



## St Lucia announces 'Clinton-style' fund for small states to fight climate impacts

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St. Lucia's Prime Minister says the 78 small island developing states (SIDS) have given up on the international aid organizations in getting official help to fight the impacts of climate change and are planning to launch their own funding body.

Allen Chastanet, who is also chair of the Caribbean economic body CARICOM, told the opening of the first UN Trade Forum in Geneva that three years of efforts to persuade organizations such as the Organisation for Economic Cooperation (OECD) and the International Monetary Fund (IMF) to ease their loan terms had produced no results. "It would take a considerable change of heart," he said. Talks at the IMF on making it easier for small states to borrow to carry out work to make them more resilient to climate impacts had shown "the development agencies are not prepared to make an exception for the SIDS."

Now the SIDS are working on setting up a body like the privately funded Clinton Foundation to provide aid to mitigate climate impacts, so that the burden of taking measures would fall on the foundation rather than individual countries.

He thanked the United Arab Emirates (UAE) and Ireland for donations to help develop the essential governing structure, and said the project will be presented to the United Nations Climate Action Summit in New York on 23 September.

Chastanet pointed out that expenditures to improve infrastructure to reduce climate impacts – such as installing drains or raising roads, improving electricity connections and the like – increased a country's resilience but not its general economic productivity or performance.

When he came into office three years ago, he thought the challenges facing his Caribbean nation of 170,000 people were trade, balance of payments and competitors, he said. He was quite prepared to assume the management challenges involved in handling such problems, he told the UNCTAD delegates.

The climate crisis had changed all that. "Now I am confronted with this monster that has the potential of making the country absolutely bankrupt. This issue has taken away the ability for us as small island developing countries to control our destiny."

Speaking after a visit to the Bahamas in the wake of Hurricane Dorian that destroyed many of the buildings on the islands of Great Abaco and devastated much of Grand Bahama just one week before, he described unpredictable climate effects as "the new normal".

He strongly criticised the new banking measures taken by European nations, including the introduction of a blacklist, designed to stop money laundering and funding of terrorism. He described this as holding countries “to ransom by undermining their reputation”. St Lucia for example had received only two requests for information on this score in the past three years. “This is not where the problem is. We pale in comparison with the rest of the world.”

But the blacklist had virtually paralysed the region’s banking sector because officials were afraid that loans would get them into trouble and lose them contracts with international banks. Without corresponding banks, visitors could not use credit cards, and St Lucia travellers abroad – even the Prime Minister – would have to pay expenses in cash.

By contrast, Chastanet argued, small island developing states “are ideal incubators to test out new ideas”. Their small scale and lack of competitive products should make them attractive to outside entrepreneurs. Because of their small economies, small countries had to concentrate on high-value products such as banking and upscale tourism.

But he warned: “Our extinction is imminent. There are not many more storms that we can sustain and remain viable. Does the world want to have SIDS? The SIDS need your help.”

The Maldives Minister of Environment, Dr Hussain Rasheed Hassan, also pointed out it takes a year or two to get a loan approved by international aid organizations, while climate disasters are striking small low-lying islands every year. “We are facing a climate emergency threatening the survival of the Maldives,” he reported. Yet the international community seems “very reluctant to do anything.”

The Secretary-General of the British Commonwealth, Patricia Scotland, warned: “What is happening to our small island developing states today is what will happen to all of us tomorrow. We have no more time left. It has to be now and it has to be us. If we do not do something about it, it will kill all of us.”

The one-week Trade Forum organized by the United Nations Conference on Trade and Development (UNCTAD) is designed to feed into the UN climate summit. It is discussing overfishing, biotrade, and ocean plastics as well as trade in climate mitigation efforts.