CLIMATE POLICY INITIATIVE

GLOBAL CENTER ON ADAPTATION

State and Trends of Climate Adaptation Finance in Small Island Developing States

About the Global Center on Adaptation

The Global Center on Adaptation (GCA) is an international organization, hosted by the Netherlands, which works as a solutions broker to accelerate action and support for adaptation solutions from the international to the local, in partnership with the public and private sectors, to ensure we learn from each other and work together for a climate-resilient future.

About Climate Policy Initiative

Climate Policy Initiative is an analysis and advisory organization with deep expertise in finance and policy. Our mission is to help governments, businesses, and financial institutions drive economic growth while addressing climate change. Our vision is to build a sustainable, resilient, and inclusive global economy.

Key Messages

- **International adaptation finance flows to Small Island Developing States (SIDS) are only 0.2% of global climate finance.** The 39 SIDS nations are among the most vulnerable to climate change impacts and received just over $2 billion annually on average in international public climate finance for adaptation in 2021–2022.
- **International adaptation finance flows must grow six-fold to meet assessed needs.** Based on their National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs) estimates, SIDS will collectively require approximately $12 billion in average annual finance adaptation flows. Using a cost-to-benefit ratio of 1:4 for adaptation investments, as calculated in the upcoming GCA State and Trends in Adaptation Report 2024, $12 billion invested in adaptation could result in as much as $48 billion of economic benefits.
- **The adaptation finance needs of SIDS are not large in the global context and can be met with sufficient international political will and action.** The $12 billion in annual finance need is very large for SIDS economies but represents only 1.2% of all global climate finance and 4% of all global Official Development Assistance (ODA).
- **Almost half of all public international adaptation finance to SIDS was provided as debt.** Debt accounted for 44% of international adaptation finance to SIDS in 2021–2022. This is a significant risk to the macroeconomic stability of these countries, many of which have unsustainable debt levels.
- **Grants to SIDS from Organisation for Economic Co-operation and Development (OECD) countries and multilateral climate funds have significant room to increase.** Multilateral development finance institutions provide most international public adaptation finance for SIDS (60%). To cover the adaptation finance gap, contributions from international governments, at 31%, and from multilateral climate funds, at 7%, must increase. Grants channeled through multilateral development finance institutions only reached about 35% of total adaptation flows provided by these institutions. With the support of donor countries, this portion of grants can increase substantially.
- **Most international adaptation finance goes to ODA-eligible SIDS, while all countries suffer from the devastating impacts of climate change.** On average, ODA-eligible SIDS collectively received $1.9 billion in annual international public adaptation finance in 2021–2022, while ODA-ineligible SIDS received just $181 million. Because of these disparities, SIDS are calling to replace the ODA eligibility criteria with a multidimensional vulnerability index, now adopted by the UN General Assembly. The adaptation funding for both must increase.
- **International adaptation finance to SIDS must be better targeted and shared across all nations.** Adaptation finance is highly concentrated, with 10 SIDS receiving 67% of tracked adaptation finance. Furthermore, international public adaptation finance flows to SIDS have no significant correlation to climate vulnerability, as assessed by the Notre Dame Global Adaptation Initiative (ND-GAIN) country vulnerability scores.
- **Most stakeholders need to improve their adaptation finance tracking as a basis for scaled-up action.** The international community should increase its support to SIDS governments in tagging and tracking their climate adaptation finance allocation and better calculating their adaptation financing needs. There is almost no trackable information from the private sector on their adaptation investments in SIDS. Better reporting of physical climate risks and opportunities, and standardized methodologies, are essential. A consistent methodology and transparent reporting of climate adaptation financing by bilateral and donor agencies will help complete the picture of adaptation financing and serve as the basis for scaled-up action.

Contents

Executive Summary

Adaptation finance to SIDS represents a very small fraction of a percent of total global climate finance

Though SIDS are among the 39 nations most vulnerable to climate change, adaptation finance to SIDS accounts for only 0.2% of all global climate finance. Even when considering only adaptation finance, SIDS received about 2% of all global tracked finance for adaptation in 2021–2022.

The 39 SIDS (and the 18 associate overseas island territories)[1] received just over $2 billion annually on average in international public climate finance for adaptation in 2021–2022.

Adaptation finance needs in SIDS are high for their economic size, but uncertainty persists regarding the size of the financing gap

Between 2023 and 2035, SIDS will collectively require at least $11.7 billion in average annual finance flows for adaptation activities. Their assessed needs are approximately six times higher than the $2 billion in tracked adaptation finance flows to SIDS in 2021–2022. The $11.7 billion in annual needs is large for the SIDS economies, but it is only 0.9% of all global climate finance.

While the adaptation finance gap in SIDS is sizeable, needs assessments related to SIDS are likely to substantially underestimate the true cost of adaptation measures. Many countries' estimation of their adaptation finance costs and needs, as reported in the National Adaptation Plans (NAPs) and the Nationally Determined Contributions (NDCs), vary in quality, granularity, and methodology, creating variability in data quality.

The Caribbean saw the most total international adaptation finance flows, but the Pacific received the most per capita finance

In the three SIDS regions, the Caribbean received the most public international adaptation finance in aggregate, amounting to $987 million on average in 2021–2022, followed by the Pacific at $875 million, and the Africa, Indian Ocean, and South China Sea (AIS) region at $178 million.

The Pacific region received the most per capita finance, at $59 per person, followed by the AIS region at $32 per capita. The Caribbean received the lowest per capita finance in the groups, with $21 per capita.

Debt represented close to half of all public international adaptation finance in SIDS

Debt, including low-cost project debt (28%) and project-level market rate debt (16%), accounted for 44% of tracked adaptation finance to SIDS in 2021–2022.

High utilization of debt for adaptation finance in SIDS presents significant risk, as 40% of SIDS are "on the edge of or are already grappling with unsustainable levels of debt" according to the UN.[2] Notably, the majority of adaptation finance to SIDS from multilateral development finance institutions (DFIs) was in the form of debt (65%).

Fortunately, most adaptation finance to SIDS in 2021–2022 was concessional (80%). This is critical, as concessional finance, including grants (52%) and low-cost project debt (28%), is essential to enable investments in SIDS where high financial risks and structural economic barriers disincentivize market rate capital investments.

SIDS are calling to replace ODA eligibility criteria with a multidimensional vulnerability index to increase accessibility to finance

SIDS have collectively called for replacement of the current Official Development Assistance (ODA) eligibility criteria with a multidimensional vulnerability index (MVI), which was recently adopted by the UN General Assembly.[3] In lieu of ODA eligibility criteria, which is based on gross national income (GNI) per capita, MVI would focus on a wider range of economic, environmental, and social indicators, which would better capture SIDS' vulnerability.

The current system indicates that $1.9 billion of international public adaptation finance went to ODA-eligible countries in 2021–2022, while only $181 million went to ODA-ineligible countries. These flows are insufficient for both categories, but even more so for ODA-ineligible countries.

Significant opportunities exist to improve adaptation tracking and costing for SIDS

While tracking adaptation finance in SIDS is currently a significant challenge, there are several opportunities for stakeholders to improve the current system. For example, international donors should provide increased support to SIDS' governments to tag and track their climate finance and adaptation finance needs, in order to close the gaps in needs and domestic budgetary tracking. Tracking would also be improved by additional, supported efforts from SIDS' governments to universally specify their needs on a sector-level in their NAPs and NDCs; adaptation needs for oceans, blue economy, coastal resilience, and sustainable tourism are especially relevant for SIDS but are also often unidentified in existing NAPs and NDCs.

Additional recommendations, including for private financial institutions, corporations, and civil society organizations, are provided in the report.

Introduction

Global adaptation finance declined as a proportion of total climate finance in 2021–2022 (5%) from 2019–2020 levels (7%). According to the 2023 Global Landscape of Climate Finance, an annual average of $1.3 trillion in climate finance was committed in 2021–2022 globally, compared to $653 billion in 2019–2020.[4] Most of this accelerated growth is due to an increase in mitigation finance in the last two years, with the largest growth in the renewable energy and transport sectors.[5] Adaptation finance, on the other hand, saw a more modest increase. Out of the $1.3 trillion tracked in annual climate finance in 2021–2022, only $63 billion (5%) was earmarked specifically for adaptation finance (down from 7% in 2019–2020).

The global adaptation funding gap is widening. Analysis indicates that developing countries will need $212 billion per year in adaptation finance up to 2030, and $239 billion per year between 2031 and 2050.[6] Estimates for the costs of adaptation in developing countries are, therefore, approximately four times higher than the $56 billion tracked adaptation finance flows to those countries in 2021–2022. Between now and 2035, developing countries will need $3.3 trillion. However, at current levels of financing, only $840 billion will flow.

There is immense urgency for action on adaptation in Small Island Developing States (SIDS), which are exceptionally vulnerable to the impacts of climate change. Key climate impacts include rising sea levels, changing precipitation patterns, and an increase in severe weather events, particularly hurricanes and cyclones. SIDS' unique conditions – small populations spread across islands that are geographically isolated with lower resource bases – make them extremely vulnerable to internal and external shocks, including those worsened by climate change. The costs of losses from extreme climate events (droughts, tropical cyclones, and floods) in SIDS are already staggering, currently ranging between 50% and 100% of annual GDP. By 2050, these losses could grow by 10–15% due to climate change, or an increase of 0.5% a year.[7]

Adaptation finance is thus a critical priority in SIDS in order to enable progress toward building resilience to the impacts of climate change. At SIDS4 in May 2024,[8] SIDS adopted the Antigua and Barbuda Action Plan for SIDS (ABAS), which lays out a path toward resilient prosperity in SIDS over the next 10 years. The ABAS frequently cites the importance of scaling up and enabling access to finance for climate adaptation and for broad resilient prosperity across SIDS.[9] At SIDS4, SIDS agreed to establish the SIDS Center of Excellence,[10] which will include an Island Investment Forum, a SIDS Debt Sustainability Support Service, and a SIDS Global Data Hub. These plans highlight that SIDS are united in a vision of a resilient future and see finance as a critical lever.

SIDS face significant barriers to adaptation finance, including capacity constraints, limited private sector investment, distance from major markets, high transaction costs, and small ticket sizes of adaptation projects. They are also hindered by a lack of comprehensive historical climate data, and the complicated and labor-intensive application processes for climate funding. Many climate finance mechanisms are not designed with SIDS in mind, nor do they take into account SIDS' unique situations.[11,12] SIDS are often not ODA eligible, and most concessional ODA financing for SIDS comes in after natural or climate-related disasters.[13]

Tracking adaptation finance to SIDS is critically important to identify trends, uncover gaps, and set concrete priorities for effective finance flows. This report highlights the need to dramatically increase the amount and efficacy of adaptation financing to SIDS, spotlights the persistent challenges related to adaptation finance flows in SIDS, and captures priority actions for the global finance community to undertake. The focus of this report is on all 39 SIDS classified by the UN, and the 18 associate members of UN regional commissions (overseas territories),[14] excluding Singapore due to its status as an economic outlier among SIDS.

This report assesses the state of adaptation finance in SIDS as follows:

- **Section 1:** Provides analysis on the adaptation funding gap in SIDS.
- **Section 2:** Summarizes tracked adaptation finance flows in 2021–2022.
- **Section 3:** Reviews the challenges and barriers to tracking adaptation finance in SIDS and advances related recommendations.

1 The Adaptation Funding Gap in SIDS

This report extracts climate adaptation financial flow data from the Global Landscape of Climate Finance using three main sources:[15]

- The Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), through the Creditor Reporting System (CRS) database.
- The group of multilateral development banks (MDBs) and members of the International Development Finance Club (IDFC) reporting on climate finance surveyed by CPI.
- The group of Multilateral Climate Funds, as reported through the Climate Funds Update.

The annual tracked climate adaptation finance flows for SIDS in 2021–2022 were about $2 billion. At the subregional level, the Caribbean received the most public international adaptation finance in aggregate, amounting to $987 million on average in 2021–2022, the Pacific received $875 million, and the AIS region received $178 million.

Analysis conducted for this report indicates that between 2023 and 2035, SIDS will collectively require at least $11.7 billion in finance flows for adaptation activities annually.[16] This means that the SIDS' assessed needs for climate adaptation investments are nearly six times higher than the current adaptation finance flows.

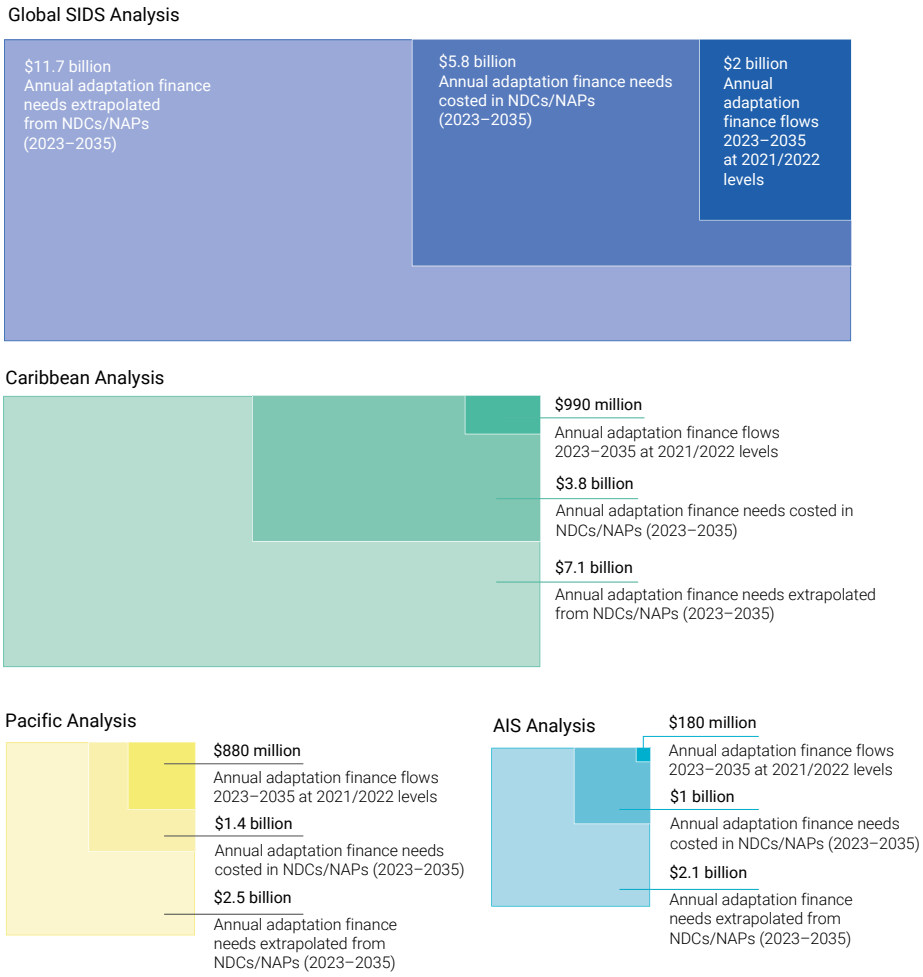
The needs for SIDS are calculated from a review of reported investment needs estimates for adaptation, produced by SIDS themselves in their NDCs and NAPs. The values are thus based on the level of ambition of each country regarding their own initiatives for adaptation, and on their own estimation of the investments required to implement these solutions.[17]

To produce a global estimate for all SIDS, data was further extrapolated using a multivariate regression that predicted cumulative needs by region, population, and GDP – based on the values displayed by the SIDS that published estimates. The temporal extrapolation was made until 2035 to cover a full decade. Further details are available in Annex 2.

Challenges in costing adaptation needs are likely to have yielded an underestimate of the true cost of adaptation finance. Less than half of SIDS and associate members (22) have costed adaptation finance needs.[18] Even those SIDS that have developed costed needs are seeing the impacts of climate change occurring faster and more intensely than projected at the time of NDC/NAP preparation.

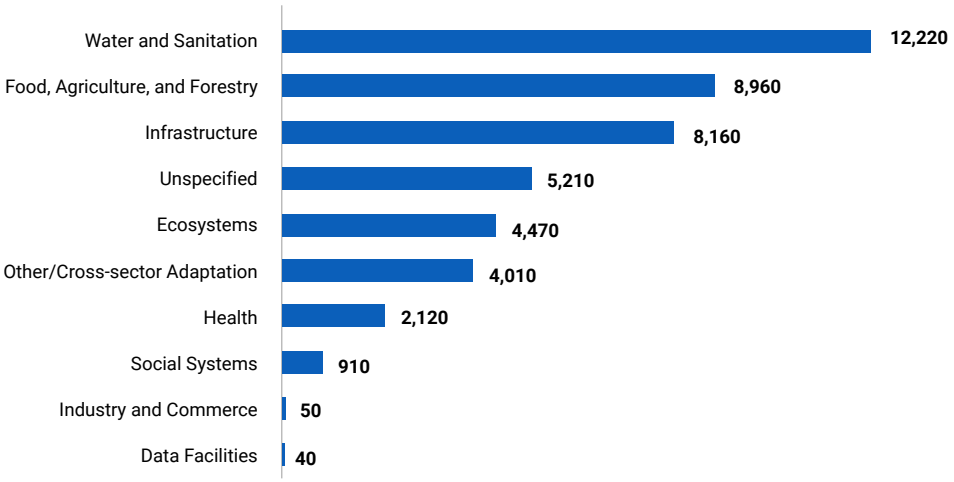
At a regional level, the Caribbean has the highest assessed average annual adaptation finance needs from 2023 to 2035 ($7.1 billion per year), followed by the Pacific ($2.5 billion), and AIS ($2.1 billion).[19] If adaptation finance flows remain steady at 2021–2022 levels, by 2035, the Caribbean will face an annual average funding gap of at least $6.1 billion, the Pacific $1.6 billion, and the AIS region $1.9 billion. Figure 1 illustrates the adaptation finance gap in SIDS if adaptation finance flows remain at 2021–2022 levels.[20]

Figure 1. Average Annual Adaptation Finance Flows and Needs in SIDS (2023–2035) (US$)



In the 16 SIDS that provided a sectoral breakdown of their adaptation needs in their NAPs and NDCs,[21] the largest sectoral need was water and sanitation, representing 26% of costed needs, followed by food, agriculture, and forestry at 19%, and infrastructure at 18%.[22] Figure 2 further illustrates the sectoral breakdown of adaptation needs across the 16 SIDS that provided sectoral estimates.[23] Notably, many SIDS did not specify the finance needed for oceans, blue economy, coastal resilience, or sustainable tourism in their NAPs and NDCs. Energy resilience and off-grid energy were also not frequently specified, likely because those sectors are often reported in aggregate within the infrastructure category. While these subsectors may be represented within some of the reported sectors, the lack of granular information makes it challenging to understand finance needs in these sectors, which are critical for SIDS.[24]

Figure 2. Adaptation Finance Needs from SIDS' NAPs/NDCs, by Sector (2023–2030, US$ million)



Of all costed adaptation needs in SIDS' NDCs and NAPs, 30% was marked as unconditional (i.e. covered by domestic public sources), meaning that the remaining 70% split between conditional (i.e. those requiring finance from private and international sources) and unspecified will likely need to originate from predominantly international sources analyzed in this report.

Though the gap between adaptation finance flows tracked and assessed needs is substantial (see Section 2), the total volume of need (nearly $10 billion in excess of current finance annually across SIDS) is small in the context of global capital flows. For instance, in 2022, global ODA totaled $287 billion,[25] while the annual adaptation finance needs in SIDS is approximately $11.7 billion. By comparison, annual global climate finance flows were $1.27 trillion in 2021–2022. The scale of finance required in SIDS suggests that concerted international efforts, in addition to ongoing domestic public spending on adaptation to SIDS, could feasibly fill the funding gap.

Figure 3. SIDS Annual Adaptation Finance Flows Compared to Needs and Other Capital Flows

2 Trends in Adaptation Finance Flows

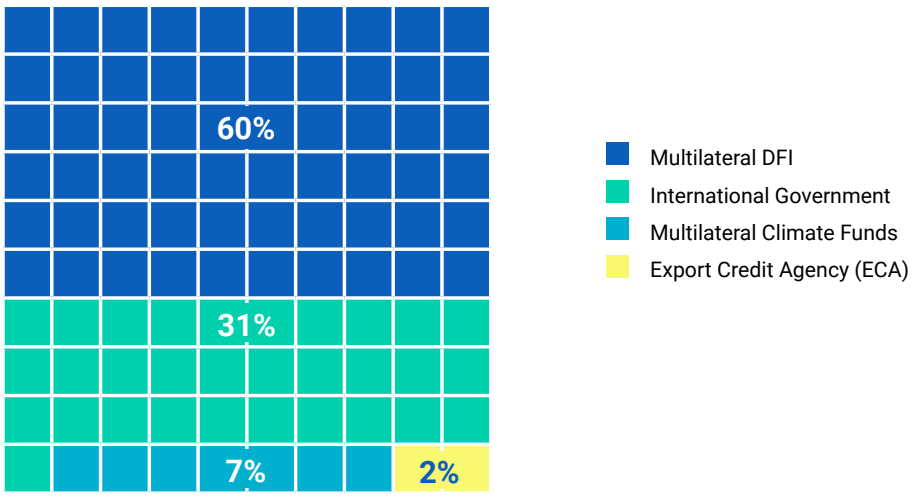
Adaptation finance tracking is critical to assess global progress on climate goals. Tracking adaptation finance in SIDS can help to identify trends and gaps in financing and elucidate barriers and challenges impeding the mobilization of adaptation finance. The financial flows analysis herein includes international finance flows from public institutions classified as either purely adaptation or containing dual objectives. For the purposes of this analysis, off-grid renewable energy (RE) projects that were originally classified as mitigation flows are reclassified as dual objectives and are included in the analysis. This is because off-grid RE allows for more resilience to extreme weather events such as hurricanes and cyclones than centralized power generation and overhead transmission and distribution lines.[26]

2.1 Funding Source Analysis

Multilateral DFIs were the largest source of international public adaptation finance for SIDS, providing 60% of all tracked finance in 2021–2022, followed by international governments (bilateral development agencies, etc.) at 31%. The remaining finance came from multilateral climate funds at 7%, and export credit agencies at 2%.[27]

Reported adaptation finance from the private sector and from domestic public sources to SIDS is negligible, and tracking this finance poses substantial methodological challenges (detailed further in Annex 1). The amount reported by private actors and public domestic entities does not capture accurately the private or public domestic finance that is flowing into adaptation in SIDS (see Box 1). This finance is thus excluded from this report to avoid misrepresentation, and the analysis that follows captures only international public adaptation finance.

Figure 4. SIDS Adaptation Finance by Actor, Average 2021–2022



BOX 1: Spotlight on Private and Public Domestic Adaptation Finance to SIDS

Though private adaptation finance is not captured in the central tracking of this report due to reporting challenges, the private sector in SIDS is contributing to adaptation and resilience. Notably, the following institutions have efforts underway in SIDS to build resilience, which suggests that private action exists that can be accelerated in the years to come.

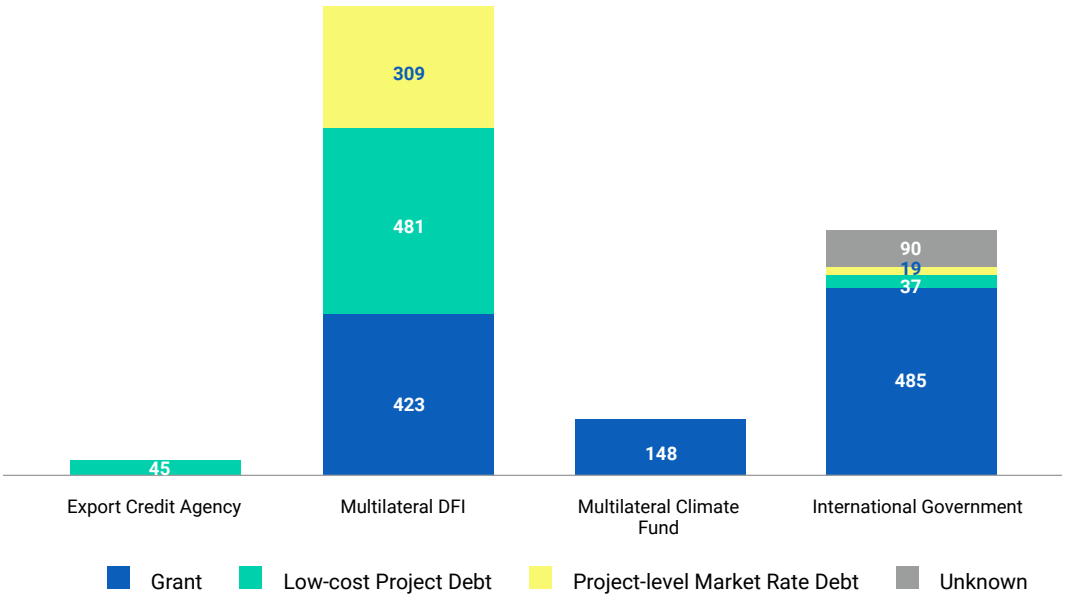
- **Micro, small and medium Enterprises (MSMEs) (finance towards adaptation of own assets to climate risks):** A study in Saint Lucia found that around 50% of surveyed small businesses were aware of climate change impacts. Of the surveyed firms, the most common adaptation interventions they pursued were photovoltaic panels to build energy resilience, window replacement, and rainwater harvesting.
- **Corporations (provision of adaptation products and services):** Many hotels in SIDS are seeking to invest to protect their coastlines and natural resources due to their high tourism value. Companies such as Reefscapers in the Maldives provide services to resorts and other high-value assets to reduce beach erosion and restore coral, which enhances adaptation and serves the interest of hotel chains in preserving the value of their properties.
- **Funds and Investors (structuring investment vehicles with resilience as a central or key investment theme):** Several investment funds have launched a focus on SIDS, with resilience as a key investment theme:
  - Matanaki is a Fijian business development and investment management company that works to support Fijian and Pacific companies in the sectors of waste, fisheries, tourism, agriculture, and marine management. One of its portfolio companies is Yavahuna Pte Ltd, a community-owned agriculture, fisheries, and eco-tourism cooperative that promotes resilience through sustainable farming and fishing practices.
  - CARICOM, in partnership with USAID, in 2024 launched the $100 million Caribbean Community Resilience Fund, which will be managed by Sygnus Capital, a private alternative investment manager based in Jamaica. The fund will target investments in climate and economic resilience across seven areas: energy, housing, transport, blue economy, ICT, finance, and agriculture.

As with private finance, domestic public finance is not captured in this report due to extremely limited public reporting. Public entities within SIDS are financing some adaptation efforts, but, to date, the tracking of this finance has been so sparse that it is not possible to reliably report. One example of domestic public finance underway is in Fiji, which spent approximately $363 million annually between 2016 and 2019 on climate-related projects. The projects financed were highly varied by sector across agriculture, blue economy, climate governance, climate-induced relocation, disaster risk management, electricity, forestry, gender and social inclusion, housing, human health, transport, and water and sanitation.

Multilateral DFIs and bilateral donors have varied geographic and sectoral priorities in SIDS for adaptation finance, while international governments often take a more targeted approach to specific sectors or regions. Some international governments, such as Australia, take a regional approach – with aid to Pacific Islands accounting for more than 40% of Australia's aid budget and making Australia the single largest donor to Pacific Islands.[28] The UK government is currently undergoing a period of re-engagement with SIDS, as demonstrated by ongoing discussion and the UK Small Island Developing States Strategy. Notably, key sectoral topics related to SIDS in discussion through this strategy development include finance, debt, and loss and damage.[29]

The majority of tracked adaptation finance to SIDS from multilateral DFIs was in the form of debt (65%), compared to 0% from multilateral climate funds, and 9% from international governments. High utilization of debt for adaptation finance in SIDS presents significant risk, as 40% of SIDS are "on the edge of or are already grappling with unsustainable levels of debt" according to the UN.[30] Further analysis on instruments deployed to finance adaptation in SIDS is presented below.

Figure 5. SIDS Adaptation Finance by Actor and Instrument, Average 2021–2022 (US$ million)

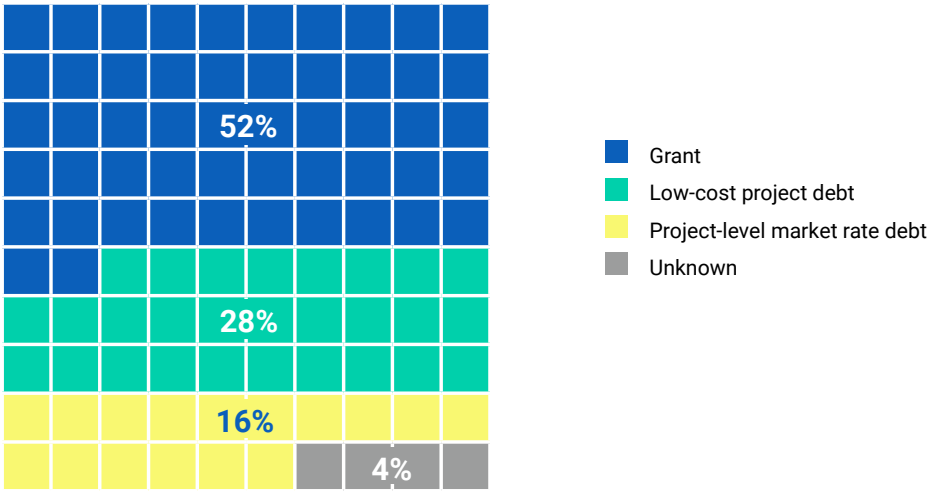


2.2 Instrument Analysis

Close to half (44%) of all public international adaptation finance to SIDS in 2021–2022 was debt. Debt borrowed by SIDS for adaptation finance totaled, on average, $891 million in 2021–2022. Close to two-thirds of all debt was low-cost project debt, while one-third was market rate project debt. Traditional instruments such as debt are likely to be pivotal for future delivery, especially given the need to scale adaptation finance. However, especially in the context of SIDS, it is crucial to diversify and increase the utilization of a variety of financial tools, concessional finance instruments, and grants to address challenges, such as debt stress, and mobilize larger volumes of adaptation finance to meet the urgent needs.

A total of about 80% of international adaptation finance flows were concessional, including 28% of low-cost project debt and 52% from grants. Concessional finance is essential for enabling investments in SIDS where high financial risks and structural economic barriers disincentivize market rate capital investments.

Figure 6. SIDS Adaptation Finance by Instrument, Average 2021–2022



2.3 Sector Analysis

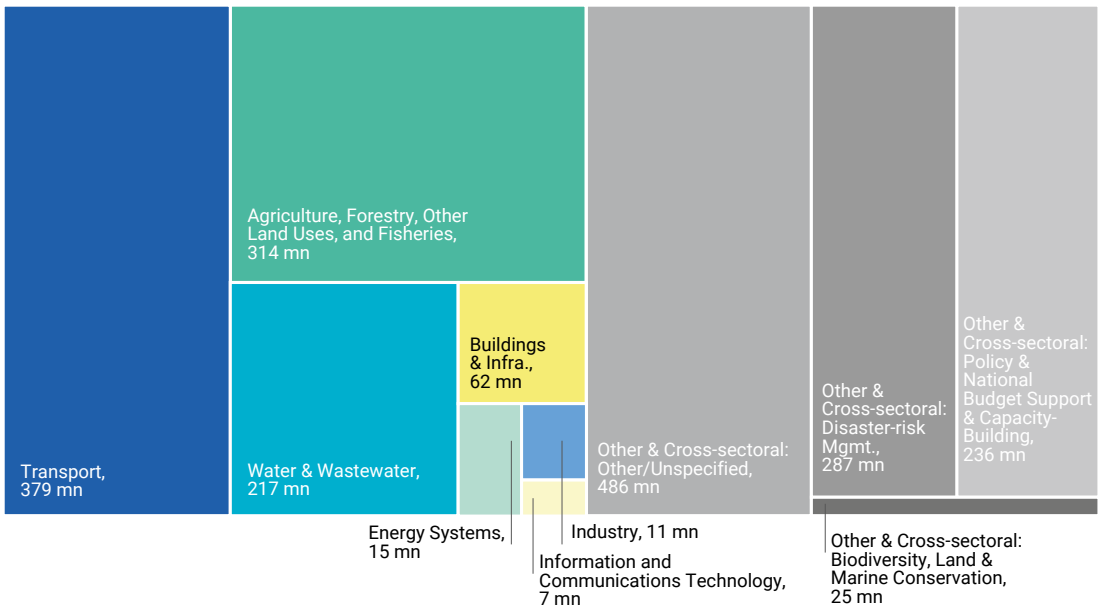
SIDS' adaptation projects deliver multiple benefits across sectors, aligning with SIDS' developmental priorities. The sector category receiving the most public international adaptation finance flows in SIDS was other and cross-sectoral with $1 billion (51%). Other and cross-sectoral is a category which spans support for national-level policy and capacity-building, disaster management activities, urban issues, biodiversity, and social security. Within the $1 billion tracked to other and cross-sectoral activities, $287 million was committed to disaster risk management, $236 million to policy and national budget support and capacity-building, $25 million to biodiversity, land, and marine conservation, and $486 million to unspecified activities. The next largest recipient sector was transport, receiving $379 million (19%), agriculture, forestry, and other land use (AFOLU) with $314 million (15%), water and wastewater with $217 million (11%), and building and infrastructure with $62 million (3%).

The $236 million annually tracked to policy and national budget support and capacity-building represents a critical area of funding to advance adaptation outcomes in SIDS. The United Nations Framework Convention on Climate Change (UNFCCC) has noted that capacity-building must occur for climate action to be successful in SIDS, including replenishment of trained personnel, skills upgrading, and training programs.[31]

Within the other and cross-sectoral category, projects financed varied substantially and included education-focused and health-centric activities. For example:

- The World Bank's Safe and Resilient Schools Project in Tonga, which seeks to increase the safety and resilience of selected education facilities and improve the quality of data-driven education management, curricula, and assessments.[32]
- The World Bank's support to Haiti with a focus on building out primary healthcare delivery networks and increasing the number of community healthcare workers, alongside strengthening surveillance for infectious diseases, such as cholera, which may increase in frequency or severity due to the impacts of climate change and natural disasters.[33]

Figure 7. SIDS Adaptation Finance by Sector, Average 2021–2022 (US$ million)



2.4 Subregional and Country-Specific Analysis

The international public adaptation finance flows to SIDS can be divided into three regions: the Caribbean; the Pacific; and Africa, Indian Ocean, and South China Sea (AIS). SIDS in these regions have distinct characteristics that impact how they engage with climate finance. For example, the Caribbean is the most populous and has more developed domestic capital markets, Pacific SIDS often have smaller populations spread across remote archipelagos, and those in AIS do not share a regional coordinating body (unlike CARICOM and the Pacific Islands Forum in the Caribbean and Pacific).

Of the three SIDS regions, the Caribbean received the most public international adaptation finance in aggregate, amounting to $987 million on average in 2021–2022, the Pacific received $875 million, and the AIS region received $178 million. On a per capita basis, the Pacific received the most finance per capita, at $59/capita, followed by AIS at $32/capita, and the Caribbean at $21/capita.

International adaptation finance flows to SIDS have limited to no correlation to climate vulnerability, as assessed by ND-GAIN vulnerability scores at the country-level.[34,35] ND-GAIN assesses vulnerability to climate risks through a three-factor approach, assessing: 1) exposure, 2) sensitivity, and 3) adaptive capacity. The lack of correlation between climate vulnerability and adaptation finance volumes is aligned with other regions – including Africa – and suggests that finance flows are informed by factors other than country needs as assessed by vulnerability.

Adaptation finance was concentrated in a handful of countries, with 67% of tracked SIDS adaptation finance flowing to just 10 SIDS.[36] This is in line with a larger trend of international aid concentration in a few countries with institutional capacity, borrowing capacity, and lower perceived and real investment risks. For SIDS, however, there is also a concentration of public international adaptation finance tracked, capturing large inflows of post-disaster reconstruction funds to individual countries affected by natural disasters, such as Haiti.

Figure 8. Total Adaptation Finance Flows in SIDS by Region, Average 2021–2022

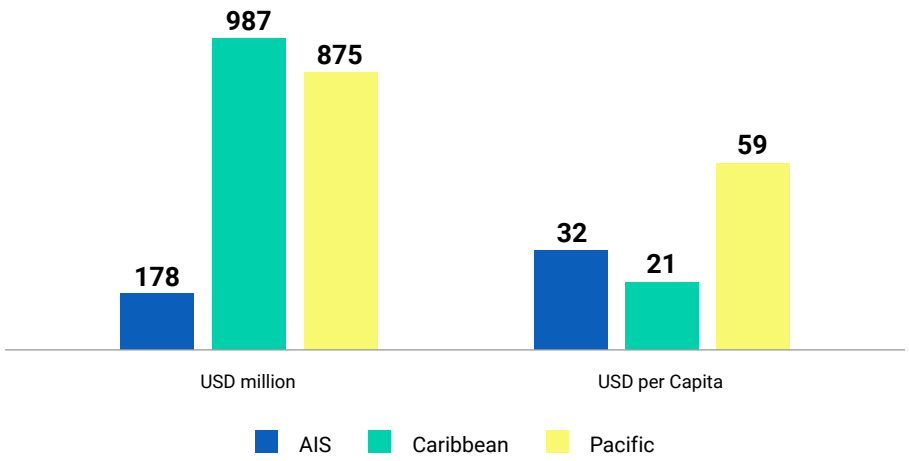
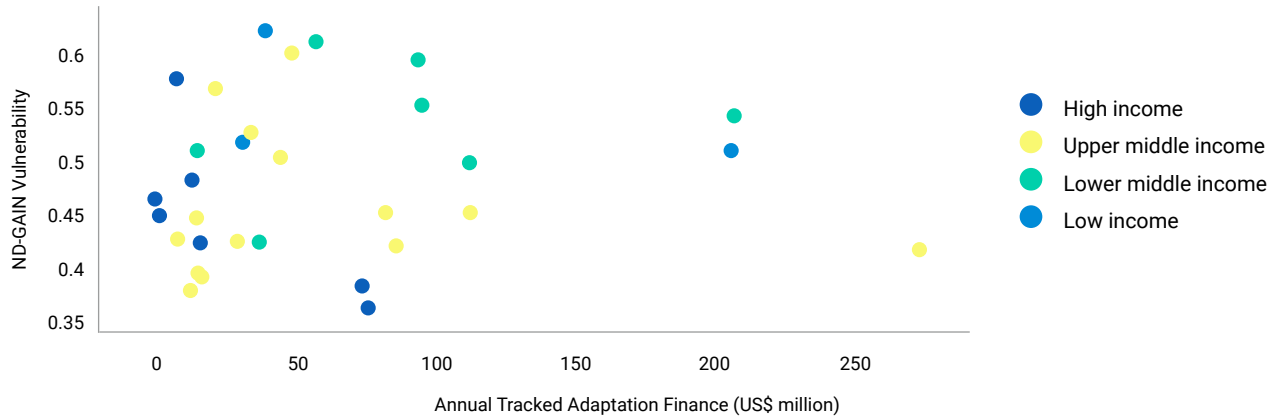


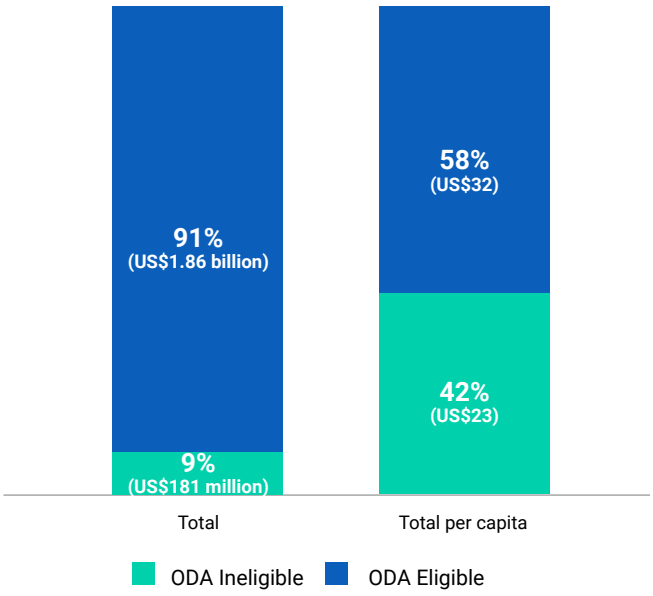
Figure 9. Tracked Adaptation Finance in SIDS vs ND-GAIN Vulnerability Index by Country



SIDS that are eligible for ODA received more international adaptation finance from public sources than high-income SIDS that are ineligible for ODA.[37] ODA-eligible SIDS collectively received $1.9 billion in international public adaptation finance on average per year in 2021–2022, while ODA-ineligible SIDS received just $181 million. At a per-capita level, ODA-eligible SIDS received $32 per capita, while ODA-ineligible SIDS received $23 per capita. This trend is partially indicative of the smaller overall populations of ODA-ineligible SIDS, but it also tracks with understanding that loss of ODA eligibility has a negative impact on SIDS' access to finance – for instance, at the time of ODA graduation, SIDS are still reliant on ODA for 26% of external financing, as compared to 1% for other graduating countries.[38]

Country income level is an additional key factor that influences climate finance to SIDS and their ability to absorb that finance. SIDS' economies vary from low- to high-income. The UN classifies eight SIDS as Least Developed Countries (LDCs).[39,40] LDCs have exclusive access to certain international support measures for finance, technical assistance, and trade.[41] In contrast, high-income SIDS[42] face challenges in accessing international adaptation finance and concessional finance given their ineligibility for ODA. ODA eligibility is determined based on GNI per capita – where high-income countries are ineligible for ODA,[43] which limits their ability to access certain pools of capital or concessional capital sources.

Figure 10. Adaptation Finance Flows in SIDS by ODA Eligibility, Average 2021–2022

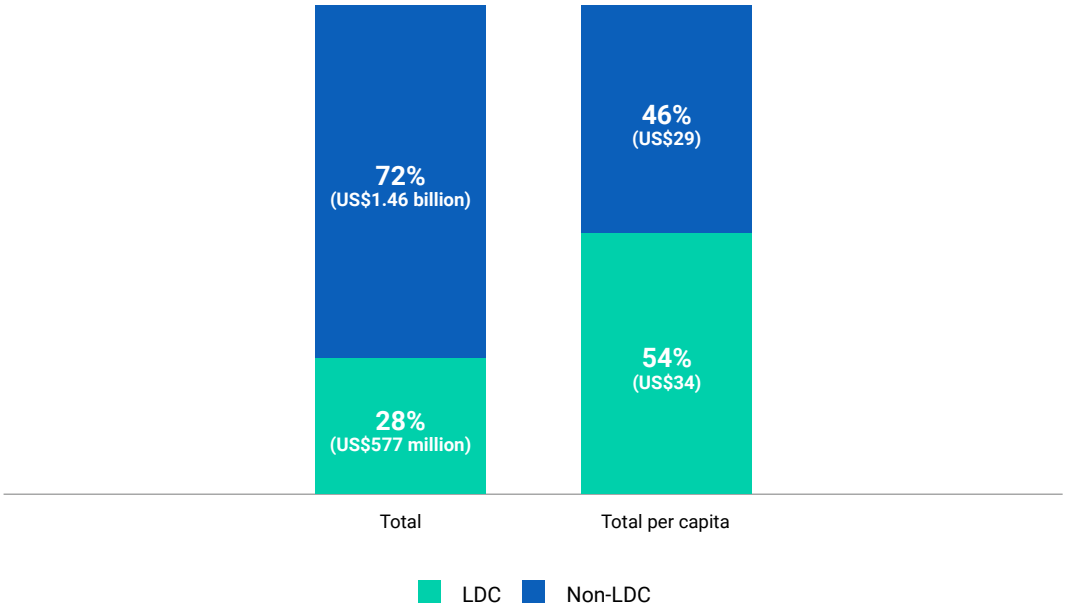


Because of these disparities, SIDS are calling to replace the ODA eligibility criteria with an MVI, now adopted by the UN General Assembly.[44] The argument is that by basing ODA eligibility on GNI per capita, SIDS with high-value economies and small populations are excluded from ODA, despite being unable to access traditional commercial-rate finance because of their small population and resource bases and often undiversified economies. The MVI would look at economic, environmental, and social indicators – more accurately capturing a country's vulnerability to external shocks, beyond its GNI per capita.[45]

The eight SIDS classified as LDCs received $577 million in international adaptation finance, amounting to $34 per capita. Non-LDC SIDS received a total of $1.46 billion, translating as $29 per capita. The higher LDC per-capita ratio is likely attributable to the small total population of LDC SIDS when compared to the larger total population of non-LDC SIDS, rather than being indicative of any other trend in international adaptation finance flows.

LDCs have access to specialized low-cost funding windows at the World Bank and with other donors. For example, the Global Environment Facility's Least Developed Countries Fund (LDCF) is the only facility exclusively dedicated to helping LDCs adapt to climate change. The LCDF aims to provide $20 million per LDC along with technical assistance to support adaptation efforts. One example of LCDF support in SIDS is a $6 million grant to São Tomé and Principe to join the West Africa Coastal Areas Resilience Investment Project, where it supported a "Safety at Sea" initiative to increase fishers' resilience to increasingly strong storm swells, as well as building out local meteorological capacity to monitor and forecast storm surges.[46]

Figure 11. Adaptation Finance Flows in SIDS by LDC Status, Average 2021–2022



3 Challenges and Opportunities

Improved adaptation finance tracking in SIDS is necessary to measure progress. Tracking helps in identifying gaps and barriers in financing adaptation and resilience solutions in SIDS, with the ultimate aim of scaling adaptation finance flows. This enables better insight into the relative effectiveness of different solutions and their associated financing. High-quality finance tracking plays a crucial role in measuring progress and ensuring the scale-up is targeted to the correct places and identified needs.

A robust and comprehensive adaptation tracking exercise must collect adaptation finance data from a range of financial actors across public, private, domestic, and international levels which vary significantly in their size, operations, and geographical contexts. Table 1 lists the major challenges related to data, reporting, and methodologies in tracking adaptation finance in SIDS.

Table 1. Challenges Tracking Adaptation Finance in SIDS

Specific Tracking Challenges
• **Lack of domestic budget tagging:** The lack of comprehensive climate tracking of domestic budget expenditures for most SIDS leads to significant data gaps in tracking domestic public climate finance. Domestic climate budget tagging remains a major gap in developing countries overall. • **Differing quality and limited comparability of costed adapted needs in SIDS' NDCs and NAPs:** The quality of SIDS, NDCs and NAPs varies, with not all SIDS having submitted an NDC or NAP with costed adaptation needs. For SIDS that have costed these needs, there is no standardized methodology, with SIDS reporting needs on different timelines, some disaggregating to a sector level while others only reporting aggregate data – and needs not routinely being classified as conditional or unconditional.
Overall Methodological Challenges in Adaptation Finance Tracking
• **Definitional:** There is currently no common definition of adaptation finance that can be easily adopted by all stakeholders. There is a wide spectrum of potential solutions that can be used across sectors to ensure that communities, systems, and infrastructure are adapted to climate change. This constrains comparability and transparency. • **Variation in disclosure requirements and incentives:** Particularly in the private sector, tracking and disclosure of resilient investments is limited. A lack of standards and reporting requirements limits private sector actors' incentives to report adaptation finance, and many institutions simply do not have the tools to identify investments as adaptation or resilience. At present, private sector finance to adaptation is very difficult to compare to public finance in light of the inconsistent definitions and methodologies. • **Mix of incremental and total tracking:** The MDBs and IDFC recommend the use of incremental or proportional cost of adaptation to report adaptation finance – capturing a share of finance dedicated to adaptation activities. However, in practice only the MDBs are following the incremental/proportional approach, while other DFIs, climate funds, and governments largely report the total cost of projects, and all institutions report the full amount for mitigation finance, which yields comparability challenges between adaptation and mitigation finance. • **Different capacities to deploy use of methodologies:** Adaptation finance tracking methodologies used by MDBs and large DFIs which are members of the IDFC are often quite robust and resource intensive. Smaller DFIs, as well as other public and private financial institutions and governments, might not have the required technical, institutional, and financial capacity to institute these methodologies (and may not receive transparent information about the approaches of larger institutions). This leads to varied levels of practical implementation, incomparability in reporting, and difficulty in aggregating data from different institutions. • **Lack of impact metrics:** As the amount of adaptation finance grows, it is important that tracking of adaptation finance goes beyond measuring financing volume to capturing impact, results, benefits, and outcomes. Climate adaptation does not have a central impact metric equivalent to the metric tons of CO^2 emissions that is commonly used for mitigation. This often leads to multiple impact metrics being used by different actors to evaluate the project performance – making it harder to identify, aggregate, and compare financing flows and associated impact.

Overseas Territories Specific Tracking Challenges

- **Limited data on overseas territories:** There is limited climate finance data on overseas island territories because of the challenges that developed countries face in tracking and reporting climate finance at the subnational level. The report's analysis is only able to attribute $24 million annually in international public adaptation flows to overseas territory SIDS.
- **Context dependency exacerbated:** Especially in overseas territories that are remote and may lack downscaled climate data, it can be difficult to define and tag the expected outcomes of a financial flow as adaptation.

Table 2 presents a set of key recommendations for governments and regulators, development finance institutions, private financial institutions and corporations, and civil society and international organizations to advance tracking of adaptation finance. This table is informed by the key barriers to high-quality adaptation finance in SIDS discussed above.

Table 2. Adaptation Finance Tracking Recommendations in SIDS

Governments and Regulators

- **International donors should provide support to SIDS governments to tag and track climate finance and cost adaptation finance needs.** SIDS may struggle to provide this information due to capacity limitations, a lack of resources to develop these assessments, and/or other institutional constraints. This support could include capacity-building and budgetary support to SIDS governments to tag their domestic climate spending, or secondment of individuals to support on budget tracking. Similarly, donor governments can support SIDS with financial and technical resources to better cost their NAPs and NDCs, such as the Green Climate Fund's (GCF) $3 million grant to help develop Tuvalu's NAP.[47]
- **Key areas where the quality of costed adaptation needs in SIDS' NAPs and NDCs could be improved include:**
  - More comprehensive information by thematic area, sector and subsector, and by provider of climate finance. In SIDS' NAPs and NDCs, only 16 SIDS reported their adaptation finance needs at a sectoral level.
  - Specification of climate finance provider: The majority of SIDS with costed adaptation needs (62%) did not specify between conditional (those covered by domestic public sources) or unconditional needs (those requiring finance from private and international sources).
- **Integrate climate finance data into the SIDS Global Data Hub.** As SIDS undergo the process of launching and expanding the SIDS Global Data Hub,[48] data related to climate finance should be integrated into the platform to complement the existing data on oceans, climate, tourism and trade, and well-being.

Development Financial Institutions

- **Provide transparent leadership.** MDBs, multilateral climate funds, and bilateral DFIs that are relatively advanced in their tracking of adaptation finance can and should offer ambitious and transparent leadership on adaptation finance tracking which includes:
  - Setting public, measurable, and ambitious climate adaptation finance goals.
  - Openly sharing information about the criteria and methodology used to identify and quantify adaptation finance and the data, models, and scenarios that are relevant in the context of tracking adaptation action.

Private Financial Institutions and Corporations

- **Private financial institutions and corporations in SIDS should support enhanced disclosure and reporting of critical information related to physical climate risks and opportunities.** Given that many of their clients in SIDS (corporations, MSMEs, and households) are engaging in adaption activities, public disclosure of adaptation finance data would promote transparency within the financial industry and ensure that climate-related financial information is accessible, comparable, and reliable – reducing information asymmetry and enabling investors to make more informed decisions.
- **Private financial institutions and corporations should make appropriate climate commitments and join one of the coalitions representing their investor or sector category.** Specific institutions and coalitions are paying increased attention to the challenges and implications of adaptation. Entities should participate proactively, forming internal teams to develop their own responses. The United Nations Environment Programme Finance Initiative (UNEP-FI) and Principles of Responsible Banking (PRB) both have existing initiatives on integrating and progressing adaptation and resilience financing. These must go further, quicker.
- **Raise awareness and build capacity within finance and operations teams.** There is a need to raise awareness within private sector institutions on the benefits of reporting adaptation finance externally, during engagements with investee companies. Sector-level experts should be trained on climate adaptation concepts and terminology so that they can be comfortable reporting and tracking activities that build resilience. When sector specialists within financial institutions have a better understanding of climate vulnerability, resilience-building, and climate adaptation finance, it will improve documentation efforts.

Civil Society and International Organizations

- **Support organizations in improving transparency and harmonization of adaptation finance tracking through capacity development and advocacy efforts.** Civil society and international organizations have a role to play in developing, harmonizing, and simplifying adaptation-relevant reporting standards, especially for governments and DFIs. Concerted advocacy efforts and calls for transparency from these institutions can help to move the needle on adaptation finance tracking and disclosure.

Governments with Overseas Island Territories

- **Developed countries with overseas island territories should improve their tracking and reporting of climate finance at the subnational level.** By tagging and reporting climate finance at the subnational level, developed countries with overseas island territories can provide a clearer picture of the climate finance flows to territories, which face similar climate vulnerability to sovereign SIDS but lack access to some of the same sources of finance, such as ODA or the GCF.

Annexes

Annex 1: Methodology Details

The Global Landscape of Climate Finance mainly relies on the following sources to retrieve international flows data:

- The Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), through the Creditor Reporting System (CRS) database.
- The group of multilateral development banks (MDBs) and members of the International Development Finance Club (IDFC) reporting on climate finance surveyed by CPI.
- The group of Multilateral Climate Funds, as reported through Climate Funds Update.

The data collection from national public sources, such as regional or national development banks (for example, the Caribbean Development Bank, which mostly raises and spends climate funding domestically or regionally) is reported, in limited granularity, in the IDFC Green Finance Mapping report.

The flows analysis considers all Small Island Developing States (SIDS), as well as all associate members of UN Regional Commissions (i.e. non-sovereign states such as Guam or Sint Maarten) that are included in the UN SIDS list.[49] As one exception, the report excludes Singapore due to its status as a significant economic outlier.

Non-sovereign SIDS are included in this analysis to allow for the most comprehensive coverage available. However, targeted adaptation flows to non-sovereign SIDS are almost non-existent in tracked data sources, covering only a small number of SIDS, and roughly $24 million a year. The provision of additional geographic granularity in global financial data sources, as well as improvements in domestic budget tracking, would help close this knowledge gap in future reports.

This analysis also does not include adaptation funding that is only specified on a regional level from sources such as the development finance institution (DFI) surveys. These funding flows cannot be attributed in a principled manner directly to SIDS, given the lack of any country-level allocation information. This limitation is consistent with previous analyses of adaptation finance for SIDS,[50] and unidentifiable regional adaptation flows of up to $17 billion annually that could theoretically include SIDS are included below.

Table 3. Unspecified regional adaptation flows, 2021–2022

Region	Unspecified regional adaptation flows (US$ million)
East Asia and the Pacific	248
Latin America and the Caribbean	992
Other Oceania	116
South Asia	340
Sub-Saharan Africa	2,773
Transregional	12,602

As noted in Section 2, private sector adaptation finance is highly difficult to track. Virtually no private sector companies self-identify their investments as "adaptation," and those that engage in activities that are adaptation-relevant largely focus on outcomes – e.g., reduced property risk, etc. As a result, applying a process-based approach that requires both identification of climate risks and a statement of intent for a project to be considered adaptation is virtually impossible for private actors. Due to a lack of standardized methodology to tag domestic budgets for climate, and more specifically climate adaptation; the cross-sectoral and therefore cross-ministerial nature of adaptation; capacity constraints; and lack of standardized reporting of domestic spending – domestic public adaptation finance can be challenging to track in SIDS. A further accounting for the overall institutional challenges in tracking adaptation finance is below:

- **Confidentiality issues:** Several DFIs and private financial institutions have strict client confidentiality, commercial sensitivity, and data protection concerns. This may make them reluctant (and legally constrained) to publicly disclose granular information about adaptation projects, such as intended objectives, achieved outcomes, and associated adaptation finance flows.
- **Fragmented data and processes:** As many adaptation projects are cross-sectoral, there are several operational teams (besides dedicated strategy, policy, finance, monitoring and evaluation, research and communications teams) that are involved in the data collection and reporting process. Despite progress in engagement and collaboration, different teams often use disparate data collection methods and tools, leading to fragmentation of data. This can make it difficult to have a unified view of the information across different platforms and processes.
- **Limited agility and delay in responses:** Integrating data from different sources and teams can be a complex task. This may cause organizations to either respond slowly or provide limited data in the given timeframe without high granularity and consistency. Complex data collection processes also hinder the organization's ability to implement new methodologies rapidly and track adaptation finance flows efficiently.

To estimate SIDS' adaptation needs, CPI gathered relevant needs data from Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) covering annual needs between 2023 and 2030. This data was collected in a database format, cross-checked for duplicative and incorrect information, and annualized to allow for consistent comparison. In total, 22 SIDS[51] had information regarding their cumulative adaptation needs, reaching $46.1 billion over the cumulative time period. The information was segmented by conditional, unconditional, and unspecified needs, with the majority falling in the unspecified category.

Because the 35 additional SIDS and associate overseas island territories have not published their adaptation needs, CPI used the existing needs information to extrapolate the countries not covered. This was tested through numerous approaches but ultimately implemented through a multivariate regression predicting cumulative needs based on region, population, and GDP. The regions included were Latin America and the Caribbean, sub-Saharan Africa, and East Asia/Pacific. This approach increased adaptation needs to $93.5 billion for existing, and $47.3 billion for extrapolated, SIDS.

The final step was to further extrapolate needs beyond 2030 to 2035. To do so, CPI assumed that annual adaptation needs would follow the same trend from 2031 through 2035 as they had during the previous eight-year segment. The validity of this assumption depends on the linear or non-linear relationship between adaptation needs and time and will ultimately vary by region. Using this method, adaptation needs increased to $151.9 billion between 2023 and 2035, or $11.7 billion annually.

Annex 2: Comparison of CPI and UNEP Adaptation Gap Report Needs Estimates

This section aims to put the needs estimates captured in this report for SIDS into perspective and compares them with UNEP's estimates of adaptation investment needs as disclosed in its 2023 Adaptation Gap Report (AGR).[52]

This report's needs estimates for SIDS are comparable to the higher end of UNEP's range of estimates.

In UNEP's AGR, the costs of adaptation for all developing countries (i.e., non-Annex I countries) are estimated to be $215–387 billion/year by 2030. This is based on two sets of estimates:

- An analysis of the needs communicated by countries in their NDCs and NAPs, extended to all developing countries using income group as an extrapolation factor. In this case, adaptation needs are estimated to be $101–975 billion/year in the period 2021–2030 ($387 billion/year on average). Of this, 1.2% (or $1.2–11.3 billion/year) is estimated to be needed in SIDS.
- A modeling exercise estimating the costs of adaptation to be $130–415 billion/year by 2030 ($215 billion/year on average). Of this, 2.1% (or $2.7–8.5 billion/year) is estimated to be needed in SIDS.

Of the two sets of estimations in UNEP's AGR report, only the first one is methodologically comparable to CPI's approach to estimating adaptation needs in SIDS, both using NDCs and NAPs as a starting point for the extrapolation.

The annual adaptation needs in SIDS captured in this report ($12 billion/year between 2023 and 2035) are comparable to the higher end of UNEP's range of estimates ($11.3 billion/year between 2021 and 2030). Differences in the estimations are likely due to a combination of factors, including:

- Methodological approach to standardizing data collected from the NDCs and NAPs. CPI's values are all in 2022 US$, while UNEP's estimates are in 2021 US$, which means that the same costed need in an NDC/NAP would be higher in CPI's estimates than in UNEP's estimates.
- Different approaches to extrapolating total needs for all SIDS based on available costed needs in NDCs and NAPs.

Endnotes

1 The 18 Associate Members are: American Samoa, Anguilla, Aruba, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of Northern Marianas, Curacao, French Polynesia, Guadeloupe, Guam, Martinique, Montserrat, New Caledonia, Puerto Rico, Sint Maarten, Turks and Caicos Islands, and the U.S. Virgin Islands.

2 United Nations. 2023. "Debt Crisis in SIDS: A Call for Rapid Concerted Action." https://www.un.org/ohrlls/events/debt-crisis-sids-call-rapid-concerted-action

3 International Institute for Sustainable Development. 2024. "UN General Assembly Adopts Multidimensional Vulnerability Index." https://sdg.iisd.org/news/un-general-assembly-adopts-multidimensional-vulnerability-index/

4 Climate Policy Initiative. 2023. Global Landscape of Climate Finance 2023. https://www.climatepolicyinitiative.org/wp-content/uploads/2023/11/Global-Landscape-of-Climate-Finance-2023.pdf

5 Climate Policy Initiative. 2023. Global Landscape of Climate Finance 2023. https://www.climatepolicyinitiative.org/wp-content/uploads/2023/11/Global-Landscape-of-Climate-Finance-2023.pdf

6 The UNEP Adaptation Gap Report 2023 estimates a comparable range at $130–415 billion annually in adaptation costs for developing countries in this decade.

7 Howden. 2023. "New research shows world's most climate vulnerable countries could lose over 100% of GDP in 2024 from disasters that are insurable." https://www.howdengroupholdings.com/news/new-research-shows-climate-vulnerable-countries-could-lose-over-100-percent-of-gdp-in-2024-from-disasters-that-are-insurable

8 SIDS4 was the 4th International Conference on Small Island Developing States, which took place in Antigua and Barbuda in May 2024.

9 The Antigua and Barbuda Agenda for SIDS. 2024. https://sdgs.un.org/sites/default/files/2024-04/SIDS4%20-%20Co-Chairs%20FINAL.pdf?_gl=1%2Aj2a6qk%2A_ga%2ANjg2NjA3NzE2LjE3MDU0MTUzMTc.%2A_ga_TK9BQL5X7Z%2AMTcxNzE2MzM2MS4yNTYuMS4xNzE3MTY0MzUyLjAuMC4w

10 SIDS Global Data Hub. 2024. https://sids.sdg.org/

11 United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. 2022. Accessing Climate Finance: Challenges and Opportunities for Small Island Developing States. United Nations. https://www.un.org/ohrlls/sites/www.un.org.ohrlls/files/accessing_climate_finance_challenges_sids_report.pdf

12 In May 2024, GCF hosted an event on "Enhancing access to climate finance for small island developing states". Advancement to improve access is evident, but barriers remain.

13 United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. 2022. Accessing Climate Finance: Challenges and Opportunities for Small Island Developing States. United Nations. https://www.un.org/ohrlls/sites/www.un.org.ohrlls/files/accessing_climate_finance_challenges_sids_report.pdf

14 For the official UN-OHRRLs list of SIDS, please consult: https://www.un.org/ohrlls/content/list-sids

15 Other regional and public institutions, such as national development banks, submit data with limited granularity, to the IDFC Green Finance Mapping report.

16 The 2023 UNEP adaptation gap report estimates SIDS' adaptation needs of $11 billion per year in its upper range scenario based on NAPs and NDCs. When based on modeled scenarios, it estimates SIDS' adaptation needs at $9 billion per year in its upper range scenario. See Annex 2 for more detailed information.

17 The range of included solutions is generally limited to initiatives directly targeting adaptation and resilience, which does not take into account all financing required to cope with post-disaster reconstruction.

18 The 22 SIDS with costed adaptation finance needs in their NDCs and NAPs are: Antigua and Barbuda, the Bahamas, Belize, Cape Verde, Comoros, Dominica, Dominican Republic, Guyana, Haiti, Mauritius, Micronesia, Nauru, Papua New Guinea, Republic of the Marshall Islands, Saint Kitts and Nevis, Saint Lucia, Seychelles, Solomon Islands, Suriname, Tonga, Trinidad and Tobago, and Vanuatu.

19 These numbers have been rounded to the nearest 10 million and 100 million for million and billion values respectively.

20 These numbers have been rounded to the nearest 10 million and 100 million for million and billion values respectively.

21 The 16 SIDS with needs specified at the sectoral level were: Belize, Dominica, Dominican Republic, Federated States of Micronesia, Guyana, Haiti, Nauru, Papua New Guinea, Republic of Marshall Islands, Saint Kitts and Nevis, Saint Lucia, Seychelles, Suriname, Tonga, Trinidad and Tobago, and Vanuatu. The remaining six SIDS with costed needs in their NDCs/NAPs did not provide a sectoral breakdown.

22 Note that there is a significant variability of the sectoral need distribution among SIDS. In particular, the share of investment needs allocated to infrastructure ranged from 13% in Haiti (where ecosystems and AFOLU account for 59% of the total) to 88% for Papua New Guinea.

23 To give a clear reference value, the total US$ needs estimate is presented in an extended form (in geography and in time). However, Figure 2's values as well as the proportion of values mentioned above are based only on the 16 SIDS with estimates found in the literature (NDCs and NAPs published that included financing data) and are based only on the 2023–2030 period.

24 It is challenging to assess the sectors in which SIDS need the most adaptation finance based on their NDCs/NAPs due to a lack of standardization of methodologies used in self-reporting of adaptation finance needs in these documents. Twenty-three percent of SIDS that submitted NAPs/NDCs with adaptation costs only submitted high-level numbers capturing their overall adaptation needs, with no disaggregation by project or sector.

25 UNCTAD. 2024. "Aid under pressure: 3 accelerating shifts in official development assistance." https://unctad.org/publication/aid-under-pressure-3-accelerating-shifts-official-development-assistance#:~:text=Global%20ODA%20reached%20record%20levels,of%20their%20gross%20national%20income

26 The decision to only include off-grid RE as adaptation reflects the direct linkage of these activities to increased resilience to extreme climate events such as hurricanes and cyclones, which can greatly affect SIDS. In SIDS, off-grid RE allows for resilience to extreme weather events, when grid transmission/distribution infrastructure might be damaged, or the import of diesel may be interrupted. For example, the microgrid in Ragged Island in the Bahamas has been designed to withstand a Category 5 hurricane, mitigating the risk of blackouts. While other energy systems and RE projects have adaptation and resilience co-benefits, this report takes the view that these investments are better categorized as contributing to mitigation or sustainable development finance objectives. This is a departure from other analyses (including ODI's report "A Fair Share of Resilience Finance for SIDS") which consider energy finance to SIDS as generally contributing to adaptation.

27 As a short, non-comprehensive list of institutions included in the analysis, multilateral DFIs include flows from the International Development Association and Inter-American Development Bank, international governments include the Government of Australia and the Japan International Cooperation Agency, and multilateral climate funds include the Green Climate Fund and Adaptation Fund. A more detailed analysis on amounts of finance from various multilateral development banks and international governments can be found in ODI's "A Fair Share of Resilience Finance for SIDS" which exclusively analyzed publicly available data. https://media.odi.org/documents/A_fair_share_of_resilience_finance_2023-ODI.pdf

28 Wright, S. 2024. "Pacific gets 'record' share of Australia's static foreign aid budget." Radio Free Asia. https://www.rfa.org/english/news/pacific/aus-pacific-aid-05152024032655.html

29 International Development Committee. 2024. The UK Small Island Developing States Strategy. UK Parliament. https://publications.parliament.uk/pa/cm5804/cmselect/cmintdev/476/report.html#:~:text=The%20UK%20Government%20funds%20efforts,outlined%20in%20greater%20detail%20below

30 United Nations. 2023. "Debt Crisis in SIDS: A Call for Rapid Concerted Action." https://www.un.org/ohrlls/events/debt-crisis-sids-call-rapid-concerted-action

31 Secretariat of the Pacific Regional Environment Programme (SPREP), Pacific Islands Forum Secretariat (PIFS), the Pacific Community (SPC), University of the South Pacific (USP), Pacific Islands Development Forum, and United Nations Development Programme (UNDP). 2021. "Climate change finance need of Pacific Island countries". United Nations Framework Convention on Climate Change. https://unfccc.int/sites/default/files/resource/Climate%20change%20finance%20need%20of%20Pacific%20island%20countries_final.pdf

32 World Bank. 2024. "Tonga Safe and Resilient Schools Project." https://projects.worldbank.org/en/projects-operations/project-detail/P174434

33 World Bank. 2024. "Strengthening Primary Healthcare and Surveillance in Haiti." https://projects.worldbank.org/en/projects-operations/project-detail/P167512

34 Notre Dame Global Adaptation Initiative (ND-GAIN) Index.

35 Climate Policy Initiative. 2023. State and Trends in Climate Adaptation Finance 2023. https://www.climatepolicyinitiative.org/publication/state-and-trends-in-climate-adaptation-finance-2023/

36 The 10 SIDS receiving the most tracked international adaptation finance (in alphabetical order) are: Belize, Dominican Republic, Fiji, Guyana, Haiti, Papua New Guinea, Solomon Islands, Timor Leste, Trinidad and Tobago, and Vanuatu.

37 As of 2021–2022, 31 SIDS were eligible for ODA, and 25 SIDS (7 sovereign and 18 non-sovereign) were ineligible. The sovereign SIDS that are ineligible for ODA are: Antigua and Barbuda (graduated in 2022), the Bahamas, Barbados, Cook Islands, Seychelles, St Kitts and Nevis, as well as Trinidad and Tobago.

38 Foreign, Commonwealth and Development Office. 2024. "FCDO Memorandum on the International Development Committee Inquiry on the UK Small Island Developing States Strategy." committees.parliament.uk/writtenevidence/121952/html/

39 LDCs are a set of low-income countries confronting severe structural impediments to sustainable development, as measured by a low GNI per capita, low human assets index score, and high economic vulnerability index score. In 2021–2022, the eight SIDS classified as LDCs were: Comoros, Guinea-Bissau, Haiti, Kiribati, São Tomé and Príncipe, Solomon Islands, Timor-Leste, and Tuvalu.

40 United Nations. 2024. "Inclusion in the LDC category." https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-inclusion.html

41 United Nations. 2024. "International support measures (ISMs) for least developed countries." https://www.un.org/ldcportal/

42 The nine SIDS classified as high-income countries in 2021–2022 were: Antigua and Barbuda (2022 only), Bahamas, Barbados, Cook Islands, Guyana, Nauru, Seychelles, St Kitts and Nevis, as well as Trinidad and Tobago.

43 Organisation for Economic Co-operation and Development. 2024. "ODA eligibility and conditions." https://www.oecd.org/en/topics/sub-issues/oda-eligibility-and-conditions.html

44 UN-OHRRLS. 2024. High Level Panel on the development of a Multidimensional Vulnerability Index: Final Report. https://www.un.org/ohrlls/mvi

45 UN-OHRRLS. 2024. High Level Panel on the development of a Multidimensional Vulnerability Index: Final Report. https://www.un.org/ohrlls/mvi

46 More information on the GEF's Least Developed Countries Fund: https://www.thegef.org/what-we-do/topics/least-developed-countries-fund-ldcf

47 SPREP. 2024. "Development of Tuvalu National Adaptation Plan progresses to next steps." https://reliefweb.int/report/tuvalu/development-tuvalu-national-adaptation-plan-progresses-next-steps

48 SIDS Global Data Hub: https://sids.sdg.org/

49 UN-OHRRLS list of SIDS: https://www.un.org/ohrlls/content/list-sids

50 Overseas Development Institute. 2023. A fair share of resilience finance for Small Island Developing States. https://media.odi.org/documents/A_fair_share_of_resilience_finance_2023-ODI.pdf

51 The 22 SIDS with costed adaptation needs in their NAPs and NDCs are: Antigua and Barbuda, Bahamas, Belize, Cape Verde, Comoros, Dominica, Dominican Republic, Guyana, Haiti, Marshall Islands, Mauritius, Micronesia (Federated States of), Nauru, Papua New Guinea, Saint Kitts and Nevis, Saint Lucia, Seychelles, Solomon Islands, Suriname, Tonga, Trinidad and Tobago, and Vanuatu.

52 United Nations Environnent Programme. 2023. Adaptation Gap Report 2023. https://www.unep.org/resources/adaptation-gap-report-2023

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