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**STATEMENT**

**BY**

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PRIME MINISTER OF GRENADA  
CHAIRMAN, AOSIS**

**ON BEHALF OF  
THE ALLIANCE OF SMALL ISLAND STATES (AOSIS)**

**AT**

**THE HIGH LEVEL EVENT ON CLIMATE CHANGE CONVENED BY THE  
SECRETARY GENERAL OF THE UNITED NATIONS**

**THEMATIC PLENARY IV – FINANCING  
“FINANCING THE RESPONSE TO CLIMATE CHANGE – INVESTING IN TOMORROW”**

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**62<sup>nd</sup> Session of the United Nations General Assembly**

**Monday, 24 September 2007, New York**

**Please Check Against Delivery**

*Mr. Secretary General, President of the General Assembly, Distinguished Co-chairs, Excellencies, Ladies and Gentlemen*

I have the distinguished honour to speak on behalf of the Alliance of Small Island States. As we in the island states know so very well, Climate Change is the single most important threat facing the economic development, the peace-and-security and the territorial-existence of Small Island States.

**Chairmen**, because of sea level rise, we face the spectre of environmental refugees and our people are already being displaced.

The **Maldives** has some nineteen hundred (1900) islands and has undertaken significant expenditure in building sea defenses and safe-zone re-settlement for its people. The costs of protecting vulnerable infrastructure such as capital cities, airports, seaports and coastal roads are continuing to increase.

In the case of **Cape Verde** islands off the coast of Africa, desertification is driving the switch from farming to tourism. They have had to build *four international airports* at great cost.

**Chairmen**, sea temperature rise is closely correlated with the increasing ferocity of hurricanes, cyclones and typhoons. And these are appearing in unusual latitudes. In the case of my beloved country, Grenada's GDP was growing at 5% between 1995 and 2000 and was identified as being below the hurricane belt as classified by Lloyds Marine Insurance.

We had not seen a hurricane in 49 years until **Hurricane Ivan** (in September 2004). This took the lives of 35 citizens, destroyed 90% of our housing stock, and devastated our agricultural sector - destroying 80% of our famous Nutmeg - our number one export, 70% of our cocoa and all our cash crops. This brought our economy to a stand-still with losses of US \$800 million or *twice times* that of our GDP. Few economies can withstand GDP losses of 25% without severe socio-economic repercussions, let alone 200%. In the face of climate change, **The Bretton Woods Institutions** must make special provisions for SIDS even if they are middle-income countries.

While Hurricanes are forming further south in the Atlantic, Cyclones are forming further North in the Indian Ocean, affecting the **Seychelles** for the first time in 50 years. This followed their earlier tsunami and we are disappointed to learn that post-disaster financing was with-held for three years by the World Bank.

**Distinguished Co-chairs**, sea temperature rise is causing bleaching of coral reefs. Loss of these eco-systems has a harmful impact on **fish stocks**, one of our main sources of protein and foreign exchange. The Caribbean Climate Change Centre indicates that a further one degree temperature rise will lead to significant loss of tuna and dolphin stocks. In **Mauritius** and the **Seychelles**, Tuna stocks are diving deeper seeking cooler waters. The fish catch has diminished and revenues have diminished. More investment is now needed in new studies as well as fishing technologies, equipment and practices.

Prior to Ivan, **Chairmen**, Grenada was the world's second largest producer of Nutmegs. Even with eighty percent (80%) of our nutmeg destroyed there was no multilateral funding for the replanting of

our nutmeg forests. In general, small island states do not have easy access to funding mechanisms for **forestation**, re-forestation and maintenance of **TROPICAL forests**. This needs to be urgently re-examined and we salute the work of our colleagues in **Papua New Guinea** who have worked tirelessly on this issue.

More funding is required for Adaptation projects on the ground. As an illustration, in the case of the island of **Nauru** ("NAY-RU") in the Pacific where the ground water is contaminated, they need funding for 2000 water tanks, not further consultation exercises.

As these examples indicate, Adaptation funding, and funding for economic development, are almost indivisible. They are also linked to the **Millennium Development Goals**. By considering these together, we are financing the response to Climate Change while investing in tomorrow.

**Chairmen**, government revenues for social, educational and healthcare programmes rely on a wide tax base and a vibrant private sector. We therefore need a robust financial architecture that provides our private sectors with adaptation funding in the form of Micro-finance, Credit for Small and Medium Sized Enterprises, Venture capital, which requires no collateral, and project finance.

**In closing**, we call for the urgent completion of the institutional arrangements for the **Adaptation Fund** by COP 13 in a manner that guarantees that priority be given to the needs of Small Island Developing States (SIDS). Specifically we wish to see:

1. Independence of the decision-making of the Adaptation Fund
2. Responsiveness and guaranteed access to SIDS
3. A structure that maximizes efficiency and effectiveness.

On the question of the **Global Environmental Facility** (GEF), we welcome the energy, enthusiasm and flexibility of its new CEO. We are disappointed with the implications of the Resource Allocation Framework but look forward to strengthening the working relationship with the GEF following reforms that make it more responsive to the needs of small island states. **These reforms must include:**

1. Greater simplification of application procedures,
2. Reduction in transaction costs
3. Faster turn-around time of proposals and
4. Complete, rather than partial, funding

**Finally Chairmen**, This high level meeting is geared towards generating greater political will to give impetus to the December 2007 Meeting of the Parties in Bali. The Bali process must advance negotiations towards a global and comprehensive agreement on a post-2012 framework. The negotiations must be completed by 2009 and this framework must have the **viability** and **adaptability** of the most vulnerable, in particular the SIDS, as its **fundamental benchmark**.

**Thank you.**