Fact Sheet

1. Revitalizing SIDS Economies for Accelerated and Sustainable Growth:

- The tourism sector in SIDS accounts for less than 5% of GDP in other developing countries, but represents over 20% of GDP for almost two thirds of SIDS, and between 58% and 65% for Palau and the Maldives (Source: IMF).
- A 25% decline in tourism receipts could result in a USD $7.4 billion or 7.3% fall in GDP for SIDS (Source: UNCTAD).
- SIDS lost USD $153 billion from 1970 to 2020 due to weather, climate, and water-related hazards (Source: UNDP).
- More than 40% of SIDS have debt-to-GDP ratios above 40%, with some exceeding 100%, placing significant constraints on their economic growth and resilience (Source: IIED).
- SIDS often rely on external borrowing to finance development and respond to shocks. From 2011 to 2019, SIDS’ average external debt fluctuated between 48% and 51% of gross national income (GNI), revealing a consistent reliance on external sources of financing. (Source: IIED).
- By 2019, external debt accounted for 62% of GDP on average in SIDS, compared with 29% for all developing countries and economies in transition. (Source: UNCTAD).
- In 2018-20, SIDS received USD $1 billion of ODA allocated for the ocean economy. Of this amount, 69% contributed to ocean conservation or developing ocean economy sectors more sustainably (‘sustainable ocean economy’). (Source: OECD).

2. Enhancing Critical Forms of Financing and Aid Effectiveness through Collaborative Partnerships:

- The cost of delivering aid in SIDS is 4.7 times higher than in other countries due to their remoteness and small size (Source: international.gc.ca).
- Debt in SIDS rose from 42.3% of GDP in 2000 to around 60% in 2022, after peaking around 2020 as these countries – many of whom rely on tourism – were severely impacted by the pandemic. (Source: 2024 IATF report).
- Net ODA, which remains an important source of bilateral concessional support, stood at just under US $3 billion in 2020 for all SIDS.
- Between 2017 and 2021, no more than 1.55% of total global ODA flows accrued to SIDS.
- Approximately two-thirds of ODA-eligible SIDS are currently classified as lower-middle or upper-middle-income economies; they are at risk of becoming ineligible for concessional financing.
- Despite their vulnerability to climate change, SIDS struggle to fully utilize climate finance due to complex application processes, stringent co-financing requirements, and a lack of technical capacity for designing and managing projects. (Source: international.gc.ca).
Remittances are the largest source of external financing to SIDS. In 2019-2020 remittances totaled USD $16.7 billion on average per year, more than half (54 %) of total external financing. However, the high cost of sending remittances limits their potential to contribute to sustainable development. (Source: international.gc.ca).

3. Making Climate Finance Work for SIDS: Building on the Outcomes of UNFCCC COP28:

- SIDS have little access to climate finance. Despite being hit hard by climate change while only contributing to 1% of global carbon dioxide emissions, they only had access to USD $1.5 billion out of USD $100 billion in climate finance pledged to developing countries in 2019. (Source: UNCTAD).
- In a broad scope, there are 12 multilateral climate funds that are active in SIDS across the Pacific, Indo-Pacific and Caribbean regions, the major one being the Green Climate Fund (GCF), which is the largest provider of climate funding to SIDS, with 44 % of the total amount approved, followed by the Least Developed Countries Fund (LDCF). (Source: CCAP).
- The complex, fragmented climate-finance landscape exacerbates capacity constraints in SIDS and places them at a disadvantage compared to other developing countries. SIDS need more capacity to explore alternative and innovative financing structures and instruments, including blended finance.
- SIDS host 12 % of the global bird population and 10 % of mammals, yet many species are at risk of extinction due to climatic and human drivers. (Source: IPCC).
- Loss and damage settlements and infrastructure are increasingly exposed to extreme events in SIDS (IPCC, 2022[5]), with sizeable impacts on climate-sensitive sectors such as agriculture, fisheries, transport, energy, and tourism. These sectors are key to SIDS’ Gross Domestic Product (GDP) and strain public finances by increasing expenses and the cost of borrowing after weather events strike. For example, tuna stocks are expected to decline due to climate change, causing important economic losses to Pacific SIDS. (Source: IPCC; Journal EEP).
- From 2010 to 2019, SIDS suffered losses of USD $94.3 billion due to weather, climate and water-related hazards, compared to total SIDS GDP of USD $874 billion in 2019. (Source: 2024 IATF report).
- According to the International Renewable Energy Agency (IRENA), some SIDS need an investment of around USD $5.9 billion annually to achieve their renewable energy targets by 2030.

4. Leveraging Data and Digital Technologies and Building Effective Institutions for a Resilient Future in SIDS:

Data Accessibility and Statistical Capacity
- Only 12 % of SIDS maintain gender-specific data, crucial for assessing and addressing gender-specific vulnerabilities. (Source: UN E-Government Survey).
- The absence of trend data limits SIDS’ ability to demonstrate progress on the Multidimensional Vulnerability Index (MVI) and Sustainable Development Goals (SDGs). (Source: UN E-Government Survey).
- SIDS generally perform below global averages in the World Bank’s Statistical Performance Indicators (SPI), particularly in data infrastructure which affects the functioning of statistical systems and governance. (Source: ECLAC background paper).

Digital Technology /Infrastructure and Accessibility
- Average mobile broadband subscriptions per 100 inhabitants in SIDS: 63. Comparatively, the world average is 87 subscriptions per 100 inhabitants.
- Average fixed broadband subscriptions per 100 inhabitants in SIDS: 10. This is significantly lower than the global average of 34 subscriptions per 100 inhabitants.
- 18 % of the population in the SIDS had access to the Internet but did not use it. This usage gap results from various barriers, including the lack of affordability, digital skills, and relevant content.
• 74% of individuals in SIDS own a mobile phone – close to the global average of 78%.
• The median price of mobile Internet was 94% higher than world's median. ([ITU], as of 2024 March)
• In 2023, 67% of the population in SIDS accessed the internet, though costs for fixed broadband were 25% higher than the global average. (Source: [ITU])
• In 2023, the economic prospects of SIDS are increasingly influenced by digital technologies, data, and innovative approaches. However, the adoption of related policies remains limited, with only four SIDS having established innovation policies and just two implementing artificial intelligence policies. This underscores the need for SIDS to intensify efforts in creating a supportive policy and regulatory environment to leverage emerging technologies effectively. (Source: [ITU])
• SIDS are a minor player in ICT goods trade, which is highly concentrated in a few economies. In 2022, SIDS accounted for less than 1% of global ICT goods trade, with exports worth USD $374 million. The market is predominantly controlled by the top 10 exporters, who make up nearly 90% of the trade. Given their reliance on imports, SIDS need policies that ensure affordable telecommunications and ICT devices to bolster connectivity. (Source: [ITU])

E-Government and Institutional Development

• SIDS show significant discrepancies in their E-Government Development Index (EGDI) scores, with those also classified as LDCs having notably lower scores. The eight SIDS that are also LDCs (Comoros, Guinea-Bissau, Haiti, Kiribati, Sao Tome and Principe, Solomon Islands, Timor-Leste and Tuvalu) have a lower average EGDI value (0.3498) than do the other SIDS (0.5814) (Source: UN E-Government Survey 2022)
• Continuous issues in developing telecommunications infrastructure and providing online services hamper effective governance and service delivery.
• As of 2023, 74% of the population in SIDS owned a mobile phone, close to the world average of 78%, and this trend extends to mobile cellular subscriptions, with an average of 92 subscriptions for every 100 people, compared with 111 worldwide. Like other metrics, subscription rates across SIDS vary widely, ranging from 49 per 100 inhabitants in Kiribati to 192 per 100 inhabitants in the Seychelles.
• There is a gap between SIDS and the rest of the world in terms of Internet traffic. In 2022, median fixed-broadband Internet traffic per subscription in SIDS was about 25% lower than the global median, while mobile-broadband Internet traffic was about 20% lower. ([https://www.itu.int/pub/D-IND-ICT_MDD-2024-1](https://www.itu.int/pub/D-IND-ICT_MDD-2024-1))

5. Investing in Human Capital: Addressing Health Crises in SIDS and Building the Potential of Youth in SIDS:

• SIDS experience some of the highest rates of non-communicable diseases (NCDs) globally, with NCDs being a leading cause of death. Approximately 52% of individuals living with NCDs in SIDS die prematurely, between the ages of 30 and 69.
• The average NCD mortality rate in SIDS is 600.2 per 100,000 population, which is higher than the global average of 561.6 per 100,000. Men in these regions typically exhibit higher NCD mortality rates than women. [Source: Devpolicy]
• The four main risk factors driving NCDs are tobacco use, harmful use of alcohol, physical inactivity and unhealthy diets [https://ncdalliance.org/ncds-and-small-island-developing-states]
• Currently, NCDs account for around 75% of all deaths in the Pacific, including much higher rates of premature (below age 60) deaths in many Pacific countries than the comparable global average. The top 10 countries with the highest overweight and obesity rates in the world are Pacific Island Countries and Territories, in part due to the fact that three of the top ten worst rates of tobacco use in the world are in the Pacific region. [https://ncdalliance.org/ncds-and-small-island-developing-states]
• Mental health conditions are common in SIDS countries, affecting an estimated 15.2% of the population in the Caribbean and 11.2% of the population in the Pacific. People with mental health
conditions face a higher risk of premature mortality, including from unaddressed physical health conditions and from suicide.[WHO Article.]

- Diabetes prevalence remains significantly high in Pacific SIDS, with Fiji, Tonga, and Samoa reporting rates of 15.6 %, 19 %, and 24.3 %, respectively. These rates are much higher than in neighboring Australia, where about 5% of the population has diabetes, and exceed the global average prevalence of 10 %. Pacific Island countries consistently rank among the top ten globally for the highest rates of diabetes. [Source: Devpolicy]

- The average total expenditure on health as a percentage of GDP in SIDS countries, territories and areas is 7%, although this percentage varies greatly from 2% GDP in Papua New Guinea to 19% in Tuvalu.(WHO)

- Several SIDS are experiencing an influx of young people into the work force, the result of high fertility rates and a significant reduction in infant mortality.

- Between 2020 and 2050, the young working age population in SIDS will increase by 1.2 million. [https://sdgs.un.org/sites/default/files/2023-07/SIDS_FTI2023_July_Final_0.pdf]