



Statement

by

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at the

Opening Ceremony

of the

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The Caribbean Development Bank, (CDB) is honoured to partner with the Green Climate Fund (GCF) and the Government of Germany through GIZ to convene this international workshop on *Climate Finance Readiness and the Green Climate Fund*.

Climate change is an existential threat to the Caribbean. Despite our negligible contribution to the problem, ours is one of the most vulnerable regions in the world to climate change. One climatic event can, in a few hours, reverse decades of development gains.

It has been estimated that the economic costs of climate change in just three categories, that is, increased hurricane damages, loss of tourism revenue, and infrastructure damages could total USD11 billion annually by 2025, USD22 billion by 2050 and USD46 billion by 2100.

The GCF represents a timely opportunity for the Caribbean, and specifically, CDB's 18 borrowing member countries (BMCs), to access new sources of grant and concessionary finance to address two urgent concerns:

- first, its inherent vulnerability to the adverse effects of climate change and natural disasters; and
- second, the Region's high dependence on imported fossil fuels.

It is, therefore, of the highest priority for our region, and indeed for the entire developing world, that the Fund becomes operational as early as possible.

We, in the Caribbean, share the vision of the founders of this Fund, as enunciated in its Governing Instrument that, "given the urgency and seriousness of climate change ...the Fund is to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change".

If this new multilateral Fund is to be different;

If it is to make a significant contribution to transforming our economies; and

If we are to create low carbon, climate-resilient societies,

Then, it must achieve three short-term objectives:

- First, the Board of the Fund must complete before year-end, the design work necessary to ensure that the Fund becomes operational by 2014.
- Second, given the global scale of the climate challenge, the GCF must be well resourced. In this regard, developed countries should, by the end of this year, make firm commitments towards resourcing the initial capitalisation of the GCF; and
- Third, this Fund must pay particular attention to the needs of those developing countries which are most vulnerable to climate change.

To ensure that these countries can access the Fund on equal terms, when it is fully operational, the Board must advance, in a meaningful manner, its work programme on climate finance readiness and preparatory support.

It is not coincidental that the Board members from Barbados and Zambia, representing the Small Island Developing States and Least Developed Countries constituencies, have called for the prioritisation

of activities related to readiness and preparatory support during the design of the Fund. Developing countries in these groups have, traditionally, not accessed climate finance at levels commensurate with their high vulnerability to climate change.

Take, for example, the case of the Caribbean. Of the 694 national projects approved by the Global Environment Facility (GEF) under its climate change focal area between FY 1991 and FY 2013, only 33 national projects from CARICOM countries received support.

This represents a mere USD24 million or less than 1% of the total USD2.5 billion grant financing provided by the GEF for national climate action. The amount allocated to the Caribbean must be seen in the context of a worsening of the climate change phenomenon and of economic losses in excess of USD1.0 billion in three Caribbean countries for 2012 alone.

This inability of Caribbean countries to access climate financing can be directly attributed to institutional constraints; to difficulty in identifying priorities and developing coherent investment programmes; and to serious deficiencies in capacity to effectively and efficiently implement projects and programmes.

It is extremely important to note that, in general, the burdensome criteria attached to accessing resources are often by themselves a deterrent to access.

The situation is complicated by the monitoring and reporting requirements to evaluate outcomes.

Therefore, if these countries and other countries with similar capacity constraints are to benefit from the GCF, it is crucial that focus is placed on “climate finance readiness” at the national, regional and international levels.

There is consensus, at the highest political levels in the Caribbean, on the way forward. Leaders have endorsed a Regional Climate Change Strategy and Implementation Plan to guide national and regional efforts towards building climate-resilient, low-carbon economies.

This effort will require transformational change by national governments, regional organisations, civil society and the private sector, underpinned by an unprecedented level of financial resources and technical assistance. Within the context of the regional Implementation Plan, CDB has been assigned, and takes seriously, the role of spearheading the Region’s resource mobilisation efforts.

Consistent with this mandate, CDB has developed a Climate Resilience Strategy aimed at supporting capacity development in relevant national and regional institutions and at mobilising new financial resources for climate action in the Caribbean.

The Bank recognises that, if the Caribbean is to benefit from these new flows of low-carbon, climate-resilient financing, it must:

- build and strengthen policy, institutional and accountability capacities, and expertise at the national and regional levels; and
- develop investment-ready, low-carbon climate-resilient projects and programmes.

In order to achieve these objectives, the Bank is working with its BMCs, with Donors, and with other regional organisations, including the Caribbean Community Climate Change Centre (CCCCC), to develop and implement a comprehensive and structured Climate Finance Readiness Programme for the region.

Initially, this readiness programme will focus on five priority areas:

1. Assisting countries to better integrate climate change actions and priorities in national development planning and budgetary processes;
2. Strengthening national climate finance coordination bodies;

Assisting national and regional entities to gain accreditation under the Green Climate Fund's direct access modality, including through building and strengthening capacity at the national and regional levels to meet the Fund's fiduciary standards and environmental and social safeguards;

3. Assisting the regional private sector to participate in the private sector facility of the GCF; and
4. Planning, preparing and implementing bankable climate-related projects and programmes.

As a strong financial institution, with intimate understanding of our BMCs and the wider Region, CDB is well-placed to intermediate climate funds from the GCF and from Donors. We have a unique combination of fiduciary capacity; knowledge of the region; and relationships based on mutual respect, and a shared vision for the advancement of our people.

CDB also has the capacity to generate and mobilise knowledge and technical skills to address climate vulnerability in climate-sensitive sectors such as: critical physical infrastructure (water, roads, sea and river defences, drainage seaports and airports), tourism and agriculture. We have developed this capacity over decades of work in these sectors.

We look forward to sharing those experiences and lessons learnt with other capacity-constrained developing country regions.

In closing, let me, once again, thank you for the opportunity to share some thoughts on an issue of tremendous importance to the Caribbean.

I hope that your two days in Barbados will be productive, and that the outcome of this meeting will guide the efforts of the Fund in creating a level playing field for accessing the GCF at the commencement of its operations next year.

Thank you.