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Prime Minister of Fiji and Minister for Foreign Affairs,  
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**STATEMENT TO COP 22 HIGH LEVEL PANEL ON  
CLIMATE FINANCING**

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Marrakesh  
Morocco

Wed Nov 16, 2016

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Honourable Facilitator,  
Your Excellences,  
Ladies and Gentlemen,

As the leader of a nation that was struck this year by the biggest cyclone ever to make landfall in the southern hemisphere, I come with a plea to gain immediate access to the means to adapt to the terrifying new era we face because of climate change.

Tropical Cyclone Winston killed 44 of our people and ravaged homes and infrastructure across a broad front – leaving us with an all-up damage bill of about 1.3-billion US dollars, or one fifth of our GDP.

We are extremely anxious about the stronger and more frequent weather events that the scientists tell us are certain to come our way again. Along with the rising sea levels that are already forcing us to move entire communities to higher ground.

We need as a nation to adapt to these challenges as a matter of urgency, whether it is relocating more of our communities, erecting coastal barriers, improving construction standards and the durability of our buildings and bridges or placing our power lines underground. And to do that, we urgently need access to finance to strengthen our resilience and maximise our chances of survival.

We must future-proof our economy and the livelihoods and wellbeing of our people as quickly as possible. And to do that, we need substantial sums to strengthen homes and infrastructure. And increase our ability to withstand these events.

Financing is an important enabler for achieving the objectives of the Paris Agreement. Moreso, for Small Island Developing States such as Fiji, access to finance is critical in order to support national efforts in building the resilience of our communities as well as the economy.

For Fiji, our climate adaptation needs across a broad front far outstrip our ability to pay for them ourselves. We must have access to finance to enable us to protect our people. And we must have it as a matter of urgency. Before yet another extreme weather event comes out of nowhere with terrifying force and again lays our nation to waste. Or a great part of it, as happened back in February.

It is only the fact that Winston spared our main tourism areas and principal source of revenue that spared us from catastrophe. But we live in the sure knowledge that a cyclone that scores a direct hit on Fiji could wipe out our economy and set us back decades. And make it impossible for us to achieve the 2030 Sustainable Development Goals that are at the core of the current global agenda.

For this reason, we see international climate finance as an important complement that allows prioritised adaptation actions to be implemented on the ground, thereby building the resilience of our communities.

As things stand, the proportion of international climate financing being directed to adaptation is woefully inadequate – only about 10 per cent of the total, according to recent studies. 90 per cent of it is being channeled towards mitigation - mainly the effort by developed nations to reduce their carbon

emissions.

Excellencies, ladies and gentlemen, it is high time to rearrange global spending priorities in the direction of those nations that are most at risk. The Paris Agreement requires us to give equal priority to mitigation and adaptation. And we must do so as a matter of urgency. A global response to a global challenge. Because allocating a mere 10 per cent of climate financing for adaptation is both a gross imbalance and a gross injustice.

We need to do a number of things quickly. Firstly, we need to take concrete steps to provide 100-billion US dollars a year for climate adaptation by 2020.

This is a commitment made by the global community, in particular the developed countries, and we call upon your support to translate this commitment into action.

We also recommend to existing multilateral funding sources to consider the Green Climate Fund model where resources are equally allocated between mitigation and adaptation. This would support the increase in mobilisation of existing climate finance resources towards adaptation initiatives.

Secondly, we in the Pacific need full grant-based financing for adaptation because of the particular challenges we face.

The inherent characteristics of the Pacific – including geographic location which means we are far from our main markets and lack economies of scale – lends itself the reputation of being ‘high risk’ and ‘low return’. This creates a huge hurdle in trying to cost-effectively leverage private finance at the required scale into the region. This is our reality. This is the reality of Small Island Developing States.

The financial mechanisms of the Convention and the Paris Agreement and various boards of multilateral funding sources not only need to recognise this reality

but take the next step and reform its modalities in light of this reality.

As you are well aware, for Small Island Developing States, our advocacy on climate change is not because it is fashionable – for us, it is about survival. We are forced to confront a challenge not of our own making. However, we remain steadfast in our resolve to overcome this challenge.

We cannot do it alone. We are committing an increasing share of our domestic budgets towards adaptation through climate proofing our infrastructure, strengthening coastal barriers and in Fiji's case, relocating communities, reviewing our Building Code and strengthening our regulatory environment to strengthen compliance, and working with the community to raise its level of adaptive capacity to withstand shocks associated with climate extremes such as droughts, cyclones, and floods.

Placing conditions on climate finance intended for adaptation initiatives in SIDS will therefore place an unnecessary burden on domestic capacity and resources. We therefore call for various boards of these multilateral funding sources, including the

financial mechanisms of the Convention and Paris Agreement, to urgently consider this call for full grant based financing for adaptation.

My third and final point relates to the financing modalities and guidelines currently adopted by multilateral agencies. We had the opportunity to chair a panel at the First High-level Follow-up Dialogue on Financing for Development in Asia and the Pacific in the Incheon, Republic of Korea at the end of March this year. At this session, there was an assessment of existing climate finance flows where it was emphasized by developed country delegates in the room that there was an abundance of capital in the global market. The challenge however was finding bankable projects that matched the risk and return expectation of investors.

However, if global or multilateral financing sources which purport to carry a developmental or poverty alleviation objective adopt a similar appraisal approach as private investors, the scope for developing countries such as the Pacific SIDS to access international finance to support national development will be negligible, as is currently the case.



We strongly assert that the appraisal for proposals from developing countries should not be based on financial ‘risk and return’ alone but also on vulnerability and development needs.

The focus on ‘risk and return’ has tended to support resources being allocated to high productivity sectors even though there may be more pressing areas of need based on vulnerability. For example, a loan to the agriculture sector as opposed to a grant to relocate vulnerable communities.

Financing modalities and guidelines therefore need to evolve in line with the political momentum that has been generated with the early entry force of the Paris Agreement to achieve the objectives of the Agreement – which places equal emphasis on mitigation to pursue the long term temperature goal of 1.5 degrees above preindustrial levels as well as strengthening the resilience of communities vulnerable to the impact of climate change.

Excellences, these are not new issues that I am highlighting. In fact, the findings from the recently released joint report by the World Bank and OECD on Climate and Disaster Resilience Financing in Small Island Developing States attest to the challenge SIDS

face. We therefore urge for constructive action to address these challenges.

Excellences, ladies and gentlemen, we in Fiji have recognised the need to reform our regulatory environment and build our own capacity. So we have brought our Climate Change Unit into the Ministry of the Economy and made it an integral part of the budgetary and decision-making process.

In August, we also launched a Pacific Climate Financing Initiative in partnership with UNESCAP and held our inaugural session attended by eight Pacific island countries. All with the aim of building the capacity of Ministry of Economy/Finance and planning officials from Pacific countries and improve their awareness of the global financing landscape.

So, Excellences, ladies and gentlemen, we are doing what we can with the limited resources available to us and call on our development partners to support us in this effort.

But above all, we need a renewed sense of political will on the part of the global community and particularly the industrial nations to give climate adaptation finance the priority it deserves. And I close

by urging you all to do what you can to place this on the global agenda as a matter of extreme urgency.

Vinaka vakalevu. Thank you.