

# RISING UP FOR SIDS



UNDP SIDS OFFER



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#RisingUpForSIDS  
#UNDP4SIDS

The COVID-19 pandemic has exacerbated the vulnerabilities of small island developing States (SIDS), with socioeconomic shocks expected to persist beyond the health crisis. Yet SIDS are also catalysts of transformation, rising up to realize their strong promise and seize the opportunities that lie ahead. Through ambitious action, SIDS can build back better, greener, and bluer.

## UNDP's partnership with SIDS

UNDP's long-standing, wide-ranging partnership with SIDS has an estimated annual value of US\$466 million. We work with SIDS to advance their national development priorities, respond to diverse challenges, and capitalize on emerging opportunities. Our strong presence in the Pacific, Caribbean and Atlantic, Indian Ocean and South China Sea draws from a network of 9 multi-country offices and 13 stand-alone country offices that reach 50 SIDS.

COVID-19 is more than a health crisis for these nations. It is a crisis of development. In response, UNDP has developed Rising Up for SIDS, an offer of support focusing on the greatest prospects for long-term recovery and sustainable development, in line with the 2030 Agenda for Sustainable Development. The offer responds to the ambitions and demands SIDS expressed during the 2019 midterm review of the S.A.M.O.A. Pathway. It includes measures strengthening UNDP's programmatic engagement, increasing our ability to respond to urgent challenges and enhancing organizational agility.

Embedded within UNDP's Strategic Plan 2018-2021, the offer identifies transformative levers for advancing sustainable development based on national demand and needs and taking the global crisis into account. It builds on UNDP's mandated role in the UN development system to serve as a platform for integrated support to countries in implementing the 2030 Agenda. The offer presents tailored, multidimensional, and human-centred development solutions.

## From vulnerabilities to transformative opportunities

Development challenges faced by SIDS include structural constraints, such as a lack of economic diversification; a need for social protection and inclusion; fiscal limitations and heavy indebtedness; and barriers to full integration into the global economy. Compounding effects triggered by the pandemic mean SIDS economies have experienced an estimated loss of US \$1.3 trillion in global inbound tourism expenditure in 2020.<sup>1</sup> The reversal stems from the reduction of remittances, disappearing tourism demand, reduced fishing and the limited borrowing options for foreign currency. Since SIDS rely heavily on food and energy imports, disrupted global value chains will likely increase food and energy insecurity.

SIDS vulnerabilities to climate change are some of the most acute in the world. The risks encompass intensified extreme weather events, rising sea levels and ocean acidification. Climate fallout is amplified by the degradation and depletion of natural capital that sustains livelihoods and ecosystem services, among other essential benefits.

Despite their challenges, SIDS have strong potential to overcome their vulnerabilities and accelerate, even pioneer, paths to sustainable development. Much depends on investing in people, as the greatest resource in SIDS, and in line with the S.A.M.O.A. Pathway and 2030 Agenda.

With their small sizes, SIDS can emerge as innovation incubators and microcosms for new technological solutions or innovative nature-based solutions that may be widely replicated. Holding nearly 20 percent of the world's offshore exclusive economic zones, SIDS are 'large ocean States' that can define the future of the blue economy. UNDP, as a key development partner, in the past and into the future, is committed to supporting SIDS in pursuing their aspirations for transformational change and global action.

## Scaling up

UNDP has identified several 'multipliers' that can accelerate recovery and rapid progress in SIDS, across the SDGs. Building on our comparative advantage and expertise, over the next 10 years, we will elevate support for climate action, the development of blue economies and digital transformation. We will catalyse access to financing as a key enabler in all areas. Intensified assistance with the sustainable management of natural capital, which underpins climate action, blue economies and sustainable development, will rest on promoting nature-based solutions for achieving the SDGs.

UNDP will promote decarbonized, resilient societies through scaled-up climate action across all SIDS. Our support will be grounded in national development and climate policy priorities, under the overarching objective of accelerating achievement of the SDGs. Three key pillars of climate action will be energy transformation, adaptation and resilience, and nature-based solutions.

UNDP will support blue economies to unlock prosperity, taking an integrated approach rooted in sustainable finance and development. Significant technical, financial and capacity-building assistance will focus on facilitating national blue economy strategies and on-the-ground pilots in 20 to 30 countries, and on mobilizing \$30 million or more in new and additional blue economy grant finance by 2021.

Given demand in SIDS to bridge digital divides, UNDP will work with them to grasp the opportunities of a digital age and manage constraints from limited capacity and access to technologies. We will back the design and implementation of national digital strategies, the resilience and inclusion of public institutions through digital technology and digitization and enhanced digital ecosystems.

All three pillars of UNDP's support are rooted in improving access to finance through innovative and traditional sources. Our finance offer is adapted to the context of the COVID-19 pandemic and concerns in many SIDS around servicing debt and considers new debt issuances and restructuring aligned to the SDGs. UNDP will support access to finance in four key areas:

- Innovative finance, including blended finance approaches and risk-mitigating solutions like insurance for protection from disasters ex-ante, and enhanced protection for coral reefs and other types of natural capital.
- Financing for conservation and debt restructuring (along with fiscal policy advice) using blue bonds and resilience bonds.
- Private sector investment in natural and humanmade infrastructure through green bonds.
- Domestic resource mobilization and public investment to leverage other sources of finance for sustainable development.

## Genuine and durable partnerships for SIDS

Leveraging and scaling up existing partnerships as well as engaging in new ones is fundamental to UNDP's ambitions to provide scaled-up support to SIDS. Genuine and durable partnerships can catalyse transformative potential across the three pillars of our offer. UNDP works with a wide range of United Nations, intergovernmental, NGO, bilateral and multilateral, private sector and philanthropic partners in SIDS, and will continue to serve as a strong advocate for SIDS on the global stage.



**United Nations Development Programme**

One United Nations Plaza

New York, NY 10017

[www.undp.org](http://www.undp.org)

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