FINANCING the RESILIENCE of SIDS

Government of Antigua and Barbuda

Belgium

in collaboration with coe

UNDP initiative
Strengthening International Financial Architecture for SIDS

Presented at the Financing the Resilience of SIDS Conference
Antigua and Barbuda
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Roadmap

- Key Messages
- The Challenges to sourcing Appropriate Finance
- What can we do as a region?
- Final Word
Eastern Caribbean Central Bank

Key Messages

• Small Island Developing States (SIDS) are vulnerable to the effects of climate change;
• The financial effects as a result of these climatic events are astounding;
• Financing models are being fashioned, but there is the need for more work;
• The ECCU is formulating its own response to demonstrate its “skin in the game”.

5/30/2018
The Effects of Recent Climatic Events

- 2 Cat. 5 hurricanes within weeks in the ECCU in 2017
- An estimated EC$5bn in damage and losses from Hurricanes Irma and Maria
- 5 of the 8 ECCU countries were affected
International Financing

• Amount pledged at last year’s CARICOM-UN Conference was about US$2.3bn;

• Some estimates on the recovery and re-building have been placed as high as US$5bn;

• Thus, there is a gap to be filled;

• Creative ways need to be fashioned to meet these goals, viz. debt swaps, very soft loans and grants.
ECCU Strategic response

Transforming the ECCU Together

1. Maintain a strong and stable EC dollar
2. Be the advisor of choice to our participating governments in pursuit of fiscal and debt sustainability
3. Actively promote the economic development of our member territories
4. Ensure a strong, diversified and resilient financial sector

5/30/2018
ECCU response

• We recognise at the ECCU level that we must demonstrate that we can fashion our own resilience effort;
• The establishment of a Regional Resilience Fund is being contemplated;
• The Fund will be established with the following objectives in mind:
ECCU response (cont’d)

• The resilience fund would provide an immediate source of funding in response to the high and frequent economic and social costs of natural disasters in each member territory;

• The goal of the resilience fund is to finance projects aimed at enhancing the resilience of the region to climate change. Through this resilience, it is expected that growth volatility from the impact of natural disasters, would be reduced;

• The resilience fund is intended to be complementary to and not a substitute for self-insurance type resilience funds, that some ECCU countries have been considering.
Final Word

It is clear that there is quite a lot of ground that needs to be covered. As we are a few days from the start of the 2018 Hurricane Season, there is still work that needs to be done to provide that sense of comfort that we would be able to finance any new episodes that may arise, as well as to cover last year’s events.

We must continue to back our discussions with tangible resources where their application will be of use to our citizens.
Thank You!

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