

INEQUITIES IN INTERNATIONAL FINANCING ARE LIKELY LEAVING THE MOST VULNERABLE SMALL ISLAND DEVELOPING STATES UNABLE TO ADEQUATELY ADAPT AND BUILD RESILIENCE TO CLIMATE CHANGE

Stacy-ann Robinson

Inequities in international financing are likely leaving the most vulnerable small island developing states unable to adequately adapt and build resilience to climate change

Small island developing states are particularly vulnerable to climate change and required to adapt to its impacts.

The impacts of climate change are falling disproportionately on the world's smallest, flattest and most exposed nations – small island developing states (SIDS). SIDS comprise 58 countries located across the Atlantic and Indian Oceans, Caribbean and Pacific regions that are particularly vulnerable to climate change and its impacts. These impacts include sea-level rise and increased sea surface temperatures, which cause coral bleaching and changes in fish migration patterns, for example, which negatively impact the livelihoods of populations that are reliant on tourism and fisheries. The vulnerabilities of SIDS are further exacerbated by their sensitivity to environmental and economic shocks – a single extreme weather event can cost a small island upwards of 90% of its national income; there are islands already on the verge of sinking. Adapting to climate change, which is the process of adjustment to actual or expected climate and its effects, is therefore, urgent. Despite competing development priorities such as economic growth, poverty reduction and quality education for all, SIDS must identify and implement adaptation actions that will build their resilience to climate change.

Adaptation to climate change is costly. Owing to domestic resource challenges, SIDS often actively pursue international adaptation financing in order to meet the additional costs of adaptation but the gap between current levels of financing and the monies required to adapt is widening.

Additional and predictable international financing is critical for adequate adaptation and resilience-building in SIDS. Yet, the 2016 Adaptation Finance Gap Report published by the United Nations Environment Programme suggests that adaptation costs could be three times current estimates – up to US\$300 billion per year by 2030 and up to US\$500 billion per year by 2050.

International adaptation financing commitments to SIDS are highly skewed and are likely leaving the most vulnerable SIDS unable to adequately adapt and build resilience to climate change.

Along with my colleague, [Dr Matthew Dornan](#) at The Australian National University, [our recent paper](#) analysed adaptation financing commitments to 50 SIDS between 2010 and 2014. We found that:

- The allocation of funds across SIDS was heavily skewed – 10% of SIDS received a little more than 50% of total commitments; two SIDS received 26% and 13 SIDS received no commitments. Fifteen Caribbean SIDS received 41% of total commitments; 15 Pacific SIDS received 36%; and seven Atlantic and Indian Ocean

SIDS received 23%. This suggests that 90% of SIDS may not be receiving the levels of financing required to adequately adapt to climate change.

- Donor commitments to SIDS over the period were also heavily skewed – 18% of donors made 73% of total commitments. Australia alone made 48% of all commitments to Pacific SIDS. Four donors made no commitments to SIDS. This demonstrates that a handful of donors are shouldering a majority of the responsibility for financing adaptation in SIDS.
- There is a relationship between a country’s vulnerability to climate change and the level of adaptation financing commitments it can expect to receive in some cases but not in all.
- Recipient country governance quality plays a major role in the level of adaptation financing commitments a country can expect to receive. This suggests that better governed countries, which may or may not be the most vulnerable to climate change, are likely to receive more adaptation funds.

Considering the findings above, three key actions are required in order to promote fairness and equity in the allocation of international adaptation financing to SIDS:

- Donors should hold other donors accountable – a formal ‘name and shame’ mechanism that publicly points out which donors are not pulling their weight could help to increase adaptation financing levels and the chances of every donor paying
- Donors should ensure that the methodologies and/or metrics used to determine allocations fully consider the unique and interconnected vulnerabilities of SIDS. This requires an acknowledgment of the diversity among SIDS and an understanding that a ‘one size fits all’ approach will only continue to support the allocation inequities that currently exist.
- Recipient countries should work to improve their governance quality in order to increase the amount of international adaptation financing they can expect to receive. Better governance is also likely to increase donor confidence. This will have co-benefits for increasing adaptive capacities and building resilience to climate change in SIDS.