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## Remarks

Dr. Warren Smith

President

Caribbean Development Bank

Signing of a Letter of Intent by  
European Investment Bank/Caribbean Development Bank

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Conference Centre, Caribbean Development Bank, Barbados

Good morning to all of you.

Let me extend a special welcome to Vice President Pim Van Ballekom who is making his first official visit to Barbados and to the Caribbean Development Bank (CDB) Headquarters.

Later today, Vice President Van Ballekom will be making a site visit to Harrison's Cave.

Harrison's Cave is a unique attraction and an important component of Barbados' tourism product. It is also the beneficiary of financing from CDB for the redevelopment of the facilities, utilising resources provided by the European Investment Bank (EIB).

I know, Vice President, that you are looking forward to this visit; and I am sure that you will appreciate this unique attraction.

This morning, we are formalising a co-operation arrangement between EIB and CDB, with the signing of a Letter of Intent. The Letter speaks to strengthening support for the sustainable economic development of our region and, more specifically, to supporting climate adaptation and mitigation initiatives in Caribbean countries. It, therefore, represents another phase in the strengthening of a long-standing partnership and a deepening of cooperation between our two institutions that has produced four loan operations, to date.

We live in a region that is one of the world's most vulnerable to natural hazards; hurricanes, seismic and volcanic activities and drought that routinely inflict significant economic damage. The most recent Fifth Assessment Report from the Intergovernmental Panel on Climate Change in 2015 confirms that climate is already changing; and that the impacts are being felt by small island developing states (SIDS), many of whom are our borrowing member countries. The Report acknowledges that climate change, climate variability, and attendant sea level rise will likely exacerbate the impacts of natural hazards; impose additional stress on climate sensitive resources and ecosystems; and reverse the development progress if we are unable to mount a robust and significant response.

Building resilience to natural hazards and climate change is, therefore, central to CDB's mandate to reduce poverty. It is the poorest and most vulnerable who face the greatest level of exposure to climate change and have the least capacity to deal with these impacts.

EIB and CDB share a common interest in the sustainable development of the Caribbean. The Letter of Intent formalises a phase in our relationship that effectively started in 2011 when EIB agreed to provide a USD65.3 million Climate Action Line of Credit (CALC) to CDB to be used to finance public or private sector climate action projects, including energy efficiency; renewable energy; transportation; low-carbon technologies, development and innovation; and adaptation.

CDB is pleased with the progress of the CALC. Total commitments, to date, amount to USD35 million or 54% of the facility. Projects include a highway reconstruction; water supply redevelopment; dam rehabilitation and a solar PV plant. All of these projects were subjected to detailed climate vulnerability assessments and designed accordingly. It is anticipated that the funds will be fully committed by March 2016, with the approval of another three projects in the coming months.

We have also developed a healthy pipeline of projects, which we hope will provide the basis for a second CALC.

Considerable investments are required to address the impacts of climate change. Over the past four years, CDB has stepped up its resource mobilisation efforts, the CALC being an early result of this initiative.

Two weeks ago, we signed several agreements for financing that will facilitate investments in renewable energy and energy efficiency and further encourage the development of geothermal energy in the member countries of the OECS.

We are also hoping to be able to tap resources from global mechanisms, such as the Adaptation Fund and the Green Climate Fund. We are currently pursuing accreditation to both of these funds.

Next month the global community meets in Paris for COP 21. We hope that this pivotal meeting will deliver a successful outcome, including raising the US100 billion per annum by 2020 for climate change mitigation and adaptation in developing countries. Such a commitment would greatly enhance the pool of resources available to EIB and CDB to help the Caribbean build resilience to natural hazards and climate change.

Thank you.