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Improving public sector capacity-strengthening support for small island developing states

Misha Kaur, Timothy Tennant

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OECD Working Papers on Public Governance

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By Misha Kaur and Timothy Tennant
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This paper was authorised for publication by Elsa Pilichowski, Director, Public Governance Directorate.
Abstract

Given the fast pace of global socio-economic development, more tailored, focused, and localised efforts to strengthen public sector capacity in small island developing states (SIDS) is increasingly important. SIDS have unique vulnerabilities, rich histories and contexts, and strengths that can be harnessed for sustainable development. Development partners need to adapt how they provide capacity-strengthening support, taking individual SIDS’ circumstances and needs into account to better help them achieve their ambitions. This report summarises perspectives from small island developing states (SIDS) on current experiences and opportunities to improve capacity-strengthening support to make it more tailored, impactful, and sustainable. The report uses the broad definition of capacity-strengthening as activities that improve the competencies and abilities of individuals, organisations, and broader formal and informal social structures in a way that boosts organisational performance. It concentrates on public sector capacity, including interactions with other stakeholders across sectors.
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Methodological note

The report supports activities in preparation for the UN SIDS4 Conference in 2024 and, more generally, suggests practical actions to implement or pilot with SIDS and development partners.

It acknowledges and builds on current and previous work, including:

- the SIDS Accelerated Modalities of Action (S.A.M.O.A) Pathway (UN-OHRLLS, 2014[1])
- the 4th International Conference for Small Island Developing States (SIDS4) (United Nations, 2023[2])
- a commissioned report by the Foreign Commonwealth and Development Office (FCDO) of the United Kingdom Government in 2019, focusing primarily on the views of development partners.
- the Principles of Effective Development Co-operation jointly authored with SIDS in 2022.

The report is structured around relevant themes that emerged from the research. Sensemaking was guided by key research questions, outlined in the framework illustrated in Figure 1.1.
Primary research is prioritised and focused on collecting perspectives directly from SIDS between June to December 2023, including in-country missions, involvement at preparatory meetings, online conversations and workshops, and a questionnaire. Quotes from SIDS are used throughout the report.

Secondary research included a desktop review of scholarly and grey literature, websites, articles, OECD products, and documents provided by participating SIDS, which have been used to support the findings of the primary research.

Four principles were applied for how information was collected and synthesised for this report:

1. **Strengths-based approaches**: these focus on abilities, knowledge, and capacities rather than weaknesses, while also not reducing research rigour or isolating challenges from their global contexts.

2. **Power aware methods**: these are self-reflective and relational extension of techniques for political economy analysis (Whaites, 2017[4]) and thinking and working politically (Whaites et al., 2023[5]). These assist in identifying tensions, assumptions and competing interests.
3. **Primary research led approaches**: prioritising listening to the perspectives of SIDS and utilising broader literature to expand on context where required.

4. **Systems approaches**: consider problems holistically and in context by recognising the complex interconnections between elements in the system that work to enable or hinder positive system behaviours.

Research activities reviewed over 150 documents and engaged with over 200 people through 20 interviews online, 5 multi-day in-country visits, and questionnaire responses from eight SIDS. Representatives from all 47 SIDS were engaged through participation at workshops and events or attendance at UN preparatory meetings.

The report is structured in five following chapters:

- **Chapter 2 – Improving capacity strengthening through enhancing and leveraging SIDS public sector systems**: explores the key organisational capacities required by SIDS, and opportunities to reduce barriers to achieving these.
- **Chapter 3 – Improving capacity strengthening through regional approaches and institutions**: explores the dynamics in development partnerships between SIDS and development partners, and how this can shape, and be shaped by, capacity strengthening efforts.
- **Chapter 4 – Capacity Strengthening System**: explores a range of themes that arose around capacity strengthening, the capacity strengthening lifecycle and modalities, including on what works and what doesn’t.
- **Chapter 5 – Actions towards improved capacity strengthening support**: synthesises the various research findings, into a set of strategic shifts and actions that can be considered and adopted.
- **Chapter 6 – Acknowledging the implications of broader systems of development and development partnerships**: outlines the complexities, dynamics and tensions identified from the primary research and their implications for capacity strengthening efforts.

**Power of language**

Language in this report is consistent with the strengths-based and power-aware approaches applied throughout the research process. Some commonly used terms on this topic can perpetuate power imbalances which hinder the success of capacity strengthening work.

To address this, this report has been informed by the Oxfam Inclusive Language Guide in its choice in terminologies (Oxfam International, 2023[6]).
Table 1.1 defines the terms used throughout this report:

Table 1.1. Terminology and Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Summary Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Island Developing States (SIDS)</td>
<td>This term refers to the 57 UN-OHRLLS listed countries referred to as ‘Small Island Developing States’ or SIDS and is used in this report. However, it should be noted that such acronyms can drive tensions. For example, there is an implied vulnerability associated with the use of SIDS and the associated language of ‘special case’ and ‘developing’ that can undermine the strengths of countries.</td>
</tr>
<tr>
<td>Development partners</td>
<td>This term is used to refer to organisations that provide development assistance cooperation. This includes multilateral and bilateral partners (often referred to as donors).</td>
</tr>
<tr>
<td>Global North and Global South</td>
<td>These phrases are used in place of the traditional ‘developed’ and ‘developing’ terms. Global North refers, largely to countries that are in a higher income category, that often provide development funding. Global South refers, largely to countries that are in a lower income category and often receive development funding.</td>
</tr>
<tr>
<td>Capacity strengthening</td>
<td>This term is used in this report to mean activities that improve the competencies and bandwidth of individuals, organisations, and broader formal and informal social structures that help to enable, foster, and sustain functioning and high performing organisations. Capacity strengthening encompasses both the growth of new capabilities and skills, as well as the broadening of human resource capacity. ‘Organisational capacities’ is also used to refer to public sector such as strategy, data analysis, prioritisation, coordination, and communication.</td>
</tr>
</tbody>
</table>

Source: Author’s own elaboration.
2 Improving capacity strengthening through enhancing SIDS public sector systems

Enhancing SIDS public sector organisational capabilities

Given the key role the public administration plays in the advancement of any sector, SIDS recognise the importance of strengthening public sector organisational capacities and functions and sustaining the positive impacts of capacity-strengthening support from development partners. The latter should consider how to enhance governing or organisational capacities, drawing on international standards while leveraging the strengths and characteristics of SIDS. Priorities that emerged through primary research on SIDS include:

- **Enhancing capacities for addressing cross-cutting policy challenges.** Strong organisational capacities are key to designing and implementing climate policies. Building this capacity and public governance tools is therefore paramount to enable the transformations needed to achieve climate resilience. Many SIDS are seeking support to build their capacities in using new, more open, collaborative, and multidimensional approaches to addressing policy issues, many which align to the OECD Recommendation on Policy Coherence for Sustainable Development (OECD, 2019[7]). To achieve this, development partners could consider leveraging SIDS’ relational working methods and proximity to the community and other structures, for example in utilising formal and informal collaboration mechanisms across the public sector, decentralised models of governing, networked governance, and open and participatory approaches. Some SIDS also support building stronger integration capacities, notably in view of achieving United Nations Sustainable Development Goals (SDGs). While not all SIDS will have the enabling conditions to create stronger centre-of-government institutions, such models can play key roles in centres of government tackling climate issues and sustainable development (OECD, 2024[8]) and could still be leveraged.

- **Enhancing strategic planning, co-ordination and policy coherence.** While some SIDS have existing strengths in this area, there is interest in bolstering their strategic planning capacities, including aligning internal strategies with national, regional and international development agendas. SIDS recognise that such capacities could help them better identify, articulate and focus development partners’ capacity-strengthening efforts and give them greater power in influencing the scope and approaches of such efforts. The small administrations of many SIDS can be to their advantage in certain situations (easier coordination, stronger connections to communities, etc.); opportunities should be explored to leverage these advantages.

- **Streamlining bureaucracy and enhancing decision-making autonomy.** Often inherited from post-colonial histories, existing bureaucratic structures can be further optimised to foster a more responsive, agile, inclusive and innovative government. SIDS emphasise the importance of empowering the autonomy of public servants, enabling them to execute their duties without undue
bureaucratic constraints. Sound workforce practices that create incentives for motivated, engaged and high-performing staff are also of interest.

- **Building data and statistical capacities while harnessing local knowledge and expertise.** SIDS all understand the importance of data and statistical capacities in good decision-making, though many of them believe they lack the foundational infrastructure or technical capacities to do this. Consideration of local knowledge, data and expertise are also an important factor; this includes the development of monitoring and evaluation strategies and incorporating learning from these, for projects with development partners.

- **Empowering public servants and ministries in the digital era.** SIDS recognise strengthening public servants' capacities to thrive in the digital economy as imperative. Respondents highlight the need for training programmes to equip public servants with the skills needed for effective service delivery and good information sharing while supporting digitalisation and technology transfer.

- **Building good workforce practices and capabilities for sustainable development.** See (OECD, 2021) for recent work on individual civil servant capabilities required for SDGs. Looking for socio-culturally appropriate ways to incentivise good performance in public sector structures. Performance systems that clash with cultural norms have lower success (for example, in the Solomon Islands) (Ismail, 2019).

In striving to enhance good governance and the organisational capacities of SIDS, development partners need to understand the local contexts, working methods and characteristics of the country they are working with. Subsequently, consideration should be given to how to view these factors as strengths and leverage them while drawing on international standards and regional frameworks when seeking to enhance public sector capacities.

**Addressing key capacity challenges**

**Plugging capacity gaps in SIDS**

While building organisational capacities is important, the characteristics of SIDS governments means they can have inherent structural and implementation capacity gaps. Development partners should discuss with them options to plug these gaps in sustainable ways. For example:

- **Quickly disbursing assistance in crises or disasters:** for example, the United Nations Development Programme response to Hurricanes Irma and Maria provided surge and sectoral experts to support affected islands, and there is also a core part of the Asian Development Bank’s Pacific strategy.

- **Establishing pools of experts, specialists or advisers** that can be used to plug short- and longer-term gaps across several areas.

- **Exploring the provision of certain capacities remotely,** if appropriate, such as repair or maintenance services of specialist software.

- **Supporting pooled resources for areas such as procurement,** leading to cost efficiencies.

**Mitigating the impacts of migration, diaspora, and skills loss via ‘brain drain’**

SIDS have extensively discussed the impacts of migration and loss of skills that can exacerbate skilled labour shortages. Grenada has an annual migration rate of 2 percent and ranks among the top 5 developing nations in terms of the share of college-educated citizens leaving the country. Diasporas can be significant, sometimes outnumbering resident populations. Grenada, for example, has a population of about 100,000 inhabitants, with an estimated 230,000 Grenadians living abroad (Asian Development Bank,
Brain drain can result from overseas scholarship programs or other economic opportunities. This loss of skills (or brain drain) can counter capacity strengthening efforts by reducing the maintenance and sustainability of new knowledge or capacities, or the capacity of public institutions to deliver services.

This topic in detail is out of the scope of this report and is a complex issue as many contributing educational or labour programmes offer important monetary flows and benefits for SIDS. Thus, possible solutions can be difficult to find in this area due to political and economic interests and other dynamics. In this context, development partners and SIDS need to engage in open dialogue that accounts for political economy to explore:

- **Options to adapt labour mobility or education programmes.** This is a challenging topic as such initiatives can both increase “brain drain” or risk worker exploitation and, at the same time, also create mutual advantages to both SIDS and development partners. With the growing impacts of skills loss in SIDS, however, robust dialogue should occur on whether certain changes to such programmes, even with trade-offs, need to be considered. For example, various options have been considered in the context of Australia’s seasonal workers’ programme, such as shifting away from recruiting workers from urban areas, setting up strategic recruitment strategies or placing restrictions on the recruitment of certain personnel (of course, this can create perverse incentives). Educational programmes can consider implementing such conditions, though SIDS may not have the capacity to follow up on them (this was, for example, voiced in Saint Vincent and the Grenadines). Such conditions can also create perverse consequences.

- **Improving the value proposition of returning.** Return migration policies could be considered in conjunction with broader opportunities to create a favourable environment for skilled people to return, including investing in high-quality education (even within the region), research and development capacities to drive in-country development of technologies, recognising overseas qualifications, strategies to connect job opportunities with return migrants (OECD, 2017[12]), improving the attractiveness of civil service employment and improved business opportunities.

- **Diaspora engagement programmes that support skills transfer.** Many SIDS have existing strategies to engage youth and overseas persons through events, conferences, birth-right programmes or cultural solutions, for example. Conversations to enhance digital capacities and leverage these to engage with overseas persons could also be explored. Virtual exchanges could also allow a more rapid transfer of information and knowledge and, if coupled with the right enabling environment, could also offer opportunities for people to return and establish international businesses, and locally led employment opportunities.

While outside of the scope of this report, these issues cannot be uncoupled from broader international labour and financial systems. It is often stated that SIDS are economically fragile or vulnerable to events in international economic systems (Briguglio, 1995[13]). Thus, seeking opportunities for changes to international financial policy and architecture, migration rules and trade rules could allow SIDS to retain the human and physical resources by driving up local wages and enabling economic growth (Staur, 2023[14]). Such changes could also assist SIDS to mobilise, leveraging and supporting human resources domestically and compete with international markets.

**Leveraging the innate characteristics and diversities of SIDS public sector systems**

Development partners need to account for the context and operating environment of SIDS public sector systems and look for ways to work with and leverage this. While many SIDS have a similar set of structures in place to western democratic bureaucracies, there exist diversities and nuances across SIDS that are important to incorporate into capacity strengthening approaches:
- **Relational ways of working.** Following independence, many public services in SIDS shifted away from traditional procedures to de-neutralise public servants (UNDP, 2014[15]). At times, this has meant that the lines between politics and the public sector began to blur. SIDS have indicated that this situation has posed the risk of the politicisation of the public sector and can result in public resources being controlled by politics rather than the administration. Additionally, the small size of the public sectors, and community and family values can affect the impersonality of public sectors in SIDS. In this context, this proximity and relational ways of working can mean the standards of independence or impersonal models of public services that focus on merit and neutrality may not be fully applicable.

- **Proximity to community and social structures**: Another factor of public sectors and governing systems in some SIDS is the proximity that ministers, or the public administration, can have with citizens and their communities. This can enable rapid coordination, communication, and collective action by leveraging community and social structures. This can have a great impact when combined with cultural attitudes of family, culture, and service, common across the Pacific (Lasika, 2020[16]). Public services can leverage strong social cohesion and community solidarity (Campbell and Hall, 2009[17]).

- **Size**: while SIDS do have proportionally larger public sectors to their size, there still exist capacity issues such as low-capacity, over-extended personnel, challenges in attracting and retaining specialists, compensation challenges, limited mobility or promotions, shortage of management skills or excessive routine dependence (Maldives Reform Watch, n.d.[18]). Current processes used by development partners do not always consider this in their processes. For example, coordination capacities in SIDS are often expected to navigate the scale of international support systems that use extensive reporting commitments drawn from western democratic and large governments. Yet, size also provides a range of strengths that development partners should leverage:
  - Trust and participatory approaches could be potentially easier.
  - Public services and policies have the potential to be more responsive to change and more flexibility.
  - Proximity to the population could enhance greater legitimacy for perceived fairness and equity.
  - Co-ordination can be easier, particularly when there are more homogenous populations.
  - The ease with which things can be done through relational ways of working (noting other challenges).
Regional institutions

Regional institutions and approaches present opportunities and challenges for capacity strengthening. Regionalism emerged to strengthen capacity, coordinate development projects, amplify SIDS’ voices (Carter, Fry and Nanau, 2021[19]), and deal with cross-border issues (Bishop and Payne, 2010[20]). This can include peer learning, seeking supplementary capacity support, and exploring shared government systems (Global Affairs Canada, 2022[21]). Regional approaches can also strengthen the position of larger programmes, often more desired by development partners. Regional approaches are important as they can achieve a level of scale, which can in turn, support comparative advantage, that is otherwise very difficult.

Both the Pacific and the Caribbean have multiple strong regional institutions, many of which are mandated by member countries, and both regions feature well-regarded tertiary universities. Meanwhile, SIDS in the Atlantic, Indian Ocean, Mediterranean and South China Sea (AIMS) region have far fewer regional bodies, possibly due to its makeup of many sub-regions that share little or no historical, geographic, or cultural connection.

In the Pacific, regional approaches can be shaped by how dispersed countries are within a geographic area (Ng Shiu et al., 2023[22]), by cultural homogeneity or shared interests or histories. Fora such as the Pacific Islands Forum (PIF) have thus played a key role in helping to consolidate and communicate clear regional priorities, for example, through the 2050 Strategy for the Blue Pacific Continent (Pacific Islands Forum Secretariat, 2022[23]). Other regional organisations, such as The Pacific Community (SPC), have a strong advantage when distributed in-place across many Pacific locations to service its 22 member countries. Their approach to developing country-level plans reinforces country-owned support that is tailored to each member.

Regionalism in the Caribbean is supported by a strong foundation for regional cooperation and shared historical ties resulting from colonial legacies (Griffith-Charles, 2016[24]). Regional cooperation remains instrumental in addressing shared challenges and opportunities among Caribbean SIDS, fostering policy coordination and coherence, resource mobilisation and collective action. Regional institutions such as the Caribbean Community (CARICOM) have significantly furthered economic integration, trade liberalization among neighbouring small islands, and bolstered technical and institutional capacities to support sustainable development. However, CARICOM continues to face challenges to implementation of comprehensive economic integration initiatives (Al-Hassan et al., 2020[25]).

The Organisation of Eastern Caribbean States (OECS) has also shaped regional capacity-strengthening initiatives in the Caribbean with a strong emphasis on education and training programmes to enhance
knowledge exchange and technical capacity among member countries. There is an extensive list of additional regional institutions and institutions that are not listed here support the region in different ways. The AIMS region has far fewer regional institutions, and none represent all SIDS in the grouping. Some regional institutions with a specific focus do exist, such as the Indian Ocean Commission. Countries in this region may not have access to the same advantages than other regions. Inter-regional SIDS bodies may also help to bridge this gap. Inter-regional governance mechanisms, such as the Alliance of Small Island States, have succeeded in areas of global advocacy, such as climate advocacy (Bishop et al., 2021[26]). Yet, SIDS can also experience challenges in regional approaches for capacity strengthening. This can be due to the evolution of the roles of institutions, limited organisational capacities of regional institutions themselves, divergent national interests, governance inefficiencies and heightened dependency upon regional institutions (Chittoo, 2011[27]). Some examples raised through the research included:

- The scope of some regional institutions has been overstretched which can impact capacity
- Divergent interests and inability to achieve required political integration
- Challenges in establishing the necessary collective governance structures (Bishop and Payne, 2010[20])
- The view that regional approaches can dilute finance that reaches countries, or the contextualisation of projects
- Regional institutions can perpetuate power imbalances or loss of resources (Chittoo, 2011[27])
- A need for existing regional institutions to be more inclusive, including with community organisations (Newton Cain, 2015[28])

Continuing to examine the role, value and ecosystem of regional institutions and approaches is required. Addressing these challenges requires concerted efforts to strengthen regional institutions, enhance coordination mechanisms, foster inclusive stakeholder engagement, and promote local ownership in initiatives (OECD, 2023[29]).

Opportunities to expand on current regional approaches would be useful. This would need careful design of governance mechanisms, information and resource flows, data implications and consideration of required inputs and workforce capacities for institutions. Regional approaches should not diminish sovereignty and must remain cautious to avoid adding further layers of complexity (for example, a third layer of different reporting or data requirements or rules). Striking a balance between national and regional needs and ensuring that initiatives are responsive to each country is acknowledged as important through a recent OECD study (OECD, 2023[30]). Areas for exploration could include:

- **Identifying sectors with the most opportunities for regional collaboration.** For example, some SIDS noted that regional approaches should be used more effectively for common interests, comparative advantage, or untapped opportunities. For example, disaster management, the blue economy and technology were noted.
- **Regional, or global networks of regional, Hubs for specific sectors.** However, various models of sector-related regional hubs, such as climate (see the 5Cs) and sustainable energy (UN-DESA, n.d.[31]), could continue to be expanded and designed for other sectors, such as infrastructure development. Hubs could provide myriad services, such as knowledge sharing, innovative ideas, capacity building and technical experts to provide advice or assistance in creating standards or regulations.
- **Regional expert pools or centres of excellence.** These pools could provide services with low barriers to access, for example, in building programmes like Tax Inspectors Without Borders.
Expert pools can sit across technical, sector or even organisational capacities such as procurement, project management, development applications and concept proposals or digital or data capacities. It can also be used to support SIDS in adopting and adapting contemporary approaches to policymaking and governance, such as agile management, national listening exercises, foresight and anticipation approaches and national risk assessments. Many of these already exist and consideration can be given to expanding their impact and reach. These could leverage existing bodies, such as the Pacific Community.

- **Regional approaches to statistical strengthening.** In this regard, opportunities could be explored, such as augmenting the statistical human resource needs of SIDS through expert pools, providing tailored training and technical assistance to SIDS, information and communication technology (ICT) infrastructure support either through identification of needs or through regional data processing facilities, national and regional statistical strategies (for example, see the regional strategy for the development of statistics [RSDS] approach) or data governance and rules development, including the preparation of regional guidelines.

- **Data hubs or regional data collection approaches.** Development partners could develop the capacities of existing bodies, such as the Caribbean Community Climate Change Centre or the OECS, in these issues. Regional and inter-regional data hubs could support across a range of areas that can enhance SIDS’ decision-making. Regional data hubs could also act as a filter between development partners requiring data directly from SIDS and reduce duplication of data infrastructure (Gasparini, Masters and Carswell, 2021[32]). Data hubs need to consider issues of what data will be used, how they will be collected, data quality and ownership and governance of data across the region. The establishment of the inter-regional platform, the SIDS Global Data Hub, is already being discussed.

- **Leveraging regional institutions for triangular co-operation.** Regional approaches can lower transaction costs, making it easy for development partners to support SIDS through this modality.

- **Extend on regional programmes through banks:** this can finance activities SIDS that have already graduated from ODA. This is a way for graduated SIDS to continue to benefit from concessional finance.
Untapped, cross-cutting opportunities

It is out of the scope of this report to cover detailed capacity requirements of SIDS across all sectors, and this topic is well covered in other literature and the lead-up to the 4th International Conference on Small Island Developing States (SIDS4). However, three priority themes that can be applied across several sectors emerging from the primary research are worth raising:

1. Exploiting innovation and technology advancements
2. Leveraging partnerships with the community and the private sector
3. Expanding South-South and triangular cooperation approaches

Exploiting innovation and technology advancements

Advancing technology, greater connectivity and crises like the COVID-19 pandemic create opportunities for SIDS to innovate across many sectors. The primary research highlighted this as a top priority for SIDS, looking for more visibility of current trends and holistic support to explore and exploit emerging technologies. Advancing and emerging technologies can catalyse capacities in SIDS:

- Climate resilience (for example, the protection of marine environment, remote sensing (Anisimov and Gulyaeva, 2021[33]); (Halais, 2019[34]))
- Catalysing different industries which can help SIDS achieve inclusive economic development (Labrunie and Chang, 2023[35]). For instance, survey participants were highly interested in adopting 3D manufacturing processes, using precision technologies for agriculture, renewable energy for tourism, AI for analytics or cybersecurity, new spatial mapping, digital learning, and automated financial and banking software.
- Enhancing governance or public service practices (for example, the Marshall Islands’ push to encode all its rules and governance in a digital format, or the use of digital IDs or e-government in Seychelles)

Exploiting technologies to strengthen capacities demands a holistic approach, including considering:

- The development of technologies and related infrastructure (and repair or maintenance) that are adapted to the SIDS’ context and enabling environment
- Accessing new and appropriate financial flows
- Facilitating access to required data and technical knowledge
- Building research, development, and innovation capacities (including ability to absorb, disseminate and use relevant technology or innovations (United Nations, 2023[36]); see (Halais, 2019[34]) for information on research capacities of SIDS)
• Capacity building of relevant stakeholders (including citizens who may interact with new technologies)
• Broader changes to regulatory or trade or investment frameworks, or enabling environments of industries
• Political will and policy consensus or change (including looking at potential risks such as loss of jobs)

More broadly, the study found that development partners can better support SIDS’ overall innovation capacities to harness existing and future opportunities. At a national level, people science is already improving ocean quality and data aggregation tools are supporting the health sector and disaster responses. SIDS also have regional and global innovation opportunities to drive comparative advantage across the states (Meddeb, 2022[37]). For example, in utilising community datasets, pioneering ethical or trusted digital approaches (closing the gap between citizens and governments) and using digital currencies. Innovation could also support untapped sectors such as the blue economy or enhance the services sector.

To support SIDS to exploit innovation and technology, development partners should consider:

• Whole of systems approaches that consider elements outlined above, adapted to the context of SIDS
• Leveraging South-South and triangular cooperation modalities to learn from countries in similar contexts and to test trial technologies in a new context
• Supporting financial flows through shifting climate funds towards adaptation technologies, support SIDS in pursuing PPPs and diverse financing opportunities (for example, crowd funding or blended financing, (UNEPCCC, 2022[38]))
• Building research, development, and innovation capacities including the broader enabling conditions:
  o Cross-border frameworks and foundational data infrastructure, including the Internet (UNCTAD, 2022[39])
  o Facilitating dialogues to identify shared priorities and principles that balance regional or global advantage with sovereignty and self-determination
  o Identifying broader shifts to the economic enabling environment to support innovative options (SIDS discussed subsidies, incentives, and reviews of taxes)
  o Embedding innovation policies into national development strategies
  o Enhancing governance approaches, for example to build citizen trust in public institutions
• Leverage regional and sub-regional governance: for example, in establishing academic programmes and partnerships (Mijts et al., 2019[40]) centers of excellences, or pools of experts that can be easily drawn upon by SIDS.

Leveraging partnerships with community and the private sector

While national ownership is vital for sustainable capacity strengthening, there are opportunities for development partners to better build leverage partnerships with the private sector and community. These actors play important roles in helping with knowledge production, overcoming capacity or absorption constraints of national public administrations (OECD, 2023[41]), and supporting collective action at the local level. This concept is reinforced in the United Nation’s work around genuine and durable partnerships, which recognises that “multiple actors work together through collective action to tackle complex challenges usually through system transformation” (Yezza et al., 2021[42]).
SIDS strongly agree that working with local structures, such as community and citizens is vital to strengthen capacities. If capacity strengthening can leverage local social structures (Pritchett, 2013[43]), then that initiative will likely have more a sustained impact. Initiatives at the local level can perform well as they are familiar with local context and socio-cultural nuances and cultural specificities. Development partners already support SIDS through partnerships with community and civil society organisations (CSOs) to deliver education and health care services, or to support prevention awareness initiatives in health or climate change (see for examples (The World Bank, 2021[44]; (UNDP, 2020[45]; (OECD, 2023[30]; (Hassell, Hutton and Barnett, 2020[46]). In the Comoros, local associations have been instrumental in enhancing small-scale fisheries management effectively. Effective partnerships with these actors could also better support improved coordination and whole-of-system approaches, positive spillover effects to social or economic areas, and scaling up of successful pilots or approaches. One example (WHO, 2018[47]) is the Locally Managed Marine Areas Network, which has expanded from a single village in Fiji to incorporating 600 villages in 15 Pacific Island States and some Indian Ocean countries, providing benefits on fisheries and community livelihoods. In Samoa, CSOs deliver training to citizens and businesses (including women entrepreneurs), supporting their broader business and technical capacities.

However, to successfully engage community organisations and CSOs, development partners should consider:

- **Using local experts or structures** where possible with direct and accessible engagement methods
- **Work with the political context** to enable other actors having more responsibilities
- **Ensuring financing reaches CSOs or community organisations**; national subsidies may not always be provided and funding from development partners often get ‘stuck’ at the national level
- **Considering required shifts to governance models**. For example, SIDS may need to utilise more decentralised governing models to allow community organisations to play a great role. It is not appropriate to assume that national public administrations can cope with greater roles.
- **Providing capacity strengthening for all actors**, including the organisational capacities required for CSOs and community organisations to play a greater role in policy or the delivery of public services.

**Public private partnerships**

SIDS could also benefit from PPPs across a range of sectors and support the unlocking of different financing opportunities (this can be important for countries who have graduated in status and thus have limited access to concessional financing) (IMF, 2019[48]). For example, positive models were identified such as supporting renewable energy through the Sustainable Energy Financing Project or utilising Build-Own-Operate-Transfer (BOOT) or Design-Build-Finance-Operate (DBFO) models for infrastructure gaps or greenfield projects (generally, major risks are borne by the private company) (PPIAF, 2004[49]). However, there can be structural constraints such as a lack of enabling environment, isolated or small private sectors, insufficient capacity to access such opportunities, issues of scale, the regulation environment, etc. (OECD, 2023[30]). Establishing effective PPPs is a complex process and requires comprehensive legal, institutional and financial management frameworks. These need to be considered when attempting to leverage such opportunities. Further, SIDS may need to be supported in generating the systemic evidence base necessary to make the case to potential private sector investors (particularly larger or global investors) (WHO, 2018[47]).
Research and academia

Universities, research think-tanks, and other academic institutions can play positive roles in capacity strengthening, through delivery of education or training, research, and innovation development, and in gaining local needs or data for different sectors such as in climate change (Khan, Mfitumuzika and Huq, 2020[50]). Supporting local and regional universities can also help retain talent within countries. Yet, many face challenges in allowing them to undertake research or implement sustainable capacity-strengthening activities. These challenges include a lack of financial support, co-ordination and staff training, and insufficient monitoring or follow-up tools to evaluate their programmes. Further, universities and academic institutions are often excluded from development partner-led support (Westoby et al., 2020[52]) or funding is only short-term, resulting in the training to stop (for example, the ocean sustainability training in Comoros).

Development partners should therefore support and empower universities and academic institutions to better enhance capacities for SIDS. For example, through:

- **Using these institutions to leverage local knowledge and resources**, including regionally or sub-regionally. SIDS have noted the positive opportunities that institutions such as the University of the West Indies and the University of the South Pacific offered, and these could be funded and leveraged in capacity programmes.
- **Helping to strengthen the connection between research and policy decisions**. For example, SIDS have noted the importance of better applying research to innovate across areas of manufacturing or climate change, while others noted the importance of establishing national science capacities and systems.
- **Sharing innovative practices, technology advances or scientific research with SIDS**, for example through global centres of excellence, knowledge-sharing platforms or existing networks.
- **Enhancing the organisational capacities** of academic institutions.

**Expanding South-South and triangular cooperation approaches**

South-South and triangular cooperation approaches are of increasing importance and should be further exploited for SIDS. These approaches acknowledge that all countries are sources of rich knowledge and experiences. They are also enabling SIDS to have a wider choice of development partners (OECD, 2023[53]). They can help in deploying local, culturally relevant practices by identifying models of service delivery that are suited to the local context and that can be scaled. Numerous examples have been identified, such as disaster risk reduction across the Pacific Islands, reef restoration in Mauritius and Seychelles, maritime training in Singapore and the International Maritime Organization, and even strengthening governance capacities across islands (UN-OHRLLS, 2021[54]). Cuba, the Dominican Republic, Fiji, Guinea-Bissau and Haiti are also often involved in green triangular co-operation projects (OECD, 2023[53]). The triangular and south-south cooperation approaches could be applied to the different types of capacity strengthening needs for SIDS, for example:

- In short-term approaches that can be lower-cost and used for pilot projects or to explore new partnerships.
- Through regional or sub-regional approaches and institutions to knowledge sharing or training, for example through utilising existing centres of excellence and creating regional hubs.
- For scaling up capacities or technology transfer from other countries.
- As part of long-term capacity-strengthening partnerships or programmes.
- As part of longer-term, flexible, sector-wide approaches (for example, German development agency GIZ provides a regional fund for triangular co-operation, which can allow more than three partners).
For SIDS, triangular co-operation approaches could be further considered outside the traditional government-to-government initiatives, given the importance of other actors, and including more than three partners. Further, establishing models with robust debate and innovation processes could also help reduce the risk of reproducing one-size-fits-all narratives. One of the added benefits of such approaches also includes enhancing the capacity of all partners to tackle cross-cutting global challenges while fostering partnerships (OECD, n.d.[55]), which could provide longer-term benefit for SIDS. Although further research is needed, development partners should invest in establishing these approaches and trialling different models into the future. Some key considerations include:

- **Building ownership and trust** by supporting the common interests of the actors and countries, and focusing on the benefits for all partners, rather than just the beneficiary.
- **Embracing a multi-stakeholder partnership approach**, including different sectors where it may offer value.
- **Mutual accountability across all partners and actors** while supporting condition-free approaches.
- **Leveraging innovation, experimentation and digital opportunities** which can enhance technology transfer (for example, Indonesia was able to transfer its technology on solar-power boats to Fiji, (OECD, 2023[53]).
- **Supporting SIDS in embedding such modalities in their own organisational capacities**. For instance, helping to create legitimacy for these modalities, inserting them in national and regional strategies and establishing co-ordination units or mechanisms.
- **Undertaking systematic reporting and sharing of learnings** to raise awareness of these modalities’ value and practical applications.
- **Working with regional institutions to establish governance mechanisms** to formalise these approaches.
- **Providing better visibility on triangular initiatives** through publishing opportunities or through global calls.

### Improving the process and approaches from development partners

**Priority cross-cutting themes to improve processes and approaches**

The processes and approaches that development partners use in working with SIDS can be just as influential on the quality, contextualisation and sustainability of capacity strengthening. This part summarises 5 key themes:

1. Longer timescales and modalities for flexible and sustainable capacity.
2. Taking a co-ordinated, whole-of-system approach to capacity strengthening.
3. Tailoring approaches to needs, context, culture and systems.
4. Existing knowledge, practices and ability to absorb and integrate new capacities.
5. Importance of meaningful partnerships between SIDS and development partners.

**Longer timescales and modalities for flexible and sustainable capacity**

SIDS discussed the importance of long-term, sustainable approaches to capacity strengthening. Most recognised the value of short, sharp training for specialised capacities or specific needs but indicated preferences for flexible long-term support. This is important given the types of challenges SIDS face are very complex. At times, SIDS can experience an abrupt conclusion to support at the end of a project or programmes being delivered and short-term gains fail to be institutionalised or used. This can be
exacerbated by a broader structure of development assistance that can encourage SIDS to bid for short-term project funds that bring temporary injections of funds but do not offer sustainable solutions (Bishop et al., 2021[26]). A more nuanced lifecycle for capacity strengthening should be considered a default that focuses on a continuous and long-term process, enabling SIDS to strengthen their capacities more sustainably.

While at times, long-term supplementation is required due to lack of resources, there was general agreement that supporting knowledge transfer and capacity strengthening of local staff was crucial (for example through combinations of modalities with mentoring, coaching and continuous development or follow ups). Where supplementation or technical assistance is provided, equitable pays and twinning of local counterparts were raised as good practice (90% of respondents to the questionnaire for this survey preferred the presence of local counterparts). Exit strategies should consider that activities may require longer timeframes in SIDS than in other settings.

Long-term approaches should employ flexible and adaptive design and implementation. The current architecture of projects is considered overly rigid from project design to implementation (Mikulewicz and Podgór ska, 2020[56]). A flexible approach is crucial for delivering capacity strengthening, especially given the long gaps between project approval and implementation, and realities on the ground that might change. Some positive examples have been given; however, for example, the support Japan is providing to Mauritius in their oceans sector, or New Zealand’s approach in Vanuatu has shown flexibility in delivering a package of support to the country’s recovery from tropical cyclone Harold in 2022 (OECD, 2023[30]). These were done through long-term, programmatic modalities.

Taking a coordinated, whole-of-systems approach to capacity strengthening

SIDS have emphasised that development partners should take a more whole of systems approach to capacity strengthening. This is supported by a range of academic and practice literature discussing the importance of contexts and systems (see for example (Stiles and Weeks, 2007[57]); (Dornan and Pryke, 2017[58]); (Schulz, Gustafsson and Illes, 2005[59]). Several considerations surfaced from the research as to how development partners could do this practically:

- **Better identifying the right individuals or actors to be involved.** It is important to provide capacity strengthening to frontline staff, policymakers and organisational functions (for example, budgeting, administrative, regulatory or information and communication technology [ICT]). This also means ensuring that other organisations or stakeholders that play a key role are involved (for example, in the health or education sector, where community organisations, women’s groups or civil society organisations play a key role).

- **Providing training needs alongside infrastructure or resources** (such as computers or software). Further, infrastructure or equipment provisions also need to consider capacities to maintain or repair the infrastructure (whether this is in-country or provided through development partner services such as, at times, information technology support) and, potentially, specialists for operating the infrastructure.

- **Engaging with the broader inputs, processes or institutional settings that need to be shifted.** For example, building overall capacities in climate change action may require shifts to regulatory frameworks, policy changes, incentives, infrastructure, workforce skills and finance. Institutional settings can be the most difficult to change, and yet the most important to enabling successful efforts.

- **Being cognisant of the broader environmental or contextual factors**, such as politics, the macroeconomic landscape, political systems, laws, rules, power, values, or attitudes. These elements can enable or hinder the success of any effort.

- **Better co-ordinating efforts.** This ensures alignment and coherence of action and reduces unnecessary burden on SIDS (OECD, 2023[30]). Currently, approaches usually reflect development
partner practices (or their intermediaries) in working methods, priorities, and approaches. Knowledge gaps among partners also prevent synergies required for whole-of-system transformation and create duplicities in investments, implementation and data collection and analysis. This is particularly important when working with multi-laterals, which can unlock greater expertise but also place a greater burden on SIDS.

- **Considering how to enable SIDS to effect whole-of-system change.** This takes a slightly different paradigm from the typical approach where development partners may take a whole-of-system approach but still see themselves as the experts or responsible for enacting the change.

**Tailoring approaches to needs, context, culture and systems**

SIDS engaged in this research raised frequently the need for development partners to provide more tailored and contextualised capacity strengthening:

- **Approaches tailored to the needs of SIDS:** SIDS say that they often adapt development partner priorities rather than receiving support that reflects their needs (see Chapter 5 for additional reasons that can contribute). This is a challenge, even for SIDS with clear national strategies and capacity assessments. Furthermore, training or other advice is often generic and does not take into account their existing capacities or local context. This results in a lack of ownership of the projects or a lack of implementation or maintenance of new practices.

- **Approaches tailored to context:** Every SIDS has its own history, political economy and institutional frameworks. Their context is also shaped by dynamic and often difficult-to-control external forces, such as politics, that can enable or hinder the impact and sustainability of capacity-strengthening efforts (Pritchett, 2013[43]). Some practitioners have used approaches such as thinking and working politically (TWP) to better grapple with topics of politics. TWP has three principles: 1) strong political analysis; 2) detailed appreciation of, and response to, the local context; and 3) flexibility and adaptability in programme design. Tools such as political economy analyses have also been of growing interest. Yet a few challenges can arise in practice:
  - The instruments often used by development partners do not account for the political economy of their own agencies (Hout, 2015[60]) and the implications of this on capacity strengthening support.
  - These approaches often require changes to how development partners work – to be more adaptive, responsive, and agile at all phases of the lifecycle and better incorporate formal and informal sources of knowledge and evidence. It may conflict with traditional or more inflexible ways of working of some development partners (Hudson and Marquette, 2015[61]).
  - These tools are best used in collaboration with SIDS but can at times feel overburdensome (when combined with the extent of planning tools, checklists, and frameworks). Further, at times SIDS do not feel these exercises inform practically the design and approaches of support.

- **Approaches tailored to cultural practices and values:** Culture and traditions are very important for and yet diverse across SIDS. Capacity-strengthening approaches from development partners often prioritise best practices from contexts that may push out more traditional ways of working, knowledge or social structures. Many SIDS are prioritising leveraging traditional ways of working while working closely with development partners, which often see best practices from other contexts applied (Smith, 2021[62]; (Vaioleti, 2006[63]); (Helu-Thaman, 1997[64]). Several examples were given through the research, including Samoa revitalising traditional approaches in its education sector.

- **Tailored to country systems:** Use of country systems can drive country ownership and the sustainability of results. Most SIDS find themselves adapting to development partner systems, even when they had national systems that passed international standards. (SIDS also acknowledged the importance of building integrity and good international standards in their own
systems to also foster trust from development partners). Literature also suggests that quality of a partner country’s systems is often not indicative of development partners’ use of these systems. Conversely, some SIDS did prefer to use development partner systems (procurement), as they found it faster or easier to engage with and faster than their own processes. It was also noted that development partners could tailor results frameworks more to local systems and knowledge.

Existing knowledge, practices, and ability to absorb and integrate new capacities

All SIDS start with existing knowledge and capacities, and development partners should consider these, at the individual, organisational or even broader level, to tailor scope and approach. SIDS have different needs for certain capacities, and at different levels, and start with different existing capacities related to goals.

SIDS also emphasised the need to consider capacity strengthening support in a way that builds certain lacking capacities, but also to strengthen and catalyse strengths (this can also support the peer-to-peer modalities of capacity strengthening through certain SIDS being hubs or experts in certain areas and can share this with others.)

When assessing capacities and designing approaches, the broader context is important; therefore, contextual analysis tools could also be employed at this point. For SIDS, additional considerations surfaced through the research. Approaches should still support the principles of country ownership and mutually trusted partnerships (see Box 4.1 below on country ownership and the principles of effective development for SIDS). Further, SIDS noted that at times, it can feel that development partners over-prioritise time and resources on these parts of the process, instead of focusing more on delivery and implementation (in whichever modalities); balance is key.

Some SIDS also note that they do not always absorb, integrate and sustain new capacities: allocating more funding or efforts to a certain area may not achieve the intended goals. It is out of scope of this report to fully detail the theory on absorptive capacity. However, a few considerations emerged from the discussions. Contextual analysis and capacity assessments should consider:

- The individual or organisation(s)’ability to identify, acquire and make sense of new knowledge
- The ability for new knowledge to be used and applied in a meaningful way
- The ability for broader shifts to organisational processes or structures or institutional factors that will allow the successful integration and sustainment of new capacities (including technologies).

Box 4.1. Country ownership and the principles for effective development co-operation in SIDS

Country ownership

The importance of country ownership in development co-operation or capacity-strengthening efforts is not new. Yet, a consistent understanding of what country ownership really means is still unclear: what should be owned and by whom? The concept has been used for different issues, including ensuring alignment to country priorities, political ownership, decision-making power, ownership by communities or other stakeholder groups, use of data or other evidence of countries, etc.

While the primary research demonstrated that ownership was important at all stages of the lifecycle, from planning to implementation and beyond, further discussion needs to be had about how the concept should be applied in different case scenarios. As an example, where there is strong involvement of community structures (in decision-making or implementation) of a function, what is the balance of “ownership” between national governments, local governments and other such structures? Another
Importance of meaningful partnerships between SIDS and development partners

Meaningful partnerships are one of the top enablers of good capacity strengthening reported by SIDS during the research. Some of the words and phrases used by SIDS around what constitutes good partnerships included respect, mutual trust, good listening, understanding and genuine desire to help, responsiveness, easy communication, long term, co-creation, collaboration, mutual accountability, transparency and support outside of finance.

Partnerships often get thought of as organic; while in some sense this is true, partnerships where there exist dynamics, tensions, and complexities (see Chapter 2 and Chapter 3) require work. They are more than a quick one-off project - they require considerable time and effort to develop (Yezza et al., 2021[42]). While all the sections of the report aim to contribute to good partnerships, below are further considerations SIDS and development partners can use:

- Identify and acknowledge individual and shared objectives
- Identify and engage with common and different values between actors in the partnership;
- Shift towards principles and values-based partnership agreements or guidance that can help to remove challenges such as hidden powers and enable more equitable and respectful partnerships

Sources: (Global Affairs Canada, 2022[21]).

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<tr>
<th>Importance of meaningful partnerships between SIDS and development partners</th>
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- Development partners and SIDS may have different interpretations of the principles and what they mean in practice. For example, “focusing on results” often raises questions about what success looks like, and what types of data and evidence demonstrates this success. “Country ownership” also raises questions around the use of country systems, the required standards of these systems and differing risk thresholds. In the name of “Country Ownership”, SIDS may be asked to validate data that others have created or repeatedly share information to researchers.

- The presence of long-term meaningful, reflective, trusted and mutually respectful partnerships plays an important role in perceptions about the extent to which the principles are applied or understood. See above for additional details.

- The principles may not fully consider the underlying power dynamics in development partnerships that shape, and are shaped by, capacity strengthening work. “Inclusive partnerships” may be undermined by these dynamics which can emerge through internal agendas, rules, requirements, and other processes.

- A proliferation of frameworks and guidance can dilute a focus on action. Many frameworks and principles, often different across development partners, are all promoted for use in capacity strengthening. It can be difficult to integrate these practically and can incentivise an over-focus on processes and checklists.

Sources: (Global Affairs Canada, 2022[21]).
- Create spaces to discuss and navigate the external dynamics amongst stakeholders in SIDS (Yezza et al., 2021[42])
- Build the skills, processes, and broader capacities to build and manage partnerships (Kelly and Roche, 2014[69]; (Yezza et al., 2021[42])
- Create feedback processes for learning and adapting the partnerships

Growing momentum on the importance of partnerships has seen some development partners reorient their approach to supporting SIDS. In 2022, the United Kingdom Foreign, Commonwealth and Development Office launched the Small Islands Developing States Strategy 2022-2026 (Foreign, Commonwealth & Development Office, 2023[66]). In 2023, the UNDP put forward the Rising Up for SIDS Offer to strengthen its programmatic engagement with SIDS, strengthen their capacity to respond to urgent and emerging challenges, and provide tailored, human-centred development support (United Nations Development Programme, 2021[67]). Other organisations, like the World Bank, also now have dedicated units to help create and foster partnerships with SIDS.

**Specific challenges SIDS experience across the lifecycle process**

Table 4.1 below details the common challenge points, and the organisational capacities that SIDS typically require at each phase of the lifecycle from matching to maintaining capacities.

**Table 4.1. Phases of the Capacity Strengthening Lifecycle**

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<tr>
<td><strong>Scope</strong></td>
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<tr>
<td>SIDS work to identify their priorities and match these with development partners. Development partners that seek to understand and help refine and articulate these needs are preferred. In this phase, an understanding of existing capacity is required (see above).</td>
<td>SIDS apply to access different types of development partner capacity support. This stage involves all stages of the application process including concept preparation, eligibility responding to partner requirements, data collection, feasibility assessments and demonstrating the impact of efforts.</td>
<td>After successfully accessing support, SIDS generally work with development partners to scope and plan a project or programme within the bounds of approved support. This stage may also include working with development partners to mobilise resources and learn local contexts and ways of working.</td>
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<tr>
<td><strong>Common challenges</strong></td>
<td><strong>Common challenges</strong></td>
<td><strong>Common challenges</strong></td>
</tr>
<tr>
<td>- SIDS and development partners’ lack of a shared understanding of needs, scope, priorities, goals, capacity-strengthening approaches and ways of working.</td>
<td>- Lack of visibility of development partners and their offerings.</td>
<td>- Approach and risk do not account for uncertainties and change.</td>
</tr>
<tr>
<td>- Challenge in advocating for needs at the national, regional and global levels.</td>
<td>- Need for funding meaning some countries find it difficult to say no to development partners even when a mismatch of priorities exists.</td>
<td>- Challenges in identifying which stakeholders to involve, and how to involve (assessments of the SIDS partnership frameworks showed private sector and youth groups need more attention).</td>
</tr>
<tr>
<td>- Geopolitical and other external influences creating tensions in who to work with, fragmented efforts or priorities shaped by external forces.</td>
<td>- Complex, varying and resource-intensive processes.</td>
<td>- Mismatch between scope and context.</td>
</tr>
<tr>
<td>- Intense reporting requirements to balance national, regional, and international demands.</td>
<td>- Challenges in meeting eligibility criteria, conditions or requirements.</td>
<td>- A feeling of SIDS not being heard, trusted, or listened to or their expertise not respected.</td>
</tr>
<tr>
<td>- Intense reporting requirements to balance national, regional, and international demands.</td>
<td>- Differing views about what constitutes the success of efforts, and what forms of knowledge and data can be used as evidence (for example, local and tacit knowledge should be considered).</td>
<td>- Narrow or siloed support.</td>
</tr>
<tr>
<td>- Organisational capacities often required</td>
<td>- Application processes or monitoring that require data repeatedly.</td>
<td>- Challenges in obtaining the required political leadership or commitment.</td>
</tr>
<tr>
<td>- Strategic planning, prioritisation, and articulation of priorities (often islands have plans in place but may not have associated</td>
<td>- Concept development and project and programme design.</td>
<td>- Project or programme scoping.</td>
</tr>
<tr>
<td>- Concept development and project and programme design.</td>
<td>- Design of administration, reporting, monitoring, learning, and evaluation.</td>
<td>- Risk management.</td>
</tr>
<tr>
<td>- Design of administration, reporting, monitoring, learning, and evaluation.</td>
<td>- Application processes or monitoring that require data repeatedly.</td>
<td>- Procurement and recruitment.</td>
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</table>
articulation of technical assistance or capacity strengthening needs.
- Organisational and workforce capacity needs assessment.
- Coordination and sequencing.
- Financial planning and budgeting.
- External stakeholder engagement and relationship management.

approaches using international and local methodologies.
- Proposal and application writing.
- External stakeholder engagement and relationship management.
- Feasibility assessment.
- Risk assessment and planning.

- Financial planning and budgeting.
- External and internal stakeholder engagement.
- Data and statistics.
- Monitoring, evaluation, adult learning, and capacity strengthening design.
- Reporting and baseline evaluation.
- Workforce planning.

|---------------|-----------------|----------------|
| Scope         |                 | Sustained capacities and capabilities are most required during this phase, and improvements made in projects may be at risk of stalling or declining. Many partners conduct long-term impact assessments during this phase. However, at all stages, more active support from development partners is required to consider and support maintenance as part of sustainable capacity-strengthening efforts. Maintaining trusted, responsive relationships and being ready for the lifecycle to start again is critical. Partner support during this phase may also include supplementary support or surge support modalities.

Common challenges
- Insufficient focus on transferring at all stages of the project.
- Project KPIs and targets do not incentivise transfer of knowledge.
- Development of documents, systems or procedures that not led by SIDS.
- The right people with key roles important to strengthening that capacity are not involved throughout (either in terms of role, seniority, community position or expertise).
- A feeling that that external consultants or development partners are not incentivised or accountable for supporting this phase.

Organisational capacities often required
- Project management.
- Data collection.
- Monitoring, evaluation, and reporting.
- External and internal stakeholder management.
- Public financial management and budgeting.
- Contract administration.
- Monitoring, evaluation, adult learning.
- Capacity assessment and follow-ups.
- Risk management.
- Staff and human resource management.
- Contract administration.
- Public financial management and budgeting.
- Safeguarding.
- Statistical and data capacities.

- Internal stakeholder management and leadership.
- Programme or functional governance.
- Capacity assessment and follow-ups.
- Planning and strategies for sustainability and continuous improvement.
Data collection and analysis to inform monitoring, decision-making and continuous improvement.

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**Exploring different modalities including SIDS views on what works and what doesn’t**

This section lists capacity and capability strengthening modalities identified in literature and from SIDS during research activities, including what works and what does not work.

Modalities have been grouped into a series of categories, guided by existing frameworks for capacity strengthening applied in the Pacific (Pacific Community, 2023[68]) and by the nature of their delivery and impact. Table 4.2 below notes the level of capability or capacity impact each modality is suited to, and the layers of capacity:

- **Knowledge**, through individuals or groups of individuals gaining new information in the short term.
- **Practice**, through individuals or groups of individuals applying this knowledge in practice and embedding it into the system over the short to medium term.
- **Attitude**, through people or groups of people changing their underlying approaches to work and sustaining this in the system over the medium to long term.

### Table 4.2. Deconstructing Capacity Strengthening Modalities

<table>
<thead>
<tr>
<th>Developing</th>
<th>Knowledge</th>
<th>Short term</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td><strong>What works</strong></td>
<td><strong>What doesn’t work</strong></td>
</tr>
<tr>
<td>Training (pre-prepared, in the field or across the system)</td>
<td>Efficient for development partners in the delivery of capacity strengthening and if delivered well, can support specific and narrow training gaps. Training also needs to target the right people, in the right roles. Training can have greater impact when conducted in the field, as it powerfully demonstrates the value of a skill or capacity. Learners can see the impact in real time rather than learning theoretically.</td>
<td>Packages can be generic and lack the tailoring required to successfully apply and practice new knowledge in specific SIDS. Training in the field requires confident trainers who can adapt to the context. Whole of system training can require more preparation or coordination, and consultation to identify the appropriate people who should be involved. Training without longer-term follow ups or approaches to embed practices.</td>
</tr>
<tr>
<td>Train the trainer</td>
<td>This can be effective for enabling SIDS to develop capacities across an organisation or system, especially when accompanied by appropriate system interventions.</td>
<td>Generic packages can be delivered without accompanying system interventions. Training participants often work in very stretched SIDS contexts and are not given recognition for the training, and explicit permission, time or incentives to share the knowledge.</td>
</tr>
<tr>
<td>Training around a role</td>
<td>The departure of one person leaves a larger gap in SIDS ministries than in comparable contexts for development partners, and this modality can help to reduce this. If implemented in advance, it All staff cannot be trained in all functions and SIDS ministry colleagues are frequently already stretched across many functions and lack the capacity to learn or perform more roles. This modality cannot</td>
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</tbody>
</table>

Source: Author’s own elaboration.
**Improving Public Sector Capacity**

Knowledge transfer and sustained capacity strengthening are key objectives for development assistance. The table below outlines different modalities and their outcomes.

<table>
<thead>
<tr>
<th>Description</th>
<th>What works</th>
<th>What doesn’t work</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supplementing</strong></td>
<td>Knowledge to Practice</td>
<td>Short to medium term</td>
</tr>
</tbody>
</table>

This group of modalities provides additional human capacity and technical capabilities to help develop new initiatives or solve specific technical problems. It is the primary group of capacity-strengthening modalities used in development work today. Combining these with supporting modalities enables them to have an impact on applying new knowledge in practice. On their own, supplementing modalities do not bring sustained capacity strengthening beyond the life of a programme or project.

<table>
<thead>
<tr>
<th>Technical assistance or advice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experts are provided to help solve problems in areas of a technical specialization, or in the form of policy development, or to provide advice.</td>
</tr>
<tr>
<td>This modality helps to initiate or establish new areas of work with SIDS, providing capability and capacity that are otherwise absent in a local ministry context. It can also be useful for on-demand support or advice in more specialist areas and can be used in combination with other modalities.</td>
</tr>
<tr>
<td>SIDS have a desire for local experts, or for local counterparts to be appointed alongside overseas counterparts. During the COVID-19 pandemic, remote delivery of Technical Assistance was done with a local counterpart to implement technical work with online guidance from overseas expertise. The practical framing of the task by is important. KPIs and ToRs used in TA need to support and incentivise skills transfer.</td>
</tr>
<tr>
<td>Knowledge transfer can be undermined by significant disparity in remuneration of overseas technical advisors (TAs) in comparison to local staff.</td>
</tr>
<tr>
<td>International consultants can be used to conduct research containing information sourced from local staff, or to conduct planning that may not be tailored or flexible to local contexts. It can also mean that significant portion of funding being routed back to overseas consultancies, local staff being repeatedly requested to share the same information with consulting missions, and less contextualised advice.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Procurement for in-line Ministry roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occurs as part of development programmes that operate over multiple years with roles reporting to development partners embedded in country ministries. This modality requires incumbents to have or develop knowledge of local ministry processes, ways of working and existing working relationships.</td>
</tr>
<tr>
<td>Primary research conducted for this report heard multiple accounts of projects having greater sustained impact when recruitment decisions were made by local Ministry staff. SIDS were better able to assess cultural capabilities of candidates and identify suitable local talent. While some development partners have experienced project delays when in-country staff do not have available capacity to undertake the recruitment, this approach significantly increases country-ownership, suitably tailored delivery of development projects, knowledge transfer and sustained in-country capacities.</td>
</tr>
<tr>
<td>Development partners often recruit candidates, and the selected person is not always a suitable match for local contexts and ministries. Subsequent relationship building lacks strength, and this limits knowledge transfer and capacity-strengthening impacts.</td>
</tr>
<tr>
<td>Development partners also attract local candidates to exit the local consulting market or public sector and work directly for development partners. In this way, development partners can perpetuate the reduction of local talent available. To alleviate this, in-line appointments should report directly to ministry staff.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge to Practice</td>
</tr>
<tr>
<td>Medium term</td>
</tr>
</tbody>
</table>

These modalities focus on helping individuals develop confidence in applying new knowledge and skills, thereby growing individual capabilities and overall national capacities.

<table>
<thead>
<tr>
<th>Coaching, mentoring and follow up advice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal or informal arrangements in which individuals are paired with more experienced or knowledgeable individuals to transfer knowledge and guide the learner to apply this knowledge. Provided in on-the-job</td>
</tr>
<tr>
<td>This approach obtains best results in longer-term arrangements in which the coach or mentor has proven capacities in these modalities, is familiar with the operating context and is established in a mutual or two way learning approach.</td>
</tr>
<tr>
<td>Coaching and mentoring modalities are often not applied to sustained effect in practice due to remuneration inequities, a lack of cultural competency, coaching and mentoring skills in TA and in-line candidates. This modality requires incentivisation, monitoring and evaluation</td>
</tr>
</tbody>
</table>
Improving Public Sector Capacity

Incoming secondments or visits

Staff from SIDS visit locations in other countries to learn about technical practices or initiatives.

This enables learning about technical approaches in the context in which they were developed or are being applied, providing innate explanations for their application, what contextual factors are required for success, and where adaptations can and cannot be made in other contexts, such as SIDS. They are well suited to the science, research, and innovation sectors. Longer-term secondments of multiple months can enable immersion and deeper knowledge exchange that is more likely to be sustained.

Outgoing secondments and visits

These modalities respond to country demand and needs by providing pre-established pools of capacity that can be mobilised to expand applied practice or capabilities temporarily. While they operate in long-term arrangements, they can be mobilised to meet short-term needs. Some existing models provide precedents to build on and there is strong scope for expanding the use of these modalities in response to SIDS requests.

<table>
<thead>
<tr>
<th>Description</th>
<th>Practice</th>
<th>Long term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surge or on-demand</td>
<td><em>What works</em></td>
<td><em>What doesn’t work</em></td>
</tr>
<tr>
<td>Pre-available registers of qualified or experienced individuals that can be mobilised to a country that requests assistance to build capacity are established.</td>
<td>These services can work well when provided as part of longer-term trusted partnerships and currently operate effectively in both the Caribbean and Pacific regions. Larger countries in the Pacific region provide forensic pathology services for SIDS during surge periods. Regional island institutions in the Caribbean also provide shared services to SIDS across the region who may not have the population to sustain such capacities independently.</td>
<td>These services are less suited to organisational capacities that cut across government Ministries or for longer term domestic capacity strengthening.</td>
</tr>
<tr>
<td>Knowledge sharing</td>
<td><em>Practice</em></td>
<td><em>Medium term</em></td>
</tr>
<tr>
<td>These modalities involve the exchange of knowledge between SIDS or immersive learning opportunities through secondments or visits to development partner countries. Many SIDS have conveyed a lack of opportunities for knowledge sharing, most significantly in the AIMS region where no regional island institution exists to facilitate these opportunities.</td>
<td>This flexible modality can operate outside of programme lifecycles, is responsive to the needs identified by requesting countries (so are therefore country-led) and pre-qualifications can include cultural competencies. Primary research indicated this was a desirable option and can be done regionally, inter-regionally or globally. Existing models include Tax Inspectors Without Borders.</td>
<td>This approach can also create certain dependencies that could hinder longer-term development journeys and thus need to be considered as part of an intentional overall approach.</td>
</tr>
<tr>
<td>Outgoing secondments and visits</td>
<td><em>What works</em></td>
<td><em>What doesn’t work</em></td>
</tr>
<tr>
<td>Staff from SIDS visit locations in other countries to learn about technical practices or initiatives.</td>
<td>This enables learning about technical approaches in the context in which they were developed or are being applied, providing innate explanations for their application, what contextual factors are required for success, and where adaptations can and cannot be made in other contexts, such as SIDS. They are well suited to the science, research, and innovation sectors. Longer-term secondments of multiple months can enable immersion and deeper knowledge exchange that is more likely to be sustained.</td>
<td>This modality removes a resource from SIDS for the duration of the secondment and can limit the benefits to only the people going on the secondment or visit. Incentives to ensure knowledge are shared on return and associated capacity strengthening to fill roles in SIDS for the duration of the secondment help to mitigate these limitations. There can be a risk of the secondee not returning (brain drain).</td>
</tr>
</tbody>
</table>
Experts from other countries visit SIDS to share about technical practices or initiatives. This enables learning about technical approaches for multiple people in SIDS, as visiting experts can mentor, coach, or train multiple local people during their visit. This provides greater value for money for local Ministries and development partners, especially when neighbouring SIDS are also invited and supported to attend. Visiting experts need to have capabilities in training and other knowledge sharing or supporting modalities. Visiting experts must be open to adapting their practices and knowledge to the local context for the knowledge transfer to be sustainable and relevant. This modality also limits local staff ability to comprehend required contextual factors enough to adapt to local environments.

Peer to peer (including South-south)

This modality can take many forms but essentially supports knowledge sharing between SIDS. It can take the form of visits to SIDS ministries to learn about initiatives, events at which learning is shared and discussed, or training programmes where SIDS share and exchange their areas of strength. Primary research conducted for this project heard many requests for peer-to-peer knowledge sharing opportunities across all SIDS and regions, echoed by development partners. Precedents for expansion exist, for example, the Te Whare Pasifika Public Service Centre of Excellence was established in 2020 with 16 Pacific Island Country members facilitated by New Zealand, and Mauritius is establishing a civil service college with the goal of offering regional and global specialisation for SIDS. Other examples of peer-to-peer sharing frequently occur between peers at a regional level or sub-regional level. The COVID-19 pandemic slowed progress towards establishing mechanisms for peer-to-peer knowledge sharing. With far fewer regional institutions in the AIMS region, there are few to no peer-to-peer opportunities for SIDS.

Continuous Learning

<table>
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<tr>
<th>Description</th>
<th>Knowledge to Practice to Attitude</th>
<th>Medium to Long term</th>
</tr>
</thead>
</table>

This category of modalities helps inspire and drive continuous improvement within a sector by offering flexible learning units often recognised by the industry through certification. Certification also provides ministry staff with evidence that can be mobilised to reassure development partners about having the required capabilities.

<table>
<thead>
<tr>
<th>Description</th>
<th>What works</th>
<th>What doesn’t work</th>
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Continuous Professional Development (CPD)

An established modality to improve skills and standards of individuals and their industries, typical in specialised professions such as law, general medical practice, accounting, and engineering. This modality can combine many learning formats, including training, webinars, conferences, coaching, external certifications, and degrees. This modality can offer flexible yet structured incentivisation for continuous improvement. SIDS which responded to the survey research for this project ranked CPD as a desired modality. Offering professional development opportunities as part of employment can help to retain and motivate staff towards improving and adopting up-to-date practices, countering public sector cultures in some SIDS which disincentivise improvement and low remuneration. Consideration needs to be given to retention to reduce the risk of brain drain. Certification for recognition as CPD carries an overhead investment in establishing content, teaching standards and CPD recognition systems for industries in which this has not yet been established. This can be navigated by working in partnership with local industry representative groups, regional universities and training institutions.

Online colleges or training institutions

The institutions offer flexible platforms to support continuous improvement for working professionals. Expanding rapidly since COVID-19, these platforms can offer flexible learning to accommodate professional commitments, keeping learners in country while also strengthening capacities. These platforms can also be more accessible to people on low-income or in isolated locations and can be tailored to provide practical skills in local sectors, such as recordkeeping for small farming or fishing businesses. This modality has the potential to reach more students but can struggle with lower participation and completion rates (Goodman, 2020b). Such institutions need to also consider approaches to follow-ups, and mentoring or coaching that can complement them.

Formal or certified

<table>
<thead>
<tr>
<th>Description</th>
<th>Knowledge to Practice to Attitude</th>
<th>Short through to long term</th>
</tr>
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</table>
Formal or certified modalities can range from the building of basic functional knowledge through to theoretical understanding and the development of new knowledge. They are unified by formal recognition of the qualification by industries and institutions, certifying that the education has been of a specific standard.

<table>
<thead>
<tr>
<th>Description</th>
<th>What works</th>
<th>What doesn’t work</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional universities</strong></td>
<td>Regional university institutions are a strong partner in capacity strengthening for SIDS. Their scholars have contributed to the published literature about local contexts for capacity strengthening (Amosa, 2007; Ramtohul, 2018; Kava Bowl Media, 2020). Some SIDS work with regional universities to adapt tertiary qualifications in specific areas to broaden to attract more locally qualified people to stay in a sector.</td>
<td>Equipment is required to provide education in very technical areas, such as nautical science and marine engineering (both areas important for ocean economies). Simulators and similar types of equipment can be lacking in SIDS or there is a lack of support to maintain this equipment.</td>
</tr>
<tr>
<td><strong>Scholarships to partner universities</strong></td>
<td>Bilateral partners support scholarship programmes across SIDS, which are starting to use these programmes to target organisational and public service capacity-strengthening needs specifically. This modality is well suited for longer-term capacity strengthening that greatly impacts human resource development over time. It can enhance relationships and understanding between SIDS and their development partners.</td>
<td>Scholars need support to apply conceptual learnings into practice. Development partner contexts do not always readily apply to SIDS. While scholarships can include bond arrangements requiring scholars to return for set periods, these conditions can be hard to impose, thereby enabling emigration from SIDS.</td>
</tr>
<tr>
<td><strong>Chartered or certified education</strong></td>
<td>Often developed and delivered in partnership with private sector industries, these modalities provide units of learning that bridge the conceptual and practical contexts for work. SIDS are exploring these modalities in partnership with regional institutions and private sector organisations to encourage continuous improvement in local workforces and expand skillsets beyond siloed roles. Consideration needs to be given to retention to reduce the risk of brain drain.</td>
<td>This modality may assume some level of tertiary education for students and requires strong involvement in partnership with industry. While such modalities can support individuals to embed and use their knowledge as practice, often broader organisational factors may still need to be addressed. Incentives that support individuals who have certifications should also be considered.</td>
</tr>
<tr>
<td><strong>Micro-qualifications</strong></td>
<td>Units of assessed learning are smaller than standard forms of accredited tertiary learning and can be completed individually or contribute to a qualification. This allows greater flexibility and pathways toward higher education. Some regional island institutions are using this modality to improve the quality of specific sectors, such as the Pacific Community (SPC) Educational Quality and Assessment Programme, which is accrediting a range of micro-qualifications. The service was pursued after several Pacific education organisations raised the need. It has successfully piloted three regional micro-qualifications and they are now being delivered by approved higher education institutes.</td>
<td>This modality does require a transparent organisational framework for recognition shared with industry. As a newer modality, there are varied definitions of micro-credentials and fewer frameworks for accreditation. While such modalities can support individuals in embedding and using their knowledge as practice, broader organisational factors may still need to be addressed. Incentives that support individuals who have certifications should also be considered.</td>
</tr>
<tr>
<td>Programmatic or others</td>
<td>Knowledge to Practice to Attitude</td>
<td>Medium to Long term</td>
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<tr>
<td>This category of modalities considers more contemporary modalities of capacity strengthening or those that can incorporate multiple types of approaches.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td>What works</td>
<td>What doesn’t work</td>
</tr>
<tr>
<td><strong>Sector Wide Assistance</strong></td>
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<td></td>
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<tr>
<td>This modality is used to provide a support to a single sector-wide programme that usually has a country-led and results focused approach that can bring multiple development partners and stakeholders together. They focus on building capacity through multiple entry points, including policy and planning.</td>
<td>This modality was well-received by SIDS, particularly when delivered through trusted and long-term partners. They can provide whole-of-systems approaches, alignment with national goals, utilisation of country systems and stronger ownership by the country (Global Affairs Canada, 2022[21]). For example, this has been adopted in Samoa in the water and education sectors. Some SIDS also noted that this can work best when it utilises their own systems for the disbursement of funds (thus, this can work best when countries have strong financial systems).</td>
<td>Depending on the model used, SIDS and development partners can incur high transaction costs. Some technical assistance may also be required to support different ways of working, such as policy dialogues. Some criticisms heavily prioritise upstream policy processes and less on implementation.</td>
</tr>
<tr>
<td><strong>Budget assistance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget assistance can be provided to different levels (for example, to a project, programme, or to the national or sectoral budgets). They can also have different types of conditions applied to it.</td>
<td>Primary research conducted for this report demonstrated that countries welcomed more flexible types of financial assistance for specific sectors (sector budget support).</td>
<td>Conditionalities can create challenges for SIDS, and there can often be tensions on how much freedom and flexibility can exist within these supports. There can also exist conflicts on accountability and reporting, and how decisions should be made on its use.</td>
</tr>
<tr>
<td><strong>South-South or Triangular Cooperation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Triangular co-operation helps to achieve development goals in innovative and collaborative ways. It usually relies on three roles (the beneficiary partner, the pivotal partner with proven experience in an issue, and the facilitating partner who can act as a broker technically or financially. There can be more than three partners, and actors can come from all sectors in a country.</td>
<td>The triangular and South-South co-operation approaches could be applied to SIDS’ different types of capacity-strengthening needs, for example short-term, through regional approaches, for calling up new practices or in flexible or sector-wide support. These approaches can support technology transfer and innovation. This modality can work best when partners have good ownership and trust, mutual accountability, good mechanisms for knowledge sharing and good co-ordination capacities across all partners and with other projects.</td>
<td>There needs to be understanding of the mutual gain to all partners. This modality can risk having high transaction costs and there is still growing evidence based on what works.</td>
</tr>
<tr>
<td><strong>Changing models of organisational behaviour or change management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This emergent modality focuses on utilising frameworks of how human behaviour influences organisations and how organisations influence the way people act and think.</td>
<td>These modalities have not yet been widely used within SIDS but are often used in the business sector (Stiles and Weeks, 2007[57]).</td>
<td>Change management is a modality focused on the underlying factors and efforts required for individuals or organisations to go through change.</td>
</tr>
</tbody>
</table>

Source: Author’s own elaboration.
This study surfaced a range of desired shifts across the system, with actions that could be incorporated now or that need further exploration to advance successfully. These shifts and actions are visualised in the diagram below and then outlined in more detail on the following pages. They have been structured across the three focus areas of this study (see Research approach).

Focus area 1: Small Island Developing States systems

Table 5.1. Strengthening the governing and organisational capacities of SIDS

| 1.1 | From | Multiple areas in SIDS work to articulate capacity strengthening needs in response to many development partners who are offering many different supports, and may not be able to sustain and leverage new capacities. | To | Strong organisational capacities enable SIDS to coordinate needs that are aligned with development priorities, and that can support ownership of capacity strengthening and sustainment of new capacities. |

Source: Author’s own elaboration.

**Actions now**

- Support SIDS to develop country-level capacity needs assessments that is linked to planning and workforce functions. These should consider existing capacities and ensure that the right people are selected for capacity strengthening activities, and that workforce policies reinforce these efforts.
- Support SIDS to enhance organisational capacities as outlined in Chapter 2. For statistical and monitoring capacities, consideration of harmonising results frameworks, and using local data and knowledge is key.

**Actions to explore**

- Design an international platform that can clearly communicate national SIDS development plans, capacity strengthening priorities, and preferred ways of working.

Table 5.2. The development paradigm is shifted to leverage strengths of SIDS

| 1.2 | From | Support provided by development partners reflects perceived best practices, modalities, goals, and requirements applied in other countries. | To | Support provided recognises, leverages, and strengthens local governing systems, social structures, workforce, ways of working and cultural values. |

Source: Author’s own elaboration.
**Actions now**

- Review and refine capacity strengthening processes and scopes to shift the paradigm of low capacity of SIDS, instead leveraging and localising characteristics such as size and values, identified in Chapter 2.
- Development partners support SIDS to strengthen, tailor and innovate their inherited governing models while learning with SIDS how to apply this to their own context.

**Actions to explore**

- Cultural awareness training for development partners before all projects.

**Table 5.3. SIDS can leverage overseas opportunities while also enhancing their domestic workforce**

| 1.3 | From | A large skilled population migrates away from SIDS for higher wages, economic opportunities, and improved life outcomes. | To | International settings, programmes and domestic policies or strategies incentivising skilled people are returning to SIDS, attracted by economic opportunities and quality of life, or can leverage skills transfer of overseas persons. |

Source: Author’s own elaboration.

**Actions to explore**

- Development partners to offer equitable remuneration to local consultants in SIDS and international consultants to improve respectful and equal working conditions and relationships.
- Development partners to consider adjusting labour mobility schemes, migration policies or skills transfer opportunities to support domestic workforces, while being cognisant of the advantages of these schemes.
- Development partners to support SIDS to better implement scholarships that incentivise graduates to return.

**Focus area 2: Regional systems**

**Table 5.4. The role, scope, and capacities of regional institutions are clarified and strengthened to better support SIDS capacities**

| 2.1 | From | Some regional institutions have good capacities, clear scope and work processes that adapt to needs at national level, while others are expanded to work and support across many areas in response to many different partners, creating thin capacity or overlapping areas of responsibilities. | To | All regional institutions work with development partners and SIDS to facilitate strong core capacities aligned with clear scope that enables both unified advocacy and responsive capacity strengthening support at national level across a network of regional institutions. |

Source: Author’s own elaboration.
**Actions now**

- Regional institutions, development partners and SIDS to map and publish a network of regional institutions and collectively agree on roles and working practices, considering appropriate governance mechanisms.
- Development partners to work with regional institutions to conduct regional level capacity assessments to distil regional capacity needs, while being cognisant of how this aligns with national level needs assessments.
- Development partners to enhance the benefits of regional and sub-regional approaches and institutions for the AIMS region, including collaboration with AIMS region countries and existing regional institutions to identify and facilitate connection and enable desired knowledge sharing and learning. Development partners could also work with AIMS region countries to identify and design appropriate regional organisational arrangements.
- Development partners to work with regional institutions during planning of regional projects, to consider capacity strengthening that maximises regional impact, while being adaptable to country context and needs.

**Table 5.5. The role of regional and inter-regional institutions supports data sharing, digital capacities and knowledge sharing**

<table>
<thead>
<tr>
<th>Actions now</th>
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<tbody>
<tr>
<td>From</td>
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<td>To</td>
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Source: Author’s own elaboration.

**Actions now**

- Development partners and SIDS to consider opportunities outlined in Chapter 3.
- All stakeholders to co-create a network of data or statistical hubs for SIDS at regional and global levels, leveraging existing successful models, ensuring that data governance and processes are well-designed. Agreed structures for data collection and analysis will be required.
- Development partners to support SIDS in developing aligned regional and national strategies for the development of statistical capacities, aligned with overall agreed approaches to working.
- Co-create or build on current CoE (and the Global CoE) or regional forums to undertake structured peer-to-peer knowledge sharing with accompanying framework to support knowledge application (such as the Te Whare Pasifika Public Service Centre of Excellence and regular thematic Pacific forums).

**Actions to explore**

- Development partners and SIDS to explore an online platform or compendium that can collect capacity needs for SIDS at a national and regional level, and share lessons learned from use of new modalities or innovations.
- Development partners to consider further leveraging regional approaches for triangular cooperation, technology transfers and for advancing sectors of comparative advantage for SIDS.
Focus area 3: Capacity strengthening systems and development partnerships

Table 5.6. Development partner capacity strengthening support is harmonised

| 3.1 | From | Capacity strengthening support is provided from a wide range of individual development partners with overlapping, fragmented or narrow areas of focus. | To | Development partner support is coordinated and aligned to efficiently meet the self-determined development needs, priorities, and goals of SIDS. |

Source: Author’s own elaboration.

**Actions now**

- Foster international forums of major development partners to make explicit the national agendas of development partners, and to identify and reduce overlapping or competing priorities.
- Harness international forums for structured learning from evaluations and experiences from capacity strengthening, to make better decisions and adjust approaches into the future.
- Strengthen the use of national coordinators, for the holistic management support across all support.

**Actions to explore**

- Development partners to establish a unified platform that communicates available development support and priorities to provide greater visibility for SIDS.
- Development partners to work together to identify how to increase coordination and to harmonise and reduce unnecessary reporting and research engagement burden on SIDS. This could be done by starting a mapping of procedures and requirements across various stages of the project or programme process, identifying what are hard rules and what could be more easily changed to identify quick wins.

Table 5.7. Access to finance and support for SIDS is improved

| 3.2 | From | Official Development Assistance is linked to the economic status of a receiving nation and accompanied by rigorous application processes and strong reporting to enhance accountability for public funds. | To | Streamlined reporting and application processes for flexible funding that is responsive to changing island contexts, suited to island country scales and capacities, and accommodates the diversity of nuanced country contexts. |

Source: Author’s own elaboration.

**Actions now**

- Development partners to provide clearer and simpler guidance, forms, and processes for accessing support, and support novel tax or other financial opportunities that may unlock opportunities.
- During core finance application times, provide an expert pool of technical assistance to support SIDS on the development of concept notes or proposals that meet the needs of development partners (for example, setting up climate finance experts in national or regional institutions)
- Development partners to build capacity within their SIDS units to ensure they have better understandings of needs so they can better act as brokers between sources of finance and SIDS.
**Actions to explore**

- Development partners to reconsider financing paradigms built on the premise that assistance should be temporary for self-sufficiency and consider more sustained and appropriate assistance. This could also include continuing discussions on the Multidimensional Vulnerability Index.

**Table 5.8. Contextually, complexity and politically informed capacity strengthening approaches that use modalities in combination to enable whole-of-systems approaches and sustainability**

<table>
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<tbody>
<tr>
<td>Development partners develop capacity strengthening content that can be delivered in multiple contexts efficiently and apply familiar modalities that are focussed on effectively and efficiently planning and delivering funded work.</td>
<td>Development partners utilise more contextually, complexity and politically informed approaches, that leverage different support modalities that strengthens capacity across the whole system and in a sustainable way.</td>
</tr>
</tbody>
</table>

Source: Author’s own elaboration.

**Actions now**

- Development partners to use political and contextually informed approaches that take account of the realities at play and that emphasise more participatory and adaptive management approaches with clearly agreed directions, while maintaining flexibility on content and approach.
- Development partners to utilise whole-of-system approaches to support capacity strengthening (including relevant people, infrastructure, or governing processes).
- Development partners to work with SIDS to consider the most suitable modalities for any capacity strengthening goal, while allowing flexibility and consideration of longer-term capacity strengthening journey. This should draw on the feedback of what works and what doesn’t across modalities in Chapter 4.
- Development partners should look to engage local or regional consultants. Where international consultants are used, SIDS should have decision-making authorities, consideration for equal remuneration should be given and terms of references should incentivise capacity strengthening.
- Development partners and SIDS to explore shared service arrangements to enable continuous delivery of services in SIDS (where acknowledgement for longer-term support is required).
- Establish mutual accountability frameworks that set and track progress together, outline the roles and expectations of actors, and ensure incentives to support skills transfer and local counterparts.
- All stakeholders to consider guidance on Exiting Sustainably and ensure that all projects include a plan and documented guidelines and procedures for the sustainment of knowledge or capacities.
- Development partners to use approaches that support implementation and maintenance.

**Actions to explore**

- Develop an integrated guidance document for contextually informed and sustainable capacity strengthening efforts, that integrates the effectiveness principles, PEA, systems thinking and adaptive approaches. This guidance should consider these approaches at all stages of the lifecycle, including project implementation and monitoring. This guidance can also serve to harmonise development partner approaches.
- Development partners to increase flexible budget support for SIDS at higher levels of systems, such as at national and sectoral budget levels that can enable flexible, and holistic support.
- Explore partnerships with regional universities or global centres of excellence to progress capacity strengthening components over medium and long term, including accredited micro-qualifications.
• Development partners to engage in cultural capability training prior to any projects.

Table 5.9. Development partners grow capacities in applying development effectiveness principles and meaningful, two-way, trusted partnerships

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<td>Development partners are unclear about how to adjust development practices to apply internationally agreed Principles of Effective Development Co-operation, particularly for Country Ownership. SIDS work to understand and adapt local ways of working to development partner priorities, processes, and reporting requirements.</td>
<td>Development partners have a high-level of understanding of the internationally agreed Principles of Effective Development Co-operation and support the self-determined development of SIDS through their application, in partnerships based on mutual trust and featuring responsiveness and adaptation to changing circumstances.</td>
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Source: Author’s own elaboration.

Actions now

• Development partners and SIDS hold structured dialogues focussed on the interpretation of the Principles of Effective Development Co-operation, drawing on real life examples and to understand underlying power-imbalances and tensions, considering how to share risk and accountability equitably.

• Development partners to learn from SIDS by co-creating a good practice guide and awareness courses for the application of the Principles of Improving Development Impact in SIDS.

• Invest in long-term partnerships and agreements. Utilise the UN SIDS Partnership framework and other guidance on partnerships to establish genuine partnerships that support capacity strengthening (Yezza et al., 2021[42]; Stibbe and Prescott, 2020[75])

• Development partners to demonstrate greater trust by refining rules and risk thresholds to align with what is effective in a country’s context and that enable SIDS to fulfil decision-making roles.

Actions to explore

• Establish standards to enable collaborative learning and accountability on the application of the principles.

• Consider how to integrate these principles with other approaches and frameworks such as TWP /PEA.

Table 5.10. SIDS are better supported to innovate and exploit emerging trends and technologies

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<td>SIDS can miss out on untapped opportunities of new and emerging technologies, innovative financing or support models, or new solutions to enhance capacities in their organisations or across sectors.</td>
<td>SIDS are supported to have the innovation strategies, capacities and enabling conditions to acquire and exploit new technology advances, and to identify and pursue national or regional innovative solutions that can offer advantage.</td>
</tr>
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Source: Author’s own elaboration.

Actions now

• Extend and expand on triangular and South-South cooperation modalities, particularly for piloting and experimentation, technology transfer and long-term, programmatic opportunities.
• Identify national and regional innovation opportunities and support broader research, development, and innovation capacities for SIDS.

**Actions to explore**

• Work with SIDS to identify opportunities to shift their enabling environments (such as regulations) to allow for the exploitation of innovations, while identifying new models for financial flows.
6 Acknowledging the implications of broader systems of development and development partnerships

Capacity strengthening is part of a long-term process and partnership between SIDS and development partners (El-Waliawi and Van Der Wal, 2018[78]). Development partnerships need to acknowledge the dynamics that exist in the system if they are to be mutually respectful, trusted, and genuine. These dynamics can drive both opportunities and tensions in development partnerships.

This part outlines some of these complexities, dynamics and tensions identified from the primary research and their implications for capacity strengthening efforts, including:

- Impacts of politics of development partnerships and systems on capacity strengthening
- Nuancing the special case narrative
- Reframing development as mutual dependency and collaboration for global outcomes

Impacts of politics of development partnerships and systems on capacity strengthening

A key lesson in development support is that institutions (the explicit and implicit rules of the game), politics and power matter for development (Rocha Menocal et al., 2018[77]). It is widely acknowledged that development support cannot be untangled from politics, national interests and global dynamics. Thus, political and contextual realities are also critical to effectively advance capacity-strengthening efforts that may not be explicitly political in nature.

Recent developments in global interests are creating implications for SIDS capacity strengthening. Some of these are outside the responsibilities of SIDS, yet they can have an influential effect on development partnerships and capacity strengthening. For example, development partners and SIDS share an increasing interest in peace and security in oceanic regions. Development partners regard access to geographic areas as increasingly important for regional stability and security (Beck, 2020[78]). Yet, differing perceptions of what “security” means between different groups can mean that the real needs or interests of SIDS are ignored. Ahmed Khaleel, Minister of State for Foreign Affairs in the Maldives, said, “For a lot of other countries, the threats [such as illegal, unreported and unregulated fishing and climate change] are on the margins. But for a country like the Maldives, it’s life or death itself” (Khaleel, 2021[79]). This can be exacerbated by recent crises or wars between countries, which have reduced the perceived threats of issues like climate change to certain development partners, while for SIDS are still paramount.

Another example is the global tensions around climate change. The global community shares an interest in cutting carbon emissions and building resilience to the impacts of climate change (see various agreements and international commitments). Yet, differences in global views about goals for carbon emissions and how to achieve these goals exist. While SIDS make negligible contributions to global
emissions, they are harder hit due to their defining characteristics and reliance on their coastal zones for
development (Bishop et al., 2021[80]). This means that adaptation is more urgent for SIDS. However, while
financing opportunities have increased globally, Small Island States generally are often at a disadvantage
in accessing it (Robinson, 2017[81];) (Halais, 2019[84]) and funding is still heavily skewed towards reducing
emissions (Bishop et al., 2021[26]). The range of responses to the 2023 United Nations Climate Change
Conference (COP 28) agreement demonstrates the disparity between development partners and SIDS
(McGrath, 2023[82]). Such issues can negatively impact on capacity strengthening or the strengths of
partnerships.

Further, the focus of global attention on climate change has been observed to often overshadow
awareness, and support that may be more pressing in some SIDS. These include poverty eradication,
health promotion, infrastructure development, and human resources and skills enhancement (Baldacchino,
2018[87]).

Some of the impacts of such dynamics can be implicit. Many development partners or donors may not
dictate what governments spend, per se, the behaviour of both development partners and recipients can
be fundamentally affected by the existence of money flows (Deaton, 2013[84]). The reality is that politics
and power mean that SIDS still design plans to mimic what they think development partners would have
proposed. The national and global interests can also result in more support from certain partners or support
being implicitly exchanged for alignment on political topics. Some SIDS believe they have the power to say
no, yet others do not feel empowered in the same way.

At a more local level, politics play a key role in how capacity-strengthening needs to be approached. For
instance, financing healthcare, education or market regulation needs to consider politics, as reforms will
create winners and losers. Additionally, in some SIDS, the real powers and influence that community ties
and community leaders have can outweigh the formal structures of decision-making.

Some SIDS also feel that development partners are competing for the best “good news story” on the global
stage and to reinforce affiliations, rather than genuinely wanting to help countries. This can be compounded
by a lack of coordination or alignment between development partners, causing duplication or
fragmentations. It can also drive a higher rate of communications and in-country visits, adding further
pressure to already thin capacities.

While it is outside of the scope of this report to undertake a full analysis of the “politics” at play in the
development system, what is important is that capacity strengthening efforts cannot ignore such issues.

**Nuancing the special case narrative**

The collective framing of “Small Island Developing States” has been used to draw attention to the “special
case” of this group of countries, focussing on shared environmental, social and economic vulnerabilities.
These shared needs have been extensively canvassed in preparatory meetings leading up to the 4th
International Conference in which the “special case” narrative is used to drive more international
development assistance for SIDS (readers can visit the literature and debates on this concept). However,
the narrative can also drive an implicit paradigm that shapes development partner approaches to capacity
strengthening, which can acknowledge the diversity of SIDS, their needs and their contexts, or reinforce a
negative connotation about their capacities.

Research for this report indicates that the ‘special case’ framing should be applied with caution to
understand that:

- SIDS should not be defined by their deficits (Chan, 2018[85]), rather consideration of smallness and
  inherent characteristics should be used as imperatives or opportunities for development.
- Capacity strengthening cannot be delivered in the same way across the group of SIDS (Pritchett, 2013[43])
- Approaches cannot always be transplanted from other contexts (Pritchett, 2013[43]); consideration should be given to when such replication can work and in what contexts or enabling conditions
- SIDS are capable of leading development work (Chan, 2018[85]); (Pritchett, 2013[43]) and this ownership across all phases of the capacity strengthening lifecycle is important (see part 3)

Reframing development as mutual dependency and collaboration for global outcomes

Examining what sustainable development really means for SIDS is important as it can mean reframing the goals around capacity strengthening, the modalities used, and the underlying paradigms used.

Traditional narratives around development for SIDS have usually focused on self-sufficiency – supporting countries to achieve economic growth that would self-generate development and thereby minimise or remove the need for external assistance (Doumenge, 1983[86]). This is further compounded with fears of dependence on financing as well as the vulnerability-resilience debate (see (Bishop and Payne, 2010[20])).

Yet, more recent discourse has acknowledged that development that focuses on self-sufficiency does not reflect the realities of the global landscape or development co-operation (for example, see (Bishop et al., 2021[26])). SIDS, while resilient, have shown, in many cases, strong economic growth but are also more vulnerable to external shocks, and limited opportunities or capacities to exploit in the global economy. Self-sufficiency is almost impossible in the interconnected, mutually dependent, and globalised world we live in today. This has been a core factor in the reason many SIDS have had good economic or societal success (Bishop et al., 2021[26]).

This framing has also sparked wide-spread debates about Official Development Assistance (ODA) for SIDS, which will not be covered here in detail, however, was raised multiple times. SIDS believe that the gross national income (GNI) per capital measure that is the basis for ODA eligibility may neglect the realities and specific challenges facing SIDS. SIDS on an imminent path to ODA graduation have also questioned the legitimacy of ODA rules (see work by Bishop and others on GNI being a misleading measure of progress for Small Island States). At the point of transition to the high-income category, ODA represents 26% on average of external finance for SIDS versus 1% for their income-level peers. Development partners should thus work to garner evidence and generate dialogue to understand the effects of various graduation processes on financing prospects in small countries (OECD, 2023[87]). New indices are recently being explored to better account for the different factors that contribute to development, and to enable fairer comparison between national income levels (see for example (United Nations, 2023[88])), which has been of great discussion amongst SIDS vis-à-vis their development partners.

Further, historical contexts have left an enduring imprint on the development of SIDS. Many SIDS grappled with economic exploitation during European colonial subjugation, with certain regions within SIDS prioritised over others, reinforcing lasting disparities within their contemporary economic structures (Baldacchino, 2018[83]). Natural resources were often extracted at an unsustainable rate, continuing to yield significant challenges to sustainable development in SIDS. Cultural and social consequences were also significant, as indigenous cultures faced marginalisation or suppression as social structures were often reshaped to serve colonial interests. Human capital development in SIDS faces barriers as access to education and skills development was often restricted during colonial occupation, with a focus on skills needed for administration and economic activities controlled by colonial institutions.

Thus, it is important to recognise these historical issues and reframing what sustainable development in SIDS really means. This could have a range of impacts and benefits for capacity strengthening, for instance more equitable and longer-term financing, longer-term partnerships, and approaches, or more
opportunities to consider mutual benefits (such as realising the potential of the blue economy). Long-standing partners such as Australia’s DFAT and the World Bank acknowledge that for the smallest, most remote, and dispersed states without possibilities of economic diversification, there will be a need to provide long-term financial support and capacity supplementation (Foreign, Commonwealth & Development Office, 2019[89]).

Moving forward

Achieving the shared vision of the 4th International Conference on SIDS and the ambitions and potential of each Small Island Country requires more attention to untapped opportunities for capacity strengthening, and a more relational and whole-of-system approach. It requires the intentional building of genuine and respectful partnerships.

This report has sought to summarise the perspectives and experiences from SIDS, drawing on primary and secondary research to elaborate on key themes. While no silver-bullet solution exists, some opportunities can be implemented now. Others should be discussed and advanced through co-creation by SIDS and partners together.

Consideration needs to be given to the roles across the system and how these roles must work together to ensure that actions have the right support, leadership, and investment to be advanced, implemented and adapted:

- those who have ownership and accountability
- those responsible for the implementation or delivery
- those who provide financial investment,
- those who advocate, challenge or have significant influence
- those who are partnership brokers, and can facilitate the right connections between actors,
- those who monitor and work to make sense of the data to inform better assessments of progress and enhance policy coherence.

By acknowledging the system forces and dynamics that exist, we can be humbler and bring a more nuanced paradigm to capacity strengthening and its role in the development journeys of SIDS.

By being committed to long-term, genuine, and mutually respectful partnerships, we can shape more positive, impactful, and sustainable relationships that help to catalyse capacity strengthening efforts.

By recognising the unique strengths and potential in the diverse contexts of SIDS, we can work with countries to be more innovative, resilient, and adaptive, catalysing better life outcomes for citizens.

By focusing on the real needs and context of SIDS, and applying principles of sustainability and effective development, we can improve the quality and impact of capacity strengthening work.

By working together and genuinely acknowledging our mutual dependencies, we can play a role in shaping better futures for SIDS and globally.
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