

PRE-CONCEPT NOTE – 1 MAY 2024

State and Trends in Adaptation Report 2024: Small Island Developing States (STA24)

1. INTRODUCTION

This pre-concept note presents the proposed State and Trends in Adaptation Report 2024. The proposed scope includes the climate adaptation challenges, solutions, trends, and gaps in the Small Islands Development States (SIDS). This pre-concept note consists of a description and objectives of the report, the proposed structure, quality review, consultation and dissemination, and proposed milestones and timeline. This document is intended for initial consultations with SIDS governments, the private sector, civil society, and development partners.

2. REPORT DESCRIPTION

Following the tradition of the State and Trends in Adaptation (STA) Series ([STA20](#), [STA21](#), [STA22](#), [STA23](#)), this year's STA24 will present a comprehensive review of climate adaptation in the economies of Small Island Developing States (SIDS). The review will include macro topics, sectoral analyses, financing, and cross-sectoral issues.

3. PROPOSED REPORT OBJECTIVES

The objectives of the STA24 report are to provide an integrated overview of climate risks, adaptation action, and financing needs and gaps and to build partnerships that bring together the best knowledge on the science, policy, and practice of climate adaptation in Small Island Developing States.

4. BACKGROUND

Small Island Developing States (SIDS) are among the least responsible for climate change, yet they are likely to experience some of its most severe impacts as a group. In some cases, they may even become uninhabitable.

The SIDS are a group of island nations—home to over 65 million people.ⁱ Most are located across three regions: the Caribbean, the Pacific, and the African, Indian Ocean, and South China Sea (AIS). SIDS are hugely diverse regarding geographical features, territorial areas, social and cultural structures, governance systems, and economic development. With such a large geographical spread, the SIDS also experience regional differences in exposure to, and risks of, climate change impacts.

Small Island Developing States are ocean states. They comprise 16 percent of total global exclusive economic zones (EEZs) and, on average, control an ocean area 28 times the size of their land mass. SIDS are home to 40 percent of the world's coral reefs and more than 20 percent of the world's biodiversity.ⁱⁱ Many island nations—such as the Maldives—have mostly low-lying land areas, while others—such as Haiti—have varied terrain, including mountainous regions.ⁱⁱⁱ Marine and terrestrial biodiversity is central to small island populations' livelihoods, culture, and identity, which are especially dependent on maritime resources for food security, economic prosperity, and social resilience.

SIDS are exposed to significantly higher precipitation variability than other countries. Erratic precipitation, floods and droughts, increasingly frequent extreme weather phenomena, and events such as tropical cyclones, storm surges, and hurricanes have substantial repercussions on natural and human systems, some of which include catastrophic damage.^{iv}

Annually, on average, and looking at the entire cohort of countries, natural disasters can cost SIDS up to 8 percent of their entire GDP.^v The economic impacts of disasters, however, vary considerably for individual countries. In 2010, the damage from Hurricane Tomas accounted for 43 percent of Saint Lucia's GDP. In 2004, Grenada was hit by Hurricane Ivan, causing the destruction of 90 percent of buildings and resulting in costs equivalent to 200 percent of the country's GDP.^{vi} Catastrophic damages caused by Hurricane Maria in 2017 amounted to 226 percent of Dominica's GDP.^{vii}

Diminishing freshwater resources, desertification, land degradation, coastal erosion, coral bleaching, and invasive species are also widely experienced.^{viii} For island nations whose land lies only five meters or less above sea level, projected sea-level rises (SLR) directly threaten their existence.^{ix}

Certain shared characteristics underscore SIDS' overall vulnerability to climate change impacts. Some of the contributing challenges include small populations and generally high population densities; insufficient technical and institutional capacities; limited natural resources, many of which are already stressed from unsustainable human activity; economies that are heavily dependent on the natural environment; high dependence on external markets; populations, socio-economic activities, and infrastructure often being concentrated along coastal zones; remoteness from international markets—affecting competitiveness in trade; limited economies of scale; significant dependency on water resources for freshwater supply that are sensitive to sea-level changes; and limited physical size effectively eliminating some adaptation options.^{x,xi} Many island nations also face huge barriers to accessing international financial resources.

Higher-income SIDS face additional hurdles to secure international financial assistance due to the prioritization of funding mechanisms for lower-income countries. The vulnerability of SIDS has been further exacerbated by the effects of COVID-19 and a pressing debt crisis.

Despite these barriers, SIDS demonstrates remarkable resilience and innovation, drawing upon indigenous knowledge and fostering strong social networks to adapt to changing climate conditions. SIDS also display high-level leadership and a commitment to accelerate national climate action to increase climate resilience. Governments and leaders hold a strong presence within sustainable development negotiations and processes and have continuously advocated for action and funding to address loss and damages caused by climate change.

The international community must recognize the disproportionate impact of climate change on SIDS. Island nations need urgent access to external financial support and capacity-building assistance to bolster social, economic, and ecological resilience. Regrettably, the existing frameworks for climate and development finance fall short of effectively, equitably, and comprehensively meeting the complex needs of SIDS at the necessary scale.

5. REPORT STRUCTURE

The report will be structured around:

- A group of chapters, 10-15 pages in length each, selected from a long list of potential topics (see Annex 1)
- Inserts, approximately two pages long, summarizing interesting investment programs or policies in island states (either developing or developed¹) to illustrate good practices, innovations, and successful multi-country initiatives.

The report will be supplemented by a few selected background reports that GCA and the STA24 editors may publish independently or use as background information. The proposed background reports include:

- State and Trends on adaptation finance for SIDS (similar to the [background report](#) for STA23)
- Strategy and Planning for Adaptation in SIDS (similar to the [background report](#) prepared for the Africa Climate Summit)
- Economic modeling of climate impacts for SIDS (similar to the [background report](#) prepared for the Adaptation Compacts of African countries)
- Landscape analysis of key national and international institutions working on adaptation in SIDS (working on implementation, knowledge, and capacity building)
- Analysis of the IFIs, DFIs, and development partner agencies' portfolios and pipelines for adaptation in SIDS

The last two reports will be used by GCA to build knowledge and investment partnerships and to understand the current state and projected trends on investment funding for adaptation in SIDS by international stakeholders.

The final list of topics, to be selected from the long list in Annex 1, will be done based on (i) the availability of high-quality data and analysis to summarize in the STA24, as no new field research will be conducted for this report; (ii) willingness of a knowledge partner or availability of a contractor to write the chapter in the timeframe required. Important topics that do not fulfill these two criteria will be considered for later publication.

To bring the voices of SIDS youth to the STA24, a competition to select the best essays on adaptation will be conducted during the preparation of the STA24 report.

6. QUALITY REVIEW PROCESS

An Advisory Committee will be established to guide the preparation of the STA24 report. Annex 2 presents a long list of organizations that may be considered to join the Advisory Committee. The Committee would provide comments at the Concept Note and Draft Report stages.

¹ The case studies may include some from developed islands (e.g., New Zealand, Puerto Rico, French/Dutch/US territories). For example, the report will include successful adaptation examples and descriptions of specific climate disasters that overwhelmed the island despite their higher infrastructure and capacity.

7. CONSULTATION AND DISSEMINATION

The report will be prepared in a consultative manner with engagement at the appropriate stage of preparation or dissemination. The key groups for consultation or engagement include:

- National governments of SIDS (specifically Ministries of Finance and Planning)
- Climate focal points in SIDS
- GCA Advisory Board
- Funders (operational teams in IFIs, DFIs, and development partners)
- Other development partners

Annex 1 – Long List of Possible Topics for STA24

The following is a long list of potential topics to be considered for ST24. The final list will be selected based on the criteria presented in Section 5 of this Pre-Concept Note and consultations with partners.

PRESENT AND PROJECTED CLIMATE RISKS IN SIDS

Including mapping of key SIDS challenges

MACROECONOMICS, FINANCE, AND CROSS-CUTTING THEMES

Macroeconomics and Climate Adaptation

Climate Shocks, Debt, and Adaptation

Adaptation Finance

Financial Instruments for Adaptation in SIDS

Climate Risks and Opportunities for the Banking Sector

Blue Economy

Climate Risk Regulation and Institutions

CROSS-CUTTING THEMES

Private Sector – Risks and Adaptation Markets

Youth, employment, and entrepreneurship

Disaster Risk Management and Planning

Gender

Institutional capacity²

SECTORS

Agriculture and Food Systems

Transport

Energy

Cities

Water

Tourism

² Based on a recent study from OECD: <https://www.oecd.org/dac/capacity-development-climate-change-SIDS.pdf>

Fisheries

Health

Education

Annex 2 – Long List of STA24 Advisory Committee Members

This annex presents a long list of potential STA24 advisory committee members. The individuals to be invited from each organization should be at the level of Chief Economist or director of climate (preferably adaptation) units. The preferred membership of this Committee would be about 15 people with adequate regional, organizational, and gender diversity in its composition.

Regional SIDS organizations

Alliance of Small Island States (AOSIS)

Caribbean Community (CARICOM)

Council of Regional Organizations of the Pacific (CROP)

Indian Ocean Commission (IOC)

IFIs

World Bank

Asian Development Bank

Interamerican Development Bank

African Development Bank

Caribbean Development Bank

Latin American Development Bank (CAF)

Other financial institutions

Eastern Caribbean Central Bank

RBC Financial Caribbean, Trinidad and Tobago

CIBC First Caribbean International Bank, Barbados

Fiji Development Bank

Bank of South Pacific

UN Economic agencies related to SIDS

UNECA

ECLAC

UNESCAP

Specialized UN Agencies

WMO

UNDDR

UNEP

UNDP

Other Organizations

CDRI

IPCC

OECD

Climate Champions

WEF

Universities in SIDS

University of the West Indies, Jamaica

University of Puerto Rico

Santo Domingo Institute of Technology, Dominican Republic

Fiji National University

Pacific Islands Universities Research Network

Development Partners

DFAT – Australia

United States

Japan

EU

France

New Zealand

Spain

Korea

Canada

China

ⁱ <https://sdgs.un.org/smallislands/about-small-island-developing-states#:~:text=SIDS%20Facts%20%26%20Figures,across%20more%20than%201%2C000%20islands>

ⁱⁱ <https://sdgs.un.org/smallislands/about-small-island-developing-states#:~:text=SIDS%20Facts%20%26%20Figures,across%20more%20than%201%2C000%20islands>

ⁱⁱⁱ UNFCCC. 2005. "Climate change, small island developing States." Issued by the Climate Change Secretariat. https://unfccc.int/resource/docs/publications/cc_sids.pdf

^{iv} IPCC. 2022. "Fact sheet - Small Islands." Sixth Assessment Report. Working Group II – Impacts, Adaptation and Vulnerability. https://www.ipcc.ch/report/ar6/wg2/downloads/outreach/IPCC_AR6_WGII_FactSheet_SmallIslands.pdf

^v <https://sdgs.un.org/smallislands/about-small-island-developing-states#:~:text=SIDS%20Facts%20%26%20Figures,across%20more%20than%201%2C000%20islands>

^{vi} UNDRR. 2023. "Pathways for Sustainable Development and Policy Coherence in the Caribbean Region through Comprehensive Risk Management." Disaster Risk Reduction And Climate Change Adaptation. <https://www.undrr.org/media/90864/download?startDownload=true>

^{vii} Keo, K. and Jo, Y. 2022. "The State Of Climate Ambition." Small Island Developing States (SIDS). UNDP. https://climatepromise.undp.org/sites/default/files/research_report_document/Climate%20Ambition-SIDS%20v2.pdf

^{viii} UNFCCC. 2005. "Climate change, small island developing States." Issued by the Climate Change Secretariat. https://unfccc.int/resource/docs/publications/cc_sids.pdf

^{ix} UNDP. 2023. "The State of Climate Ambition: Snapshots for Least Developed Countries (LDCs) and Small Island Developing States (SIDS)." <https://reliefweb.int/report/world/state-climate-ambition-snapshots-least-developed-countries-ldcs-and-small-island-developing-states-sids>

^x UNDP. 2023. "The State of Climate Ambition: Snapshots for Least Developed Countries (LDCs) and Small Island Developing States (SIDS)." <https://reliefweb.int/report/world/state-climate-ambition-snapshots-least-developed-countries-ldcs-and-small-island-developing-states-sids>

^{xi} UNFCCC. 2005. "Climate change, small island developing States." Issued by the Climate Change Secretariat. https://unfccc.int/resource/docs/publications/cc_sids.pdf