

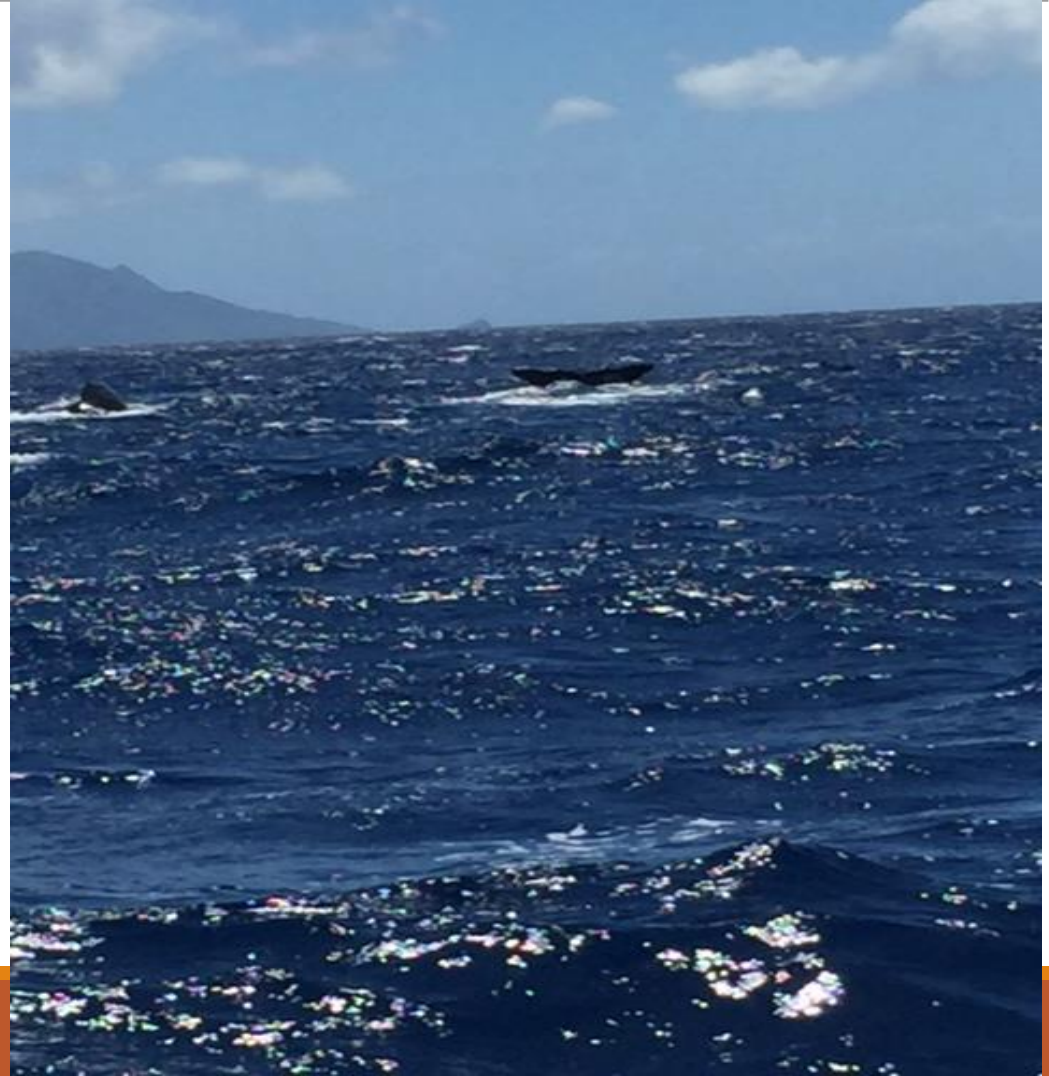
Impact of Climate Change on Countries of the Caribbean

LINKS TO VULNERABILITY AND ECONOMIC INSTABILITY

Countries of the Caribbean



Tropical Paradise? Only Half the Story



High Risk

- Hurricanes
- Tropical Storms
- Floods and Storm Surge
- Landslides
- Drought
- Sea level rise
- Erosion
- Loss of the shoreline

Vulnerability to Natural Disasters



(Dominica 2015 – Tropical Storm Erika)



Barbuda, Irma 2017

What We Already Know

From 1990 - 2017 there have been 328 natural disasters resulting 31 billion US dollars in debt (ECLAC Data)

Why

- Every natural disaster did not cause complete destruction
- Middle Income and High income
- Loss of concessional financing
- Self financing rebuild
- Loans to rebuild
- Next natural disaster...
- Repeat Cycle

Vulnerability to Natural Disasters



(Dominica 2015 – Tropical Storm Erika)





2005 Flood Guyana



Stabroek News

What else do we Know

- Climate change worsens
- Storms frequency and intensity increase

Caribbean Debt

Caribbean

Ten (10) Caribbean countries have a 10 year average debt to GDP ratio that exceeds 60%.

4 countries exceed 90%

2 exceed 120%.

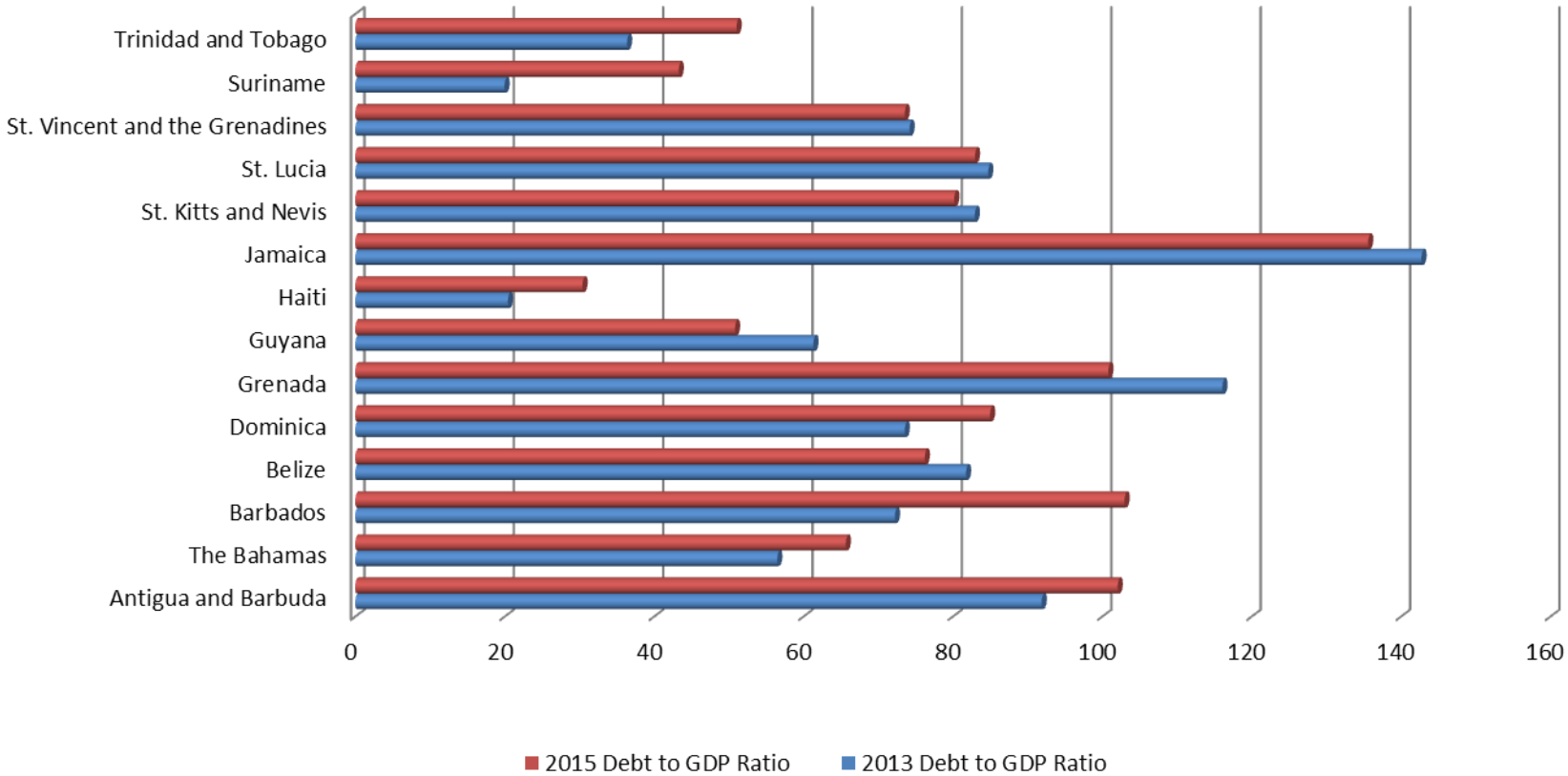
Latin America

Only two countries in Latin America, Brazil and Uruguay, have a 10 year average debt to GDP ratio of 65%.

For the other 16 Latin countries, **the 10 year national debt to GDP ratio falls below 48%**.

ECLAC in its 2016 Regional Fiscal Panorama reports: “The Caribbean is currently one of the most heavily indebted parts of the world and, ... In fact, the Caribbean’s debt situation is much worse than that of other small open economies and has reduced the fiscal space available to governments”.

Debt to GDP Ratio



Comparing Debt

SUB-SAHARAN AFRICA

- only 5 have sustained a debt to GDP ratio above 60% over the past 10 years.
- 3 countries have had their debt to GDP ratio rise above 60% in the past 3-5 years.
- **The other 38 countries have not exceeded 59%.**
- Based on OECD GDP per Capita thresholds, only 13 countries are considered middle income.

EMERGING ASIA

- The debt to GDP ratio is generally low, with only 4 out of 29 countries in the region surpassing 60%.
- 4 have been consistently over 60% for the past 10 years.
- **All other countries are below 55%.**
- Two-thirds (2/3rds) of Asian countries are low middle income with only 11 categorized at LDCs.

2017 Hurricane Season

- Irma (Cat 5)
- Maria (Cat 5) Rapidly intensifying storm

Category 1-5 in less than 18 hours
unprecedented

2017 Hurricane Season

IRMA

Antigua and Barbuda

St. Martin & St. Marteen

St. Kitts and Nevis

British Virgin Islands

Turks and Caicos

Cuba

MARIA

Dominica

Antigua and Barbuda

Montserrat

St. Kitts and Nevis

Puerto Rico

Virgin Islands



Cuba, Hurricane Irma

Dominica – Nature Island of the Caribbean

- Way of life evolved around environment
- Most Citizens make their living in harmony with the environment
- Forests and marine environment protected by law
- Morne Trois Pitons National Park protected forest for 40 years, a UNESCO WHS for 20
- Forests not cut for any economic activity
- No major hotels chains

MAY 1

ROSEAU

DigitalGlobe



SEPT. 22

ROSEAU

DigitalGlobe



Before
Maria



After
Maria

Impact on Dominica

90% of infrastructure

100% of agriculture

- Housing; Education; Health; Water and sanitation; Fisheries ;Forestry;
- Transport; electricity; Telecoms; Airports and sea ports

\$1.3 billion US in Damage

250% loss of the 2016 GDP

Impact

HUMAN AND SOCIAL

- Death
- Physical and emotional Injuries
- Interruption medical services, dialysis patients, death of centenarians,
- Emergence of water borne and diseases – leptospirosis etc..

ECONOMIC

- Destruction of infrastructure
- Interruption and stoppage of economic activity
- Closure of business
- Loss of jobs
- Tourism

Impact

SECURITY

- Safety and Security of all people – elderly and children
- law and order: looting, violence, emergence of gangs
- Inability to secure borders
- Inability to monitor the transshipment of drugs

BIODIVERSITY

- Marine
- Plant
- Wildlife

(Major hotspot for both marine and terrestrial biodiversity)

Caribbean biodiversity is at major risk of species extinction





Build-Disaster-Rebuild Cycle

FACTS

Extreme Vulnerability

Locked in build-rebuild cycle

Categorized “Middle and high income”

High debt

Limited to no fiscal space

Graduation from ODA

LINKED

Climate change

Adaptation

Outliers

Disaster/climate change related

Unsustainable High debt

Unrealistic

Assessing the Risk

“We are on the frontline and this is not a metaphorical war...or a metaphorical line...it is one in which we bury the dead, console the grieving, nurse our wounds and call out for reinforcements.” Prime Minister Roosevelt Skerrit COP23, Bonn Nov. 16th 2017.



Message

- Climate Change poses an existential threat for the countries of the Caribbean region.
- Extreme vulnerability of the Caribbean region (MICS/HICS) makes for outliers to any economic or financial formula or categorization.
- Funding that is independent of OECD MIC/HIC categorization
- Operationalize the COP21 Paris Accord
- ECLAC proposal for Debt swap – Climate Funds for Debt