

Goal of Approach:

In a region already characterized by high variability in the current climate, a changing climate represents an additional stress for society, economic sectors and natural environments. This changing risk profile will have an effect on the outcome of a wide range of decisions affecting individual, societal and economic well-being. In order to plan effectively for the future, decision-makers must assess and be aware of these changing risks.

As our understanding of climate change improves it is becoming possible to gain an increasing confidence about some of the expected changes, for example with regard to increasing temperatures. However, our knowledge of the climate system is not perfect, resulting in uncertainty around the precise extent of future climate change. Furthermore, we cannot know how future emissions of GHGs will change. Uncertainty also stems from our incomplete understanding of the impacts of future climate on society, the environment, and economies.

Despite these uncertainties and regardless of the effectiveness of emissions reductions efforts worldwide, Caribbean governments must continue to make decisions to plan for the future. The Regional Framework is founded upon the principle of using risk management processes and tools to aid decision-making. Decision-making based on subjective value judgments given the challenges and uncertainties we face, will compromise resilience building. Risk management assists in the selection of optimal cost-effective strategies for reducing vulnerability, using a systematic and transparent process. Policies or initiatives that aim to reduce this vulnerability can be designed to complement and support the goals of poverty reduction, sustainable development, disaster preparedness and environmental protection.

Input provided by: Caribbean Community Climate Change Centre (CCCCC)

Main elements of the implementation strategy

The Caribbean Community Climate Change Centre is spearheading a project that will:

1. Support climate compatible development in the Caribbean by enabling the implementation of key activities outlined in the Implementation Plan for the Regional Framework for Achieving Development Resilient to Climate Change.
2. Embed considerations of climate change across the Caribbean, through the development of regional approach to risk management and the creation of a risk ethic in decision making.

The Project will be executed in a phased approach. Phase 1 will be the development of a risk management, web-based tool to guide decision making. Phase 2 will provide in-depth training for country decision-makers. Phase 3 will undertake detailed risk assessments in selected countries. The overall objective is to embed risk assessment into decision-making and management systems across the region in finance and planning.

Apart from the web-based tool, the Project will also create an online stress tool.

Targeted beneficiaries

Managing risk becomes an increasingly important issue for Ministries of Finance and Planning allocating scarce resources, prioritising national budgets, delivering national development objectives and accessing climate finance within the context of a changing climate. The growing interest of the development banks in understanding project risks will place added pressure on countries to demonstrate that they have assessed the impacts of climate change within their proposals.

Any significant lessons learned

The Region has implemented several projects that are now being expanded for wider regional application. These include the CCRIF piloted micro-insurance scheme in Haiti, and the CCRIF wind trigger that is planned to be expanded as a wind trigger, with assistance from CIMH.

Resource requirements

- More scientific information to support the refining of the tool over time
- Resources to support this refinement

Potential for replication or scaling-up

The risk management tool is a singular mechanism to address a wide and varied issue. It is not intended to be the panacea to all potential risks the Region faces.

Adaptation alone in many cases will not be able to address the entire risk range. The question of how to deal with residual risk remains, and the insurance mechanisms necessary to address these are important.

Any additional information

Additional information can be found at:
www.caribbeanclimate.bz