

THE SMALL ISLAND DEVELOPING STATES  
COALITION FOR NATURE



... Achieving Our Ambition for Nature

## PROPOSAL

### REGIONAL SIDS-SIDS PEER-LEARNING & COOPERATION ON FINANCING SOLUTIONS FOR NATURE

*In response to the priority #1 of the Call for Action of the SIDS Coalition for Nature*

**Final Version. v13 July 2023**

#### Summary

In response to the [2022 Call for Action of the SIDS Coalition for Nature](#), this proposal by the SIDS Coalition for Nature aims to foster regional SIDS-SIDS peer-learning and cooperation on financing solutions for Nature to accelerate the implementation of the 2030 Agenda and the achievement of the Global Biodiversity Framework.

This proposal is estimated at USD600.000 per SIDS region for a period of 24 months and is divided into 3 phases or outcomes, as follows:

#### **Phase 1 | Regional SIDS-SIDS Peer-learning Workshop on Financing for Nature**

- ⇒ Outcome 1: Increased knowledge and awareness amid the SIDS about best practices, lessons learned on financing solutions for nature at national and regional levels

#### **Phase 2 | Regional SIDS-SIDS Cooperation Roadmap on Financing for Nature**

- ⇒ Outcome 2: Increased understanding about SIDS-SIDS know-how transfer opportunities and potential cooperation schemes on financing solutions for nature at regional levels

#### **Phase 3 | Regional SIDS-SIDS Cooperation Roadmap Implementation**

- ⇒ Outcome 3: Increased regional SIDS capacities on financing for nature through SIDS-SIDS know-how transfer at regional levels.

The core of the proposal is based on SIDS' commitment to lead by example and on SIDS-SIDS potential. This is fully in line with an approach promoted in the [SAMOA Pathway Outcome document \(A/RES/69/15\)](#) under *Partnership*, which calls "for enhanced international cooperation, including North-South, South-South and triangular cooperation, and especially cooperation among small island developing States." (Para 99).

Ahead of the 2023 SDG Summit that will discuss how to rescue the SDGs, and ahead of 2024 Fourth SIDS International Conference that will set out the new agenda for SIDS, this targeted SIDS-SIDS cooperation proposal will be timely launched at high-level by the SIDS Coalition for Nature at 2023 HLPF on July 17<sup>th</sup> 2023.

This proposal has been developed with the support of UNDESA/SIDS Unit.

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## 1. TITLE

Fostering Regional SIDS-SIDS cooperation and peer-learning on Financing Solutions for Nature to accelerate the implementation of the 2030 Agenda and the achievement of the Global Biodiversity Framework.

## 2. BACKGROUND & ALIGNMENT

**SIDS Coalition for Nature.** After the global failure to meet the Aichi Biodiversity targets during the previous Decade, the new 2030 Global Biodiversity Framework adopted in December 2022 at COP15 is a second chance, the Planet and SIDS cannot afford to miss. The special case of SIDS is widely recognized in international agreements and their unique vulnerabilities are putting them at the forefront of multiple crises.

Biodiversity loss, exacerbated by climate change and unsustainable development, are increasing the risks posed to SIDS' unique and fragile island ecosystems to cross environmental tipping points and to lose priceless and irreplaceable nature-based assets, vital for socio-economic development in SIDS. As "Guardians of Biodiversity" and "Large Ocean States", SIDS understands their critical role in this friable, biodiverse and interconnected world.

It is in that context that the [SIDS Coalition for Nature was launched at high level during COP15 with the presence and participation of several Ministers, from SIDS and non-SIDS governments, as well as the UN Deputy Secretary General](#). Considering SIDS' structural development challenges, the Coalition made a Call for Action underlining 3 gap-bridging priorities to be urgently addressed through strategic partnerships in order for SIDS to be able to successfully implement these ambitious biodiversity goals and targets in the Global Biodiversity Framework.

With Seychelles, Belize, Cabo Verde and Samoa as co-leads, the Coalition today gathers a total of 31 Countries as of July 10<sup>th</sup> 2023. Those include 17 SIDS members across the three SIDS regions: Bahamas, Belize, Cabo Verde, Comoros, Dominican Republic, Guinea Bissau, Kiribati, Mauritius, Saint Lucia, Sao Tome and Principe, Samoa, Seychelles, Solomon Islands, Timor Leste, Trinidad and Tobago, Tuvalu and Vanuatu. Also, we are honored to already have the endorsement of 14 countries as Friends of the Coalition who have added their voices to our call for action: Belgium, Canada, Denmark, Germany, France, Japan, Hungary, Italy, Luxembourg, Monaco, Netherlands, Portugal, Spain and the United Kingdom. The membership of the Coalition and its Friends continues to expand.

**Three Priorities & SIDS-SIDS cooperation for Nature.** While the Coalition's Call for Action is available [online](#), the 3 main Coalition's priorities for partnership development in Nature are summarized below:

1/ Increasing SIDS' access to concessional finance and mobilizing private investment and financing solutions for biodiversity conservation. 2/ Supporting SIDS' technical cooperation, technological transfer, data management capacities. 3/ Accelerating biodiversity mainstreaming across sectors and synergies amid Conventions.

Across those 3 priorities, the Coalition is also strongly encouraging the development of SIDS-SIDS peer learning and cooperation schemes in view to facilitate the uptake and expansion of best practices and innovative nature-based solutions by SIDS and for SIDS.

Those 3 priorities and the need to boost SIDS-SIDS peer-learning and cooperation are also well captured by the recent policy-oriented assessment report on [Gaps, Challenges and Constraints in Means of Implementing Biodiversity Objectives in SIDS](#), developed in consultation with the CBD National Focal Points from the 3 SIDS regions.

Within this Decade of Action, enhanced technical and financial support from the international community is more than even required. A support that needs to be effectively tailored to SIDS' endogenous challenges and vulnerabilities. Greater and more urgent ambition requires larger and more targeted means of

implementation. Together with the Friends of the Coalition and other partners, this growing platform is designed to play a catalytic role to facilitate partnerships between the international community and SIDS in order to boost implementation at national and regional levels.

**SIDS, Nature and Financing Solutions.** This proposal by the SIDS Coalition for Nature focuses on priority number 1 (finance) which the Coalition's Call for Action details as follows:

- Supporting blended and innovative finance mechanisms, solutions and associated policy frameworks to incentivize and de-risk investment, forge, expand private sector partnerships and mobilize additional private finance.
- Integrating nature-related financial risks/opportunities into private sector business plans and facilitate and access to sustainable finance provided by banks, insurers and investors.
- Supporting national capacities to identify funding streams, formulate funding proposals, manage funds.
- Adapting eligibility criteria for grants status, co-funding requirements and project management cost.

Considering that SIDS are Large Ocean States due to their large ocean areas and resources that principally underpin their national economies<sup>1</sup>, it is, indeed, particularly worrying that Sustainable Development Goal 14 (Ocean)<sup>2</sup> is the least funded of the UN SDGs. In part due to the poor foundational science, lack of integration and limited private sector investment for blue growth. There are few public or private sector incentives to diversify economies and, for non LDC, there is limited access to concessional financing. This problem statement is further detailed by a 2022 policy-oriented assessment on [Gaps, Challenges and Constraints in Means of Implementing Biodiversity Objectives in SIDS](#), and a 2022 policy guidance document titled "*Improving Development Impact in Small Island Developing States*". Both policy documents clearly recognize amid others the challenges faced by SIDS in accessing development finance due to income-level status, which severely limits national efforts for developing, enhancing and retaining local capacity. They are impacted significantly by extreme weather events and sea level rise but continue to find it difficult to access concessional climate and disaster risk reduction finance. They have vulnerable ecosystems but lack adequate support for biodiversity finance.

Furthermore, the unique vulnerabilities and already existing financial and economic challenges of SIDS have been amplified by the global COVID-19 pandemic and subsequent economic fallout through which SIDS have been affected disproportionately in a multitude of areas: significant economic contractions, strained health and social security systems, plummeting tourism revenues (in most SIDS tourism accounts for 30 per cent of their GDP), declining remittances, heightened food insecurity, commodity trade disruptions, as well as exacerbated debt unsustainability. According to the [2021 UN Secretary General's report](#), "*while the GDP of developing countries decreased by 3.3 per cent in 2020, that of SIDS decreased averagely by around 9 per cent*".

The COVID-19 and subsequent economic crisis have exposed significant vulnerabilities and inequalities in SIDS, highlighting the urgent need for stronger and risk-informed investments in sustainable development (including in recovery-development nexus, policy and institutional reforms). However, the current crises also offer an opportunity for SIDS to build forward better, bluer and greener. As mentioned in the mid-term review of S.A.M.O.A Pathway (2019), there is a need to support "*SIDS' national institutional capacities to access sustainable development finance, including grant, concessional, climate and disaster relief finance, to ensure effective and tailored finance solutions.*"

Under these perspectives, unlocking SIDS's blue economy and finance potential will be key for their national sustainable development, strengthening and diversifying their economies, making them more resilient to future shocks. According to a recent report ([Mead, 2021](#)), each dollar invested in the sustainable ocean economy is estimated to yield, on average, five dollars in return.

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<sup>1</sup> It is illustrative to note the 5 facts below for example:

- 19% of coral reefs in the world are located in SIDS.
- SIDS make up a vast share (14%) of the world's coastline.
- 3.5% of SIDS is land, and 96.5% is ocean.
- SIDS' Exclusive Economic Zone is on average 28 times the country's land mass.
- The combined EEZs of Mauritius and the Seychelles represent an area bigger than India

<sup>2</sup> [Conserve and sustainably use the oceans, seas and marine resources for sustainable development](#)

### 3. PROPOSAL OBJECTIVE & APPROACH: Capitalizing on SIDS leading by example on nature-based solutions & SIDS-SIDS potential.

**The objective** of this proposal is to strengthen Regional SIDS's capacity to develop SIDS-SIDS peer-learning and cooperation on Financing Solutions for Nature in order to expand best practices and common solutions in/by SIDS at regional level.

**The approach** is primarily based on the SIDS-to-SIDS dynamic and potential. Often considered as a priority by SIDS (in VNRs, SAMOA Pathway, Coalition's Call for Action, etc) but not implemented at scale, SIDS-SIDS peer-learning and cooperation have the potential to boost sustainable development and accelerate SDGs achievements. By facing common SIDS structural characteristics and consequently experiencing a set of similar development challenges, SIDS constitute a source of inspiration to replicate best practices and expand possible common solutions from one SIDS to another. Indeed, on the frontline of many crises and with urgency being the mother of innovation, SIDS have often been frontrunners to pioneer innovative solutions despite the unique challenges they are facing.

Indeed, SIDS have been able to transform their unique structural marine characteristics for example into opportunities. See 3 examples below showing how SIDS have been leading by example in marine conservation and in some cases connecting environment to economy:

- The size of Saint Lucia's declared marine reserve is the size of Germany
- Seychelles issued the World first sovereign Blue Bond
- Belize is the first country in the Americas with debt swap for ocean scheme

The [SAMOA Pathway Outcome document \(A/RES/69/15\)](#) under *Partnership* calls "for enhanced international cooperation, including North-South, South-South and triangular cooperation, and especially cooperation among small island developing States." (Paragraph 99).

**Outcomes of the Steering Committee on SIDS Partnerships.** The latest session of the Steering Committee meeting at Ambassadorial level took place on April 4<sup>th</sup> 2023 in NYC (UN Headquarters). During this formal meeting, the Government of Seychelles, on behalf of the SIDS Coalition for Nature, presented the priorities of the SIDS Coalition and called for increased SIDS-SIDS peer-learning and cooperation in order to achieve ambitious biodiversity objectives. The video recording as well as the full summary of the discussions that took place during the Steering Committee meeting is available : <https://sdgs.un.org/events/ambassadorial-meeting-steering-committee-sids-2023>

### 4. A THREE-PRONGED IMPLEMENTATION STRATEGY

In order to achieve the above-mentioned objective, the proposal is divided into a 3-phase strategy (3 components/outcomes with associated outputs/activities), as detailed below (*and further detailed in the form of logical framework in Annex 1 for further information*):

#### Phase 1 | Regional SIDS-SIDS Peer-learning Workshop on Financing for Nature

- ⇒ Outcome 1: Increased knowledge and awareness amid the SIDS about best practices, lessons learned on financing solutions for nature at regional levels.

**Mapping.** In order to best prepare and ensure a constructive peer-to-peer exchange and effective learning process, Component 1 will start with the production of a Regional Mapping (who does what where) on financing solutions for nature in each of the 3 SIDS regions (Pacific, AIS, Caribbean). This regional mapping will be informed by regional stakeholders' consultation and literature review. This regional mapping will be the basis to identify relevant lessons learned and best practices to be presented during the regional workshop (see next paragraph). The mapping will include national as well as regional or sub-regional initiatives. To the extent relevant only, the mapping will also consider lessons and best practices from other SIDS regions and/or Friends countries when appropriate.

**Workshop.** Informed by the mapping, bilateral consultations and literature review, 1 regional SIDS-SIDS peer-learning technical workshop of 3 days will be organized (in-person) to present lessons learned, challenges but also best practices and opportunities on financing solutions for nature. Those workshops (1 in each SIDS region) will be designed for a technical audience (specialists, practitioners, managers). *In fine*, the workshop will help to strengthen a regional *Community of Practice* on Financing Solutions for Nature. For learning purposes, the number of participants will be limited to about 30 people and will involve technical government staff from Ministries of Environment as well as Economy, Finance or Planning. The workshop will be recorded and a report of the workshop will be available (in the form of Compendium -see below, phase 2).

## **Phase 2 | Regional SIDS-SIDS Cooperation Roadmap on Financing for Nature**

- ⇒ Outcome 2: Increased understanding about SIDS-SIDS know-how transfer opportunities and potential cooperation schemes on financing solutions for nature at regional levels.

**Compendium.** Based on the mapping and workshop outcomes (phase 1), Phase 2 will compile, process, and structure (as relevant) the lessons learned, and best practices identified, presented and discussed in order to form a Regional SIDS Compendium on Financing Solutions for Nature. The compendium will be a key knowledge product with the aim to inspire and foster the identification of best practice, tools and approaches at play that SIDS would like to replicate or expand on in their own Island Nation. The SIDS Coalition for Nature, in its advocacy efforts will make sure that best practices captured in the compendium and the lessons learned/challenges identified are properly highlighted at high level during international fora and are also captured in the upcoming website of the SIDS Coalition for Nature.

**Roadmap.** In addition to the compendium and based on the feedback received from SIDS at regional level during the workshop, Phase 2 will prepare regional SIDS-SIDS Cooperation Roadmaps (1 per SIDS regions) in a participatory manner with the corresponding SIDS in each region. Such a Roadmap will facilitate match-making within SIDS in the same region and identify: (1) a series of best practices in financing solutions for nature (carried out by some SIDS) for which other SIDS would have expressed interest (during the workshop) in learning more and potentially apply the tools, methods and technology with associated training on financing solutions for nature; and (2) SIDS with best practices willing to possibly transfer their know-how through SIDS-SIDS exchange. The Roadmap will pave the way and guide SIDS-SIDS cooperation and exchange of know-how in a third phase (see below).

## **Phase 3 | Regional SIDS-SIDS Cooperation Roadmap Implementation**

- ⇒ Outcome 3: Increased regional SIDS capacities on financing for nature through SIDS-SIDS know-how transfer at regional levels.

**Requests.** As a follow-up to the Roadmap with identified potential cooperation schemes at regional level (Phase 2), any SIDS will be invited to express formal requests for technical support to the Secretariat of the SIDS Coalition for Nature regarding best practices and technical solutions on financing solutions for nature they would like to further learn from through SIDS-SIDS cooperation exchange. Requests will be full-filled depending on financial resources secured and available. All requests might not be addressed.

**Exchange.** Depending on the technical nature of the request, the technical transfer on financing solutions for nature between within SIDS region could take various forms such as field study visits, technical assistance missions, university exchanges from one SIDS to another. The results of those exchange will be reported in the form of stories in the website of the SIDS Coalition for Nature to inspire further SIDS-SIDS cooperation to take place in other SIDS. Also, the SIDS Coalition for Nature, through its members and friends will promote this approach in global events. The SIDS Members and Friends of the SIDS Coalition for Nature will be instrumental in promoting the scale up of this initiative and inviting other Friends to support further those SIDS-SIDS cooperation schemes.

## 5. TIMELINE AND BUDGET

This proposal is estimated at USD600.000 per SIDS region for a period of 24 months. A detailed budget is available upon request. It has to be noted that this budget per region can fully accommodate phases 1 and 2, as well as a part of phase 3. Indeed, phase 3 budget will mainly be based on the type and number of requests made by SIDS in a given region for SIDS-SIDS peer-learning and cooperation. While delivering tangible outcomes, this project is also catalytic in nature and is designed to inspire further follow-up actions after its lifespan.

## 6. POTENTIAL PARTNERSHIP

The list of potential partners below is indicative only and by no means exhaustive. Possible partnerships arrangements will be further defined per region in due time before implementation or during inception phases.

<b>Government Entities (SIDS and Friends)</b>
Ministries of Environment Ministries of Economy and Finance Ministries of Planning CARICOM, SPC, Indian Ocean Commission, etc
<b>Private and Academic Sectors</b>
Private sector associations, Chambres de Commerces, etc SIDS University Consortium
<b>UN Entities</b>
Resident Coordinator Offices (UNRCO), including Multi-country Offices (UNMCO) UN Economic Regional Commissions UN Country Team (UNCT) members (as relevant)

## 7. CONTACT FOR FURTHER INFORMATION

**Belize:** Mr. Saul Cruz [director.nbio@environment.gov.bz](mailto:director.nbio@environment.gov.bz) | **Cabo Verde :** Ms. Liza Lima [Liza.Lima@maa.gov.cv](mailto:Liza.Lima@maa.gov.cv) | **Samoa:** Mr. Seumalo Afele Failagi [afele.failagi@mnre.gov.ws](mailto:afele.failagi@mnre.gov.ws) | **Seychelles:** Indira Gamatis [i.gamatis@env.gov.sc](mailto:i.gamatis@env.gov.sc) | **Partnership Support:** Maximilien Pardo [maximilien.pardo@un.org](mailto:maximilien.pardo@un.org)

## Annex 1: Logical Framework & Indicators of Achievements

Outcomes / Phases	Outputs
<p><b>Phase 1   Regional SIDS-SIDS Peer-learning Workshop on Financing for Nature</b></p> <p>⇒ <b>Outcome 1:</b> Increased knowledge and awareness amid the SIDS about best practices, lessons learned on financing solutions for nature at regional levels</p>	<p><b>Output 1.1 – Mapping:</b> A regional mapping (who does what where) on financing solutions for nature at regional level is produced and available for the Governments and more broadly to the SIDS Coalition for Nature (members and friends).</p> <p><b>Output 1.2 – Workshop:</b> One regional SIDS-SIDS peer-learning technical workshop per SIDS region is organized in-person to present lessons learned, challenges but also best practices on financing solutions for nature.</p> <p><b>Indicator of achievements:</b></p> <ul style="list-style-type: none"> <li>- Mapping available for each SIDS region about best practices and lessons learned on financing solutions</li> <li>- Workshop report available with list of presence showing participation of 1/ the majority of SIDS in a given region and 2/ participation of members of relevant Ministries (Environment as well as Economy, Planning or Finance).</li> </ul>
<p><b>Phase 2   Regional SIDS-SIDS Cooperation Roadmap on Financing for Nature</b></p> <p>⇒ <b>Outcome 2:</b> Increased understanding about SIDS-SIDS know-how transfer opportunities and potential cooperation schemes on financing solutions for nature at regional levels</p> <p>⇒</p>	<p><b>Output 2.1 – Compendium:</b> One regional compendium on financing solutions for nature is produced and available per SIDS region for the Governments and more broadly to the SIDS Coalition for Nature (members and friends).</p> <p><b>Output 2.2 – Roadmap:</b> One regional SIDS-SIDS Cooperation Roadmap is available per region with the identification of match-making opportunities and potential cooperation schemes to replicate, expand best practices on financing solutions for nature from one SIDS to another within the same region.</p> <p><b>Indicator of achievements:</b></p> <ul style="list-style-type: none"> <li>- Compendium and roadmap available</li> </ul>
<p><b>Phase 3   Regional SIDS-SIDS Cooperation Roadmap Implementation</b></p> <p>⇒ <b>Outcome 3:</b> Increased regional SIDS capacities on financing for nature through SIDS-SIDS know-how transfer at regional levels.</p>	<p><b>Output 3.1 – Requests:</b> A call for expression of interest will be submitted to SIDS via the SIDS Coalition for Nature’s website to be able to express formal request for technical support regarding best practices and technical solutions on financing solutions for nature they would like to further learn from through SIDS-SIDS cooperation exchange (based on regional Compendium and Roadmap in phase 2).</p> <p><b>Output 3.2 – Exchange:</b> Several SIDS-SIDS exchange and cooperation between SIDS are facilitated per region through field study visits, technical assistance missions, etc from one SIDS to another.</p> <p><b>Indicator of achievements:</b></p> <ul style="list-style-type: none"> <li>- Number of requests for support received from SIDS based on the opportunities identified in respective regional Roadmap (Phase 2)</li> <li>- Exchange mission report produced</li> <li>- The results of pilot exchange supported by this proposal will be reported in the form of stories in the website of the SIDS Coalition for Nature to inspire further SIDS-SIDS cooperation to take place.</li> </ul>

	<ul style="list-style-type: none"><li>- The SIDS Coalition for Nature, through its members and Friends will promote the success of this approach in global events and via the website to encourage further SIDS-SIDS partnerships with Friends and partners.</li></ul>
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