Key Take Aways from the Regional Forum for Practitioners in SIDS on Advancing NDC Implementation Readiness in Mauritius

Background and Summary

From February 24-26, 2026, 120 government[1], implementing, civil society organization[2] and business associations representatives from 14 Small Island and Developing States came together to discuss the advancement of **climate resilience** and **sustainable development** across **Small Island Developing States (SIDS)**. The Forum was hosted by the Republic of Mauritius and organized by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the NDC Partnership Support Unit and the Center for Access to Climate Finance as well as the Commonwealth Secretariat through its Commonwealth Climate Finance Access Hub.

In order to accelerate NDC Implementation Readiness, the Forum emphasized the importance of using diverse sources of financing including public and private, both domestic and international, at scale and to support the development and implementation of investment-ready pipelines. For SIDS, structural constraints such as limited fiscal space elevate the importance of innovation. **Innovative finance mechanisms**, and **instruments** such as **blue and green bonds**, **debt-for-climate swaps**, and **carbon markets** are key enablers to increase access to finance and ensure effective disbursement. Experts and policymakers advocated for country-led **programmatic approaches** that align national climate goals also with local community needs through **nature-based solutions** and **cross-sectoral multilevel collaboration, while including the Privat Sector across all activities.** In an increasingly competitive international climate finance landscape, also affected by a reduction in official development assistance (ODA), enhancing the efficiency and effectiveness of public spending to catalyze private investment has become critical. Public finance can be a catalyst for attracting private finance by providing concessional funds and risk mitigation with blended finance playing a central role in lowering investment risks and transaction costs.

Successful examples from countries **like Fiji, Jamaica, Cabo Verde, and Seychelles** showcased models for evidence-based financing strategies and ways to integrate **disaster risk management** into national policy. Participants underscored that **streamlined stakeholder coordination mechanisms** are essential for advancing effective climate action. A **whole-of-government approach**, combined with the **early and systematic engagement of finance partners**, was viewed as critical for ensuring that policies are coherent across institutions and that priorities, efforts, and financing are fully aligned with national development and climate objectives. Ultimately, the participants underscored

[1] **Participating Countries**: Cabo Verde, Comoros, Fiji, France (Réunion), Guinea Bissau, Jamaica, Madagascar, Mauritius, Republic of the Marshall Islands, Rodrigues, Rwanda, São Tomé and Principe, Seychelles and Uganda.

[2] **Supporting Implementing Organizations**: Business Mauritius, Climate Analytics, GIZ, the Indian Ocean Commission, ECOSUD, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), UNFCCC Regional Collaboration Centres (RCCs), WWF, World Bank Group.

that **building local capacity** and securing **international partnerships** are vital for translating environmental commitments into measurable action.

Perception of the Forum by participants:

Overall, 95% of participants providing feedback, agreed or strongly agreed that the Forum was a “valuable event for my organization/country”. Participants have also indicated overwhelmingly an increased understanding of the topics discussed at the Regional Forum Mauritius 2026, noting that this will support them to make a difference in their work related to NDC implementation readiness (agreed and strongly agreed- 88%).

Accelerating Implementation Readiness: Moving from Planning into Implementation – Key Recommendations from the Forum

Recommendation 1: Build the Economic Case for Climate Action in SIDS

While climate policy has traditionally been led by Ministries of Environment, it is essential that the institutions responsible for investment planning and implementation play a central role, ensuring that the economic case for climate action is fully integrated into core public investment and debt-management strategies. NDC implementation requires bridging the investment gap in order to achieve the country targets. Therefore, countries need to shift toward a programmatic approach that aligns with national plans and matches different types of investments with diverse financing sources, and instruments. Long-term thinking and moving away from project-based funding modalities also lower the perceived risk and make pipelines more attractive for the private sector, who can significantly contribute to the socio-economic resilience of countries. To further strengthen the private sector, enabling environments are needed, which ensure planning and investment security. Currently, revenue uncertainty, small-scale, scattered projects, and insufficient pipelines of bankable investments keep private capital on the sidelines.

Economies in small island developing states tend to be small and undiversified, based around a few export sectors and heavily reliant on imports. This makes them face several vulnerabilities linked to fluctuations in world prices, limited job opportunities due to labor migrations, and cost of remittances that account for up to a third of national income. This highlights the need to attract and retain private sector investment in key sectors such as tourism, fisheries, energy and agriculture, increasingly participate in multilateral and regional trade, and build stronger financial and banking systems that serve the need of small businesses and add benefit to low-income households.

The discussions have surfaced the need for **sectoral diversification and modeling the risks** to dominant revenue streams (e.g., tourism, fisheries) to plan for economic shifts, such as beach recession or fish stock migration. Together with a clear alignment of **incentives by the governments,** effective finance structures need to **move beyond grants towards implementing tax incentives**, **rebates, and sustainable procurement policies** that attract long-term private equity. SIDS need to take steps to facilitate the transition from "first-of-a-kind" projects to standardized financial frameworks that developers and financiers can easily evaluate for bankability.

Managing diverse capital flows requires governance arrangements that are coordinated across the key institutions. Structured collaboration is essential to ensure that climate priorities are reflected in fiscal policy, public investment decisions, and sovereign financing strategies. Without this level of institutional alignment, countries struggle to mobilize and manage capital in a way that supports a coherent, climate-aligned development pathway. Besides, governments must address the "linguistic gap" between the technical language of environmental science and the fiscal language of finance.

One key example of the Forum for effective Climate Finance management was presented by the Rwanda's Green Fund (FONERWA), which **utilizes a dedicated Monitoring and**

Evaluation (M&E) unit to conduct rigorous checks, thereby building a credible economic case for climate investment.

Recommendation 2: Establish Regional Solutions for Collaboration and Joint Action

Throughout the 3 days of the Forum, participants have identified different opportunities for regional and/or joint approaches regarding some of the key topics of the conference.

Finance: Regional initiatives such as Cabo Verde's Blu-X trading platform have triggered the conversation on establishing a regional listing and trading platform for sustainable and inclusive financial instruments geared towards sustainable economy.

Regional Cooperation and the "SIDS Blue Economy Finance Framework": To overcome the limitation of small administration size and technical gaps, SIDS are interested in establishing a unified finance framework. In addition, the interactive sessions and constructive exchanges that were conducted as part of the Regional Forum showed that the capacity challenges identified are shared amongst the majority if not all SIDS, From the partners/donors' side, almost all actors adopt a regional approach to mobilize support (e.g. Indian Ocean, Pacific, etc.). While regional cooperation mechanisms and frameworks could cater to the needs expressed, the tailoring and customization of support and solutions according to the specific context and governance structures of individual states remains key.

Flagship Initiative: Regional Technical Support Pool to mitigate capacity gaps: The participants proposed the creation of a **Regional Technical Support Pool**, available on demand to support SIDS with limited technical capacity in project design, bankability evaluation, and investor outreach.

Recommendation 3. Develop participatory frameworks for increased inclusion, equity, and knowledge integration

The objective of this recommendation is to ensure the inclusion of various stakeholders relevant to the implementation of NDCs. This encompasses concrete actions like:

NGO Empowerment in order to **move beyond consultation** and provide dedicated financing for NGOs to participate in NDC implementation. Furthermore, **Academia** must be integrated into research, data collection, and policy formulation to provide scientific baselines. In terms of **local knowledge,** there was a call to combine indigenous observations (e.g., fish migration patterns) with scientific data for coastal planning.

Inclusivity was also a central theme in the discussions. Participants have suggested including mandatory gender indicators into the entire project cycles (M&E) to ensure that climate investments deliver equitable outcomes. This call for stronger social integration also extends to recognizing the "One Health" approach, acknowledging the interconnectivity of human health, nature, and animal well-being. Building on this, participants recommended that SIDS develop and adopt Climate–Health indicators within their NDC monitoring and evaluation frameworks, enabling countries to systematically track how climate actions affect public health and to strengthen the evidence base for integrated policy planning.

Recommendation 4: Provide targeted international support for SIDS

SIDS are ready to deliver; the international system must now match their strategic ambition with flexible capital. In conclusion, the international climate finance system must acknowledge the unique features of SIDS. This includes:

- **Scale Flexibility:** Finance support systems need to accommodate small-scale, high-impact projects (e.g. for building resilience).
- **Standardization:** International support to help create common standards and tools that make it easier and faster to assess whether blue-economy projects are bankable.
- **Direct Support:** Targeted technical assistance for developing investable pipelines rather than just "project ideas."
- **Coherence of Support:** Donor alignment for effective support is important to increase efficiency in times of reduced funding.

Further Messages to accelerate NDC Implementation Readiness in SIDS

To further strengthen the economic case for climate action, the participants discussed different models for effective approaches towards improved climate finance.

The Country Platform Model

Country platforms have the potential to function as important mechanisms for mobilizing and coordinating climate finance behind nationally owned priorities and are becoming increasingly prevalent globally. Building on earlier experience with Just Energy Transition Partnerships (JETPs), there is growing interest in how similar governance features could inform the design of country platforms. Discussants debated the need for SIDS to implement a three-tier governance structure:

1. **Strong government ownership:** anchor country platforms in core government institutions (such as prime ministers and presidential offices and ministries of finance) with clear legal mandates, roles, and responsibilities.

2. **Streamlined stakeholder coordination mechanisms:** a dedicated operational unit is needed to enable a whole-of-government approach and ensure early, systematic engagement of finance partners, helping to maintain policy coherence and align priorities, efforts, and financing with national objectives.

3. **Systematically align finance strategies and priorities:** anchor financing strategies in prioritized sectors, programs. Early engagement allows countries to clarify how national plans translate into investment needs.

Climate Finance Units (CFUs)

Climate Finance Units (CFUs) provide institutional frameworks that can deliver transformational step changes in access to and management of climate finance while ensuring alignment with national goals. The most common functions performed by CFUs include mobilizing and coordinating climate finance in alignment with national goals, mainstreaming climate considerations across national development and economic architecture to be effective, CFUs require:

- **Fiduciary Mandate:** Location within the Ministry of Finance or where they can most effectively coordinate public and private stakeholders.
- **Political Will:** High-level backing to ensure the CFU's mandate is respected across sectoral ministries, such as fisheries, environment, and infrastructure departments.
- **Institutional Memory:** Systems to codify data and prioritization frameworks to prevent knowledge loss during implementation through staff rotations.

Debt-for-Climate Swaps: Comparative Models

While not applicable to all present Island States, debt swaps can be an effective approach for sustainable investment. Experiences such as Seychelles' 2015 marine conservation swap and Cabo Verde's 2022 climate-focused debt conversion with Portugal show that these instruments work best when aligned with broader macro-fiscal reforms, supported by strong institutions, and linked directly to national climate and development priorities. Key factors that contribute to a successful debt-swap operation:

- **Strong macro-fiscal foundation:** The swap must be embedded in a long-term fiscal policy framework and a credible debt-sustainability strategy to ensure durable, rather than temporary, fiscal space.
- **Clear alignment with national priorities:** Climate or conservation investments financed through the swap should be directly linked to nationally defined development, climate, or resilience strategies.
- **Credible institutional arrangements**: Establishing a dedicated, transparent mechanism helps ensure effective management, monitoring, and long-term sustainability.
- **Strong creditor and partner engagement:** Early, coordinated engagement with bilateral creditors, development partners, and technical institutions increases the likelihood of favorable terms and long-term support.
- **Predictable and sustainable financing flows:** Swaps should generate stable, multi-year resources for climate or conservation objectives, rather than one-off funding.

Blue and Green Bond Issuance

The issuance of these bonds is a process of building credibility. To handle ESG-related disputes and mitigate "greenwashing," SIDS must prioritize **judicial preparedness**. Robust legal and regulatory frameworks help ensure that commitments embedded in sustainability-linked or thematic bonds are enforceable and aligned with international standards.

1. **Define:** Align the bond's use-of-proceeds or performance targets with NDC 3.0 priorities and a costed project pipeline. This ensures that the instrument is anchored in national climate strategies and backed by implementable investments.
2. **Validate:** Develop transparent and credible framework and secure an independent Second-Party Opinion (SPO) to verify alignment with recognized taxonomies and

principles (e.g., ICMA Green Bond Principles). This step is critical for investor confidence and for reducing reputational and regulatory risks.

3. **Structure:** Balance the bond structure with project duration, fiscal capacity, and risk profile. Decisions on issuing in domestic vs. international markets should be based on scale, currency considerations, investor appetite, and the depth of local capital markets.

4. **Issuance:** Listing on platforms like Cabo Verde's **Blu-X** to connect with regional investors. Blu-X is a regional listing and trading platform for sustainable and inclusive financial instruments geared towards sustainable economy (including blue bonds, green bonds, social bonds, sustainability bonds, among others). It aims to facilitate investments in public and private financial instruments to capitalize innovative projects focused on sustainable economy.

5. **Monitor:** Track impact via MRV (Monitoring, Reporting, and Verification) systems.)

Blended Finance

Despite the intention to blend public and private capital, evidence of large-scale mobilization of private finance remains limited. Country platforms, including JETPs, enable portfolio-level blending, allowing financial instruments to be matched to the varying risk profiles across an entire pipeline rather than on a project-by-project basis. This makes it possible to pool partner resources, direct concessionality where it has the greatest catalytic effect, and apply de-risking tools in a more systematic and predictable manner. The result is lower transaction costs, clearer investment pathways, and a more coherent environment for private sector participation. Key enablers of a successful blended-finance model include:

- **Strong policy and regulatory environment:** A predictable, transparent policy framework reduces investor risk and enables private capital to participate alongside public and concessional finance.
- **Clear national priorities and project pipeline:** Blended finance works best when investments are aligned with national development and climate strategies and supported by a costed, bankable project pipeline.
- **Transparent governance and fiduciary standards:** High-quality reporting, monitoring, and safeguards build investor confidence and ensure accountability for the use of concessional resources.
- **Appropriate capital structure:** The mix of grants, concessional loans, commercial finance, and equity must be tailored to the project's risk profile and revenue model to ensure financial viability.
- **Early engagement with private sector:** Involving investors from the design stage ensures that risk-return expectations are understood and that the structure is attractive to commercial capital.

Pipeline Opportunities for Bankability

Investment readiness requires clear ownership and predictable cash flows. Initial "Pipeline Opportunities" identified by the participants include:

- **Small-scale fisheries supply chains** (infrastructure and microfinance).
- **Blue Carbon projects** (mangrove/seagrass restoration).
- **Sustainable Aquaculture and Blue Towns** (integrated coastal planning).

Technical Pillars for Resilience and NDC 3.0:

1. Strengthening National Institutional Architecture through National Champions and clear Mandates

Governments need to appoint "National Champions" in specific ministries with a clear, legally defined mandate for topics like Blue Economy. A lack of a clear mandate can lead to the Blue Economy being perceived as "nebulous" or "nefarious," stalling the establishment of dedicated units.

2. Nature-Based Solutions (NbS)

SIDS need to upscale for instance "Ridge to Reef" approaches and mainstream them into legislative frameworks. This involves facilitating access to NbS-dedicated finance and establishing appropriate governance to manage natural assets as frontline defenses for coastal protection.

3. Synergy Hubs

SIDS need to establish **Synergy Hubs** to align NDCs, National Adaptation Plans (NAPs), and National Biodiversity Strategies and Action Plans (NBSAPs). This alignment is a "low-hanging fruit" for increasing institutional efficiency.

4. Disaster Risk Finance (DRF)

Governments must move from reactive to proactive disaster management by establishing Disaster Risk Management Funds and enhanced collaboration with key ministries (housing, infrastructure, social welfare, etc.). Experiences from countries such as Jamaica, which has pioneered parametric insurance, contingent credit lines, and a multi-layered disaster-risk financing framework, demonstrate that predictable, rules-based instruments significantly strengthen national resilience.

- **Disbursement Logic:** Funds must be triggered by multi-hazard hotspot analyses and disbursed based on **social vulnerability scores** first, followed by physical damage indices.
- **Speed and Pre-positioning:** As the value of a disaster-risk fund lies not only in the amount of financing available but in how quickly it can be deployed, speed is the critical variable. Resources, rapid-response kits and logistics support in strategic locations, guided by objective vulnerability and accessibility data, can dramatically shorten response times.

5. Article 6 and Carbon Markets

The transition to carbon markets requires moving beyond legislation to active enforcement. A core governance risk to manage is the **"Leading Institution" dilemma**: SIDS must decide whether Blue Carbon sits within the Oceans Ministry or Forestry Ministry to avoid jurisdictional overlap and ensure a single carbon registry.

Inclusion, Equity, and Knowledge Integration

Development of mandatory Participatory Framework

Roadmap implementation requires an "Institutional and Participatory Approach Framework" that coordinates across departments to avoid silos.

- **NGO Empowerment:** Move beyond consultation; provide dedicated financing for NGOs to participate in implementation.
- **The Forgotten Stakeholder: Academia** must be integrated into research, data collection, and policy formulation to provide scientific baselines.
- **Local Knowledge:** Combine indigenous observations (e.g., fish migration patterns) with scientific data for coastal planning.

One Health and Gender Approach

- **Gender Reporting:** Mandatory gender indicators must be embedded in the entire project cycle (design to M&E).
- **Climate-Health Fund:** Recognizing the "One Health" interconnectivity of people, nature, and animals, SIDS should launch Climate-Health indicators within the NDC M&E cycle.

Suggested Next Steps:

1. Creation of a Community of Practice for
   - Further exchange amongst the participants and other interested SIDS and
   - Joint development of positions moving towards COP 31
2. Following up on the regional approach suggestions together with interested Implementing Partners and Donors (NDC Partnership)
3. Implementation of Webinar Series for all SIDS to spread the recommendation and collect further examples from the Pacific and Caribbean
4. Strengthen further alliances across African SIDS through the African Island States Climate Commission (AISCC)