

Global financial system failing climate-vulnerable nations

■ BRIDGETOWN

THE current global financial system is failing to address the urgent climate and development crisis impacting small island developing states, according to permanent secretary in the Ministry of Economic Affairs and Investment in Barbados Patrick McCaskie.

Speaking at the two-day workshop last week titled 'Unlocking Climate Finance: Building a Sustainable Climate Architecture for Barbados', McCaskie stressed that existing climate finance commitments 'fall critically short of the amount needed to address global challenges'.

He noted that inadequate funding hampers world leaders' efforts to tackle climate vulnerabilities in their respective countries.

'World leaders and negotiators at the United Nations COP 29 Conference, working in solidarity to build a green world, are grappling with the challenges of setting a new climate finance target to meet the trillion-dollar cost of helping low-income nations adapt to climate change and build resilience,' McCaskie said at the workshop hosted by the Climate Finance Access Network (CFAN).

'Following COP 29, for example, there was overwhelming consensus among world leaders and negotiators that substantial funding is needed to help low-income countries adapt to climate change.

'Divisions, however, remain over who should bear the financial responsibility, and the numbers for this new climate finance target are enormous. For certain, tackling the intensity of the impacts of climate change requires trillions of dollars – a cost far beyond the reach of poor nations – according to numerous experts and reports,' he added.

Referencing a Climate Policy Initiative Report, McCaskie pointed out that global climate financing stands at approximately US\$1.3 trillion annually. However, he argued that current financing models- largely based on loans-only exacerbate the financial burden on developing nations, increasing borrowing costs and limiting their ability to implement effective climate resilience strategies.

He also acknowledged the complexities of navigating climate finance and commended CFAN for assisting Barbados in developing project proposals across critical sectors such as agriculture, water, and household resilience.

Meanwhile, Director of the Roofs to Reefs Programme in the Prime Minister's Office, Ricardo Marshall, said much work had been done by Prime Minister Mia Amor Mottley and her team regarding the climate crisis and sourcing financing to shore up the country's vulnerabilities.

He added that Barbados was on the frontlines of the climate crisis and called for a reform of the global financial architecture as a matter of urgency, since the current structure 'does not serve our needs'.

CFAN's Advisor to Caricom Development Fund for Special Projects assigned to Barbados, Chemora Mc Knee, said the twoday workshop was carefully designed to address the realities and needs of the country.

'Climate Finance is not a onetime effort. It requires continuous learning, adaptation, and capacity strengthening. Our discussions ... will serve as a foundation for ongoing collaboration beyond this workshop.

'Climate change demands innovative solutions and a new way of thinking. As Peter Drucker wisely said, 'the greatest danger in times of turbulence is not the turbulence itself, but to act with yesterday's logic'. And I would like to change the wording for that today, the greatest danger in times of a climate crisis is not the climate crisis itself, but to act with yesterday's logic,' Mc Knee emphasised.

She continued: 'This is why we are here today to break the barriers in climate finance access, strengthen institutional capacity, and design strategies that reflect urgency and complexity of our reality. The challenges we face are evolving, and so must our approach. We do not have the luxury of time, nor can we rely on outdated models for financing our resilience.' -CMC