

## RESILIENCE IN ACTION: SOCIAL POLICIES TO NAVIGATE UNCERTAINTY IN LATIN AMERICA AND THE CARIBBEAN

### XVI Ministerial Forum for Development in Latin America and the Caribbean

#### Side Event 5: Innovations in Managing Systemic Risks for a Resilient and Prosperous Caribbean

#### Concept Note

#### Background

The Caribbean region, with its unique blend of small island developing states, faces a complex web of interconnected challenges that can hinder its pursuit of resilient and sustainable development. The region grapples with complexities such as open economies, rapid urbanization, and shifting demographics. With a population exceeding 40 million, the Caribbean is one of the fastest urbanizing areas globally, a trend that will only intensify in the coming decades. As the region strives to achieve its development goals, it must also navigate further complexities of declining fertility rates and an aging population, factors that will undoubtedly shape its future.

Over the last two decades, there has been notable progress in the Caribbean in fostering diversification through the leveraging of technology and other forms of innovations. However, these gains remain limited in scope and very much centered around agriculture, tourism, the services sector, some light manufacturing and remittances given the relatively small resource base it possesses. Furthermore, the islands of Caribbean are encumbered by several limitations which makes the pursuit of resilient and sustainable development quite challenging. Some of the major limitations are as follows:

- **Structural limitations:** The region's narrow natural resource base, limited landmass, poor connectivity, (air and sea transportation) inadequate economic diversification, limited economy of scale and high costs/prices, and heavy dependence on sectors susceptible to external shocks create inherent vulnerabilities.
- **Systemic inequalities:** Uneven distribution of human resource capacities, challenges with enforcing infrastructure codes and standards, unequal access to safe land and housing (leading to gentrification), limited access to development finance, and low insurance coverage exacerbate the impact of shocks on vulnerable populations.
- **Climate change:** The escalating impacts of climate change, including rising sea levels, extreme weather events, and ocean acidification, pose an existential threat to the region's development aspirations. These events aggravate and exacerbate other hazard conditions; e.g. earthquakes, volcanic eruption, pollution, environmental degradation.

The combination of these challenges makes the region especially vulnerable to natural, biological, and human-induced disasters. This vulnerability, coupled with the predicted impacts of climate change, raises significant concerns for the future and the overall socio-economic well-being of the region's population. The Caribbean,

therefore, appears caught in a vicious cycle of **“striding forward and being knocked back”** as these adverse events continually interact and interplay with underlying risk factors. The implications are devastating on the narrow economic activities that are currently relied on to drive these economies.

A climate outlook which proposes temperature increases of above 1.5 will present even greater challenges to these economic sectors and the lives of people, while also impacting social and cultural norms. Hence, the nature of the challenge that faces the region has become systemic and will require solutions that are innovative and system-driven, addressing the root causes and drivers from which varying “shocks” (some of which are now likely amplified by climate change) will emerge.

### *Opportunities for Transformation/ Cultivating Regional Resilience*

Despite the persistent and interwoven challenges, the region’s geography and natural resource base offer unique opportunities for the growth and transformation of key sectors such as the blue and green economy driven by sectors such as tourism, fisheries, and forestry. Additionally, it presents opportunities to:

- Re-examine whether the development models and associated indicators of the developed north are appropriate for driving the region’s development.
- Re-imagine settlement designs that foster access to coastal resources while nurturing and preserving the coastal ecosystems as buffers against coastal hazards.
- Re-think urban designs given the rapid trend in urbanization of the region to foster urban resilience.
- Re-energize actions to leveraging technology to reverse or stem rural urban migration and address the unevenness in human resource capacity distribution.

In short, the moment presents opportunities to innovate (“necessity is the mother of invention”) the pathway out of these persistent challenges. To do so, decision makers in public and private sectors must proactively integrate risk considerations into their policies, strategies, and investments. For Caribbean SIDS, it is evident that paradigm shifts are needed and interlinked approaches are required to respond to shocks and events. This will pave the way for a new generation of development solutions tailored to the Caribbean context to enhance the quality of people’s lives.

Innovative solutions in transport, energy, housing, water and sanitation, health and infrastructure that recognize the limitations but leverage the unique opportunities they present while fostering resilience of the region’s development in the face of certain and uncertain shocks.

## **Objectives**

The one-hour side event will spotlight innovative initiatives, new thinking and strategies specifically designed to better manage the risks associated with shocks and uncertainties through a focused effort on addressing root

causes and drivers of the intensive and extensive risks associated with the pursuit of the region’s development efforts. Given the unique characteristics of the region and its challenges the session will aim to unearth and showcase a mix of policy approaches and techniques across the public and private sectors that fosters or are likely to catalyze resilience building within the region.

The session pursues two main objectives:

- Exploring the challenges and opportunities for building resilience in the Caribbean region.
- Foster a systems approach to understanding and addressing the root causes and drivers of risk in the Caribbean region.

Expected output(s) from the session:

- Innovative approaches to addressing systemic vulnerabilities and building resilience in the Caribbean region identified across policy and practice that can be brought to scale.

## Agenda

3:30-3:33 PM	<p><b>Introduction and context setting</b> Moderator: Ronald Jackson, Chief UNDP Disaster Risk Reduction &amp; Recovery Team (3 mins)</p>
3:34 – 3:41 PM	<p><b>Settlement Design/Sustainable Urban Planning</b> Dr. Laurence Neufville, Dean, Faculty of the Built Environment, University of Technology, Jamaica (7 minutes)</p> <ul style="list-style-type: none"> <li>- How can the built environment contribute to addressing systemic vulnerabilities in the Caribbean?</li> <li>- What innovative solutions should we be fostering in the built environment?</li> <li>- How can we evolve away from the existing levels of exposure of the communities and settlements?</li> <li>- Are there examples that exists that can be scaled up?</li> <li>- How can digital technology help to boost the use of those measures?</li> <li>- How can we ensure that infrastructure development promotes social equity and environmental sustainability?</li> </ul>
3:42 – 3:49 PM	<p><b>Sustainable Tourism</b></p>

	<p>Dr. Sherma Roberts, Interim Director, School for Graduate Studies and Research, The University of the West Indies (7 minutes)</p> <ul style="list-style-type: none"> <li>- Looking 10 years into the future, could you describe a potential tourism sector in the Caribbean that looks to address systemic vulnerabilities and build long-term resilience for all?</li> <li>- Leading to this, what innovative approaches do you see that can diversify the tourism product, reduce dependence on external markets, and ensure that the benefits of tourism are equitably shared across society, especially at the community level?</li> <li>- How can digital transformation help to advance a sustainable tourism sector?</li> </ul>
3:50 – 3:57 PM	<p><b>Sustainable Development Financing for Resilience</b> Mr. Isaac Solomon, Acting President, Caribbean Development Bank (7 min)</p> <ul style="list-style-type: none"> <li>- Most Governments in the Region are struggling with Fiscal Space/High debt regimes that are limiting spend on resilience building efforts. What solutions are there for navigating a pathway towards unlocking financing in this area?</li> <li>- What are the emerging innovations in the financial reforms that has the potential to foster the region’s resilience building efforts? Is it possible to incentivize a risk reduction culture through insurance? Are there examples of this available globally and how have they been achieved?</li> <li>- What innovative financial mechanisms and reforms can unlock public and private sector financing for risk reduction and adaptation?</li> <li>- What kind of incentives could be developed for risk-informed decision-making that can foster a culture of resilience across all sectors of society?</li> </ul>
4:04 – 4:11 PM	<p><b>Civil Society Organization</b> Mr. Richard Jones, Officer in Charge, Caribbean Policy Development Centre (7 min)</p> <ul style="list-style-type: none"> <li>- What are the innovative policy shifts required to better leverage civil society in efforts to build development resilience?”</li> </ul>
4:12 – 4:25 PM	Q&A from the audience/open discussion
4:26 – 4:30 PM	Wrap up and closing (moderator)