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Building Resilience to Climate Change and Disasters in the Caribbean

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Ladies and gentlemen good morning.

Today I will discuss CDB's strategy for building resilience to climate change and disasters in the Caribbean. I will also share some information about our achievements in 2024 and plans for 2025 and beyond.

Context and Approach

The Caribbean is one of the world's **most** vulnerable regions. Climate change and frequent natural hazards continue to **disrupt** our economies, ecosystems, and livelihoods, disproportionately affecting our most vulnerable populations and communities. Year after year, countries face severe impacts—Haiti's earthquakes in 2010 and 2021, Hurricanes Maria and Irma in 2017, Hurricane Dorian in 2019, the La Soufrière Volcano eruption in 2021, and Hurricane Beryl in 2024, are just a few examples. Noting that climate hazards are predicted to increase and intensify, the **need** for resilience has never been more pressing.

For our countries, CDB's support is vital to enhance climate and disaster resilience. Resilience is not merely part of our work—it forms the foundation of **everything** we do. Guided by our current Strategic Plan, Disaster Risk Management Strategy and Climate Resilience Strategy, we have adopted a holistic approach that integrates disaster risk reduction and climate considerations into development planning in our Borrowing Member Countries.

Our approach encompasses accessing concessional climate financing, supporting sound macroeconomic policies, climate-proofing infrastructure, and developing sustainable energy solutions. All of which will strengthen the Caribbean's capacity to withstand an increasingly uncertain future. The Bank is also committed to forging new partnerships and strengthening existing ones to support and enhance the region's resilience efforts.

Key Highlights in 2024

In 2024, we approved over 15 million United States dollars in grants for 21 technical assistance projects to strengthen disaster risk management and climate resilience in

Borrowing Member Countries. Beneficiaries included both national counterparts and regional partners. Funded through the Bank's Special Development Fund and the European Union-financed Caribbean Action for Resilience Enhancement programme, these technical assistance projects will improve disaster risk governance, financial response mechanisms, early warning systems, and infrastructure resilience.

We helped seven countries cover their 2024/25 premium payments to the Caribbean Catastrophe Risk Insurance Facility. Hurricane Beryl underscored the importance of this risk-pooling mechanism. The Caribbean Catastrophe Risk Insurance Facility disbursed approximately 72 million dollars to Grenada, Jamaica, and Saint Vincent and the Grenadines, offering essential post-disaster relief, of which 5.6 million dollars was allocated to social protection systems. The social protection initiative was funded through a partnership between CDB, Global Affairs Canada, the Caribbean Regional Risk Insurance Facility, the World Food Programme, and the participating countries.

CDB also directly contributed to post disaster efforts by providing a total of 10 million dollars in concessional financing for Immediate Response Loans and 600,000 dollars in grants to Grenada and Saint Vincent and the Grenadines. These funds provide, transitional safety net support for livelihoods of the most poor and vulnerable. They also assist with restoring **vital** infrastructure **necessary** for the resumption of social and economic activity.

We expanded our disaster risk financing instruments to include a disaster response policy operation and a contingent emergency response component tool, both of which we launched last year. These instruments reduce the financial burden on Borrowing Member Countries and provide quick access to funds after disasters, helping governments and communities respond more effectively.

More broadly, we committed approximately 101.5 million dollars in climate finance in 2024, representing 33.5% of CDB's own resources for the year. This is a significant step forward for the Bank.

While we succeeded with increasing our climate finance in 2024, we are ready to achieve even more in 2025. The Bank has already approved over 70 million dollars in climate finance for the current year.

To sustain this momentum, we are pursuing a multi-pronged strategy to further enhance and expand our support. I want to highlight a few examples.

Firstly, we received approval from the Green Climate Fund (GCF) to expand our project development capacity to 250 million dollars per programme or project — **five times** our previous accreditation limit. This enables us to develop and deliver **large-scale** climate resilience programmes.

CDB is also on track to secure its first full funding proposals for Green Climate Fund approval in 2025. The Bank has established an **ambitious** pipeline that will lead to further

GCF approvals in 2026-28. This is expected to result in more than 750 million dollars in **concessional** climate finance for resilient transport, agriculture and food security, water and energy for the Caribbean, over the medium term.

Secondly, our Board of Directors recently approved the CDB Climate Change Project Preparation Fund to assist countries to design and prepare high-impact climate change adaptation and mitigation programmes or projects. This will enable faster delivery of climate resilient outcomes. This fund is currently being operationalised and capitalized, and it is expected to be available by the third quarter of this year.

Furthermore, the Bank has secured a grant from the Adaptation Fund to support climate resilience in the agriculture sectors of Antigua and Barbuda, St. Kitts and Nevis, and St. Vincent and the Grenadines. In addition, the Adaptation Fund under its new Global Locally-led Aggregator Programme invited CDB to prepare a regional project to scale up community-led resilience-building efforts in five Borrowing Member Country. This will target hazard risk management, disaster risk mitigation, ecosystem protection, and sustainable livelihoods in watershed and coastal areas.

In addition to these examples, we continue strengthening our partnerships with various entities. We are working with other Multilateral Development Banks and bilateral partners to improve access to financial and technical support in the coming years. **Concurrently**, CDB supports regional institutions to provide fit-for-purpose assistance to Borrowing Member Countries. This includes the Caribbean Community Climate Change Centre, the Caribbean Disaster Emergency Management Agency, the Caribbean Institute for Meteorology and Hydrology, the University of the West Indies and the Organisation of Eastern Caribbean States Commission.

Conclusion and Looking Ahead

As we reflect on CDB's progress in 2024 and plans for the years ahead, **one thing remains clear**: building climate and disaster resilience requires a holistic approach and strong collaboration. The challenges facing the Caribbean are complex and demand strategic, coordinated, and bold actions.

So, what would success look like? Key success factors will include:

- Climate and disaster resilience integrated into all aspects of our lending and operations.
- Our climate finance flows increased beyond the levels we have achieved in years past –as we are on track to do in 2025.
- New tools like the Climate Change Project Preparation Fund adopted; **and** most importantly,
- Our clients **are** better prepared to respond to disasters more effectively and recover from them more swiftly.

As our President has emphasised, resilience encompasses more than just financing—it involves people, communities, and pursuing a sustainable future for everyone. We pledge

to support **every** Borrowing Member Country in the battle against climate change and disasters.

Although the path ahead is challenging, we can transform these challenges through innovation, partnerships, and determination, into opportunities for a safer, more prosperous, and resilient future.

Thank you for your attention.