

2022 High Level Political Forum on the Sustainable Development Goals

Side Event: Financing for Development: Catastrophe Bonds

July 13, 2022

Opening Remarks

Senator The Honourable Kamina Johnson Smith, Minister of Foreign Affairs and Foreign Trade

Excellencies, Moderator, Delegates,

We must understand why it is that Disaster risk Reduction features heavily across the SDGs, and more importantly, why as we seek to recover and build back better we must examine and implement long term strategies and systemic fixes to prepare for and respond to disasters which are our lived experience.

For SIDS who already operate in an extremely tight fiscal space, the fact is, that with compounded costs of severe weather events, and non-discretionary domestic priorities are crippling.

Over the last decade, the Caribbean has seen only one year with less than 10 named storms. In 2020, we experienced a historic high of 30 named storms, and in 2021, the third highest with 21.

An above normal season is forecast for 2022, so the need for catastrophe financing solutions within the region is not only obvious, but urgent.

It is within this context, that the Government of Jamaica and international partners have successfully collaborated.

The catastrophe bond, developed through the multilateral system, included technical assistance and support from the World Bank's International Bank for Reconstruction and Development. Official development assistance was also provided by the governments of the United Kingdom and Germany through the Global Risk Financing Facility and the USAID financed the premium and transaction costs of the bond.

Jamaica has long embraced SDG 17, and we have a history of doing so in the realm of development financing. As we review progress on the SDGs and strategies to strengthen means of implementation this week, we acknowledge the support of our development partners. Jamaica's experience to be shared today is a model for how innovative financing instruments can be used to support Small Island Developing States without increasing our debt burden. The issuing of this catastrophe bond is timely and relevant as we seek to finance the recovery; disaster risk mitigation; and strengthen the resilience of the built and natural environment; to lessen the economic impact and prevent loss of life. This is an example of how the established principles governing the Sendai Framework and the Addis Ababa Action Agenda, can be applied in recovery. We therefore encourage further partnership among states and development institutions to enable countries to build back better.

I hope this afternoon's session invites discussion and creates that opportunity for the first steps towards deepening relations and developing creative solutions.

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