



Statement

by

Dr. W^m. Warren Smith

President

Caribbean Development Bank

at the

Opening Ceremony

of the

Regional Workshop on

Climate Finance Readiness

July 15-16, 2013

Bridgetown, Barbados

I. INTRODUCTION

Good morning and welcome to this Regional Workshop on Climate Finance Readiness.

It is a distinct honour for the Caribbean Development Bank to convene this Workshop, in partnership with the Government of Germany, through GIZ. The Workshop follows a very successful collaboration last week between GIZ, the Green Climate Fund and the Bank on “*Climate Finance Readiness and the Green Climate Fund*”.

Today’s workshop will focus on identifying gaps, challenges and opportunities for our region in planning for and accessing climate change finance. It is our expectation that this effort will lay the basis for more targeted region and country-specific interventions that will shape our regional programme.

II. RESPONDING TO CLIMATE CHANGE

Our Caribbean is a region in the frontline of vulnerability to climate change. The annual losses experienced from climatic events in the Caribbean, including hurricanes and other extreme weather events, as well as projected impacts, including sea-level rise, are amongst the highest in the world.

It is estimated that the economic costs of climate change in just three categories, that is, hurricane damage, loss of tourism revenue and infrastructure damage could reach USD11 billion annually by 2025. These costs could double to USD22 billion by 2050 and more than quadruple to USD46 billion by 2100.

An aggressive response to the threat posed by climate change is, therefore, an urgent regional priority. Our big challenge is the unprecedented resource mobilisation effort that is required.

Our leaders recognise the urgency of the Caribbean responding, in a strategic and focused way, to climate change. CARICOM Heads of Government have, therefore, endorsed a comprehensive Regional Strategy and Implementation Plan to guide national and regional efforts towards a low-carbon, climate-resilient future.

CDB shares the vision of the CARICOM Heads of Government. We also take, very seriously, the role that we were assigned in the Regional Strategy and Implementation Plan to spearhead resource mobilisation on the region’s behalf.

Consistent with the mandate from the CARICOM Heads of Government, we have developed, and are already implementing, a Climate Resilience Strategy. Our strategy stresses national and regional capacity development as well as the mobilisation of new financial resources in support of climate action.

We, at CDB, see real opportunities for the region if our response to the challenge that climate change poses is well-planned and well-executed. For example, there are opportunities to transform our economies and make them more competitive. But, first, we must address the region's heavy dependence on expensive imported fossil fuels through greater uptake of renewable energy and increased energy efficiency.

Also, new investments in climate-sensitive sectors, such as infrastructure, agriculture and tourism, will build resilience in the productive sectors, while opening up new job-creation and income-generation possibilities. Our region, like other developing countries, has not been able to access climate finance at levels commensurate with its high vulnerability to climate change.

Between Financial years 1991 and 2013, only USD24 million or less than 1% of the total USD2.5 billion in grant financing provided by the GEF for national climate action was directed to CARICOM countries. The amount provided to our region 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.

Clearly, if our region is to benefit fully from the new flows of low-carbon climate resilient financing, business as usual is not an option.

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

III. ROLE OF CDB

For its part, CDB will spare no effort in readying the Bank, our Borrowing Member Countries (BMCs), the regional private sector and other partners to plan for and access new climate finance available through the Green Climate Fund and other sources.

We are already working with our BMCs, regional organisations, including the Caribbean Community Climate Change Centre, and development partners to develop and implement a comprehensive and structured Climate Finance Readiness Programme for the region.

Initially, this readiness programme will focus on:

- assisting countries to better integrate climate change actions and priorities in national development planning and budgetary processes;
- strengthening national climate finance coordination bodies;
- assisting national and regional entities to gain accreditation under the Green Climate Fund's direct access modality. This will involve, for example, building and strengthening capacity at the national and regional levels to meet the Fund's fiduciary standards, and environmental and social safeguards;

- assisting the regional private sector to participate in the private sector facility of the GCF; and
- planning, preparing and implementing bankable climate-related projects and programmes.

CDB is well-placed to intermediate climate funds from the GCF and development partners to its borrowing member countries. We offer a unique combination of fiduciary capacity; knowledge of the region; and relationships based on mutual respect and a shared vision for the economic development of our people. We also have the capacity to generate and mobilise knowledge and technical skills to address vulnerability in climate-sensitive sectors such as tourism, agriculture and critical physical infrastructure (for example, water, roads, sea and river defenses, drainage, seaports and airports).

Turning now to the issue of resource mobilisation, CDB has partnered with the European Investment Bank to advance a USD65 million Climate Action Line of Credit to the region. I am happy to report that we have already identified some initial projects that could be eligible for funding under this programme.

IV. CONCLUSION

As I glance around the room this morning, I am pleased to see representatives from Ministries of Finance and Ministries of Planning.

I see representatives from regional organisations which are involved in climate change or climate-vulnerable sectors. I see representatives from civil society, including the private sector. And I see representatives from the development agencies.

I am confident that the group we have assembled will use the next two days productively.

Your task is to deliver a concrete and targeted set of proposals for increasing our region's access to available climate financing and for shaping our region's climate change agenda.

I am, therefore, looking forward to receiving the results of your consultations over the next two days.

Thank you.