

Needs-Based Climate Finance: Developing a Regional Climate Finance Access Strategy

Organization of Eastern Caribbean States

13 - 14 September 2022

Saint Lucia



OECS Climate Finance Access and Mobilization Strategy 2022 - 2030

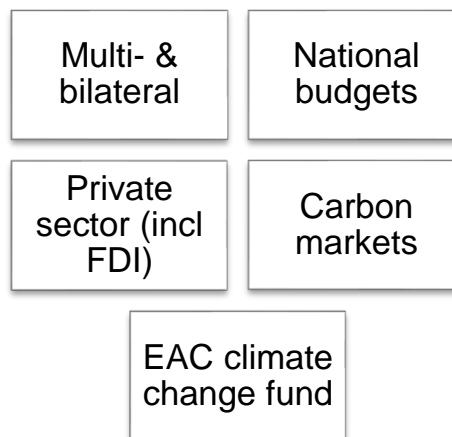
Goal

Ensure that climate finance can be effectively accessed, mobilized, and scaled up to contribute to achieving regions climate and development goals between 2022- and 2030.

Climate finance needs

Around USD 3,3 billion

Key sources



➤ **Needs-based Finance Project**
as a possible next step towards climate
finance access and mobilization



Objectives

1. Ensure the scale up of predictable climate finance to achieve climate adaptation and mitigation objectives.
2. Provide an enabling environment for attracting climate-friendly investment opportunities.
3. Strengthen human and institutional capacity to effectively implement climate action and access, manage (monitor and track) and disburse climate finance effectively.
4. Facilitate climate project and programme development and implementation.
5. Mainstream climate change in national development planning, budgeting, and socioeconomic policies.
6. Deepening synergies and collaboration on climate finance within and between Caribbean countries and partners.
7. Diversified sources of climate finance from a variety of financial institutions and instruments that are consistent with the region's needs for adaptation, mitigation and loss and damage.
8. Harness and further strengthen the convening and enabling power Caribbean regional entities such as the OECS.



Strategic areas of collaborative action

Strategic area I - Access to predictable and sufficient climate finance for mitigation and adaptation

- The region is acutely challenged by climate change's impact on economies and development and calls for the **prioritization of international climate finance** support **adaptation, mitigation** and **loss and damage response** that is commensurate with regional circumstances.
- **Lowering barriers to access to finance, shall ensure delivery is sufficient, predictable,** and provided for **adaptation predominantly** as grant or **highly concessional-based** finance and for loss and damage as grant-based finance.
- Furthermore, **enabling private sector** finance also for renewable energy and energy efficiency measures.



Strategic areas of collaborative action

Strategic area II - Adaptation and resilience to extreme weather and slow onset climatic events

- The effects of climate change on both natural and human systems are already affecting infrastructure, health and wellbeing, water and food security, ecosystems, and ultimately economies.
- **Rapid scaling up of support** to address climate extremes and slow onset events is therefore **critical through dedicated facility or fund**.
- Although there are insurance instruments available that cover important areas such as energy and water utilities, agriculture, there is a **need to build a robust business case for more regional investment and insurance** for other key and previously neglected sectors.



Strategic areas of collaborative action

Strategic area III - Harness blue economy and carbon pricing

- The blue economy holds **vast potential for the region** – as, although potential for carbon emission reductions is low, the surrounding ocean area is large.
- The protection delivered by coastal ecosystem services is undervalued and **sources of climate finance are under-investing in sustainable oceans**. There is also a **lack of supply of quality blue economy projects** and offsets to meet this investor demand.



Strategic areas of collaborative action

Strategic area IV - Build capacity and raise awareness

- The region faces a complex international climate finance landscape, with **limited capacity to support access to, and disbursement of climate finance**. Accessing climate funds is arduous as each fund has its own procedures and access modalities.
- **Building regional capacity** to design and articulate quality project proposals is also a **common need**.
- There is an **opportunity to increase access** to climate funds and other sources of climate finance by **enhancing country-driven capacities**, addressing some of the knowledge, data and skills gaps and barriers experienced in the region.



Strategic areas of collaborative action

Strategic area V - Strengthen and developing measurement, reporting and verification of climate finance

- The mitigation, adaptation and **means of implementing objectives of the Paris Agreement** are enabled and **underpinned by the availability of robust climate information** and data which comprises the Enhanced Transparency Framework (ETF).
- Recognizing the **gains from economies of scale**, practical examples from the **experience of the Caribbean Cooperative MRV Hub** and participation in the Capacity Building Initiative for Transparency in enhancing transparency the region and engagement of non-Party stakeholders strengthening measurement, reporting and verification of climate finance can help to focus on needs of the region.



Institutional arrangements and timeline

The endorsement, review and implementation, performance of the strategy will be overseen by the OECS secretariat

The OECS shall seek to support the strategy for its members and provide reports on its progress in implementation

The Strategy has **two implementation stages:**

1. The objectives of the first stage (2022-2025) are to **strengthen the existing climate finance mobilization mechanisms and the institutional framework related to climate change**. It includes the actions needed to fulfil the general objectives of the strategy.
2. In the second stage (2026-2030), the **structures created are consolidated**, and the region has an adequate governance structure (institutional framework and regulations), with **financial instruments that generate incentives for economic sectors** to mitigate and adapt to climate change.



Thank you!



https://unfccc.int/NBF_Project