

The Grenada Outcome Document - Second Caribbean SIDS High Level Dialogue on Climate Change.

OUTCOME DOCUMENT

Introduction

The 2nd Caribbean SIDS High- Level Dialogue on Climate Change convened in St. George's, Grenada from September 28th to 29th, 2023. Hosted by the Honourable Dickon Mitchell Prime Minister of Grenada, participants included the Chairman of CARICOM, Honorable Roosevelt Skerrit of the Commonwealth of Dominica; the Prime Ministers of The Bahamas, Barbados, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines; and ministers and officials from Barbados, The Bahamas, the Commonwealth of Dominica, St. Lucia, St. Vincent and the Grenadines and the British Overseas Territories of Anguilla and the British Virgin Islands. Invited stakeholders included the CARICOM Secretariat, the OECS Commission, UN agencies, members of the Diplomatic Corps, international financial institutions, development partners and agencies, non-governmental organisations and relevant national agencies. The UN Climate Change secretariat provided technical and financial support to convene the Dialogue.

The meeting was aimed at seeking solutions to the climate change challenge through, *inter alia*, establishing a unified Caribbean position to the world at the 28th Conference of Parties meeting (COP 28). This regional approach reflects the common geographical and shared geo-political realities of the Caribbean States living at the frontlines of the climate change.

The Dialogue provided an opportunity to collectively identify and advance the most urgent needs of the Caribbean region on six themes:

1. Strengthening resilience and achieving prosperity in the face of increasing climate change impacts: boosting adaptation and addressing loss and damage;
2. Financing the transition to renewable energy in the Caribbean;
3. Transforming international financial architecture, blue economy and carbon pricing;
4. Enabling access to blue and green finance and regional collaboration on carbon pricing mechanisms: impacts and opportunities in biological systems;
5. Accelerating e-mobility: lowering costs, reducing emissions, and building reliable transportation systems through electrification; and,
6. Building stronger national systems for climate transparency.

Each session started with a moderated panel discussion among experts in the respective fields. This was followed by high-level roundtables, led by the Prime Ministers and Ministers followed by stakeholder constituencies. These discussions aimed to identify the key issues that had to be resolved in order for the region to strengthen its responses to climate change.

Summary of Proceedings

Theme 1 - Strengthening resilience and achieving prosperity in the face of increasing climate change impacts: boosting adaptation and addressing loss and damage

The accelerating impacts of climate change and the need for urgently ***adapting*** to these impacts were emphasized. A weak science-policy interface and inadequate finance were noted as key constraints. Opportunities for strengthening resilience were identified, including taking preventive action; raising awareness; changing behaviors; targeting adaptation and development in a comprehensive manner; harvesting rainwater; implementing nature-based solutions, as well as adequate land-use policies and site development standards. The international community could assist by delivering grant-based funding for adaptation, as well as support technology development and transfer through a co-design approach to project design and implementation tailored to local needs and circumstances, including home-grown solutions and inclusion of local and traditional knowledge.

Challenges posed by ***Loss and Damage*** from extreme events and slow onset events, inclusive of economic and non-economic loss and damage, were considered. These included financial challenges, technical and capacity gaps, and the need for long-term planning. Opportunities for strengthening resilience were highlighted, such as comprehensive risk management approaches; mainstreaming responses into national policies; strengthening synergies with adaptation where appropriate; risk-sharing and risk-transfer frameworks; and public education and awareness building. The international community could assist through provision of finance at scale including through the use of non-traditional sources of funding, building technical capacity, and developing and utilizing data systems to analyse and manage risks. It was noted, however, that developed countries have not provided significant support so far and have failed to live up to their commitments, opening the way for the consideration of other options, including legal option, in the context of climate justice.

Theme 2 - Financing the transition to Renewable Energy in the Caribbean: tapping into the potential of wind, solar, geothermal and hydroelectricity

The diverse and large renewable energy potential in the Caribbean provided opportunities for diversifying away from fossil fuels. A number of barriers to mobilizing the finance for realizing this potential were recognised including weak enabling environments and regulatory frameworks, lack of capacity to prepare projects that are bankable and the need for modernization of the existing energy grids. It was highlighted that while financing was available from multiple agencies and institutions, a robust pipeline of projects was lacking and there was a lack of bankable projects from the region at both the national and regional levels. This was due to the criteria currently used by the agencies and institutions to identify ‘bankable’ projects, as well as to capacity constraints for project proposal preparation in the region.

Redefining the conventional requirements for derisking, developing the enabling environment and regulatory frameworks at the regional level given the lack of capacity at the national levels and developing the technical capacity needed by countries to undertake their climate change responsibilities, were highlighted as opportunities for addressing the challenges, with financial and technical support from the international community.

Theme 3 – Transforming international financial architecture, enabling access to blue and green finance, and regional collaboration on carbon pricing mechanisms

The need for reform of the international financial architecture was noted with the process to access financing described as prohibitive and daunting. Challenges include the cost of borrowing which results in increasing debt, the reluctance of the private sector to invest in countries with high vulnerabilities and the lack of political will in the developed countries to address the problem. The Bridgetown Initiative was noted as a very important starting point, alongside the need to ensure that the Loss and Damage Fund was capitalized at COP28 with new and additional finance of at least \$100 billion per year for immediate reconstruction and rehabilitation support to the most vulnerable countries after climatic events. The Fund should be accessible to all developing countries affected by extreme climate events and funding sources could include international emissions taxes.

Discussions over the Multidimensional Vulnerability Index centered around its suitability for use in the region and on how the region could make effective use of carbon markets and pricing. A recommendation was made to establish The Climate Mitigation Trust initially funded by IMF Special Drawing Rights, which would identify and fund mitigation projects around the world to maximize emission reduction potential. The Trust would directly finance pre-qualified high impact projects and programmes, aiming to attract up to \$5 trillion in private investment for climate mitigation globally.

Heads of Government also requested the CARICOM Secretariat to collaborate with the Caribbean Development Bank (CDB) on establishing a Natural Disaster Facility for immediate fund release during climatic events. Collaboration with other Atlantic small island states like Cape Verde and Sao Tome is encouraged. In addition it requested the CARICOM Secretariat to engage with commercial banks who lend into the Caribbean for the inclusion of natural disaster clauses, to provide liquidity during disasters, following the precedent set during the COVID pandemic.

The Heads of Government expressed their appreciation for the Green Climate Fund's (GCF) progress report on the **Blue Co Caribbean Umbrella Coordination Programme**. This follows their initial request made during the inaugural SIDS High-Level Dialogue on Climate Change in the Bahama's in 2022, wherein they solicited GCF's support for establishing a comprehensive Caribbean regional blue economy framework. Developed in collaboration with the Caribbean Development Bank (CDB) and 14 Caribbean nations and with CCCCC as the executing entity, this ambitious proposal aims to establish a long-term project pipeline that will catalyze financial investment in both the blue economy and climate change (adaptation) at a regional scale. The

proposal received internal endorsement in September 2023, and the GCF is presently in the final stages of approving a grant for the project's comprehensive development, expected by COP28.

Theme 4 - Impacts on and opportunities in biological systems: looking at oceans and forests and land in the Caribbean

The potential for use of nature-based solutions to address both adaptation and mitigation and contribute significantly to the achievement of the 1.5C goal of the Paris Agreement was highlighted. The region's heavy reliance on nature for its economic sustenance and the need to protect these natural resources were also noted in the context of their vulnerability to climate change and near-term tipping points. Challenges included limited awareness of the values of the natural assets, ecosystem impacts and degradation, options for restoration, and limited capacity for large scale activities.

Opportunities in the blue economy were emphasised, given that these countries were large ocean states. Capitalising on them requires a need to generate data on these natural assets to inform policy, conservation efforts, revenue generation projects including through responsible use of carbon finance that follow science-based approaches, respecting local knowledge and management of the nexus with sustainable land and water management. The international community can assist with financial and technical support. The potential benefits of locating the Santiago Network at the CDB to leverage regional expertise were noted.

Theme 5 - Accelerating e-mobility: lowering costs, reducing emissions, and building a reliable transportation system through electrification

Decarbonization of the road and marine transport sectors through the use of electrification provided an opportunity for reducing transport emissions, which were significant in many countries, especially if combined with solar charging at home or through the grid infrastructure. Key challenges included higher upfront costs than for traditional vehicles, charging infrastructure, measures to ensure functionality if impacted by hurricanes, technical maintenance capacity, impacts on livelihoods of personnel working in the traditional transport sector, the required behavioural changes and the potential for use of regional countries as dumping grounds for obsolete vehicle technologies.

The need for significant public education and behavior change was highlighted and the benefits of having a CARICOM electric vehicle transition policy were discussed.

Theme 6 - Building stronger national systems for climate transparency: accessing data and information to track progress, increase international accountability, and attract support

The importance of accessible, robust, empirical data and regionally-relevant information to the climate change response was underscored as a critical factor in enhancing climate transparency and developing effective climate responses in the region. At the national and regional levels, good data and information are necessary for driving targeted interventions, informing analytical

decisions and project development, tracking progress with implementation of interventions and commitments and fulfilling international reporting obligations. At the global level, good data and information inform the global stocktake, identify areas for enhanced ambition of climate action, and help access and attract sources of international funding. Challenges within the region included the cost of establishing and sustaining data frameworks and their management, the absence of reliable data, fragmented ownership of existing data, reluctance to share data, inefficient use of resources through duplicated efforts and limited capability to interpret data.

Addressing these challenges requires collaboration and coordination across governments, development partners, universities and community-based research organizations. Building trust and highlighting the benefits of data was also considered a key aspect to overcoming the challenges outlined, particularly to facilitate data sharing and exchange. Grant financing, technical support and capacity-building from the international community, are essential to establish/enhance and manage the data frameworks. Representatives from the Food and Agriculture Organization (FAO) and the Organization of Eastern Caribbean States (OECS) underscored ongoing initiatives that will provide multiple opportunities. These include, utilizing drone technologies and computer software to facilitate collection and interpretation of data and harmonization of efforts. The University of the West Indies and St. George's University also underscored their willingness to collaborate with data collection and storage and exchange.

Projects Dialogue

Grenada showcased concrete examples of actions being undertaken including a geothermal project in northern Grenada; the first photo-voltaic (solar PV) farm in the sister island of Carriacou; implementation of Green Climate Fund (GCF) funded project to support Grenada's water sector; and an integrated coastal zone management action along the Atlantic coastline that focused on shoreline stabilization using an ecosystem based adaptation approach and gray-green infrastructure to advance both onshore stabilization in low lying areas and concurrent off-shore action to dissipate wave energy.

Grenada issued calls to development partners for additional regional and international collaboration and partnership to leverage the resources needed for the next phase of the Grenada geothermal project; for equipment to help with "cooling and storage" of representative samples in the coral reef nurseries; for sharing best practices in mitigating coral bleaching which is currently being observed.

Planning for the Third Caribbean Dialogue

Participants agreed that hosting an annual Dialogue in the region is a critical part of coordinating ahead of the Conferences of the Parties. The host for the Third Caribbean SIDS High-Level Dialogue on Climate Change is under discussion and it is anticipated that the support received from the UNFCCC Secretariat and other agencies will be available to facilitate the convening of this Third Dialogue.

The Way Forward

Key Issues on the Regional Leadership Agenda

Matters which could be followed up at the regional and national levels through action by the leadership of the countries in the region were cited and included the following:

1. The need for unity, commitment, steadfastness and a collective voice to address the issues of specially vulnerable countries was reiterated throughout the Dialogue.
2. Support the Antigua and Barbuda-Vanuatu ICJ initiative and other legal action against emitters, including oil companies.
3. Expand the Caribbean Blue-Green Investment Facility led by Barbados to include other CARICOM members, with a goal to scale the Investment Facility from \$500 million to \$5 billion within 12 to 15 months.
4. Carefully assess the use of a Multi-dimensional Vulnerability Index (MVI) as a tool for resource allocation and policy analysis. Acknowledge the merits for the Caribbean and the need for adequate data and international support may need consideration before adoption.
5. Local, easily accessible funding for community-level activities which can be used to undertake local initiatives that can assist in building resilience e.g. early warning systems, flood prevention and management; strengthening of slopes to reduce the risks from landslips, among others.
6. Capacity building in a wide range of fields to enable response to climate change including project preparation and implementation, financial analysis, technical skills. Strengthen existing initiatives like the MRV Hub, OECS Statistics Unit and the universities in the region to build capacity for information gathering/data analysis/information sharing; increase coordination so not duplicating efforts; explore opportunity to create an environmental monitoring system in the region.
7. Public education and awareness programming to raise national population awareness of the implications of climate change and the policies and actions which are needed to respond to climate change.
8. Create a regional platform to share good practices from the region.
9. Develop a regional regulatory framework that would facilitate investment in clean energy and create harmonized regional legal platforms.
10. CARICOM to develop an Electric Vehicle Transition Policy that addresses *inter alia* more equitable and affordable pricing of EVs; puts in place anti-dumping legislation for ICE vehicles; and establishes a regional hub for electric charging to support the tourism industry.

COP 28

Considerations to guide the participation by countries in the region at COP 28 included the following:

1. Prime Ministers of the Caribbean shall present a unified message, delivering identical speeches during the high-level opening segment at COP28.
2. Call for the immediate capitalization of the Loss and Damage Fund with new and additional grant-based finance of at least US\$100 billion per year for immediate reconstruction and rehabilitation support to the most vulnerable countries after climatic events. The fund should be accessible to all developing countries that have suffered significant loss and damage from climate-change impacts. This could be measured in relation to GDP percentage.
3. Delivery of the US\$100B by the developed country Parties in the context of providing adequate, predictable, grant-based finance for ambitious climate adaptation and mitigation action.
4. Call for Action on the need for supporting capacity building and appropriate technology in the various sectors.
5. CARICOM to support the CDB application for hosting the Santiago Network on Loss and Damage.
6. Coordinate with the UNFCCC and Pacific SIDS on a high-level event at COP28 to highlight shared areas of need and priority between the regions.

Opportunities for National and Regional Programming

Matters which could be followed up at the regional and national levels through collective action by agencies in the region included the following:

1. Harmonizing measures and legislations in the Caribbean on climate change responses
2. The CARICOM Secretariat to collaborate with the Caribbean Development Bank (CDB) on establishing a Natural Disaster Facility for immediate fund release during climatic events. Collaboration with other Atlantic small island states like Cape Verde and Sao Tome is encouraged.
3. The CARICOM Secretariat to engage with commercial banks who lend into the Caribbean for the inclusion of natural disaster clauses, to provide liquidity during disasters, following the precedent set during the pandemic.
4. The CARICOM Secretariat and the OECS Commission to engage local communities and the youth in climate action through a media (film) program funded initially with US\$200,000, utilizing local and diasporic talent.
5. Follow-up on the importance of policy and establish regulatory regimes to protect our biological resources (high seas, oceans, fisheries) from international exploitation, and push to equity in ocean access; also to gain access to the information that international partners have on our own resources; use Fijian UN Special Envoy for the Ocean.