Policy brief

# A global bargain for resilient prosperity in Small Island Developing States

## Priorities for the Antigua and Barbuda Accord for SIDS (2024–2034)

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## Key messages

- The Fourth International Conference on SIDS (SIDS4) is by far the most important of the decennial summits to date: it takes place at a critical juncture with potentially far-reaching consequences.
- A new context is emerging wherein the economic, geopolitical and environmental threats to small-island development are so great that they can only be tempered by a strong enabling environment.
- SIDS need to make bold demands of the international community on eligibility for development assistance, access to climate finance, long-term debt sustainability and environmental justice.
- But, to gain traction, they must clearly articulate the wider social bargain that emerges from global reform: if successful, the pay-offs in terms of generating resilient prosperity could be substantial.

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# Acronyms

| | |
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| **ABAS** | Antigua and Barbuda Accord for SIDS |
| **GCF** | Global Climate Fund |
| **GNI** | Gross National Income |
| **L&D** | Loss and Damage |
| **LDC** | Least Developed Country |
| **MVI** | Multidimensional Vulnerability Index |
| **ODA** | Official Development Assistance |
| **SAMOA Pathway** | Small Island Developing States Accelerated Modalities of Action |
| **SIDS** | Small Island Developing States |
| **SIDS4** | Fourth International Conference on Small Island Developing States |

# 1 Introduction

The Fourth International Conference on Small Island Developing States ('SIDS4') that convenes in Antigua and Barbuda in June 2024 represents a critical fork in the road. It will be the most important of the decennial conferences to have ever taken place. The 10-year agenda that emerges from it will need to find solutions to a range of development challenges that could soon become intractable.

Small Island Developing States (SIDS) are diverse and have unique development challenges, but they also have a lot in common. Many are still reeling from the double shocks of the global financial crisis and the Covid-19 pandemic: coping with sluggish growth, insupportable debt burdens and insufficient – even declining – access to stable sources of financing. Underlying these conventional development problems is the threat posed by accelerating climate change. As global temperatures breach the 1.5°C threshold set out in the Paris Agreement, SIDS will be affected more rapidly and severely than any other group of nations (and, for some, potentially even existentially). Resolving these momentous challenges, in an increasingly inhospitable and perilous world, is both vital and daunting. The attendant pressure on SIDS4 to deliver is therefore greater than for any of its three predecessor summits.

This brief sets out four main issues that will need to be at the forefront of the Antigua and Barbuda Accord for SIDS (ABAS) 2024–2034: (1) eligibility for Official Development Assistance (ODA); (2) access to climate finance; (3) long-term debt sustainability; and (4) climate and environmental justice. It outlines points of tension and blockages – as well as potential ways to unblock them – thereby offering stakeholders some reflections to assist with deliberations and drafting of the SIDS4 agreement.

The great strength of the Small Island Developing States Accelerated Modalities of Action (SAMOA Pathway) was its wide scope and comprehensiveness. But its breadth made it hard to implement. The ABAS should be a clear departure, in both form and content: its demands should be radical in ambition, but focused in extent. We have chosen the four specific policy areas because unambiguously clear and unequivocally bold asks can be made of the international community. Their advancement will give effect to the 'SIDS special case for sustainable development' acknowledged by United Nations Member States but not fulfilled, creating an enabling environment for SIDS to advance their own development priorities and achieve 'resilient prosperity' over the next decade and beyond.

# 2 The fourth SIDS conference at a critical juncture

SIDS4 will take place at a 'conjuncturally sensitive moment' (Marshall, 1998), when a changing context means that policy decisions can have far-reaching consequences, but failing to seize the moment can also close off possible courses of action. A new era in global development is emerging, marked by renewed geopolitical conflict, a degree of 'deglobalisation' and protectionism on the part of major powers, with as-yet unknown implications for global multilateralism (Bishop and Payne, 2021a). This is occurring alongside a more deep-seated and fundamental shift: the rapid environmental change associated with global warming.

These processes all carry troubling implications for SIDS. First, economic shifts are challenging existing models of development. SIDS benefited, albeit unevenly, from economic globalisation, while pursuing their interests assertively within multilateral forums (Corbett et al., 2019; 2023). They restructured their economies, moving out of export agriculture and into tourism, alongside a range of unorthodox strategies: sovereignty sales, offshore finance, and remittances from outmigration and guest-worker programmes (Bishop et al., 2021). These activities generated foreign exchange, but they are volatile and, crucially, dependent on free flows of human and financial capital.

Second, geopolitical shifts are posing difficulties for SIDS, which traditionally benefited from a more 'permissive' global order (Bishop et al., 2021). The relative absence of great power conflict and a liberal global economy have been crucial for niche-based development. The constant search for new niches will only become more difficult with resurgent geopolitical tension and a rapidly degrading environment. Great power conflict has called into question the nature of the multilateral settlement and potentially forced some SIDS to consider questions of geopolitical alignment (Carter, 2022).

Third, environmental change, which will hit SIDS more rapidly and forcefully than any other group of countries, poses a direct challenge to development, and in some cases even their viability as nations. This was already beginning to be perceived as an emergency when the Barbados Programme of Action (BPOA) was drawn up 30 years ago. But climate impacts and environmental problems have accelerated since then, and there is little that SIDS can do to stall these processes (Scobie, 2022).

These three challenges mean that it can no longer be 'business as usual' for SIDS. There is no shortage of ambition and goodwill among development partners to solve urgent policy problems and enable transformative responses (Wilkinson and Bishop, 2023). But it is now time for the international community to make good on its commitment to SIDS, as first promulgated in the BPOA and reiterated at the two subsequent decennial summits. Going forward, as SIDS develop the ABAS, they will need to revisit an old question in a new way: *What demands can SIDS make of the international community, on the basis of their special case for sustainable development, as affirmed by the SAMOA Pathway?* And following this, three further questions emerge:

- What can SIDS specifically ask of international organisations in terms of institutional reforms that would make them work better for SIDS?
- Why should international organisations and others – especially sceptical States – accede to those demands?
- How will SIDS use the special support granted to generate progress domestically but also produce global public goods?

To gain traction, they require a clear and incisive account of their demands but must also articulate the new bargain that should emerge from global reform.[1] This is as much about intelligent strategy, imaginative advocacy and assertive norm entrepreneurship as it is about making the moral case that such support is intrinsically deserved. It is crucial for winning the argument and leveraging international support for a reform agenda that delivers benefits to SIDS and also increases global well-being.

The outcome document for SIDS4 is far from preordained. SIDS need to respond to this critical moment with the requisite scale of ambition, but also carefully consider how targets and commitments will be achieved. Whatever is in the document, it requires a concrete proposal for how those agendas will be put into action that pays due heed to the reality that this is, at least in part, dependent on persuading others with different interests. Narrowing the scope of ambition is one approach, while also increasing the depth of ambition. The authors propose four key policy agendas that can substantively move the dial of global governance in ways that will generate new paradigms and possibilities for SIDS at this critical juncture.

1 Comment from Professor Jeffrey Sachs, panellist at the side event 'Making the Bridgetown Initiative work for SIDS through the MVI', New Global Financing Pact, Paris, 22 June 2023.

# 3 Key agenda items for SIDS

There are four substantive global policy agendas on which SIDS will need to see progress in the short term to achieve their Sustainable Development Goal targets by 2030 and make good the promise of resilient prosperity over the next 10 years:

- redefining eligibility for ODA
- improving access to climate finance
- creating long-term debt sustainability
- pursuing climate and environmental justice

There are undoubtedly other important issues for SIDS – both individually, as regions and as a collective – but a laser focus on reforms within these policy arenas carries many potential benefits:

- If a global bargain can be struck with substantive and transformational reforms across these four agendas, the benefits will considerably greater – both for SIDS and the international community – than the sum of its constituent parts.
- Meaningful movement on any or all of these issues could unlock important secondary developmental gains. For example, although the Blue Economy (and oceans in general) is not mentioned specifically, improved access to finance, debt sustainability and progress on clarifying responsibility for climate change impacts can all help SIDS governments and their partners to value and protect their ocean resources.[2]
- SIDS need to navigate disorienting shifts in the global context and find ways to adapt to climate change while at the same time searching for new development niches. They will need support from the international community to do so. Improving the enabling environment allows them to realise their special case for sustainable development.

## 3.1 Official Development Assistance

Two problems afflict SIDS in this policy arena. The first is eligibility for ODA and concessional financing: measures of gross national income (GNI) per capita ignore the distinctive vulnerabilities of SIDS: drastically heightened exposure to exogenous shocks, narrow tax bases, high costs of development projects and other structural problems (Bishop, 2012). The second is the allocation of development finance. Approximately 5.7% of all ODA reaches SIDS, most of which accrues to Pacific countries (Hurley, 2015). The problem for Multilateral Development Banks and International Financial Institutions – like international organisations in general – is that SIDS appear very different from their regular clients: their economies function differently; they have far

2 Not least since SIDS have made much stronger ocean-based commitments in their Nationally Determined Contributions under the United Nations Framework Convention on Climate Change than other nations.

fewer experts staffing the departments that engage externally; their financing needs are generally perceived as too small (yet also too risky) to be worthwhile facilitating; and they are thought to lack capacity to manage large investments.

GNI per capita evidently needs to be supplemented with a consideration of vulnerability, as this is what shapes the unique developmental predicament of SIDS. At this critical juncture, the United Nations process to establish a Multidimensional Vulnerability Index (MVI) has given renewed hope and impetus to this agenda. It could become 'a vital tool to help small island nations gain access to the concessional financing that they need to survive the climate catastrophe, to improve their long-term national planning, service their debts, and sign up to insurance and compensation schemes that may be their last hope when the waters rise'.[3]

## Will the MVI unlock more finance for SIDS?

To do so, it needs to be adopted by the United Nations General Assembly and gain strong buy-in. This requires a clear advocacy strategy that demonstrates the nature of the global bargain that the MVI represents. But tensions abound. SIDS will need to:

- demonstrate that they are (uniquely) vulnerable due to their distinctive characteristics, while implicitly leaving open the possibility that other States might be too
- persuade the international community that the MVI is not solely about accessing greater shares of finance, while also hoping that it achieves precisely that
- question the criteria deployed and data used in the MVI to ensure robustness, but not undermine what is a fraught process as a whole
- counter the idea that ODA – and, by extension concessionality – should be temporary, designed explicitly to help facilitate graduation (i.e. the implied notion that SIDS could be entitled to aid beyond graduation due to structural vulnerability, and may always need some form of aid).

The MVI should undoubtedly be seen as a complement to the standard GNI measure. These tensions may not be easily resolved to the satisfaction of sceptics, and could engender further opposition to the MVI itself. Put simply, SIDS have to simultaneously convince the international community that they require stable, concessional forms of development financing which can generate progress towards the ultimate goal of graduation, while implicitly arguing that graduation itself does not negate the need for that financing. This is, at best, a difficult sell, and requires some serious thinking in terms of developing nuanced policy advocacy.

## Where should SIDS advocacy be focused?

Some work is already under way to transform the development architecture for SIDS, notably the establishment of the Development Assistance Committee–Alliance of Small Island States

3 See the United Nations MVI website at https://www.un.org/ohrlls/mvi/documents.

(DAC-AOSIS) taskforce in October 2022, which will develop 'a partnership for sustainability and resilience' to be launched at SIDS4. This is important, as buy-in from reticent members of the DAC will be critical if the MVI is to be used alongside GNI measures to support countries that are about to graduate. Specific reforms that SIDS could advocate for include: using MVI in assessments for country-specific readiness and potentially delaying graduation or smoothing out the process of graduation over time; providing 'transition finance' that helps to replace lost ODA; and other options for special treatment for highly vulnerable countries. Another reform that could benefit SIDS would be to remove ODA from the calculations of GNI per capita to determine eligibility. SIDS would also benefit from Multilateral Development Banks and others moving away from GNI-based allocation of funds, towards needs-based or resilience-based allocation.

In sum, SIDS require long-term, sustained development financing, and an advocacy strategy that delivers it. This could transcend conceptions of need to include the finance required to deliver global public goods, including clean and safe air, marine environments and secure societies. SIDS are the custodians of large ocean spaces – to give one example – and this is one area where donor support could help sustain their development needs and help realise the potential of the blue economy.

## 3.2 Access to climate finance

Twenty-eight SIDS have fully costed Nationally Determined Commitments which in total will require $287 billion from the multilateral climate funds and other sources to implement over the next decade.[4] SIDS should, in theory, enjoy greater access to climate finance: they are considered 'particularly vulnerable' by the Global Climate Fund (GCF) and other vertical climate funds.[5] They have already lost $153 billion collectively in extreme weather-related events since 2010, and this is only going to intensify (Fresnillo and Crotti, 2022). However, a number of problems exist in the way climate financing is distributed: SIDS consequently receive significantly less finance for climate resilience than Least Developed Countries (LDCs) and other groups of countries (Wilkinson et al., 2023). A recent evaluation of GCF support to SIDS noted that 'substantially less co-finance has been catalysed for SIDS compared to non-SIDS', and 10 have never been involved in any GCF projects (Chase et al., 2020). There are many reasons for this (see Wilkinson et al., 2023).

First, most finance has long been directed towards large-scale mitigation projects, which SIDS do not generally need (Bishop and Payne, 2012). Second, application processes are excessively arduous and costly, and SIDS receive little tailored support. Timelines between project conception and inception, with various intervening steps, can take three years or more to complete. Third, SIDS are generally seen as poor investments: they are small, take up a lot of bureaucratic labour for relatively limited disbursements, and generate low returns. Many of these territories have fewer than 100,000 people, and most GCF funding goes to projects of $10 million and upwards.

4 Noted in private discussion with experts from the Organisation of African, Caribbean and Pacific States.
5 Alongside LDCs and African nations.

Overall, because none of the funds were set up intentionally to serve SIDS – despite SIDS arguably being their most important potential clients in terms of climate vulnerability – barriers to access abound. For the GCF, most SIDS are unable to access finance directly and have to go through international accredited agencies, which means projects are not always designed or implemented by SIDS themselves, and they remain beholden to these agencies to agree to taking on new projects.

In recognition of the challenges faced by SIDS and LDCs, the GCF has made a number of modifications. The Simplified Approval Process is designed to make it quicker and easier for them to access finance for more standard, lower-risk projects. But there are still challenges: the application process is simpler, but the review stage remains complex, lots of data is required, and there continue to be delays in approval linked to GCF Board meetings (E Co., 2019).

## How can the various climate funds reconfigure their processes to help improve access for SIDS?

A major issue for SIDS, despite recent modifications to application processes, is that the existing sources of climate financing are fragmented and have different application processes that make different demands of SIDS governments (Chase et al., 2020). These need to be better aligned. Although the funds have different mandates, donors and fiduciary requirements, there is no reason why application templates, terminology used, climate rationale, gender considerations and other requirements could not be streamlined or even unified.

The various funds need to stop engaging with SIDS as they do with their large-country partners, based on the same assumptions about state capacity. They have to find a way to reduce the burden on SIDS and, with international and regional accredited entities, become active co-designers of SIDS-focused projects. One way of doing this could be by facilitating even more multi-island programmes than at present, with more regional and international accredited entities developing proposals explicitly and solely for SIDS. One innovation would be to fund the development of templated documents – i.e. partially completed with relevant climate rationales – that can be adjusted in straightforward ways by countries to suit their particular needs in a larger multi-island programme.

## Where should SIDS focus their efforts?

SIDS will need to develop a careful advocacy strategy to engage collectively with the GCF, other climate funds and their donors, to ensure that their most critical demands are met.[6] They will need to be careful to avoid requests that could be counter-productive – such as a special SIDS window that could potentially limit the total volume of funding available to them. Focusing on more

6 RESI's report 'SIDS experiences accessing climate finance', which will be published in October 2023, is based on in-depth research with SIDS focal points and National Designated Authorities, and will provide further insights and recommendations on advocacy for climate finance reform.

programmatic finance to help build long-term capacity would make sense (CFAN, 2023). Many SIDS lament the 'projectification' of financing – where projects capture scarce resources and then end with little follow-on – a problem well documented in the wider development literature (Hout, 2021). Programmatic financing is a tough sell, as it is less amenable to data-driven benchmarking, but things may be changing: the experience of some Pacific countries during the Covid-19 pandemic, where direct budget support from donors was put to good use, is potentially instructive.

The data demands for accessing climate finance are unquestionably expensive for SIDS and often excessive, but having better and more coherent data is intrinsically a good thing, so strong buy-in for a shared data hub as part of a SIDS Centre of Excellence – which could be a substantive legacy of the ABAS – is critical. For the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), this will 'increase data accessibility and serve as a reporting "watch dog" for SIDS' which can, in turn, 'support building the climate rationale through collection, consolidation, and management of finance and climate data', in turn feeding into 'key decision-making processes, debates, and negotiations relevant to the effective provision of financial resources' (CFAN, 2023).

## 3.3 Long-term debt sustainability

Not all SIDS carry high debt burdens, but they have, on average, higher ratios of external debt to GNI than other developing countries – 57% compared to 47% in 2015 (OECD, 2018) – and many were experiencing high levels of debt distress even before Covid-19 (Bouhia and Wilkinson, 2021). In 2019, external debt accounted for 62% of gross domestic product (GDP) on average in SIDS, compared with 29% for all developing countries and economies in transition (UNCTAD, 2020). Debt service ratios tend to be highest in middle-income SIDS, especially, but not exclusively, in the Caribbean. They generally increased in the wake of the global financial crisis (Bouhia and Munevar, 2019), and many SIDS then spent the latter half of the 2010s implementing punitive austerity measures to bring down debt, voluntarily or as part of International Monetary Fund restructuring programmes. This worked in those narrow terms – albeit with significant development trade-offs – but debt levels shot up again with the pandemic.

This debt cycle is more pronounced in SIDS than larger countries because their economies are so over-dependent on one or two industries and the foreign exchange they generate. This reflects their inequitable position within the global financial architecture in at least three interrelated ways:

- Indebtedness in SIDS is rarely caused by fiscal profligacy: rather, debt build-ups generally follow exogenous shocks that hit SIDS significantly harder and with greater immediacy than they do larger nations (Wilkinson et al., 2023).
- Debt service ratios are very high and many SIDS suffer net budget outflows. SIDS accrue high debt-to-GDP ratios even if they do not borrow more because, in most cases, they borrow at interest rates above their growth rates.

- Infrastructure is both absolutely and relatively more expensive in SIDS, which means they are struck twice when disaster strikes: the initial investment, which added to the stock of debt, may be lost or severely damaged, plus the further costs of reconstruction.
- SIDS desperately need concessional finance to invest in resilience but have the least access to it (or only from non-traditional creditors, with low transparency). These investments are frequently financed privately from international capital markets at high commercial rates of interest. Repaying these loans – which are more difficult to relieve or restructure after a shock – severely reduces fiscal space and the ability to invest in resilience.

This is a tremendously volatile vicious circle from which it is exceptionally difficult for many SIDS to escape. So far, the various debt relief initiatives may have eased the pressure for some SIDS, but they are only a temporary fix. Only five of the SIDS that were eligible were able to use the G20 Covid-19 Debt Suspension Initiative (DSSI), which, like the Heavily Indebted Poor Countries initiative, is not available to middle- or high-income SIDS, many of which have the heaviest debt burdens.

## What kinds of mechanisms are needed to restructure and reduce debt burdens in SIDS?

Debt relief should be a greater developmental boon than any other source of financing: policies should consequently be geared towards facilitating that greater fiscal space as a matter of urgent priority. But developing tailored policies that can be applied to increase fiscal space in a diversity of individual country situations is tricky, partly because there are significant data gaps. Further research and technical analysis are needed to understand if (and how) debt relief and restructuring initiatives work for SIDS.[7]

More generally, SIDS need support on debt management, and to negotiate with creditors and bring down the cost of borrowing. Because of their unique patterns of vulnerability, which creates elevated debt burdens, SIDS can argue that their debt, however high, is not comparable to that of larger countries, in either its management or its economic effects.[8] The point, as with ODA and climate finance, is that SIDS need a bargain that reflects their unique condition.

## How can SIDS make these initiatives work for them?

All these initiatives, whether relieving debt or undertaking swaps, can be risky without transitional investments that generate tangible benefits by augmenting growth, development and resilience:

7 For example, the Common Framework, DSSI, use of Special Drawing Rights, debt pause clauses (for when disasters occur), bonds (including umbrella bonds that allow SIDS to borrow collectively), debt-for-resilience swaps and other instruments.

8 Rich countries with similar debt levels can borrow from a wide base of often domestic creditors at very low rates and invest in capital stock which is not subject to dramatic shocks that can destroy it, and debt service costs remain just a few per cent of GDP (rather than a third or more, as is the case in many SIDS, directly impacting social spending and undermining investment).

a country could easily see debt increase again, but with a negative credit rating and constrained borrowing options. So SIDS will need to demonstrate which investments can generate economic and ecological pay-offs that are self-sustaining, thereby winning the argument for expanded debt relief. This means that debt management is not just about balancing the books: rather, SIDS will need to develop ambitious resilience and adaptation investment plans that demonstrate the wider economic, social and environmental pay-offs for themselves and the store of global public goods. Increasing their fiscal space, so SIDS can spend on these priorities, is essential but challenging. SIDS will need to move into new, high profit service sectors, which in turn will require new skills and technology transfer. Their capacity to absorb funds will also need strengthening, so support and finance to digitalise governance functions is key. Short-term consultancies are not the answer here; rather, SIDS will need long-term capacity support along the lines of what is currently being envisaged for the SIDS Centre of Excellence.

## 3.4 Climate and environmental justice

The concept of 'Loss and Damage' (L&D) is used to describe the manifestations of climate change impacts which are not, or cannot be, avoided by adaptation and mitigation efforts (i.e. reducing emissions). Because SIDS will be disproportionately affected – some may even disappear entirely – and they have contributed negligibly to global warming historically, L&D is considered a matter of climate justice. L&D finance is critical because current disaster risk financing mechanisms – insurance, contingent credit and other instruments – do not cover more than 10% of losses, and SIDS are forced to redirect scarce resources away from basic services to respond to, and then rebuild from, these increasingly frequent and debilitating events. Moreover, these costs are set to increase: by the mid-2030s – when the SIDS5 conference brings the ABAS era to a close – global warming will likely have breached the 1.5°C threshold, at which point, according to the Intergovernmental Panel on Climate Change, we can expect unavoidable increases in multiple climate hazards, with accompanying risks to ecosystems and humans. SIDS face particular threats in terms of irreversible damage to terrestrial, freshwater, coastal and open marine ecosystems, worsening environmental degradation and biodiversity loss, and increasing weather and climate extremes, exposing people to acute food insecurity and driving displacement (IPCC, 2022).

L&D was incorporated in the Paris Agreement as a standalone article (Article 8) (United Nations, 2015). Then a decision was finally taken at the 27th Conference of the Parties (COP27) in Egypt in 2022 to set up an L&D fund. SIDS, through the AOSIS negotiating bloc, have been the most vocal proponents of this course of action, and have potentially the most to gain. But myriad questions remain around how the fund will work, how much money wealthy nations will provide, where funds can be mobilised, which countries will be prioritised and how funds will be dispersed. SIDS are considered particularly vulnerable, but so too are LDCs and other groups of developing countries. But, given current distributions of climate finance, they would be understandably keen to see a different formulation of how funds are allocated and accessed through the new L&D mechanism. Also, as the Paris Agreement intentionally avoids referring to L&D in any way that provides a basis for liability or compensation, any finance provided will be on a voluntary basis.

Consequently, levels of funding might be low for some time unless SIDS can make very clear what their needs are – and where other financial mechanisms are insufficient or inappropriate – to gain serious donor buy-in.

## Ensuring SIDS benefit from L&D finance

SIDS will need to reiterate that they have contributed least to climate change, that the potential climate-attributable costs are proportionally greater in SIDS, and that they are less able to access and use other sources of finance to respond to these impacts, hence support to address the impacts of climate change should have a clear focus on them specifically. They will need strong evidence: the many negative effects of climate change will need to be well documented.[9] Developing a compelling advocacy strategy is critical for this and the other three policy areas. SIDS need to be clear where their collective interests lie, what they actually want to achieve, why the international community should accede to those demands, and what kinds of advocacy strategies will persuade them. Of course, the specific composition of demands across the four areas will necessarily differ and be nuanced. None of these themes are new, but how they are articulated, what SIDS will be doing about them, and the kind of support they need, and from whom, are all critical to achieving resilient prosperity over the next 10 years.

## Pursuing alternative channels for compensation

Climate-related L&D, as well as harms from pollution, environmental degradation and loss of biodiversity, will never by fully addressed through international financing, so SIDS will need to remain focused on other channels too. They should continue to use international law as part of their diplomatic strategy, advocating for international advisory opinions on climate change obligations, and the application of these in national jurisdictions, as well as other legally binding instruments (like those under the United Nations Convention on the Law of Sea)[10]. The recent initiative led by Vanuatu to gain an advisory opinion from the International Court of Justice is one example (see Wilkinson et al., 2022). More imaginative diplomacy in this vein – with SIDS leveraging donor support and assertively deploying their rights as legitimate members of international organisations – could bring further pressure to bear on the international community.

9 For example, SIDS will need to evaluate their natural capital and monitor changes in the market value of assets due to impacts of climate change and that go beyond their mitigation and adaptation efforts. However, a commonly agreed methodology is absent at this time.

10 SIDS are already setting the agenda and leading the way in negotiating a treaty to end plastics pollution.

# 4 Towards (and beyond) SIDS4

The ABAS will end halfway through the next decade, and the world that greets SIDS at that point in time will plausibly be quite different from our own. Economically, deglobalising tendencies may have gathered pace, prompting a further retreat into protectionist blocs (Bishop and Payne, 2021b). Geopolitically, the fallout from the conflict in Ukraine and escalating tensions between China and the United States may see the world become more divided along these lines (Bishop and Murray-Evans, 2020). Environmentally, we may witness a range of critical thresholds breached, with more intense extreme weather events and other pathologies making their presence felt.

In truth, the picture is likely to be more mixed: positive tendencies are likely to coexist with malign ones, with some degree of renewal of globalisation for a new era, a new bargain of some kind on shared leadership of the international order, and acceleration of some commitments under the Paris Agreement. From the unique vantage point of SIDS though, even the best-case scenarios may not be sufficient to avoid the worst effects of these interrelated shifts. Seizing the opportunity at this critical juncture to create a radical new bargain is paramount.

If the ABAS is to be transformational, it cannot be encumbered by the kinds of complex and convoluted targets that would, at best, render its effects incremental. What truly matters for SIDS4 are the demands that can be made of international organisations and other stakeholders which, if met, can help to create the enabling environment that underpins resilient prosperity.

Collective action by and for SIDS is now needed across four policy arenas: ODA, climate finance, debt and environmental justice. Reforms across these interlinked and overlapping agendas can collectively reinforce each other, and create opportunities for SIDS to pursue ambitious resilience and development strategies, and in doing so create a new era of prosperity.

For SIDS to realise this promise, they will need to work closely in the coming months with development partners, think tanks and research brokers such as RESI and civil society organisations to develop a collective advocacy strategy that crystallises the wider political bargain necessary for the ABAS to succeed.

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