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WHO PAYS FOR THE CLIMATE DAMAGE DONE TO SVG?

THE ISSUE

Climate science establishes conclusively that our Mother Earth is an epoch of rapid and dangerous man-made climate change. Scientists call this the Anthropocene Epoch which is dated as commencing around the late 1940s — early 1950s, succeeding the epoch known as the Holocene. To be sure, there were hurricanes and storms hitherto, but as the planetary boundaries become increasingly altered by human activity, especially through a rapacious and extractive global monopoly capitalism, these hurricanes and storms are becoming more frequent, more severe, and extremely damaging to Small Island Developing States (SIDS) such as SVG. In the 21st century the extent of global warming, through the excessive emission of green-house gases engendered by modern production and consumption especially in advanced capitalist and emerging capitalist economies, has accelerated geometrically. There is an accumulation from historical emissions and there are contemporary accelerations.

On its current path, humanity is leading Mother Earth towards extinction of life and living. SIDS, which contribute very little to this looming catastrophe for humanity, are on the frontline as the immediate victims. We in SIDS, on the basis of the science, insist that global warming beyond 1.5 degrees Celsius above pre-industrial levels will lead, at a gathering pace, to the destruction of countries like SVG. On humanity's present course, we in SIDS proclaim: "1.5 to stay alive!" It is a terrifying prospect for us in SIDS that instead of achieving "net zero" in global warming, humanity on its current path will ensure the occurrence of the dreaded warming above the 1.5 degrees Celsius.

The highly dangerous "crossing of the planetary boundaries" on Mother Earth is increasingly evident from the dawning years of the 21st century to today: Climate change, depletion of the ozone layer, ocean acidification, disruption of nitrogen and phosphorous cycles, disappearing ground cover (including forests), diminishing water supplies, tremendous losses in biodiversity, extreme land degradation, and more frequent and prolonged droughts. Together, the scientists call all this, and more, "the looming sixth extinction" — the result of cumulative anthropogenic (man-made) factors impacting the planet as an overall system. This "species of madness" is still avoidable if the major advanced

capitalist and large emerging capitalist economies (including state-capitalist ones) act sensibly and sustainably.

Meanwhile countries like SVG suffer enormously. We pay for the climate change caused by others.

THE FACTS OF OUR DAMAGE

The facts indicate that Hurricane Beryl is the worst hurricane or storm to hit SVG since the great hurricane of 1898. Between our country's independence in 1979 and 2001, there were two major hurricanes/storms: Hurricane Allen in 1980 which caused damage of US \$16.3 million (equivalent to US \$31.7 million in 2024) or 20 percent of Gross Domestic Product (GDP) in 1980; and Tropical Storm Danielle in 1986 of US \$9.2 million (equivalent of US \$26.4 million in 2024) or 6 percent of 1986 GDP.

Since 2001, SVG has experienced 10 major hurricanes/storms/excessive floodings, causing damage cumulatively in excess of US \$1 billion. Note, this is "economic damage"; additionally, there is "economic loss".

Let us summarise the economic damage caused by these major weather events between 2001 and now:

1. 2002: Tropical Storm Lili: Damage of US \$14.8 million (or US\$25.9 million in 2024) or 9 percent of 2002 GDP
2. 2004: Hurricane Ivan: Damage of US \$40 million (or US \$66.5 million in 2024) or 8 percent of 2004 GDP.
3. 2010: Hurricane Tomas: Damage of US \$48 million (or US \$69 million in 2024), or 7 percent of 2010 GDP.
4. 2011: Sixteen separate flood events during March and April: Damage of US \$31.1 million (or US \$53.4 million in 204) or 19 percent of 2011 GDP.
5. 2013: Christmas Trough: Damage of US \$86.4 million (or US \$117 million in 2024) or 12 percent of 2013 GDP.
6. 2016: November Floods: Damage of US \$29.7 million (or US \$38.9 million in 2024) or 4 percent of 2016 GDP.
7. 2017: Hurricane Harvey (no data at hand).

8. 2018: Tropical Storm Kirk (no data at hand).
9. 2021: Hurricane Elsa of July 2021 (data of damage not properly disaggregated from the damage caused by the 21 volcanic eruptions of April 2021).
10. 2024: Hurricane Beryl: Damage of US \$230.6 million on the basis of a Global Rapid Post-Disaster Damage Estimation (GRADE) or 22 percent of GDP. Invariably, the full damage assessment exceeds that of a GRADE.

It is to be noted that additionally SVG suffered since 2001 from periods of drought (moderate-to-severe), and the volcanic eruptions of 2021. Further, our small country had to endure the health, economic, social and security ravages of the COVID pandemic, and the impact of the global economic depression of 2008-2011 engineered by global capitalism.

BERYL'S DAMAGE AND LOSS

The rapid assessment of the GRADE by the World Bank estimates the economic damage — direct damage — to SVG of US \$230.6 million or EC \$625 million approximately or nearly one-quarter of our country's Gross Domestic Product (GDP). We are yet to assess the substantial, additional economic loss. This assessment is ongoing by the government, but would be authoritatively concluded, for our global partners, with the full assessment by the United Nations Development Programme (UNDP) or the Economic Commission for Latin America and the Caribbean (ECLAC); this exercise has started.

The number difference between the estimate of direct damage and that which includes economic loss can be gleaned from, for example, the respective numbers arising from the 2013 Christmas Trough event. The direct damage was estimated at US \$86.4 million, but the total damage (including economic loss) was estimated at US \$122 million or 16 percent of 2013 GDP.

Our government's internal estimate of direct damage is at around US \$300 million (EC \$800 million), above the rapid assessment of GRADE of US \$230.6 million (EC \$625 million). When the economic loss is added, Beryl would have caused economic damage and loss in the region of EC \$1 billion.

SOURCES OF FINANCING FOR SUPPLEMENTARY APPROPRIATION ACT

On July 19, 2024, Parliament passed Supplementary Estimates and Supplementary Appropriation Bill of EC \$136.4 million to address immediate relief and initial recovery efforts.

The bulk of this Supplementary Budget came from the following sources:

1. The Contingencies Fund of the Government (financed by our taxpayers):	EC\$50 m
2. Insurance monies from government's insurance policy with the CCRIF (a regional catastrophic insurance fund)	EC\$5.0 m
<u>Note:</u> Our government has formally triggered a review of the payout to SVG; it should be more.	
3. Local Loans	EC\$5.3 m
4. Loan from World Bank/International Development Agency	EC\$18.3 m
5. Loan from Caribbean Development Bank:	<u>EC\$13.4 m</u>
	<u>EC\$92.0 m</u>

Grants make up the remaining EC \$44.4 million of the supplementary budget. Of this sum in grants, the major donors are: (i) Taiwan, with a grant of EC\$14.0 (\$13.4 million is a repurposed grant); and EC \$13.4 million from a wealthy homeowner in Canouan. (Subsequently, the latter funded a further \$13.4 million).

In short, the much-publicised and welcomed grants for immediate humanitarian relief constitute a small percentage of the supplementary budget. We appreciate these grants, but there are little or no grants for any substantial recovery, and none yet for reconstruction. These are the varnished facts!

HUGE SUMS REQUIRED FOR HOUSING

The rapid, partial assessment by the Caribbean Disaster Emergency Management Agency (CDEMA) on housing, estimates that in SVG it will require EC\$335 million to repair and rebuild the housing stock damaged or destroyed by Hurricane Beryl. The government's estimate is that over EC\$400 will be required. In the existing 2024 budget, there is an allocation of \$35 million (pre-Beryl) and an additional \$25 million in the supplementary budget. Pre-Beryl monies were allocated to complete the housing damage from the volcanic eruptions and to address other urgently housing needs; some of this has to be repurposed to the Beryl disaster. And there is a further allocation in the supplementaries. So, we can start on addressing this vital housing need; but huge sums are still required. The government is actively pursuing multiple leads in this regard.

In all this, we remind everyone that the ULP government is the first in SVG and one of the few in the world which actively assists in rebuilding the housing stock after a natural disaster. A big problem in SVG is that so few persons have housing insurance. In Union Island, for example, there are 1,300 privately-owned buildings, but only 79 of them have insurance coverage!

SUMMATION

The ULP government has successfully tackled, in communion with our people, and with regional and international solidarity, 11 disasters (9 climate-related events, set of volcanic eruptions, and the COVID pandemic). And now we are tackling the disaster of Beryl. We are already making progress. But the road ahead is not easy. Still, we are confident of success. Unity, Solidarity, Faith, Fresh Hope, and Love are required.