



**GOVERNMENT OF ST. KITTS AND NEVIS
STATEMENT
PRESENTED BY
THE HON. PATRICE NISBETT
MINISTER OF FOREIGN AFFAIRS ET.AL
TO THE
5TH GEF ASSEMBLY
CANCUN, MEXICO
MAY 28-29, 2014**

His Excellency Enrique Pena Nieto, President of the Mexican United States; Honorable Ministers of the Government of the Mexican United States; Madame Naoko Ishii, Chief Executive Officer of the Global Environment Facility (GEF); Honorable Ministers of GEF Member Countries; Members of the Diplomatic and Consular Core; Distinguished Delegates of the GEF fraternity; Representatives of GEF Implementing Agencies; ladies and gentlemen. On behalf of the Government and people of St. Kitts and Nevis I extend appreciation to the Government and people of the Mexican United States for the hospitality extended to the Delegates of the GEF fraternity and other participants by hosting the 5th GEF Assembly. We also acknowledge Ms. Naoko Ishii for her stewardship of this very important global partner in environmental management. The past five (5) years have been challenging with the onset and deepening of the impact of the financial and economic crisis which had severe effects on the global community. During periods of structural and fiscal adjustments investment in social and environmental initiatives are reduced or withdrawn. However, St. Kitts and Nevis, cognizant of the importance of building its resilience as a Small Island Developing State (SIDS), has remained committed to providing adequate human and financial resources to these areas that are vital to its continued growth and development creating synergies between environmental management and sustainable livelihoods.

The unique vulnerabilities of Small Island Developing States (SIDS) have been given global recognition by the launch of 2014 as the International Year of Small Island Developing States (SIDS) by the United Nations. In his message to mark the occasion Mr. Wu Hongbo, Under-Secretary-General for Economic and Social Affairs and Secretary General for the International Conference on Small Island Developing States stated that SIDS "...are of small size, with narrow resource base...remote, and they are isolated from global markets and supply chain...are extremely vulnerable to natural disasters and climate change...heavily dependent on coastal and marine resources for economic activities and livelihoods". Notwithstanding these vulnerabilities St. Kitts and Nevis, along with its other Caribbean states have made great strides towards achieving a high standard of living for its citizens and residents. However, as we boast of having achieved the Millennium Development Goals (MDGs) and other development milestones this has come at a cost resulting in high debt levels making the Caribbean the highest indebted region in the world. These mixed results have not been viewed as obstacles but as opportunities to foster innovative solutions in collaboration with our development partners.

There is increasing acknowledgement by the global community that Small Island Developing States (SIDS) cannot be viewed as inconsequential to the dialogue in regard to the attainment of sustainable development. As we look to the post 2015 Agenda and the convening of the third International Conference on Small Island Developing States in Apia, Samoa this September we are cognizant that we have arrived at a crossroads, not only in the development of St. Kitts and Nevis but in all Small Island Developing States (SIDS). We are well aware that only one catastrophic event as a result of climate change can have significant economic, social and environmental impacts eroding the gains that have been made over a period of years including the loss of vital inputs to our survival such as our rich biodiversity and our fertile land. St. Kitts and Nevis continues to do its part as a member of this tapestry of cooperation in the GEF family as evidenced by our partnership in several regional initiatives such as the Integrated Watershed and Coastal Area Management (IWCAM) and the OECS Protected Areas and Associated Livelihoods (OPAAL) Projects. We have embarked on gaining approval to implement our first national initiative under GEF-5 entitled, "Conserving Biodiversity and Reducing Habitat Degradation in Protected Areas and their Areas of Influence" while significant strides have been

made towards the commitment of the resources allocated under the Small Grants Programme (SGP).

It is indeed clear that the GEF has been an important partner in environmental management providing assistance to facilitate the delivery of several Multilateral Environmental Agreements (MEAs). The Government of St. Kitts and Nevis would like to extend its profound appreciation to Ambassador Fernando Lugris for his passionate representation on behalf of the Latin America and Caribbean countries during the recently concluded replenishment process for the 6th programme cycle of the Facility. We would also like to thank the donor countries for the commitments made which has resulted in a 4% increase when compared to the GEF-5 allocation resulting in a total of US\$4.4 billion; the largest pledge to date. However, as we reflect on the past four (4) years there have been mixed results as the larger recipient countries within the GEF family have continued to achieve the majority of the successes. We use this opportunity to call for greater dialogue and the clear articulation of a strategy to address the needs of Small Island Developing States (SIDS) which include the member states of the Caribbean region. Although the GEF clearly indicated that the Least Developed Countries (LDCs) would receive an increase in the floor for their allocations to US\$6.0 million under GEF-6 there was no similar pronouncement in regard to Small Island Developing States (SIDS). There remains an urgent need for the continued streamlining of financing procedures and assistance to provide greater access to GEF resources particularly to Least Developed Countries and SIDS in line with the commitment made in paragraph 265 of the Rio+20 outcome document, “The Future We Want”. The increase in the weight of the GDP per capita index from -0.04 to -0.08 within the System for Transparent Allocation of Resources (STAR) country allocation formula places St. Kitts and Nevis at a disadvantage as it does not accurately portray the wellbeing of the nation as it fails to take into account social development and environmental management issues that can be caused by the effects of climate change. As a result of this increase in the GDP per capita index the resources allocated to St. Kitts and Nevis to respond to the request of the Conference of the Parties (COPs) of the various Conventions will be reduced.

A matter of serious concern is the articulation of a co-financing portfolio ambition of 6:1 which requires that for each US\$1 spent by the GEF the recipient country would be required to provide US\$6 in co-financing with an expectation for higher co-financing in engagement with upper middle and high income countries. This approach will place further undue stress on the financial systems of St. Kitts and Nevis and other Small Island Developing States (SIDS) as the recent global crisis has clearly shown a need for more prudent fiscal and debt management. As a result of our size the institutional arrangements that would be applied to an initiative by the public sector, the absorptive capacity of resources and the existence of a private sector dependant on government subsidies cannot be equated to the macro-economic environment and institutional arrangements that exist in larger, more developed countries that can adequately generate sizeable investment to meet such a high co-financing benchmark. This policy decision will greatly undermine the expressed goal in paragraph 8 of the Co-financing Policy for GEF-6 to facilitate “..the effectiveness and sustainability of GEF programming..”. St. Kitts and Nevis remains willing to show its commitment to partnership with the GEF however this policy fails to consider the limitations that exist for a small state.

As we embark on a new programme cycle St. Kitts and Nevis reaffirms its commitment to the goals and objectives of the Multilateral Environmental Conventions to which we are a party and our partnership with the GEF. We lend our voice to those of other Small Island Developing States (SIDS) in the call to the GEF to have more in-depth dialogue towards the formulation of workable processes that will address the unique challenges and vulnerabilities of your smallest members. St. Kitts and Nevis looks forward to the crafting of a clearly articulated policy for Small Island Developing States (SIDS) as part of the established mechanism of the GEF.

I thank you for this opportunity.