



Office of
the Prime Minister

The Commonwealth Business Forum CHOGM 2022 Financing Blue-Green Growth for Sustainable Islands'

Hon. Philip Davis, QC, MP Prime Minister & Minister of Finance of The Commonwealth of The Bahamas

Wednesday 22nd June 2022

Kigali Rwanda

Your Excellencies:

Madam Secretary-General:

Colleagues and Friends from around The

Commonwealth:

The world is currently experiencing a number of 'once-in-a-generation' challenges.

The health and economic hangovers of the Covid-19 pandemic linger on.

And the war in Ukraine is exacerbating a number of economic challenges: rising inflation, supply-chain issues, rising unemployment,

rising food costs coupled with rising food shortages... the list goes on.

Amidst all of it, the negative impacts of climate change remain the most fundamental, existential threat.

But that threat is not evenly-spread.

Those of us least-responsible for the carbon emissions which drive climate change, are suffering from the greatest negative impact.

For us it is not simply a threat, but a clear and present danger.

A danger which affects our daily reality.

Our hurricane season started 22 days ago.

This year the forecast is for more storms, and storms of great severity.

A handful of geological facts highlight our widespread vulnerability.

Our archipelago is spread over 100,000 square miles.

95% of The Bahamas consists of the seas and oceans.

We are an Ocean State.

The highest elevation in the country is Mount Alvernia, on Cat Island.

It rises to approximately 211 feet or 64 metres above sea-level.

This is one sixth the height of the height of the Empire State Building in New York.

80% of our land lies less than 1.5 metres above seal level.

As such, it is vulnerable to floods caused by rises in sea level, along with storm surges due to hurricanes.

When the storms come, we have no escape.

We do what we can to shelter, but we are at the mercy of forces far beyond our control.

Despite these dangers, we do not wish to live as victims.

Like people the world over, we want dignity and agency in determining our lives and livelihoods.

With the right investment in infrastructure, and access to much-needed funds and technical support, we can take great steps to ensure our survival.

But we cannot do it alone.

We need partners to support us in our efforts.

And we do not think it is too much to ask those who have contributed so much to climate disaster, to step forward and step up in partnering with us to mitigate against its impacts.

For The Bahamas, financing for the Blue Economy goes even further.

We can build both physical and economic sustainability.

At the beginning of my remarks, I mentioned some of the harshest economic conditions facing the world.

The Bahamas is experiencing the same headwinds.

While we have little economic power to affect the global outcome, we are pulling levers in our domestic economy which can reduce the harm to our people.

Rather than merely debate the old binary choices of austerity versus growth, we wish to promote the smart choices and opportunities in our Blue Economy.

But we cannot do it alone.

Yesterday the Commonwealth Secretariat published its Ocean Action Report, 'An Ocean Of Opportunity'.

This provided an update on the progress of The Commonwealth Blue Charter.

I congratulate the Secretary-General and her team on this excellent initiative, and confirm that The Bahamas will continue to give its fullest support.

In respect of today's discussion, I wish to highlight two striking details in the report.

The first is the incredibly low level of ocean conservation funding, currently available.

Ocean financing is the least-well funded of all the Sustainable Development Goals.

The Secretariat calculates that, up to 2019, ocean conservation received only **0.01%** of all development funding.

I'll say that again: ocean conservation receives only **0.01%** of all development funding.

The Secretariat also calculates that support for actions relating to the oceans receive less than

2% of funding from the Green Climate Fund,
and only 0.7% from the Global Environmental
Facility.

Why is this?

There is no obvious answer.

Anecdotally, it appears that everyone imagines
that much more is being spent - but it's not.

Perhaps the neglect has been driven by the
thought that 'someone else is taking care of it'.

Whatever the reason, it is clear that if the situation is not improved, we will fail in our efforts.

And so my charge today is to ask:

What can we in this room do to raise awareness of this?

What can we do to drive urgent action for increased support?

A second striking detail in the report, was a list of traditional and innovative financing

instruments and mechanisms which can be effectively deployed in the Blue Economy.

These include:

- Ocean impact investment and technology funds. These in investors who are looking for both a social as well as economic return;
- Debt Finance. Given that approximately half our country's fiscal debt is due to the costs linked to the damage caused by hurricanes and other manifestations of climate change, we are wary of incurring greater climate-

related debt when prevention measures would be far more efficient and effective;

- Bonds and other capital market products;
- Risk alleviation measures, which include the kinds of initiative around 'Blue Carbon' that my government has recently enacted through legislation;
- Financial technology, which employs blockchain technology to conduct better forms of observation, inspection and transparent data access;

- Blended ocean financing concepts, which include contributions from, for example, tourist fees;
- The creation of an Ocean Sustainability Bank, to provide a financing mechanism to support ocean action;
- And supplementary funding from Trust and Sovereign wealth funds.

This list more than demonstrates that we know **how** to do what needs to be done.

But why has it not been done?

Is it because we lack the will to do it?

We have chosen to gather as friends in a Commonwealth, because we see value in the institution.

We have other opportunities, other fora in which to meet.

But we gather here because the Commonwealth provides something which other organisations, our regional organisations, and the United Nations do not: a gathering of

peoples connected by shared traditions and shared values.

At a bare minimum, this makes each of us responsible for honouring the conditions of membership.

At a time when needs are increasing so dramatically, why have some members withdrawn technical and other support, thereby starving the organisation of much-needed funding?

Friends: if we see the Commonwealth as vital, necessary and urgent to secure the kind of future we have all committed to, then we have to honour our commitments to empower it to do so.

We participate in the Commonwealth because we know we can achieve so much more by working together.

And we also know, that we cannot do it alone.

END