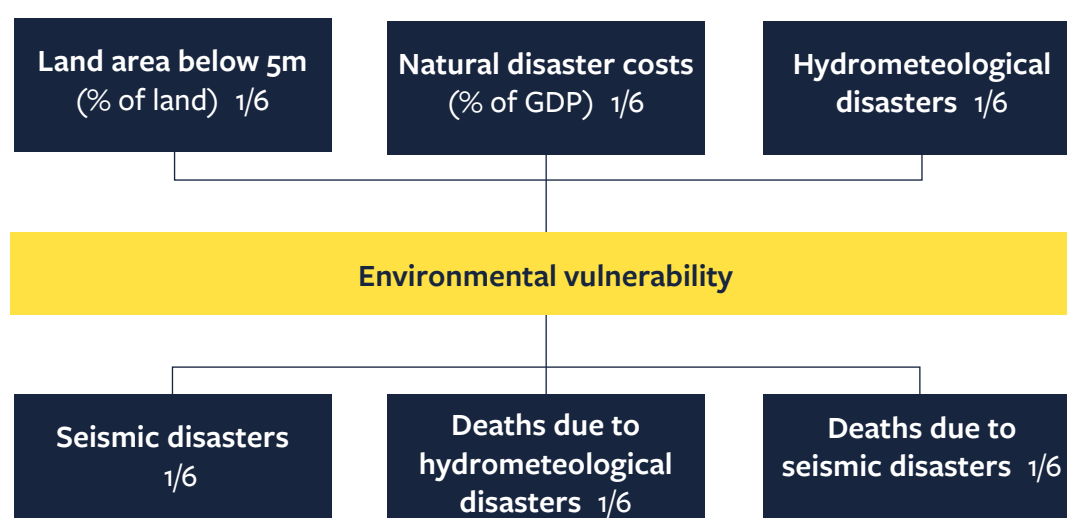
²² The MVI results presented in this paper and used for comparison with levels of resilience finance are preliminary results that will be further refined in 2023, with the aim of finalising the MVI after receiving feedback from the Member States at the 76th UNGA.

²³ Indicators for the two additional pillars include: remittance levels, trade openness, food imports, fuel imports, export concentration, tourism receipts, ODA, ship connectivity, costs (Cost, insurance, and freight (CIF) and free on board (FOB)), water per capita, arable land per capita and population size (Sachs et al., 2021).

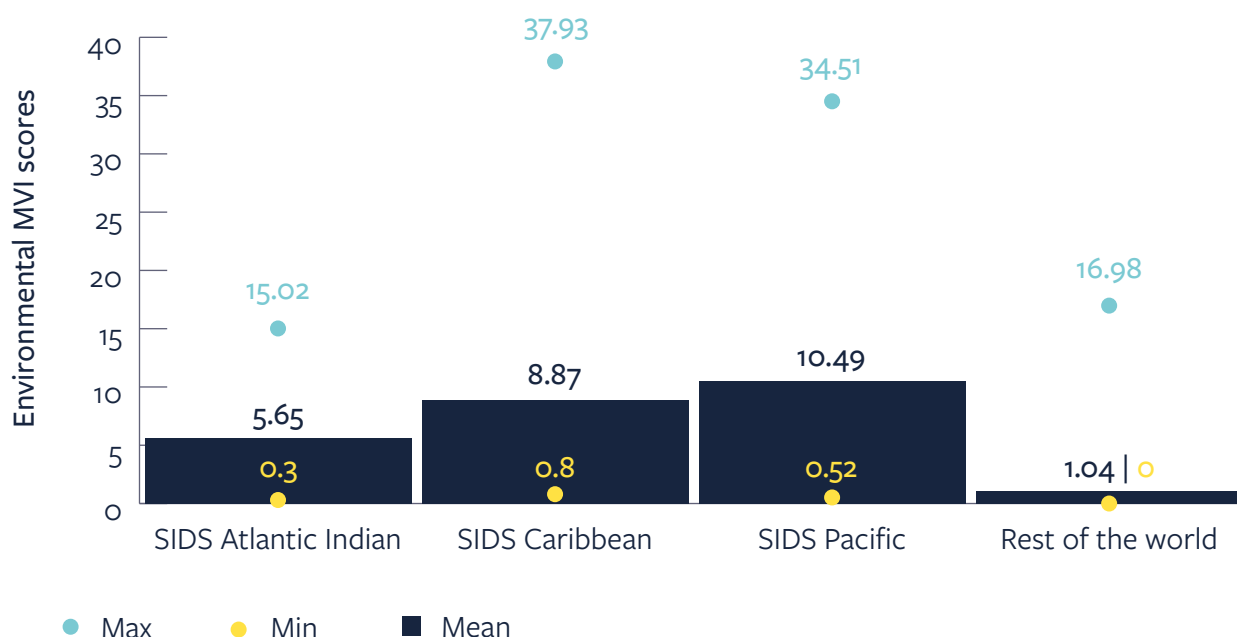
Figure 6 Resilience finance flows to SIDS vs. other country groups (annual averages 2013-2020)

Note: Average figures for the period 2013-2020 are presented. 38 UN member SIDS are included in the analysis.

Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs

Figure 7 Indicators of MVI – environmental vulnerability

Source: Sachs et al. 2021

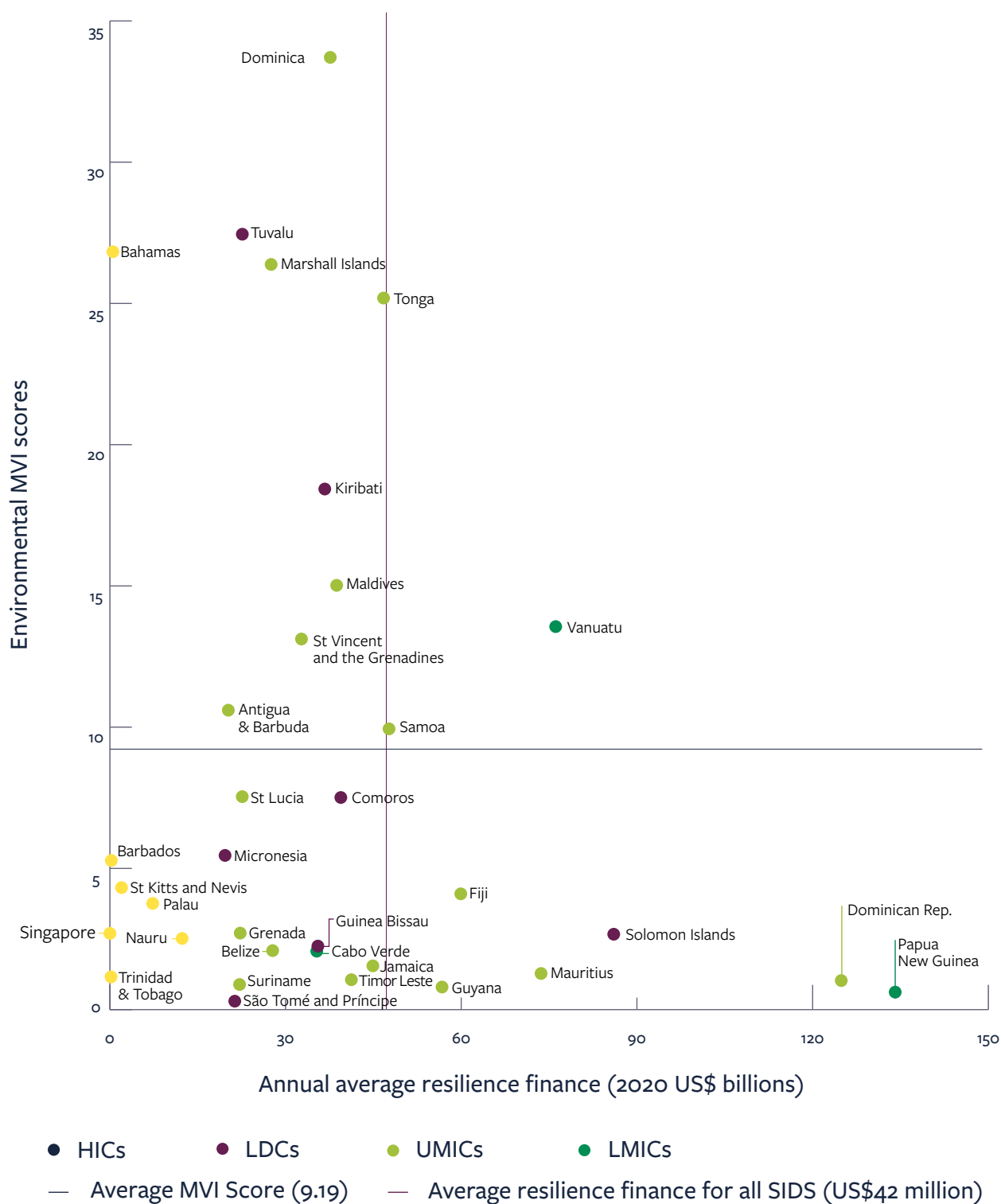
Figure 8 Pilot mean MVI scores, environmental dimension, by region

Source: Sachs et al., (2021)

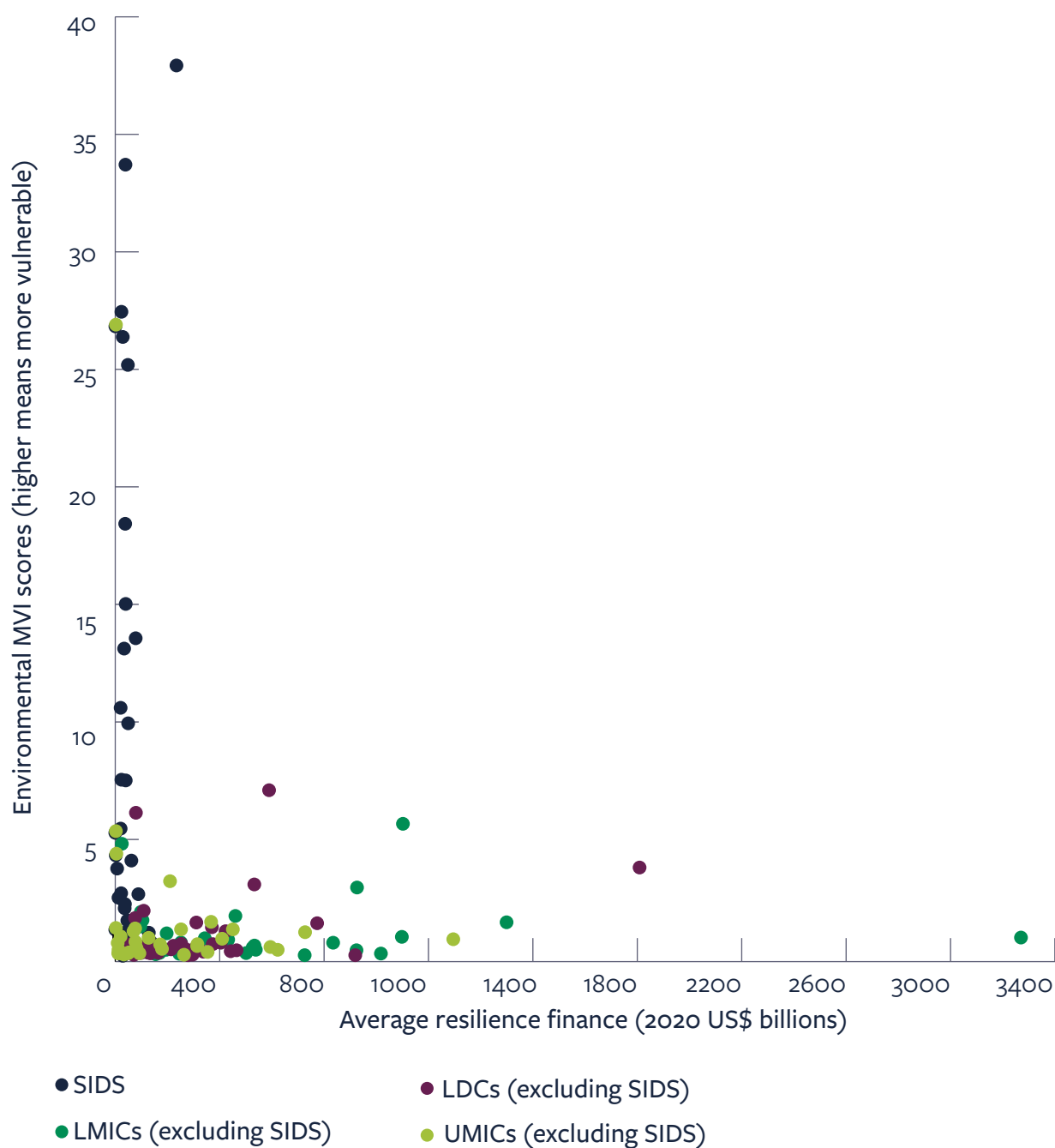
Preliminary results from the pilot MVI shows that SIDS represent the biggest share of most vulnerable countries across the world in all dimensions. In the economic dimension, 80% of the 30 most vulnerable countries are SIDS, 83% in the structural development dimension, and 77% in the environmental dimension (Sachs et al., 2021).

Pacific SIDS, in particular, have high levels of vulnerability to climate change and disasters, followed by Caribbean SIDS, then AIMS SIDS. That said, there is variation within each group, and some non-SIDS have higher levels of environmental vulnerability than some SIDS. Figure 8 shows the average environmental vulnerability scores for each regional group and for the rest of the world, as well as minimum and maximum scores for each.

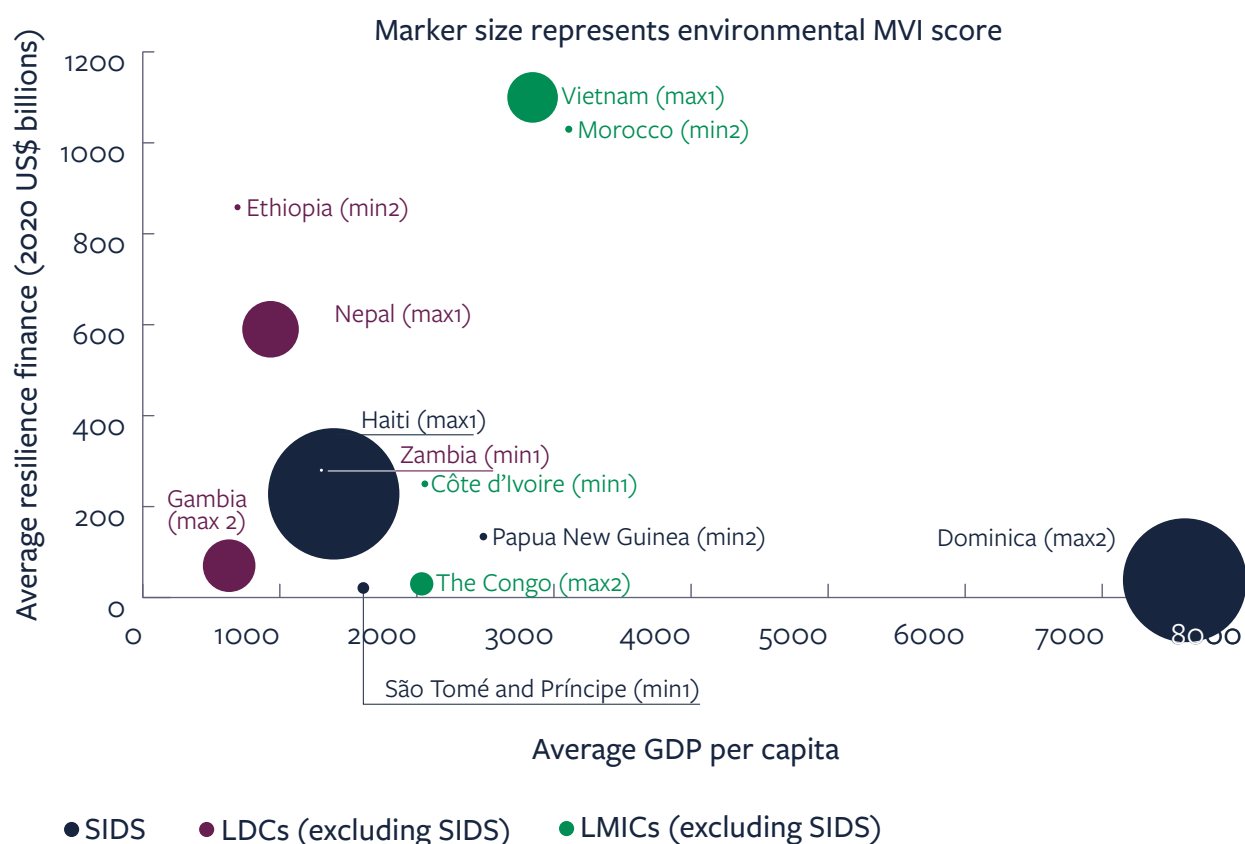
Looking at resilience finance flows to SIDS in relation to environmental vulnerability (see figure 9) reveals no particular pattern in relation to income levels (except that resilience finance flows to high income SIDS are low, regardless of their vulnerability). Those countries getting the highest levels of resilience finance are not among the most vulnerable countries, as per MVI scoring (Figure 9, bottom right quadrant) while the most vulnerable countries receive less than the average resilience finance flows (top left quadrant compared to top right). Some SIDS have relatively low levels of vulnerability compared to other SIDS and also relatively low levels of resilience finance, but there are also an important number of SIDS with high vulnerabilities and low levels of finance, as well as SIDS with lower vulnerabilities and higher levels of finance.

Figure 9 Resilience finance flows to SIDS in relation to vulnerability, by income group

Note: Figures are rounded off. 38 UN member SIDS are included with no data available for Bahrain. The figure does not include Haiti (an LDC) as it was an outlier with MVI score of 37.93 and average resilience finance flows to the tune of US\$ 228 million. Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs; Sachs et al. (2021))

Figure 10 Comparison of SIDS and non-SIDS vulnerability in relation to resilience finance

Note: Analysis includes 40 LDCs, 34 LMICs, 36 UMICs and 38 SIDS. LDCs, LMICs and UMICs groups exclude SIDS.
 Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs; Sachs et al. (2021)

Figure 11 SIDS and non-SIDS vulnerability in relation to level of resilience finance considering income levels

Note: Average period is 2013–2020. Min. and Max. represent bottom two and top two countries with minimum and maximum MVI scores from each country groups.

Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs; Sachs et al. (2021)

The correlation analysis confirms a weak linear (coefficient = 0.23) and statistically non-significant (at 5% level of significance) relationship between the average resilience finance and environmental MVI variables for the group of SIDS.²⁴

When resilience finance flows in relation to levels of environmental vulnerability are examined across SIDS and non-SIDS countries, a clearer pattern emerges. Figure 10 shows how pronounced the levels of vulnerability are in SIDS, in relation to other groups of countries – and how, conversely, levels of resilience finance

are particularly low. Environmental vulnerability scores for other countries are low compared to SIDS, yet many countries are receiving relatively more resilience finance. The LMIC group in particular appears to have a significant number of countries with relatively high levels of resilience finance, despite having low levels of vulnerability as measured by the pilot MVI environmental pillar. A statistical analysis of correlation also indicates no statistically significant relationship between the environmental dimension of the pilot MVI and resilience finance flow for different country groups (see Annex 5).

24 See Annex 5 for correlation analysis.

In the final figure (Figure 11), we examine the relationship between resilience finance and levels of GDP per capita to see if there is any relationship. If the most vulnerable countries are not targeted by resilience finance, then perhaps those with lowest income levels are? The graph shows the top two and bottom two most vulnerable countries within the SIDS, LDCs (excluding SIDS), and LMICs (excluding SIDS) groups, but there is no relationship between resilience finance flows and GDP per capita (correlation coefficient = -0.14 , for all country groups).

To further explore these relationships, additional research and regression analysis is planned for later in 2023, using the resilience finance data set that has been developed. This could include looking at finance in relation to other measures of wealth and of vulnerability, including frequency of disasters and number of affected people, as well as levels of capacity, including government revenue and expenditure data and levels of debt.

6 Discussion

Resilience finance is not being allocated to where it is needed most. This is true both of LDCs, who have the lowest levels of GDP per capita, and SIDS, who are most vulnerable to climate impacts. In relation to the latter, resilience finance flows are low in absolute terms, and low relative to total Official Development Finance (ODA + OOF) – they have remained at around 20% of total Official Development Finance over the seven-year period 2013–2020 (see Annex 6). This suggests that, at least in the case of SIDS, there is no trend yet towards aligning aid flows with the Paris Agreement.

Moreover, SIDS receive very low levels of resilience finance compared to other countries. This poses a serious problem for this group of 38 small countries, given the severe vulnerabilities they face, many of which are structural and difficult to overcome. Investments in DRR, CCA and renewable energy can increase their ability to cope with external shocks, to recover, and to build resilience to future climate change impacts; yet, despite their pronounced levels of structural vulnerability, SIDS are disadvantaged by international development and climate finance institutions, receiving much lower levels of resilience finance. With high debt burdens and limited domestic resources, the lack of international finance severely limits their ability to invest in critical measures to minimise the impacts of extreme weather and other shocks.

All developing countries are struggling to respond to climate change and will need greater volumes of finance than they are currently able to access – a matter for intense discussion in 2023 and beyond in relation to climate finance negotiations, and specifically the New Collective Quantified

Goal (NCQG) on climate finance. But even in this context, as their governments have long argued, SIDS constitute a ‘special case’ because of their unique vulnerabilities. What this study reveals is that they also constitute a special case because they are being poorly served by international development and climate finance institutions, processes and practices. This creates a scenario in which they are both the most severely impacted and the least capable of adapting.

Examining why this gap between vulnerability and allocation has arisen is beyond the scope of this paper. But the fact that there is no relationship between either resilience finance allocation and GDP per capita or such allocation and a state’s particular level of vulnerability as measured by the MVI, suggests one potential cause: that the processes by which IOs assess and distribute funds, and monitor compliance, disadvantage SIDS and LDCs who experience acute bureaucratic capacity constraints. High process costs might protect donors, but they are crippling recipients. A second possible explanation is that IOs view SIDS in particular as poor investments, due to the high costs of adaptation and the small size of their populations. In a strictly utilitarian cost–benefit calculation, this may be true. But it is also experienced as an injustice by affected communities.

More research is required to attribute definitive causes. For now, what we do know is that ODA plays a critical role in supporting developing countries, particularly during crises, when it reaches those most in need and helps to strengthen their resilience to future shocks. The Addis Ababa Action Agenda recognised ‘the importance of focusing the most concessional

resources on those with the greatest needs and least ability to mobilise other resources'. With multiple and frequent crises affecting SIDS and generating high levels of debt, GNI per capita alone is no longer an adequate measure of need (UN DESA, 2022). In fact, separating developing countries by income levels is intrinsically problematic, and all development finance will need to consider the vulnerabilities of different country groups if it is to more closely align with – and support – global climate change goals.

Several practical steps can be taken to address sustainable development and resilience challenges in SIDS:

Development finance

Donors should aim to mainstream the use of the MVI as a standard complementary measure to income per capita in their allocation criteria. A few MDBs have already done so, but this needs to be replicated across all public development banks. Allocations to SIDS need to increase consistently – not just in a crisis.

OECD DAC members must now seriously consider additional criteria for ODA graduation, such that countries do not graduate while they are still at risk of development gains being seriously set back by shocks. At the very least, they should put in place additional support over a determined period to boost resilience. The OECD Development Assistance Committee could, for example, consider using MVI indicators in the transition process, whereby DAC members provide additional support to countries reaching the income threshold with high levels of vulnerability to better manage the transition (see Cattaneo and Piemonte, 2021).

The MVI could also be used to help donor countries and MDBs to better steer their official finance flows, both in terms of recipient countries and also the type of finance (balance between grants, concessional and non-concessional loans etc.).

Climate negotiations

The first Global Stocktake (GST) is tasked to assess progress on the three long-term goals of the Paris Agreement: mitigation (Art. 2.1a) adaptation (Art. 2.1b) and the shift of all financial flows to be climate consistent (Art. 2.1c). Climate finance is key to achieving all three common goals, but has repeatedly not been delivered to developing countries at the scale committed, eroding trust in the Convention and its negotiation system (Pettinotti et al., 2022). For the GST, the fact that the most vulnerable countries are not allocated the most resilience finance speaks to a mismatch in terms of needs, and calls for modifications in the way countries get allocated and access climate finance.

The previous US\$100 billion climate finance goal is up for renewal in 2025 and the NCQG negotiations are still open on all aspects. A few negotiation points could seek to address current under-allocation to particularly vulnerable countries:

- **Regional or country grouping sub-goal:** whereby certain country groupings should receive a given committed amount. To recognise the faster pace at which they face the climate emergency, and their lower capabilities, the date at which finance should be delivered could be on a shorter timeframe.
- **Quantum goal matching needs:** the quantity of finance, if linked to needs, would de facto recognise differentiated vulnerability levels, regardless of income group.

- **Instruments goals:** the choice of instruments (between grants and loans) could be specified in a sub-goal that would be specific to the SIDS grouping.

Related to the financial institutions system reforms, this study will help inform debates in the run-up to the 4th SIDS conference in 2024, which will focus on improving access to development and climate finance and increasing absorption capacity in SIDS. The findings in this report can also feed into the ongoing discussions related to the Bridgetown Initiative on the range of international financial reforms needed to help all vulnerable countries confront the climate crisis.

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Annex 1 List of UN member Small Island Developing States

Table 3 List of UN member Small Island Developing States

	SIDS	ODA eligibility	Income group	Region
1	Antigua and Barbuda (2021)	ODA-SIDS (Graduated)	UMICs	Caribbean SIDS
2	Bahamas	Non-ODA SIDS	HICs	Caribbean SIDS
3	Bahrain	Non-ODA SIDS	HICs	AIMS SIDS
4	Barbados	Non-ODA SIDS	HICs	Caribbean SIDS
5	Belize	ODA-SIDS	UMICs	Caribbean SIDS
6	Cabo Verde	ODA-SIDS	LMICs	AIMS SIDS
7	Comoros	ODA-SIDS	LDCs	AIMS SIDS
8	Cuba	ODA-SIDS	UMICs	Caribbean SIDS
9	Dominica	ODA-SIDS	UMICs	Caribbean SIDS
10	Dominican Republic	ODA-SIDS	UMICs	Caribbean SIDS
11	Fiji	ODA-SIDS	UMICs	Pacific SIDS
12	Grenada	ODA-SIDS	UMICs	Caribbean SIDS
13	Guinea-Bissau	ODA-SIDS	LDCs	AIMS SIDS
14	Guyana	ODA-SIDS	UMICs	Caribbean SIDS
15	Haiti	ODA-SIDS	LDCs	Caribbean SIDS
16	Jamaica	ODA-SIDS	UMICs	Caribbean SIDS
17	Kiribati	ODA-SIDS	LDCs	Pacific SIDS
18	Maldives	ODA-SIDS	UMICs	AIMS SIDS
19	Marshall Islands	ODA-SIDS	UMICs	Pacific SIDS
20	Mauritius	ODA-SIDS	UMICs	AIMS SIDS
21	Micronesia	ODA-SIDS	LMICs	Pacific SIDS
22	Nauru	ODA-SIDS	UMICs	Pacific SIDS
23	Palau	ODA-SIDS	UMICs	Pacific SIDS
24	Papua New Guinea	ODA-SIDS	LMICs	Pacific SIDS
25	Saint Kitts and Nevis (2014)	ODA-SIDS (Graduated)	HICs	Caribbean SIDS
26	Saint Lucia	ODA-SIDS	UMICs	Caribbean SIDS
27	Saint Vincent and the Grenadines	ODA-SIDS	UMICs	Caribbean SIDS
28	Samoa	ODA-SIDS	UMICs	Pacific SIDS
29	São Tomé and Príncipe	ODA-SIDS	LDCs	AIMS SIDS

	SIDS	ODA eligibility	Income group	Region
30	Seychelles (2017)	ODA-SIDS (Graduated)	HICs	AIMS SIDS
31	Singapore	Non-ODA SIDS	HICs	AIMS SIDS
32	Solomon Islands	ODA-SIDS	LDCs	Pacific SIDS
33	Suriname	ODA-SIDS	UMICs	Caribbean SIDS
34	Timor-Leste	ODA-SIDS	LDCs	Pacific SIDS
35	Tonga	ODA-SIDS	UMICs	Pacific SIDS
36	Trinidad and Tobago	Non-ODA SIDS	HICs	Caribbean SIDS
37	Tuvalu	ODA-SIDS	LDCs	Pacific SIDS
38	Vanuatu	ODA-SIDS	LMICs	Pacific SIDS

Annex 2 Regional resilience finance flows 2013–2020

Table 4 Regional resilience finance flows 2013–2020

	Finance for adaptation		Finance for mitigation (energy only)		DRR finance		Total resilience finance	
Regional flows (2020 US\$ million)	Sum total	Average	Sum total	Average	Sum total	Average	Sum total	Average
Caribbean & Central America, regional	817	102	279	35	132	16	1228	153
Caribbean, regional	577	72	135	17	178	22	889	111
Oceania, regional	757	95	107	13	88	11	952	119
Regional – East Asia and Pacific	12	1	2	0	0	0	13	2
Regional – Pacific	22	3	0	0	0	0	22	3

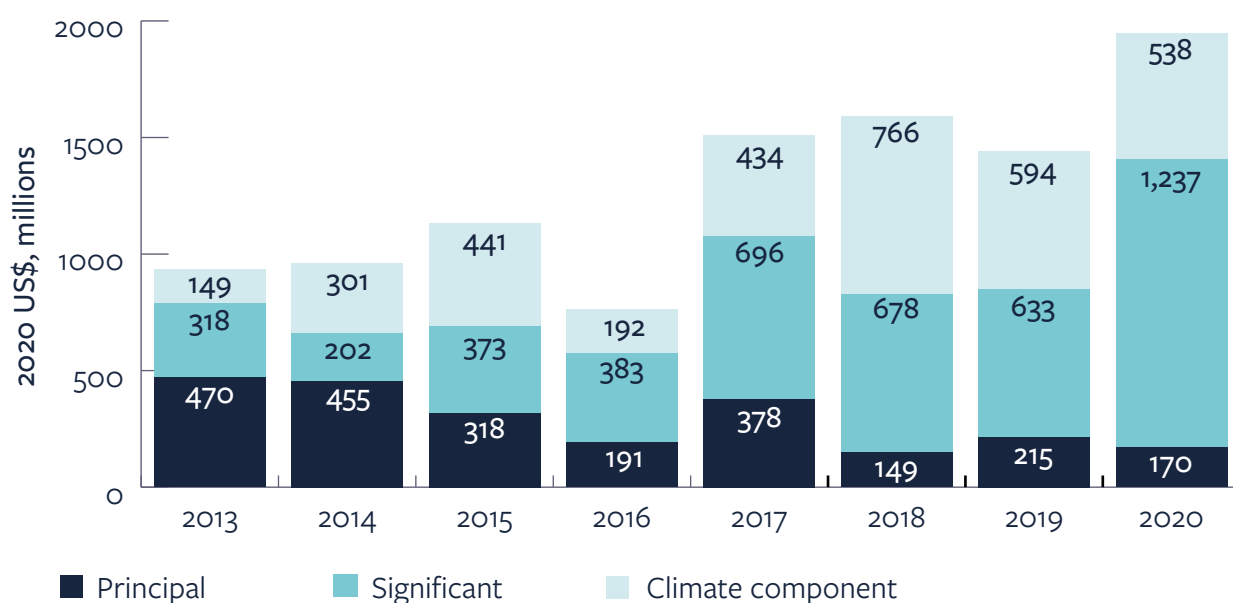
Annex 3 List of additional climate funds and programmes derived from climate funds update (CFU) database

Table 5 List of additional climate funds and programmes derived from climate funds update (CFU) database

Climate funds and programmes	
1	Adaptation for Smallholder Agriculture Programme (ASAP)
2	Amazon Fund
3	BioCarbon Fund Initiative for Sustainable Forest Landscapes (BioCarbon Fund ISFL)
4	Central African Forest Initiative (CAFI)
5	Clean Technology Fund (CTF)
6	Forest Carbon Partnership Facility – Readiness Fund (FCPF-RF)
7	Forest Investment Program (FIP)
8	Global Climate Change Alliance (GCCA)
9	Partnership for Market Readiness
10	Pilot Program for Climate Resilience (PPCR)
11	Scaling Up Renewable Energy Program (SREP)
12	UN-REDD Programme

Annex 4 Climate-related adaptation and mitigation (energy only) finance by objective

Figure A1 Climate-related adaptation and mitigation (energy only) finance by objective



Note: 38 UN member SIDS are included with no data available for Bahrain. Figures include bilateral and multilateral finance flows. Adaptation and mitigation include overlapping activities.

Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs

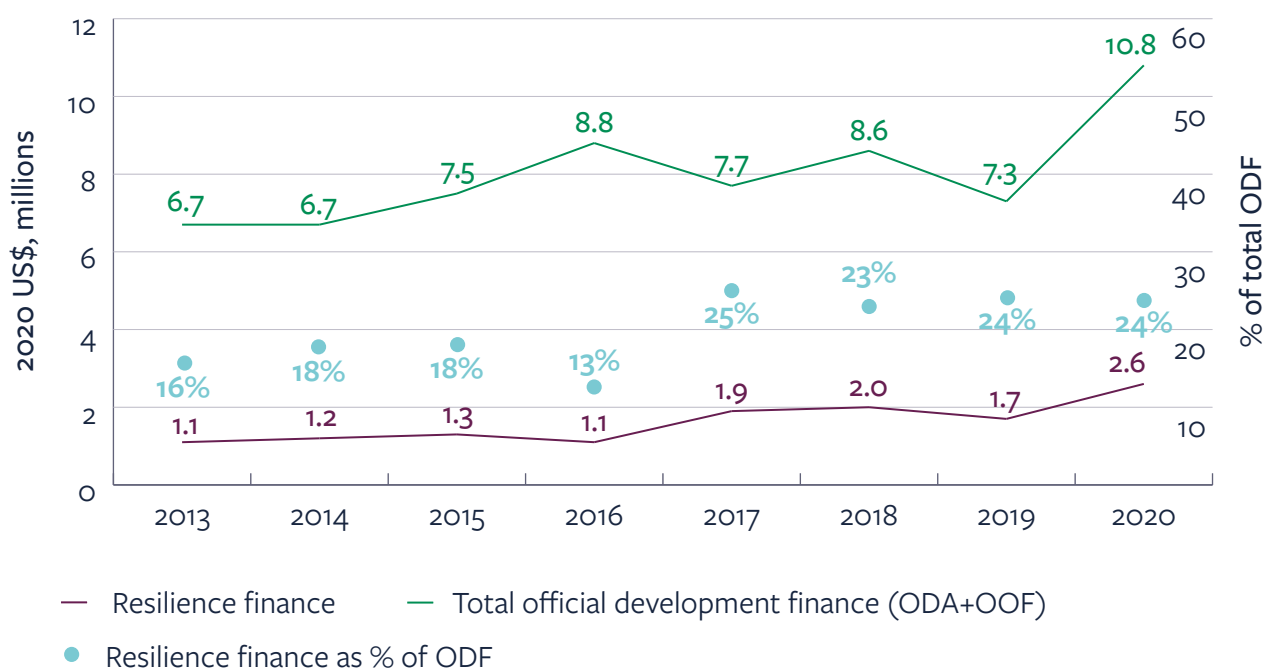
Annex 5 Correlation based on all countries including LDCs, LMICs, UMICs and SIDS

Table 6 Correlation based on all countries including LDCs, LMICs, UMICs and SIDS

	Average resilience finance	Environmental MVI
SIDS		
Environmental MVI	0.232	n.a.
GDP per capita	−0.473	0.094
All country groups		
Environmental MVI	−0.147	n.a.
GDP per capita	−0.143	0.242

Annex 6 Total ODF (ODA+OOF) compared to total resilience finance to SIDS

Figure A2 Total ODF (ODA+OOF) compared to total resilience finance to SIDS



Note: Figures are rounded off. 38 UN member SIDS are included; no data available for Bahrain.

Source: OECD's CRDF database; CRS Database; CFU Database; UNFCCC BRs