

A Regional Perspective on Climate Finance – The Caribbean Community



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Regional Members

Borrowing Member Countries



- ❖ Anguilla
- ❖ Antigua and Barbuda
- ❖ Bahamas, The
- ❖ Barbados
- ❖ Belize
- ❖ British Virgin Islands
- ❖ Cayman Islands
- ❖ Dominica
- ❖ Grenada

- ❖ Guyana
- ❖ Haiti
- ❖ Jamaica
- ❖ Montserrat
- ❖ St. Kitts and Nevis
- ❖ St. Lucia
- ❖ St. Vincent & the Grenadines
- ❖ Trinidad and Tobago
- ❖ Turks and Caicos Islands





Context: The Development Landscape

Vulnerabilities

- External shocks
- Natural disasters and climate change
- Dependence on imported fossil fuels
- High levels of public debt
- Low rates of economic growth
- Small market size
- Limited technical and institutional capacities

Positives

- Politically stable
- Strong regional institutions
- History of political and functional cooperation across the region



Growth Performance of BMCs: 2008 to 2011

Growth (%) in Real Output, 2009-2012*



Sources: National Statistical Offices, Central Banks and CDB

*Data for 2012 are preliminary CDB estimates



Impact of Climate Change in the Caribbean

- ❑ Escalation in the intensity of tropical storms and hurricanes
- ❑ Sea-Level Rise
- ❑ Disruptions in rainfall and fresh water supply
- ❑ Loss of coral reefs.
- ❑ Estimates of the economic impact of climate change range from 5-30 percent of GDP by 2050



The Regional Response

- ❑ In 2002 Heads of State and Government of CARICOM created the Caribbean Community Climate Change Centre (CCCCC) to coordinate the regional response to climate change
- ❑ In 2009 Heads agreed on a Regional Framework for Achieving Development Resilient to Change which defined CARICOM's strategic approach for coping with climate change
- ❑ In 2011 Heads agreed on an Implementation Plan to take forward and deliver the strategic elements and goals identified in the Regional Framework



Accessing Climate Finance

	GEF Trust Fund Grants (1991-2012)	LDCF	SCCF	AF	Pilot Program for Climate Resilience
Global	694 national projects USD 2.5 billion	158 Projects USD 504 million	39 Projects USD 135 million	28 Projects USD 184 million	Total Pledges USD 1.3 billion
Caribbean	33 Projects USD 23.7 million <i>(grants)</i>	3 Projects USD 6.4 million <i>(grants)</i>	1 Projects USD 715,000 <i>(grants)</i>	1 Project* ^o USD 9.96million <i>(grants)</i>	Caribbean Program USD 60-75 million <i>(grants)</i> USD 36 million (other concessional resources)

* + one endorsed concept for Belize

^o direct access project in Jamaica



Constraints Faced by CARICOM SIDS in Accessing Climate Finance

- Donor focus on larger emerging economies
- Burdensome access criteria
- Lack of capacity and in-country expertise
- Under-financing of regional priorities e.g adaptation
- High transaction costs
- Lack of understanding of SIDS issues at the International level
- Absence of a voice in decision-making in key international financial institutions



CDB/GIZ Regional Workshop on Climate Finance Readiness - 15-16 July 2013

□ Priority Areas Identified

- ◆ Coordination
- ◆ Planning/Budgeting – Identification of priorities
- ◆ Access
- ◆ Implementation – Absorptive capacity
- ◆ Results-based Management



A Caribbean Climate Finance Readiness Programme

1. Assisting countries to better integrate climate change actions and priorities in national development planning and budgetary processes;
2. Strengthening national climate finance coordination bodies with Ministries of Finance and Planning playing central roles;
3. Assisting national and regional entities to gain accreditation to the GCF and AF;
4. Assisting the regional private sector to participate in the private sector facility of the GCF; and
5. Assisting in the planning, preparation and implementation of bankable climate-related projects and programmes.



Resource Mobilisation

- Importance of grant and other concessionary resources
- CDB as the regional financial intermediary for global mechanisms (e.g. Green Climate Fund)
 - Climate Action Line of Credit (USD 65 mn) (EIB)
 - + TA Capacity development Euro- 4- 5 mn)
 - Community Disaster Risk Reduction Fund 23.0mn (CIDA/DFID)
 - New instruments for climate risk transfer
 - Facilitating the Role of private sector for CC



High Stakes !

