

## The expert view: a discussion about small islands and disaster risk

Interviewer: [Gareth Byatt](#) – Principal Consultant, [Risk Insight Consulting](#)  
Interviewee: [Dr Emily Wilkinson](#) – Director [Resilient and Sustainable Islands Initiative](#) (RESI) and (ODI) Senior Research Fellow

**September 2023**

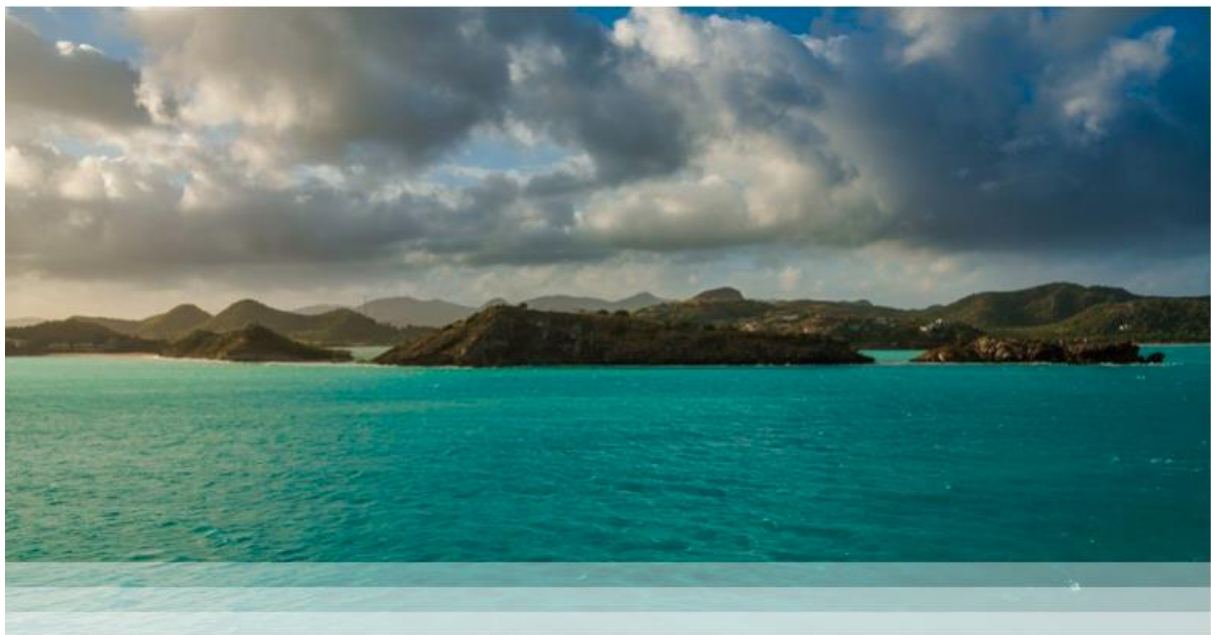


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Emily,

Thank you for making the time to talk with me about small islands – particularly those that are part of [the Small Island Developing States – SIDS network](#). I'm keen to hear your thoughts about key challenges facing policy makers and societies that live on SIDS, including how they can best be supported to be in a position to avoid disasters and to respond quickly to disaster events if/when they occur. Some of the points we covered in [our interview discussion of March 2021](#) (which was part of the [SIDS Suredis](#) initiative undertaken that year) are perhaps still valid.

Can we start this interview with an overview of your current activities with the Resilient and Sustainable Islands Initiative (RESI)?

*Emily: Of course. I appreciate the opportunity to hold this follow-up to our last interview discussion about SIDS. Things have moved forward since March 2021.*

The Disasters Avoided initiative highlights examples of proactive action around the world to avoid disasters.

*I have been with ODI for about 12 years, and I am a senior research fellow in ODI's Global Risk & Resilience programme. I focus on research and policy analysis, specialising in disaster and climate risk governance. My work covers public policy, financing and political dimensions, and how we can overcome obstacles to change by applying new thinking and incentives.*

*I have specialised in Small Island Developing States (SIDS) for a number of years, and I am fortunate to be involved in initiatives that allow me to maintain direct involvement and engagement with people who work and live on these islands.*

*From 2019 to February 2023, in my work for SIDS I focused on supporting Dominica and the Caribbean region, including being an advisor to the [Climate Resilience Execution Agency for Dominica](#) (CREAD).*

*In early March 2023, the ODI formally established [the Resilient and Sustainable Islands Initiative](#) (RESI) with funding from the UK government, which has led to me transitioning my focus from Dominica and the Caribbean to a global SIDS portfolio providing technical advice and engaging with policy makers, practitioners and researchers around the world. RESI is a global advisory network based at ODI, working with SIDS and their partners to frame policy problems, influence international institutions and find solutions to growing sustainability challenges in small islands. It aims to improve the conditions under which SIDS can achieve financial sustainability, environmental justice, international alliances and equitable societies.*

*A particular focus I have is to support SIDS with their interaction and voice with international institutions, especially on governance and financing.*

**Gareth:** Thanks for this overview, Emily. When we last discussed SIDS, we spoke about global and local knowledge sharing opportunities across them. Since this time, it's great to see that [the Resilient and Sustainable Islands Initiative](#) (RESI) has been established and that it is moving forward positively. I have noted the [resilience finance flow dashboard](#) on the RESI portal, which shows the current status of resilience finance provisions across the SIDS network.

As a member of RESI, I appreciate the work it does on policy and engagement with international institutions to find solutions to the sustainability challenges that small islands face. What are the key areas of focus for RESI for the remainder of 2023, and into 2024?

*Emily:* We are active in quite a few areas in 2023 and in our planning for 2024.

*We are supporting the lead-up to [the fourth UN international SIDS conference](#), which will be held in Antigua and Barbuda in May 2024. A lot of preparation goes towards this event. RESI representatives have attended [regional engagement sessions](#) in July and August of 2023, and we will continue to be part of the process of working with UN agencies to help frame key issues that need to be focused on during the conference and in the years ahead. We need to contextualise the key aspects that SIDS are calling for within their political and economic context.*

*This is, I think, an example of how RESI can bring expertise to support practical engagement. Having a group of experts to advise and engage for important events and policy action is proving extremely valuable.*

*The context for SIDS in the next ten years is not the same as they had in the last ten years. Many things have changed for them. The context for small islands has become more challenging in several ways, which we describe in [a policy brief we developed](#) to support the 2024 conference preparatory meetings I mentioned just now.*

*In addition to this conference planning work, for the remainder of 2023 and into 2024, RESI will host more Virtual Expert Dialogues on various topics. These dialogues relate to what we are calling the enabling environment, focusing on how international organisations (including UN agencies, think-tanks, development banks, academics and others) can help SIDS to develop an agenda that can be implemented, and with concrete targets.*

*We are planning an in-person RESI conference in early 2024, to bring experts and policy makers together to concentrate on critical SIDS policy issues and to understand where progress has been made, and how we need to maintain the ante. Amongst other things, we hope this event will be an opportunity for researchers to share findings from recent projects and for people to gain some important new perspectives on what change needs to happen and how that can occur.*

*We are also involved in [COP28](#) (December 2023), which includes producing a paper about ‘the costs of climate inaction for SIDS’. The focus of this paper will be estimates of loss and damage in SIDS for the next twenty years. To produce these estimates, we are looking at the impacts of extreme weather over the last twenty years, how much of this is genuinely attributable to climate change, and looking forward to what could feasibly happen in the next twenty years. We intend for our paper to provide high-level numbers that give a sense of the scale of impacts to SIDS caused by climate change, to feed into discussions about loss and damage finance at COP28, and to improve understanding of the economic impacts that are particularly important for SIDS. We are drawing on information in disaster databases to inform the numbers. We hope that at COP28 there will be a decision around the design and operationalisation of the loss and damage fund, and how it will fit with other financing arrangements.*

*We are also doing some work to look at small island debt, and the long-term debt sustainability of SIDS. We are looking at what has happened since the mid-1990s, when there were some large debt forgiveness programmes set up, and how debt for SIDS has changed including what happened after the COVID-19 pandemic. We are asking where things stand and critiquing why recent global initiatives have not worked for SIDS. There is a sense that global initiatives on debt are not helping with the structural issues that are leading to high levels of debt in these small islands. We will be looking at case studies of countries that are dealing with debt in different ways, and what can be learned for all SIDS.*

*We are also doing some work looking at rising geopolitical tension between China and the US and its allies, and how SIDS are positioning themselves.*

*As part of this, we are taking an objective look at how development assistance from traditional donors and China is working on the ground on SIDS – and what the differences are across the three SIDS regions: the Pacific, Caribbean and Africa, Indian Ocean and South China Sea. Round tables to share findings are envisaged to take place in 2024.*

**Gareth:** It's great to see this extent and range of activity taking place, Emily. The points you make about the paper to be written on “the costs of inaction”, looking at structural funding issues and global geopolitics strike a chord with the Disasters Avoided initiative I am working on with Ilan Kelman (of UCL) and Ana Prados (of UMBC), which I'll come back to shortly.

What kind of involvement is happening with businesses and the private sector as part of these initiatives? We have talked before about the importance of business sectors in supporting SIDS, including tourism, agriculture and fishing, shipping and insurance. Just on your point about the cost of extreme weather to SIDS over the last twenty years, I have seen some reports from the insurance sector recently that describe how past weather-related events would, in today's terms, cost more.

*Emily: The involvement of the private sector is certainly key to how SIDS move forward. For example, ODI undertakes detailed work on disaster finance often partnering with the reinsurance industry. We do some quite technical work on the design and application of parametric insurance and the pricing of premium subsidies. We have recently been discussing what the role of insurance should be in relation to risk retention and the use of reserve funds, contingent credit and recent innovations in disaster risk finance such as disaster pause clauses in debt contracts - whereby interest payments can be frozen after a disaster (which was one of the items that came out of [the Bridgetown initiative](#)).*

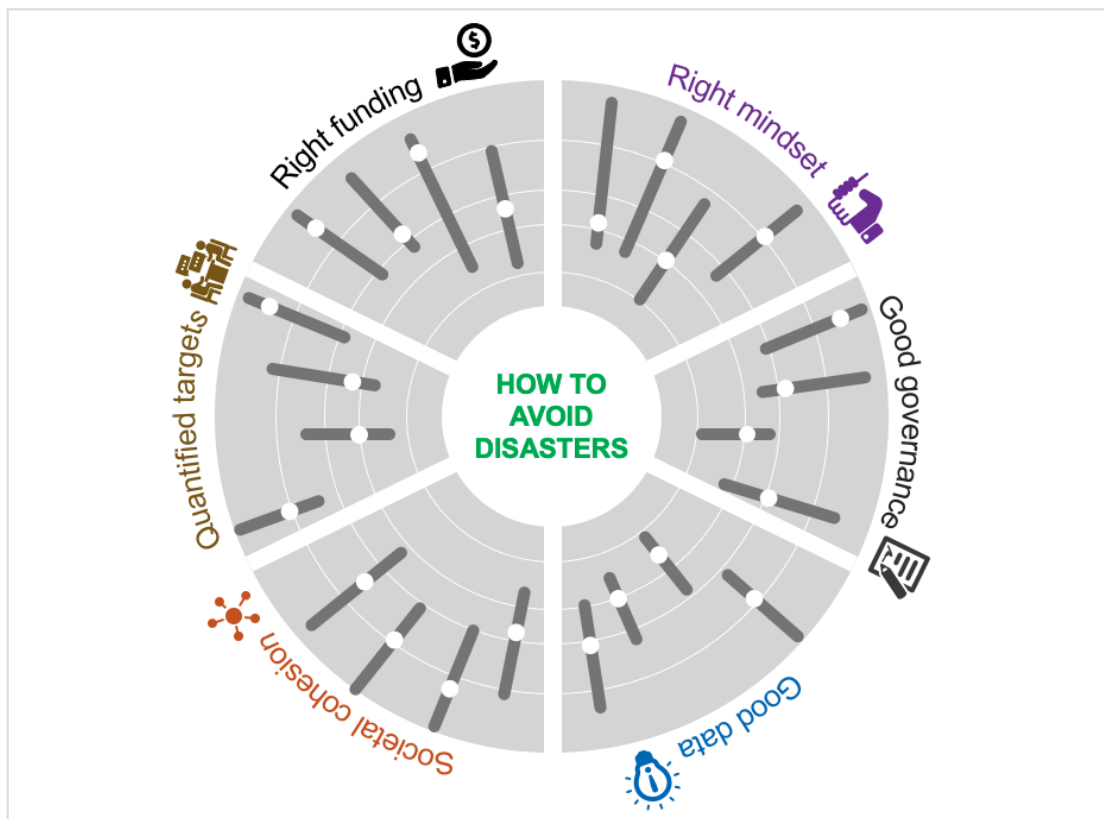
*We need to continue to think about the role of the private sector in risk transfer, the challenges of subsidies, and the lack of clarity for SIDS about how long insurance subsidies will continue or whether insurance premiums will rise (especially if the costs of disasters rise). It will be important to see how SIDS can tackle disaster events that have traditionally required insurance when these types of events are occurring more and more frequently and are resulting in higher pay-outs.*

*There are also lots of details and challenges to work out in loss and damage discussions. For some, insurance is not to be seen as a tool for loss and damage, rather that loss and damage should be addressed primarily through grant funding, in line with the principles to which the Paris Agreement was signed and how the COP operates. But we are keen to see how the private sector can support the best way forward.*

*We also want to see how development finance institutions can better support reconstruction and recovery to build back better after disaster events occur, particularly in SIDS where the costs of recovery projects are particularly high. We would like to see how cheap credit can be provided to households directly – rather than donors providing finance only to governments.*

Maybe there can be different solutions in place in which development finance institutions liaise with the private sector to help locals build back better.

**Gareth:** The point you make about support from development finance institutions and private sector finance including insurance leads me to a key focus of our Disasters Avoided initiative, which is *how we can avoid disasters and get ahead of the problem before it happens*. In the Disasters Avoided initiative are documenting case studies of action being taken in various geographies around the world to avoid disasters, and through this research we are finding that the choice to address the root causes of disasters is centred around politics and economics. The sixth point of an emerging model described below is about ensuring *the right funding* is in place. This means appropriate funds being in place to implement good plans and actions, collectively, to minimise disaster risk.



Key aspects of avoiding disasters image by author

We know, for example, how to design and construct buildings that can withstand high winds and large discharges of water, and how to work with nature to reduce our vulnerability to natural hazards. It requires careful use of scarce resources, and with the right funding and approach, it seems to me that we can leverage local skills and knowledge to build resilience and address vulnerabilities before a major event occurs and avoid a disaster from happening (whilst still having a certain amount of clean-up and recovery to do after an event such as a cyclone or a hurricane).

*Emily: For sure, there are a range of aspects of the SIDS disaster recovery model that are problematic today. If we can implement resilience upfront, that is better than being on the back foot. As part of this, I think there is an opportunity for those who work in the aid sector to better understand how development finance works (for example how grants can be used to leverage more concessional finance). We need the right conversations to take place to unlock finance for SIDS in an intelligent way, and this requires us to all have a foundation of knowledge about how to make finance mechanisms work.*

*Today, it is rare that people on SIDS have access to the finance they need to rebuild immediately after a disaster occurs. People will use their savings if they have any; there may be small amounts of money provided by the state; and NGOs might have small amounts of support money available.*

*This is a crucially important matter for SIDS. While there are differences amongst SIDS, there are some characteristics that stand out in many: their people are educated, entrepreneurial; they have good ideas, and they know how to exploit opportunities in very impressive and innovative ways. If they are given the opportunity to access cheap finance, they can and will do a lot with it – from setting up new businesses to finding novel and interesting solutions. We should not be looking at the people of SIDS as victims who need humanitarian assistance – with the right forms of funding and an enabling environment, they can be self-sufficient.*

**Gareth:** With regard to the scale and significance of implementing proactive disaster resilience projects on SIDS, I think about examples of projects in larger countries such as [a US\\$30M GCF / UNDP project in central Viet Nam](#) to improve coastal resilience (coastal resilience being key for SIDS, of course). I wonder if similar-sized projects with sound business cases to improve disaster resilience that are part of “a greater whole” could be implemented on small islands, with local and national government involved and ensuring it is part of an overall foundation and base to build from, not a standalone project. Given the small size of SIDS, the impact of such initiatives could be significant. As you have just mentioned, locals can manage much of the work, and hopefully these types of proactive projects, with support groups and donors coming together to achieve a common objective, could set up good foundations to build new economic opportunities on.

If we implement projects to address vulnerabilities *before* a disaster occurs, and deliver good social, ecological and economic benefits including local employment on an ongoing basis, it could generate an economic multiplier effect, with local skills and resources continuing to leverage benefits, such as maintaining new nature-based eco-systems and new forms of renewable energy.

*Emily: Yes, there are plenty of examples of good disaster risk reduction and avoidance projects, and these need to be shared across SIDS. There is scope to look at financing options, including looking at how private sector finance can boost economic wellbeing and development.*

*In terms of making funding happen, related to my point earlier about those who work in international development finding out how finance works, I think it would similarly be valuable for people who work in finance (covering the private sector, development banks and other funding organisations) to see what life is like in SIDS on the ground, by spending time visiting these places, talking with people, and understanding their vulnerabilities, threats and opportunities in person.*

*There are of course many technical issues and aspects of how global finance operates – how you deal with guarantees and foreign exchange risk and so on. We know there are lots of people with expertise in the world of finance who can help find solutions; the question is whether we can apply it to SIDS.*

**Gareth:** We know that there are trillions of dollars of capital and assets in the private sector and on the world's markets. Credit Suisse estimated [global wealth in 2022 to be US\\$454 trillion](#). [Private market deals are still huge](#), according to McKinsey. I do wonder if even just a small percentage of it could be tapped into for SIDS. I'm thinking of an ethos towards value and capitalism that embodies the principles of economists like [Mariana Mazzucato](#) (with economics ideas encapsulated in books such as [Mission Economy](#)).

I know that we have seen examples of private finance being used to make a positive difference on SIDS. Continuing the thinking on how disasters can be avoided and supporting the economies of SIDS, I wonder if could be good clean energy, clean tech opportunities and blue economy opportunities for SIDS to look at, to show their innovation and resilience in their economies, and perhaps in doing so provide examples to other countries to learn from? I'm wondering if SIDS can become leading lights on how to make sustainable change happen quickly?

**Emily:** *There are surely good opportunities for SIDS to develop their service sectors, the digital economy and taking advantage of knowledge economy opportunities such as leveraging AI. SIDS can focus on areas of the economy that do not require an industrial strategy that needs scale in manufacturing. They can tap into ideas and innovation, for which a core investment needs to be in stable Internet and good telecommunications (which is already the case for many of the SIDS).*

*There will surely be more opportunities and sectors for all SIDS to develop. We need to support their skills development with flexible funding and policy-based loans, to ensure governments are supported to provide quality core services. Finance that can be used flexibly encourages more joined-up projects, rather than funding stand-alone ones, which may seem like a good idea but do not deliver the best value in the long-term. General support to SIDS governments for their foundation-level functions can have broader benefits for local people (as occurred during Covid 19).*

**Gareth:** This point you have made, Emily, about focusing on providing support and funds to get the basics and core services in place, makes me think about similar thinking to designing good urban environments around the world, using urban economics principles, which I have discussed with some leading urban economists, and finding the balance to allow the market to work out how to best use the core services available to them. Good governance is of course key to making this work (which is the case everywhere around the world, urban and rural).

Relating to the example about urban environments, I wonder whether there are any knowledge sharing opportunities between one or more groups that focus on city networks, such as the C40 initiative, the Urban Land Institute or MCR2030 and the RESI network, as a form of “peer assist” knowledge discussion on how to fund and set up foundation elements for societies to build from and leverage?

*Emily: I think it's fair to say that across SIDS, domestic governance is generally pretty good, which is a critical foundation to ensure finance is being spent in the right way. There are always issues in every country, and areas that need to be focused on, and good governance controls need to be in place, of course.*

*With good governance in place, the involvement of the private sector can be to provide resources to realise income-generating opportunities.*

*The blue economy is a part of governance that we need to focus on in RESI, as you mentioned just now. SIDS have vast ocean territories and Exclusive Economic Zones, and as such they are custodians of significant public goods – from the carbon sink that the ocean provides to its broad biodiversity and resources it has including food and minerals. There are opportunities for SIDS to sustainably manage these resources and be compensated for doing so. As a global public good, should we all be paying for them? This is not the case today with the current way our capitalist world works. We don't value these types of resources in our own national jurisdictions, let alone on a global basis including the ocean territories around SIDS. Can we agree the value of protecting our marine environment to the whole world?*

**Gareth:** This example about valuing the global commons makes me think of the diffuse value and diffuse costs of actions that stretch across international geographies. We all pay and we all benefit to varying degrees in ways that are hard to quantify. It makes me wonder whether SIDS can be trailblazers to push through some of the complex changes that are required to make global public commons work in a fair way – and maybe provide learnings for other nation states in the process.

As an example, you mention the potential value of minerals and metals on the seabed. Great care is required to assess what we should do with them, and I wonder if this is an example of how the private sector could support detailed and unbiased research, with academic institutes (including those on SIDS) into considerations of extracting (or not) minerals and metals from the seabed in areas that are in the vicinity of SIDS? For example, I wonder if research could be carried out in conjunction with an industry body like [the International Council on Mining and Metals \(ICMM\)](#) and its members?



I know that a number of mining firms are interested in understanding the possibilities of deep sea mining, and various newspapers such as [The Economist](#) have reported on it. People on SIDS could take part in the research, and if anything were to move forward, they would be key partners in agreeing an equitable way of making a sustainable solution happen.

*Emily: For sure, we need to look at the international legal regime on biodiversity and to understand whether it is appropriate to mine minerals and metals on the seabed. There was an important meeting last year that has made progress in developing more transparency and rules about what can and cannot be extracted from the ocean floor which directly impacts small islands. If it is beyond their Exclusive Economic Zone but it is still close to them, such activity could impact them in unintended ways.*

**Gareth:** An important part of the blue economy is shipping, which needs to change in various ways to be more sustainable, and ships transporting the world's goods pass through SIDS waters.

*Emily: SIDS should justly claim the benefits they are due from international shipping that passes through their waters.*

*This is one of many economic considerations as the world seeks to transition towards a low-carbon economy. There are some difficult discussions to have around the impact of introducing carbon taxes, and how they might affect the economies of SIDS. For example, if a carbon tax means that it costs more for people to travel to a small island by plane, how might it impact the tourism income of SIDS? These matters need to be thought about (not to prevent a carbon tax, but to think of all the implications of it and agree the best way forward).*

*This brings me back to my earlier point about the work that RESI and others do, to consider matters like this. If we are not intentionally focusing on these types of matters for the group of island states together, whilst also considering their differences, they can get lost amid global discussions, and SIDS could be left out of important decisions e.g. on net zero. One thing we see coming up quite a lot is that SIDS are often lost in the associated large geographic regions that they are part of – which relates to my earlier point about considering geopolitics and SIDS. The Pacific Islands typically get lumped into the Asia-Pacific region, and they tend not to have a loud voice amongst their large nation state cousins. Likewise, the Caribbean is often bundled into Latin America and the Caribbean (LAC), with them being an afterthought amid countries like Argentina, Brazil, and Chile. For the SIDS off the coast of Africa and in the Indian Ocean, there isn't any functioning regional SIDS entity to support them, and they hardly appear on the radar of Africa's development needs. Some knowledge exchange happens within each region, but I get a sense from SIDS policy makers that there could be huge benefits in them talking to other SIDS. They are stronger together is the message that we hear (which links into the global focus of RESI).*

**Gareth:** Building on this point and linking to our discussion about the private sector and the shipping industry for a moment, perhaps the global network of SIDS could hold a review with the key actors in the global shipping industry – policy makers, businesses, industry bodies et al – to agree a good way forward on shipping rights in SIDS waters for the next decade or perhaps beyond. This is similar to the idea I mentioned just now of SIDS linking up with industry bodies (with my example of the ICMM for mining).

Another point that links to many areas we have discussed is the value of Earth observations for SIDS, for proactive action to avoid disasters and to support resilient economies. By this, I don't only mean weather forecasts for tracking storms and extreme weather (which are of course valuable). I am thinking about Earth observations to support the monitoring of how agreements relating to the ocean and the blue economy are being complied with. Given how satellite technology is being used to track illegal fishing ([as highlighted by Global Fishing Watch](#), for example), I wonder if examples of Earth observations such as this are already being used by SIDS, including having local people on the islands directly monitoring and using satellite imagery. The use of lower-level drones in the sky can offer value as well (for example, helping to ensure the resilience of crops).

It is great to see the work that RESI is doing and the work and examples that are happening on the ground. SIDS can surely provide lessons for other countries as they move forward – it is not just SIDS learning from others.

*Emily: Certainly, SIDS can pivot quickly, and adopt new ways of doing things. For example, when governments decide to change the way they manage a whole process, perhaps digitise it, they can implement this very quickly. As well as the private sector, there is entrepreneurship in their public sector also, which other nation states can I think learn from.*

**Gareth:** Thank you very much for your time, Emily. The world continues to see turbulent times, with disasters and catastrophes of various types continuing to occur. I look forward to seeing how the work of the ODI and RESI to support small islands continues to develop, especially support that helps avoid disasters.