



**STATEMENT BY THE GOVERNOR FOR GERMANY
MR. NIELS ANNEN**

President Leon,
Distinguished Colleagues,
Ladies and Gentlemen,

The impacts of the global crises and of Russia's war of aggression against Ukraine, which violates international law, can be felt distinctly in the Caribbean, too. They reduce fiscal space and jeopardise the achievement of the Sustainable Development Goals (SDGs). In order to get on track to achieve the SDGs, the countries of the Caribbean need access to adequate and affordable financing.

One important lever for this is the Multilateral Development Bank (MDB) evolution. Germany is working for the (MDBs) to make the protection of regional and global public goods a stronger part of their business models. This includes aligning their financing systematically with the Paris Agreement.

The German government is committed to the COP target of raising international climate finance to 100 billion US dollars a year and will contribute its fair share to this endeavor. We are also working for giving the countries of the Caribbean quick access to the international climate funds.

Many countries in the Caribbean are faced with high climate-related losses and damages. Germany supports the Region's call for better consideration of its vulnerability. That is why Germany is in favor of exploring climate-resilient debt clauses that enable countries to defer debt repayment if a natural disaster hits.

Climate-vulnerable countries are also right in demanding a better safety net that enables them to respond to weather disasters quickly. The Global Shield against Climate Risks is an important tool in this regard. We hope that the Caribbean Development Bank (CDB/the Bank) will actively support its implementation in the Region.

At the same time, the German government is observing CDB's balance sheet with concern. Risk-adjusted capital adequacy has declined in the recent past. Many borrowing countries have low credit ratings. Additional risks are arising from advancing climate change.

CDB needs to avoid higher costs for its client countries. In order to be able to respond appropriately to crises at all times, the Bank should take action swiftly to strengthen its capital base. Germany expressly supports the inclusion of new members as one way of doing this.

CDB is an important partner for Germany's development cooperation. The Bank and the countries of the Region may count on our continuing support.