



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

#HLPF #SDGs #GlobalGoals

Small Island Developing States: Strategies for SDG Success

16 July 2025, 15:00 - 18:00

Conference Room 4

Secretariat Background Note

The 2025 Report of the Secretary-General on Progress Towards the Sustainable Development Goals (SDGs)¹ states that according to available data, the world is on track or making moderate progress on 35 per cent of the 137 SDG targets. Progress on 47 per cent of the targets is insufficient, and there has been regression from the 2015 baseline in relation to 18 per cent. This scenario is similar for SIDS, who face greater gaps to SDG achievement than the rest of the world. SIDS are a heterogeneous group who, despite their diversity, share some common inherent characteristics, which make them a special and distinct group in a development context. Despite considerable variation in SDG performance among SIDS, their structural and multidimensional vulnerabilities, coupled with challenges in mobilizing sufficient development finance in general, present severe obstacles to the pursuit of sustainable development. With only five years until the 2030 SDG deadline, there is a vital need to intensify efforts to reverse these trends. This session will spotlight key international strategies to assist SIDS to address their development finance challenges and mobilize sufficient finance to invest in scaling up the SDGs and achieve the vision of resilient prosperity as per the Antigua and Barbuda Agenda for SIDS (ABAS)—a Renewed Declaration for Resilient Prosperity, the ten-year programme of action for SIDS adopted in 2024.

Understanding the main constraints

To achieve the ABAS, SIDS will need to re-examine existing development models and adopt new ones, while also grappling with climate impacts, other

¹ [A/80/81-E/2025/62. Report of the Secretary-General on Progress Towards the Sustainable Development Goals.](#)



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

#HLPF #SDGs #GlobalGoals



environmental challenges, economic shifts and geopolitical tensions. This will necessitate the mobilization of development finance at both speed and scale.

SIDS struggle to access sufficient concessional finance to meet their resilient development needs. In 2023, only \$3.25 billion in ODA was disbursed to SIDS out of a total ODA envelope that year of \$177.7 billion.² The low ODA to SIDS is explained by some SIDS' ineligibility for ODA due to their higher-income status. The situation is similar with respect to international borrowing, which for the most part is not only based on income but also on creditworthiness. Some SIDS have no creditworthiness and can only borrow at short-term maturities and high interest rates. Access to climate finance is also increasingly challenging. The climate finance landscape is becoming increasingly complex, with climate project sizes getting smaller and many falling below the minimum threshold requirements of multilateral banks, thus requiring bundling. Large high-impact greenfield projects, particularly for critical infrastructures, receive little climate finance and when secured, usually take the form of loans. Loans are much more prevalent for delivering climate projects than grants, thus increasing the already unsustainable debt burdens of many SIDS. These persistent bottlenecks in access to finance coupled with continuous crises and environmental shocks, which require significant investments in reconstruction and recovery, have led to the significant financing gaps to achieve the SDGs in SIDS.

Even if sufficient finance were to be unlocked, many SIDS also struggle to ensure that appropriate enabling domestic environments are in place to rapidly and effectively absorb resources. SIDS face multifaceted challenges ranging from weak governance and institutional coordination to limited adoption of digital technologies, lack of quality data or robust data collection systems and limited resilient infrastructure. Further, radical improvements in the utilization of science, technology, and innovation are needed, and capacity to mobilize the required investments for market-ready projects in pipelines remains a significant challenge.

²https://media.odi.org/documents/Tackling_the_cost_of_capital_crisis_in_small_vulnerable_nations-20edits204.pdf



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

#HLPF #SDGs #GlobalGoals



To address these and other issues, ABAS calls for reforms *inter alia* in two substantive global policy agendas; i) redefining eligibility for development resources, including concessional finance; and ii) creating long-term debt sustainability as means through which SIDS can achieve resilient development and scale up the implementation of the SDGs.

Strategies for SIDS success

Redefining eligibility for development resources, including concessional finance.

Over the last two decades, the global economic system has witnessed an increase in multiple exogenous shocks with complex interconnected economic, social and environmental impacts, that have exposed vulnerabilities and severely affected the development trajectories of all developing countries and in particular SIDS. While it is the responsibility of national policies to mitigate the consequences of exogenous shocks and stressors, and so make a country more resilient, recognizing and understanding the extent of this vulnerability and its implications in terms of financing needs, is critical.

The UN General Assembly's establishment of the Multidimensional Vulnerability Index (MVI) is an important step in this direction. The MVI quantifies structural vulnerability and (lack of) structural resilience of all developing countries. It can also be used as a diagnostic tool to drive coordinated action, improve development decision-making and resource allocation, thus giving renewed hope and impetus to both the 2030 Agenda and ABAS. It offers the international community including lenders, the possibility of re-examining development resources including concessional finance through the lens of vulnerability. Use of the MVI, as a complement to existing policies and practices, to inform development cooperation policies, including access to concessional financing would be an important step in the right direction and will be key for mobilizing adequate resources for resilient development in SIDS.

Bridging the data gap. Access to better—and more coherent—data is important for development planning. Suboptimal data and information management practices across sectors impede evidence-based policymaking. Strengthening data collection will be a critical enabler to deliver transformative change for SIDS over the coming decade, and ABAS is the first



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

#HLPF #SDGs #GlobalGoals



SIDS programme of action to have its own monitoring and evaluation framework. This will allow the SIDS not only to track progress with ABAS implementation but also to improve management of outputs, outcomes and impact of the various ABAS priorities.

The SIDS Center of Excellence, with its SIDS Global Data Hub, is a key output of ABAS. The Hub will develop and strengthen the institutional and technical capacity of SIDS by providing access to new and relevant data sources, enabling technologies, innovative dashboards and visualization tools, integrated information systems, capacity-building, resources, training and global expertise, establishing a sustainable and enduring repository for comprehensive data on SIDS, for SIDS. The Global Data Hub will drive investment in key areas of science, technology and data frameworks, which will in turn support more informed decisions on resource allocation and help attract international finance and partnership programs in support of SIDS.

Long-term debt sustainability. Debt relief should be a greater developmental boon than any other source of financing. SIDS' external debt sustainability situation deteriorated in 2023. External debt servicing surged by over 50 per cent and public and publicly guaranteed debt service by 33.4 per cent. Consequently, the ratio of external debt service to exports and the ratio of public and publicly guaranteed debt service to Government revenues rose significantly to 20.3 per cent and 17.1 per cent, respectively. These rates are higher than the average of developing countries, excluding China and the least developed countries (LDCs). In addition, a lower liquidity buffer makes this group relatively more vulnerable to external financial shocks than LDCs, with the ratio of reserves to short-term debt decreasing to 133.1 per cent in 2023.³

While not all SIDS carry high debt burdens, this general situation has limited many SIDS Governments' capacity to support resilience-building public investments. Any remedy for this dilemma must be not only development-centred but also triadic, in that it must simultaneously address high debt, build economic resilience, and finance climate adaptation efforts.

³ [A/79/209. External debt sustainability and development.](#)



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

#HLPF #SDGs #GlobalGoals



Designed as a holistic financial mechanism, the Debt Sustainability Support Service (DSSS), another key output of ABAS, integrates debt sustainability solutions, resilience investments, climate insurance, and capacity-building measures to help SIDS and other developing countries navigate the challenges of debt distress and climate vulnerability. The DSSS takes a holistic approach, placing emphasis on capacity building, knowledge exchange and partnership development, to equip developing countries with the tools and resources to navigate their complex social, economic and environmental landscapes. In the coming years, the support service will provide strategic advice on breaking the cycle of debt, as well as options for supporting new investment in climate-resilient infrastructure.

The above strategies, though not exhaustive, offer a catalytic pathway for SIDS to reduce debt burdens, enhance resilience, and attract the investment necessary to achieve the SDGs and the broader objectives of ABAS.

Proposed questions for discussion

- With only five years remaining to advance SDG implementation, and many SIDS facing limited or uneven progress across various targets, how can the outcomes of UNOC3 and FFD4 be strategically harnessed to mobilize the support SIDS urgently need?
- What are the key data gaps and challenges that SIDS must address in the short and medium term to accelerate progress toward the SDGs, and in the longer term to realize the ambitions of the ABAS?
- How can SIDS leverage regional and international partnerships to enhance their sustainable development efforts?
- What are the effective mechanisms to finance SDG initiatives in SIDS, and how can these be scaled up to ensure sustainable progress?