Fifth meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development

San José, 7-9 March 2022

Concept Note

Panel 3
Natural disasters and the asymmetry of climate change in the Caribbean

Tuesday, 8 March, 12–2 p.m.
(Crowne Plaza San José Corobicí, Costa Rica time, GMT-6)

Context[1]

As is well known, the Caribbean region is highly exposed to natural hazards and extreme weather events, ranging from floods, droughts, landslides, storms and hurricanes to earthquakes, tsunamis, and volcanic eruptions. The imperative to continually source -or reassign - already scarce human, institutional and financial resources for disaster management has undermined the capacity of these countries to sustainably recover and build forward better after each event. These frequent and often overlapping challenges demand the investment of resources and strategies to manage these emergencies in an effective manner.

It is now recognised that high vulnerability to climate change impacts and natural disasters threaten the Caribbean's economic, social and environmental sustainability. Often the financial impact of these extreme events are several times greater than their gross domestic product (GDP). Consider, for example, the impact of Hurricane Dorian on The Bahamas in 2019, which cost an estimated $3.4 billion in damage and losses, exacerbating debt levels and other fiscal stresses. Similarly, Dominica suffered damage and losses equivalent to 226 per cent of its GDP when it was devastated by Hurricane Maria in 2017, with recovery estimated to take at least five years based on its projected rate of economic recovery.

In 2021 many Caribbean countries experienced major flooding and landslides following tropical storms Elsa and Grace. For Saint Vincent and the Grenadines, Saint Lucia and Barbados, these hydroclimatic impacts were compounded by the volcanic eruption of La Soufriere on Saint Vincent, causing major dislocation in these countries. Heavy rainfall during the May and June 2021 had devastating impact on Guyana and Suriname, particularly in the mining and agriculture sectors. It also significantly affected housing, potable water and sanitation, health and other aspects of social welfare, obliging the government of Guyana to declare a state of national disaster. Similar catastrophic multi-dimensional events were

[1]World Meteorological Organization (WMO), *State of the Climate in Latin America and the Caribbean 2020 (WMO-No. 1272)*, 2021 [en línea] https://library.wmo.int/doc_num.php?explnum_id=10876.

experienced in Haiti; the country struggled to manage relief efforts following the devasting earthquake that shook its South Region on 14 August 2021, even as the same region braced for the impact of Tropical Depression Grace.

Caribbean coastlines, integral to the tourism product of these largely tourism-based economies are also subject to the annual recurrence of massive sargassum blooms. The widespread, persistent deposits of this seaweed on beaches and wider coastal zones have resulted in significant eco-system damage and the disruption of economic and social life for numerous Caribbean coastal communities. Tourism and related service industries as well as coastal economic activities such as fishing and marine-based transportation are among the sectors routinely affected.

Mitigation and adaptation measures and the use of appropriate technologies including multi-hazard early warning systems and scientific applications are vital for improving data collection and analysis to enhance preparedness and to plan for informed resilient response. In this regard, strengthened institutional capacity should facilitate the integration of disaster risk information into sustainable development planning. Significant financial investment is essential to the success of these outcomes, particularly in light of the heavy burden of debt currently being carried by most countries in the subregion.

Support for immediate response and early recovery activities are typically funded through a range of sources including concessional loans, grants and the re-allocation of budgetary funds. Such resources are usually insufficient to comprehensively address the requirements for long term and sustained disaster risk management, including resilience building. The concerted effort of both the public and private sectors is needed for the application of innovative approaches to successfully mobilize both domestic and external sources to finance sustainable development and resilience building. One such effort is the ongoing ECLAC proposal to establish a Caribbean Resilience Fund[2], a uniquely designed funding mechanism to address the subregion's challenges of increasing exposure to climate change, persistent low growth and unsustainable levels of debt. The Caribbean Resilience Fund proposes to:

- Facilitate debt swaps for adaptation to climate change
- By addressing debt and liquidity challenges, create more fiscal space for investment in growth
- Develop capacities to build climate resilience, including modernizing physical infrastructure
- Deepen capital markets, including insurance markets
- Incentivize investment in green and blue industries for economic restructuring and diversification
- By ultimately improving the credit ratings of the subregion's economies, reduce lending rates

Questions

1. What do you consider the most urgent interventions to be addressed, particularly those arising from the Caribbean's vulnerability to the impacts of climate change?
2. What role can the international community play in supporting resilience building in the Caribbean? Which agencies might be especially helpful?
3. What opportunities might be pursued through south-south and triangular cooperation, including in the LAC region, to assist in mitigation and adaptation to Climate Change?
4. What is your view of ECLAC's proposal to create a Caribbean Resilience Fund?

[2] Economic Commission for Latin America and the Caribbean (ECLAC), "Essential elements of the ECLAC Caribbean Resilience Fund: a segregated portfolio trust fund"*, Policy Brief* (LC/CAR/2021/12), Santiago, 21 December 2021; A. Bárcena and others, *The climate emergency in Latin America and the Caribbean: the path ahead – resignation or action?*, ECLAC Books, No. 160 (LC/PUB.2019/23-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020.

5. Pursuing mechanisms such as debt-for-adaptation swaps entails having a portfolio of resilience-building projects to facilitate financial mobilization. Is consideration being given in your country to the building of such a portfolio? How are Caribbean countries preparing for implementation of a mechanism such as the ECLAC debt-for-adaptation swap?
6. What mechanisms and financial instruments could the CRF explore to promote investment in growth and resilience building? What kinds of investments would you wish to see the Fund make?
7. Has consideration been given to revising building codes that include provisions to strengthen resilience in building regulations, to improve the sustainability of key service infrastructure such as schools and hospitals? Could such initiatives be harmonized at the regional level?
8. Are data providing projections on such events as sea level rise, groundwater salination and loss of biodiversity available to governments in the Caribbean, to guide infrastructure assessment and remedial action? What are the key challenges faced in making informed decisions advancing climate change adaptation and mitigation?
9. Increasingly, the national development plans of the countries of the subregion acknowledge climate change impacts and disaster risk as factors undermining achievement of the sustainable development goals. How have the principal national policymaking institutions adjusted country policies, programmes and projects to address the highly complex and multifaceted nature of these challenges, which are integral to the vulnerability of your countries? What might we do better?

Panel

Moderator: Diane Quarless, Chief of the ECLAC subregional headquarters for the Caribbean

See the full preliminary programme at [online] https://foroalc2030.cepal.org/2022/en/programme.

Panel format

This multi-stakeholder panel will bring together experts, governmental and intergovernmental representatives, as well as representatives of the United Nations system in the region. The panel will be moderated by Diane Quarless, Chief of the ECLAC subregional headquarters for the Caribbean.

Using the questions above to frame the discussion, the moderator will invite the panellists to offer their perspectives on the wider challenge to the sustainable development process presented by multidimensional vulnerability, which is characteristic of Caribbean economies, and on the most effective strategies to build resilient response to the threat to long-term development posed by climate change and risk. Each panel member will have an initial seven-minute statement.

Following the initial statements of all panellists, the moderator will open the floor for contributions from representatives of country delegations, for up to three minutes each. Panellists may be invited to respond to specific questions posed by representatives during the discussion, as required. Finally, the floor will again be given to the panellists for two-minute closing statements.