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*Background Note*  
*Accelerating Energy Transition in Small Island Developing States*  
*to Stimulate Post Pandemic Recovery*

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*Background*

The COVID-19 pandemic has brought the world to a “new” normal, which has severely affected the Small Island Developing States (SIDS) economies. This is further exacerbated by the ongoing extreme effects of climate change that were recently experienced in the Pacific, which serves as a reminder that it is imperative for SIDS to continue their efforts to overcome these challenges. SIDS remain committed to strengthening their resilience and to adapting to present circumstances, while continuing to build back sustainable economies that will support their livelihoods.

Through the SIDS Lighthouses Initiative (LHI), the International Renewable Energy Agency (IRENA) is determined to respond to the calls of raising ambition levels in SIDS Nationally Determined Contributions (NDCs) and support their implementation. Furthermore, IRENA is committed to contributing to the dialogue between SIDS and development partners aimed at strengthening coordinated efforts to support the acceleration of SIDS energy transition. Furthermore, IRENA intends to facilitate dialogue on energy security to stimulate the current and post pandemic recovery in SIDS as it operationalizes the Ambitious SIDS Climate Action Summit Package. Within the framework of the Climate Promise Initiative, IRENA together with the United Nations Development Programme (UNDP) and other development partners is supporting several SIDS that are in the process of reviewing their energy commitments in new and revised NDCs.

The Alliance of Small Island States (AOSIS) recently concluded the Placencia Forum, which re-echoed the SIDS call to enhance actions now to protect the most vulnerable SIDS that makes a special case arising from the adverse impact of climate change and strengthen their resilience as part of the pandemic recovery. Enhancing actions entails that SIDS establish more ambitious NDCs, which can only be realized through coordinated implementation efforts and financial support provided by development partners.

Furthermore, funding challenges have been further exacerbated by the COVID-19 pandemic, where SIDS are considering scaling up innovative financing options, including, blending schemes, concessional financing, de-risking instruments towards making projects more commercially viable over time. Overcoming the legal and regulatory barriers through reforms and analysis is also needed to facilitate large-scale deployment of renewables in SIDS, while at the same time strengthening national ownership on such investments.

To facilitate sustainable energy transition in SIDS, capacity constraints need to be addressed in terms of development and implementation of renewable energy projects. Limited land space and storage capacity is a common problem for SIDS, given their limited resources. Ensuring internet and mobile connectivity will also contribute to the monitoring of renewable energy projects and will ensure their sustainability. Finally, it is essential to undertake assessments of the long-term benefits and feasibility of incorporating the deployment of renewable energy solutions into stimulus packages as a response to COVID-19. This should also be considered in tandem with the development of new and revised NDCs, and long-term emission reduction strategies according to the commitments undertaken under



the Paris Agreement. It is also important to ensure that the infrastructure and technology deployed in SIDS is climate-proof, to ensure resilience and sustainability in the face of the various impacts of climate change.

Against this backdrop, IRENA and AOSIS are organizing a virtual Ministerial Dialogue bringing together Governments, development partners and regional and multilateral institutions to consider actions needed to advance a transformation of the energy systems in SIDS, given the latest developments and national experiences in the face of COVID-19.

### *Objective*

With a view to improving the SIDS' resilience and stimulating economic recovery and sustainable growth in the post-pandemic period, the discussion will offer a platform for SIDS governments and development partners to reflect on effective means for reinforcing action towards accelerating energy transformation and ensuring energy security of SIDS, while aligning the pandemic response with the sustainable development and climate objectives. Special emphasis shall be given to renewable energy solutions in the sectors that have been severely affected by the pandemic, such as, health, water, agriculture, tourism, fisheries, transport.

The discussion will also consider the outcomes of the Placencia Forum, the progress of the Ambitious SIDS Climate Action Summit Package, which is being operationalized through the SIDS Lighthouses Initiative.

### *Targeted Audience*

Ministers and high-level officials from the SIDS governments, representatives of the regional and sub-regional organizations, development partners, international organizations, international financial institutions and other stakeholders are welcome to participate.

### *Format*

The virtual High-Level Dialogue will include a panel discussion, with dedicated time for participants' comments, questions and answers. Engagement with participants will be facilitated through a moderated chat feature. Technology options will be determined in due course.

### *Guiding Questions*

1. How is the SIDS energy sector feeling the impact of the COVID-19 pandemic and how are SIDS regions responding to it? Give some examples.
2. Which sectors can be most supported by the deployment of renewable energy solutions considering a COVID-19 pandemic recovery?
3. In what way has the pandemic affected fuel imports, and how can renewable energy help in increasing energy independence of SIDS?
4. How has the current pandemic disrupted investment flows into renewable energy and how can IRENA and other partners contribute to solving this issue?
5. How can response and recovery efforts to COVID-19 build longer-term resilience of the energy sector to enable SIDS to better prepare for future risks and crises?
6. What can be done by IRENA and other partners through frameworks such as the SIDS Lighthouses Initiative, Ambitious SIDS Climate Action Summit Package, Climate Promise Initiative, NDC Partnership and the Climate Investment Platform to better integrate renewable energy deployment in NDC enhancement and implementation, and stimulus packages in response to COVID-19?