



Address by Grenada's Prime Minister

Dr. the Right Honourable Keith C. Mitchell

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Plenary Statement

Introduction

[Mr. Secretary General], Mr. Chairman, Fellow Prime Ministers, Ministers, Excellencies, distinguished colleagues, ladies and gentlemen.

Samoa ("The Navigator Islands")

Although we have travelled very far to get here, I feel very much at home here in Samoa. And I wish to thank Samoa not only for their **warm hospitality** but also for the excellent organization and facilities that you have been able to provide.

Mr. Chairman, flying in to Samoa, I was struck by the **vast distances** between the islands. In the Caribbean, one can easily see from one island to the next. But here in the Pacific, it must have taken an extraordinary amount of courage, innovation, AND TEAMWORK to set out in such uncharted waters. Today, we are in **uncharted waters** with respect to climate change and sustainable economic development. But we know that **TEAMWORK** is essential.

AOSIS

And this is why, over 20 years ago, **the Alliance of Small Island States (AOSIS)** came together to **row together** as the Polynesians did to conquer the unknown. Not surprisingly, AOSIS made great strides under the **leadership of SAMOA** and we thank the government for the foundations that they built. Let me also recognize the role played by Samoan national, Secretary General **Neroni Slade**, who now leads the Pacific Island Forum Secretariat. Your leadership of AOSIS made Grenada's work that much easier when we had the opportunity to serve as chair between 2007 and 2011.

We were delighted to hand the baton on to the **Government of Nauru** ["NOR – RU"] and we would like to thank them for their ongoing leadership

and their unstinting efforts to keep AOSIS at the **forefront** of the climate negotiations and the Post-2015 process.

AOSIS should also be congratulated for incubating **SIDS DOCK**, which is becoming a Statute Body under the United Nations. This is another example of how AOSIS is moving beyond the negotiations to ensure action on the ground in terms of renewable energy.

As we navigate our way, I'd like to offer Grenada as a beacon for some of the lessons learned on sustainable development.

Climate Change and Sustainable Development

But First, Mr. Chairman, the impacts of **climate change** have become so apparent, that “**Sustainable Economic Development**”, has taken on a new meaning and a new urgency. Indeed, in island states, economic development can even be un-sustainable when climate change **undermines** years of development, leaving many islands **highly indebted**. My island included.

It's noteworthy that a recent Country Assistance Strategy by the World Bank for the Eastern Caribbean Islands identified **two** critical factors contributing to the **high indebtedness**: (1) Extreme **weather** events (Hurricanes) and (2) **oil** price volatility.

On extreme weather events, let me use Grenada as an example. Ten years ago, we suffered Hurricane **Ivan** with damages worth **200%** of GDP. Many other island states face similar challenges often with damages measured in double-digit percentages of GDP. Compare this with the two very damaging hurricanes of **Katrina** and **Sandy**. These caused damages worth only **2% and 0.5% of GDP** for the United States. And despite this relatively small percentage of the U.S. GDP, neither **Louisiana** nor **New Jersey** has fully recovered.

Therefore, Imagine the challenge for islands!

We appreciate the efforts of the **World Bank** to spur the development of the ***Caribbean Catastrophic Risk Insurance Facility*** (CCRIF) and the Pilot Program for Climate Resilience. These have been helpful.

We need to scale up the "CRIF" to go well beyond provision of immediate liquidity to governments. Let me therefore congratulate the World Bank for

initiating its first ever **CAT BOND** this year and making this available to the Caribbean. This \$30 million facility is helping the **CRIF to diversify** beyond the reinsurance market to now include the **capital markets**.

Grenada and many islands are also benefiting from the **Pilot Program for Climate Resilience** facilitated by the World Bank. And for Grenada, in addition to the many “**climate proofing**” initiatives, we have now initiated a program **to increase climate resilience in all our budgetary programming**.

Concessional Funding

Climate Change is not caused by the small island states. But, given the impacts of Climate Change on our economies, the need for concessional funding is highly apparent. So we cannot continue to come to these discussions cap-in-hand re-visiting the same debate on the issue of “LDC Graduation”. I want to **commend** the work of my colleague the **Prime Minister of St. Kitts and Nevis** for taking a **lead** on this issue, working together with the **Commonwealth**. Building on this, we need to have **predictable process** in place. We call for a programmatic approach to the World Bank’s Small States Forum with a **5-year plan** so that we can show progress from year to year, particularly on the issue of **concessional finance**.

Mr. Chairman, climate change undermines development and destabilizes the local political economy. My government, for example, is investing heavily in consensus-building with all the key societal stakeholders: political parties, churches, unions and NGOs. We are making the tough choices for **fiscal sustainability**. This is part of our **Home Grown Program** which has the support of the World Bank and the IMF. We are delighted that the IMF expressed its satisfaction with progress made in Grenada, following their recent visit in August.

Growth

Looking forward, let's be frank.....What we need is **GROWTH**, Wealth Creation and Shared Prosperity. The World Bank Country Assistance Strategy for the Eastern Caribbean also mentioned **fossil fuel prices** as a contributor to **indebtedness** and as a **drag on the economies**.

Renewables

We **cannot grow** if we are spending *double-digit-percentages* of our **import bill** on Fossil Fuels. And given the high electricity prices in islands, what better place to implement renewables than the island states?

Renewable Energy Benefits

Today, the **renewable energy market** alone is estimated to be in the order of \$16 trillion dollars. In 2012, there were some 5.7 million **jobs** in renewable energy; And **IRENA** expects **16.7 million jobs** by 2030.

Today, **Pension funds** with collective assets exceeding \$12 trillion dollars are focusing on climate risk, renewable energy and energy efficiency under the banner of CERES ["Series"].

Opportunity for SIDS

Mr. Chairman, the island states are equally seized *not only with the climate crisis* but also with the **climate opportunity**. In SIDS, the price of Electricity is between 25 US cents per kilo watt hour and -- *can be as high as* -- 2 US dollars per kilowatt hour. With these high prices, **no subsidies** are needed for Renewables in these islands.

Therefore, even though the islands are amongst the **LEAST of the carbon emitters**, the SIDS are amongst the **BEST places** in the world to **launch renewable energy and energy efficiency initiatives**. The island developing states are **offering** to the international community a **value-for-money proposition** for implementation of renewables.

Grenada

Mr. Chairman. Friends. Given the **dire fiscal situation my administration inherited**, we developed a **Home Grown Program** for fiscal sustainability in partnership with the **IMF**. Under this program, one of the key deliverables is a restructuring of our **energy** situation.

Therefore, **implementing renewables in Grenada** is an absolute **essential for the future** of our economy. And this is why we have embarked upon **The Green Grenada Initiative**. To get to this stage, we are grateful for the support of Germany, SIDS DOCK, IRENA, World Bank, The GEF, OPIC, the Carbon War Room and the Rocky Mountain Institute.

Announcement

Mr. Chairman, I wish to announce once again that given the seriousness of my administration on energy **the United States** has selected Grenada as **the pilot** site for their regional initiative on new energy. Grenada is very encouraged by the strides made under the **Obama administration** to scale up renewables. And I would like to **express our sincere thanks** and appreciation to the Government of the United States for choosing to work so closely with Grenada. **We are inviting others to be part of an outstanding success story.**

Blue Economy

There is **much** that I would also like to say about the **Blue Economy**; but suffice it to say that Grenada considers itself to be a **Great Ocean State** and has committed 20% of our marine area to conservation. We are delighted to be working with **Germany, Japan** and others on our Blue Economy plans. Grenada recently signed an MOU with the **Kingdom of the Netherlands** and we would like to thank the **Dutch Government** for supporting Grenada in this regard. Grenada is hosting the secretariat of the **Caribbean Challenge Initiative** and we look forward to having others join this partnership. We

are excited about the new **Blue Growth Initiative** under FAO and we encourage others to get involved.

Close

As the **Samoans** bravely **navigated** their way through uncharted waters, so too, must we row together to reach the promise land of sustainable economic development. The Samoans have proven that **small size is no barrier to innovation**. The strides of our fellow-islanders in SINGAPORE further prove this point. **INNOVATION** Mr. Chairman is today's **driver** of capital formation and wealth creation.

We now have a major shift in our understanding of economic development following the publication of "**Capital**" by French economist, **Thomas Piketty**. This highlights that ... while income is derived from work **and** from capital, the two are by no means equal. Fortunately, Capital is controlled **also** by those with **ideas**. Ideas and Innovation have now become "property". **A.Z.T**, the first successful drug to treat HIV, actually comes from Caribbean Coral Reef. But it is not the Caribbean people that have benefited from the profits of this drug. The natural capital and the bounty of traditional knowledge of our islands are immense. But in order to unlock these, we need **support for innovation**. And fundamentally, we need greater access to quality education for our all of our people

As we navigate to the future, let us lay the foundations for the generations to come by making **education** and **ICT** key aspects of our sustainable development future to ensure a shared prosperity for all. And like the Samoan Navigators, let us face the future with courage, teamwork and durable partnerships.

I thank you.

