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## Remarks

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Building Climate Resilience for the World's Small  
Islands and Vulnerable States – The Caribbean:  
CDB-EIB - Current Solutions for Current Problems

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It is a great honour to represent the Caribbean Development Bank (CDB) at this event organised by the European Investment Bank (EIB).

Our institutions have been partners in development of the Caribbean Region for more than 30 years. The relationship deepened in 2012 when we signed the agreement for an initial US\$65 million Line of Credit, and an associated US\$4 million technical assistance grant to address climate adaptation and mitigation in our Region.

This new financing instrument was a response to the fragility and vulnerability of the 19 Borrowing Member Countries (BMCs) of CDB. For more than two decades, our Region has been speaking in various international fora about the unique challenges that climate change poses for the Caribbean.

Since 1980, for example, nine of our borrowing member countries have experienced a disaster event with economic impact greater than 50 percent (%) of their annual GDP. Further, the economic damage to the capital stock in the Region is estimated, on average to be as high as 5.7 % of gross domestic product (GDP) annually. By 2030, global warming could lead to an additional losses averaging 1% to 3% of GDP per annum for Caribbean states.

In October this year, Hurricanes Irma and Maria represented an especially strident wake-up call for the international community as the media broadcasted real time images of the widespread destruction of critical infrastructure and human suffering visited upon the people of Anguilla, Antigua and Barbuda, British Virgin Islands, Dominica, and Turks and Caicos Islands.

The urgent need for action on climate change altered the focus of CDB's collaboration with EIB. We recognised the need for more innovative and effective financing instruments in building the resilience of the Region's infrastructure and mitigating the emission of greenhouse gases.

When we signed the agreement in December 2011, the Climate Action Line of Credit (CALC) became CDB's primary financial product underpinning our Climate Resilience Strategy, approved by our Board of Directors in March 2012.

It allowed us to combine technical understanding of the challenges facing our borrowing member countries and the concessionary financial resources required to mount a meaningful response.

CDB has already initiated and implemented reforms in our business processes with the support of the Euro 4 million technical assistance grant from the first CALC. We have initiated climate screening of all our country work programmes; and now routinely subject our interventions to rigorous climate vulnerability assessment.

On the mitigation side, our partnership with EIB has enabled CDB to assist borrowing member countries to pursue investments in sustainable energy and energy efficiency projects. With initiatives, such as the introduction of LED lamps for street lighting and the use of solar panels on buildings, Governments will be able to reduce their dependence on fossil fuels and transition to more sustainable and affordable energy.

CDB has leveraged the initial US\$65 million line of credit and associated US\$4 million technical assistance grant to finance ten projects with a total value of US\$180 million. These cover water and community infrastructure; road transportation; and renewable energy and energy efficiency.

The streetlight retrofitting product launched in 2016 utilises a blend of financial resources designed to achieve a high level of concessionality in order to incentivise investment in streetlight replacement across our borrowing membership.

At the end of 2016, our Board of Directors approved financing for the retrofitting of the entire street lighting network in four islands. These projects have the potential to change more than 46,000 street lamps from existing incandescent lamps to LED lamps, which are 50% more efficient. Other potential benefits include energy savings of more than 16,000 megawatt hours annually across these countries, with a corresponding reduction in greenhouse gas emissions of up to 10,700 tonnes.

This will also contribute to the achievement of nationally-determined contributions (NDCs) in these countries.

In short, the CALC has been an innovative modality underpinning our climate action agenda. It is for this reason that we signed an agreement with EIB for a further Euro100 million in May this year. Today, we will be signing an agreement for an additional Euro 20 million to be able to adequately address the damage caused by the hurricanes experienced this summer.

In closing, let me once again thank the Board of Directors and Management of the EIB for their strong support of the CDB and the Caribbean Region which we serve. It is our intention to continue to find ways of collaborating and innovating with EIB as we continue to reach for our goal of a resilient and sustainable Caribbean.

Thank you.