SAINT LUCIA DEVELOPMENT BANK
ADDRESS OF SUSTAINABLE DEVELOPMENT GOALS

LATIN AMERICA AND CARIBBEAN SEMINAR
DEVELOPMENT BANKING AND THE FINANCING OF PROJECTS FOR
A BIG ENVIRONMENTAL PUSH
ALIDE HEADQUARTERS, LIMA, PERU, 16TH–17TH OCTOBER 2019

October 17, 2019
SAINT LUCIA DEVELOPMENT BANK:

- Established by Parliament in August, 2008

- Opened to business on February 24, 2009.

- The Government of Saint Lucia is the sole shareholder.

- Governed by a Board of Directors appointed by government.

- Mandate “to mobilize and provide finance for and promote and facilitate the expansion and strengthening of economic development of St Lucia and foster the development of money and capital markets in St Lucia and member states of OECS”
Saint Lucia is highly prone to devastating natural disasters.

It’s small geographical area – 238 sq. miles.

Population 170,000

Primary sectors
  - Tourism
  - Agriculture
  - Fishing
  - Some manufacturing

Adapting to the various challenges posed by climate change require new, adequate and sustained financing
The '17 season produced 17 major storms, 10 hurricanes and six major hurricanes.

The damage estimates for 2017 Hurricanes Harvey, Maria and Irma alone — three of the top five costliest hurricanes ever — came in at around $265 billion.
SOUFRIERE
Some Effects of Climate Change

- More intense storms
- Heavier rainfall
- Stronger winds
- Storm surges
- Prolong drought periods
- High sea temperatures and levels
- Increase in temperature
SARGASSUM SEAWEED
THE CLIMATE ADAPTATION FINANCING FACILITY

- SLDB was chosen to run a pilot program for Climate Adaptation and mitigation to combat the effects of climate change
- A component of the Disaster Vulnerability Reduction Project (DVRP) funded by World Bank.
- The Climate Adaptation Financing Facility (CAFF) was funded via a loan of US$5m

What will the CAFF do?

- The CAFF will provide readily accessible loans to households, firms and community groups for investments and/or livelihood activities that support climate change resilience and adaptation.
SUSTAINABLE DEVELOPMENT GOALS

• The CAFF ALSO SEEKS TO ADDRESS THE FOLLOWING SDGs

• Zero Hunger. Goal 2: Zero Hunger. The food and agriculture sector offers key solutions for development. If done right, agriculture, forestry and fisheries can provide nutritious food for all and generate decent incomes, while supporting people-centered rural development and protecting the environment.

• Clean, accessible water for all, Goal 6, is an essential part of the world we want to live in. Water scarcity, poor water quality and inadequate sanitation negatively impact food security, livelihood choices and educational opportunities for poor families across the world.

• Goal 7: Affordable and Clean Energy. Energy is central to nearly every major challenge and opportunity.
## LENDING TERMS & CONDITIONS (CONT’D)

### LOAN PURPOSES

<table>
<thead>
<tr>
<th>AGRICULTURE</th>
<th>HOUSEHOLDS (HOME IMPROVEMENTS)</th>
<th>MANUFACTURING TOURISM SERVICES</th>
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<tr>
<td>Drought and disease resistant crops</td>
<td>Guttering and fittings</td>
<td>Renewable energy alternatives</td>
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<td>Fertilizers</td>
<td>Retaining Walls</td>
<td>Rain Water Harvesting</td>
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<td>Irrigation systems</td>
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<td>Greenhouses</td>
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<td>Storage Facilities</td>
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<td>Renewable energy alternatives</td>
<td>Structural Re-enforcement</td>
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<td>XCD 2,700 – XCD 150,000 US$1,000 – US$55,555</td>
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<tr>
<td>TERM NOT TO EXCEED 10 YEARS</td>
<td>TERM NOT TO EXCEED 7.5 YEARS</td>
<td>TERM NOT TO EXCEED 10 YEARS</td>
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<td>INTEREST RATE 5.5% - 7.5%</td>
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The up take has been very slow
- Share of agriculture loans  3.3%
- Share of housing loans  95%

- Challenges include:
  - Persons think it should be a grant
  - Terms not attractive
  - Normal lending criteria applied
  - Not enough buy in
  - Not enough Government support
CAFF
OPEN EVENT
PROMOTIONAL ACTIVITY

CONSTITUTIONAL PARK OPEN EVENT
WATER HOLDING FACILITIES - HOUSING
RETAINING WALL - HOUSING
RAIN WATER HARVESTING - HOUSING
PHOTOVOLTAIC SYSTEM
SGD FOR 2030

• A New Push is now being promoted:

• At a Macro Level
  • Debt for Climate Adaptation Swap Initiative, including the creation of a resilience fund proposed by the Commission for small island Caribbean states. To impact Antigua and Barbuda, Saint Lucia, and Saint Vincent and the Grenadines
  • It offers a strategy to provide fiscal space and relief to economies overburdened by public debt and debt servicing costs, while at the same time directing increased resources towards investment in climate adaptation projects and green industries to build resilience.

• At a Micro level

  • 1. Creation of new Resilient Communities – GREEN AFFORDABLE HOUSING FOR ALL

  • 2. Enhanced education and promotional Competition – Creating “CLIMATE CHANGE CHAMPIONS”
GREEN AFFORDABLE HOUSING PROJECT

• In Saint Lucia, the project will see the construction of affordable housing primarily for the vulnerable who need to be relocated from the flood prone coastal to higher more resilient safe zones.

• Attract funding from
  • National Insurance Corporation
  • Caribbean Development Bank,
  • World Bank and
  • Green Climate Fund

• SDG Goal 11: Sustainable Cities and Communities – (THE MOST IMPORTANT GOAL OF ALL)
  • There needs to be a future in which communities provide opportunities for all, with access to basic services, energy, housing, transportation and more.
SLDB CAFF GRANT COMPETITION

• CREATING CLIMATE CHANGE CHAMPIONS

• Goal 13: Take urgent action to combat climate change and its impacts

• School based CAFF Grant Competition to raise island wide household

• To potentially reach up to 12,876 households via all students engaged in the contest
  • to build awareness of climate change impacts and appropriate adaptation and mitigation measures, including conversions to renewable energy and energy efficiency measures

• Expose students to the practical steps involved in building climate resilience and reducing carbon footprints, including identifying, planning, funding and implementing adaptation and mitigation measures
GREEN AFFORDABLE HOUSING PROJECT
Act
Respond
Adapt
Build Resilience

TIME FOR ACTION
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