

ORGANISATION OF EASTERN CARIBBEAN STATES CLIMATE FINANCE ACCESS AND MOBILIZATION STRATEGY 2023–2030





Contents

I.	Introduction	2
A.	Background	2
B.	Regional context	2
C.	Climate finance flows and needs	3
II.	Strategic framework	4
A.	Goal	4
B.	Objectives	4
C.	Key principles and impact	4
D.	Expected impacts of the Strategy	4
III.	Strategic areas of collaborative action	5
A.	Strategic area I: accessing predictable, adequate and scaled-up climate finance for mitigation and adaptation	5
B.	Strategic area II: adapting and building resilience to extreme weather and slow onset climatic events	5
C.	Strategic area III: harnessing green-blue economy approaches	6
D.	Strategic area IV: building capacity and raising awareness	7
E.	Strategic area V: strengthening measurement, reporting and verification of climate finance	8
IV.	Institutional arrangements and timeline	9

I. Introduction

A. Background

1. The Needs-based Climate Finance (NBF) project was established in response to the request of the Conference of the Parties at its twenty-third session, reiterated at its twenty-sixth session, that the secretariat, in collaboration with the operating entities of the Financial Mechanism, United Nations agencies and bilateral, regional and other multilateral channels, explore ways and means to assist developing country Parties in assessing their needs and priorities in a country-driven manner, including their technological and capacity-building needs, and in translating climate finance needs into action.¹

2. This document outlines the Organisation of Eastern Caribbean States (OECS) Climate Finance Access and Mobilization Strategy (hereinafter referred to as the Strategy), developed by the OECS Commission with its member states (Antigua and Barbuda, Commonwealth of Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines). The Strategy has been endorsed by the OECS Council of Ministers: Environmental Sustainability.

3. The Strategy is informed by the outcomes of the Technical Assessment of Climate Finance in Eastern Caribbean States.² Where appropriate, the Strategy seeks to include all member states of OECS and further seeks to expand collaboration with the Caribbean Community in both addressing challenges and harnessing opportunities.

B. Regional context

4. The Eastern Caribbean region comprises countries that are among the most vulnerable to the effects of climate change, with both natural and human systems already suffering from the negative consequences of climate change, including extreme weather events and slow onset events, such as sea level rise, severe storms, floods and droughts. This has a toll on the economic development, environment, prosperity, and social well-being of the region, affecting agriculture, marine and terrestrial ecosystems, education, health, food security, tourism and water.

5. Access to climate finance and the mobilization of additional sources of finance is essential for the region to adapt to the worst effects of climate change, while at the same time contributing towards the mitigation of greenhouse gas (GHG) emissions and transitioning to a low-carbon economic pathway.



6. The region comprises economies that are heavily reliant on imports. It is handicapped by volatile energy prices, high debt to gross domestic product ratios, a resultant deterioration of credit ratings and the prospect of exclusion from concessional finance when moving to higher-income country status. The region also suffers from a lack of financial and technological/technical human resources (skills and people) and institutional capacity for climate action. Those few projects or requests for support that do emerge are generally too small and dispersed to be sufficiently funded by most financial institutions and tend to be subject to high transaction costs.

7. As the region recovers from the impacts of the coronavirus disease 2019 pandemic, its vulnerability to the worst effects of climate change has increased, while the availability and predictability of finance needed to address these impacts have not changed.

8. However, the region has abundant potential through its natural resources, including coral reefs, mangroves, water, wind, and sun. The preservation of natural ecosystems is essential for livelihoods and sectors such as agriculture, fisheries and tourism. The region also stands to reap benefits from innovation in blue economy sectors and from cleaner, cheaper and secure energy from renewable sources, as well as the creation of resilient infrastructure for its communities.

9. Despite the region's GHG emissions being negligible on a global scale, the region nevertheless endeavors to continue to lead the way with highly ambitious nationally determined contributions and timely and inclusive national adaptation plans.

¹ Decision 6/CP.23, para. 10, decision 4/CP.26, para. 22 and decision 13/CP.27 para. 11.

² https://unfccc.int/sites/default/files/resource/UNFCCC_NBF_TA_OECS_final.pdf

C. Climate finance flows and needs

10. The current assessment³ indicates that finance flows into the region is estimated to be USD 76,370,661.84 on average per year.⁴ Financing the climate change needs expressed to date by the region would require an estimated USD 4 billion up to 2030 but is likely to be significantly higher as not all needs have been fully costed. This equates to an estimated USD 757 million for adaptation, USD 1.5 billion for mitigation and USD 1 billion for cross-cutting areas. The current assessment indicates that the amount of finance required for mitigation is twice as much as for adaptation. While most adaptation measures are not yet fully quantified due to the inherent challenges in costing adaptation, they need to be financed within the next 5–10 years. By all accounts there is a significant gap in the finance needed for climate action in the region.

11. Needs include measures and actions in the following sectors: agriculture, coastal and marine ecosystems, education, energy, fisheries, forestry and land use, public health, infrastructure, tourism, transport, waste and water sectors.

12. The Strategy is framed within the context of international and national climate action that seeks to promote resilient development and decouple economic growth from GHG emissions. Likewise, it is expected to generate new opportunities for sustainable development that facilitate the just transition towards climate-resilient economies.



³ Technical Assessment of Climate Finance in the Eastern Caribbean States, contained as an annex to the Strategy. Available at https://unfccc.int/sites/default/files/resource/UNFCCC_NBF_TA_OECS_final.pdf.

⁴ All information and data contained in this document (e.g. on climate finance flows, needs and priorities, policies, etc.) sourced from developing countries are to be treated as status quo at time of drafting, may not contain all sources of information and are subject to change as these are revised or submitted/published by countries.

II. Strategic framework

A. Goal

13. The region broadly acknowledges that it can be more effective as a collective than as individual countries in acting and engaging on common climate change challenges and opportunities.⁵

14. The goal of the Strategy is to ensure that climate finance can be effectively accessed, mobilized and scaled up to contribute to achieving the region's climate and development goals between 2022 and 2030.

15. The Strategy has two implementation stages:

(a) The first stage (2022–2025) will 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; and

(b) 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 and address loss and damage.

B. Objectives

16. The objectives of the Strategy are to:

(a) Ensure the scale-up of appropriate, adequate and predictable climate finance to achieve climate adaptation and mitigation objectives;

(b) Provide an enabling environment for attracting climate-friendly investment opportunities;

(c) Strengthen human and institutional capacity to plan, access, programme and manage (monitor, report and verify) climate finance for effective climate action;

(d) Facilitate climate project and programme development and their implementation;

(e) Integrate climate change into national development planning, budgeting and socioeconomic policies as appropriate;

(f) Deepen synergies and collaboration on climate finance within and between Caribbean countries and regional and global partners;

(g) Seek 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, including means of implementation;

(h) Harness and further strengthen the convening and enabling power of Caribbean regional entities such as OECS; and

(i) Strengthen measurement, reporting and verification of climate finance.

C. Key principles and impact

17. The Strategy recognizes the following:

(a) Country ownership: the Strategy is demand-led and responsive to country needs, given that priorities have been identified through an assessment of each country's ambitions and vulnerabilities;

(b) Flexibility: the Strategy is a guiding framework which can be adapted to changing circumstances and priorities. This is particularly crucial in times of recovery from the coronavirus disease 2019 pandemic;

(c) Focus: while the focus of the Strategy is adaptation, mitigation and loss and damage, adaptation remains a priority for the region;

(d) International support: in accessing diverse sources of international public finance to meet the finance gap and unlock private finance; and

(e) Partnerships: the Strategy will seek to harness participation at all levels (national, regional and international) in support of the objectives and strategic areas of the Strategy.

D. Expected impacts of the Strategy

18. The expected results of the Strategy are:

(a) Increased adaptation action, resulting in a decrease in climate vulnerability.

(b) Reduced GHG emissions through emission abatement or increased carbon stocks;

(c) Improved capacity to coordinate climate action across the region, to access and mobilize climate finance at scale and to direct flows to investment opportunities; and

(d) Strengthened measurement, reporting and verification of climate finance.

⁵ The Strategy recognizes that each member State has its own vision, policies, tools and approaches available in accordance with its national circumstances and priorities. It also recognizes joint and collective action on accessing and mobilizing climate finance that stands to benefit all member States.

III. Strategic areas of collaborative action

A. Strategic area I: accessing predictable, adequate and scaled-up climate finance for mitigation and adaptation

1. Rationale

19. The region is acutely challenged by climate change impacts on economies and development and calls for the prioritization of international climate finance support for adaptation, mitigation and loss and damage response that is commensurate with regional circumstances. Lowering barriers to accessing finance will ensure that delivery is predictable, adequate and scaled up. Climate finance would be provided predominantly for adaptation and resilience as grant-based or highly concessional finance and for loss and damage as grant-based finance. Furthermore, private sector finance needs to be enabled.

2. Activities

20. Conduct detailed needs assessments for the priority sectors, including an assessment of technology and capacity-building needs, to articulate the scope of financing required, as appropriate, and taking into account regional and national efforts.

21. Undertake a review of issues around access and capacity in the region to better understand the barriers to finance and conduct feasibility studies, including an assessment of how to increase the capacity of direct access entities in the region to allow them to access larger scale funding, and to develop and implement more projects, as appropriate and taking into account regional and national efforts.

22. Assess and prioritize existing national and regional project ideas and concept notes and explore opportunities for support in advancing them.

23. Assess the applicability and need for finance from a broader suite of instruments and sources for the region, such as thematic bonds, carbon markets, microenterprise lending, debt swaps, and risk and insurance mechanisms as well as nature-based solutions and ocean and biodiversity solutions.

24. Support the identification of various funding windows and match the best available financial instrument and sources with the appropriate actors, including private sector entities and philanthropic foundations.

25. Improve South–South learning and collaboration to accelerate project development and ease access to finance.



3. Milestones

26. Detailed needs assessments of the priority sector needs of the region with an approximation of financing required are conducted by 2024.

27. An integrated assessment (policy, institutional, and processes and procedures) of opportunities and constraints for integrating climate change concerns within national and subnational budget allocation and expenditure process.

28. Climate finance workshop to improve understanding of procedures and requirements in order to access climate funds and criteria for eligibility conducted by the end of 2023.

29. Resources mobilised to enhance regional organisations' capacity and resultant regional projects/programmes.

B. Strategic area II: adapting and building resilience to extreme weather and slow onset climatic events

1. Rationale

30. The effects of climate change on the economic development, environment, prosperity, and social well-being, in particular agriculture, education, ecosystems (marine and terrestrial), health, infrastructure, food security, tourism and water, need rapid scaling up of support to address climate extremes and slow onset events. It is therefore critical to address these through dedicated facility or fund. Although there are insurance instruments available through the Caribbean Catastrophe Risk Insurance Facility and several more are under development that cover important areas such as agriculture, energy and water utilities, there is a need to build a robust business case for more regional investment and insurance for other key and previously neglected sectors.

2. Activities

31. Explore the use of a common regional approach and methodology to assess needs, including for adaptation and loss and damage.
32. Conduct detailed needs assessments for the priority sectors, including an assessment of technology and capacity-building needs, to articulate the scope of financing required, as appropriate, and considering regional and national efforts.
33. Explore holistic projects and programmes across countries that are suitable for institutional investors such as insurance companies and pension funds (international and local).
34. Support the pursuit of the establishment of a loss and damage fund or window as a separate entity or part of a new or existing facility for the region.

3. Indicators

35. Detailed needs assessments of the priority sector needs, methods for determining such needs, adaptation and loss and damage instruments, means of access, procedures and eligibility criteria of the region with an approximation of financing required are conducted by 2024.
36. A portfolio of holistic and cross-country projects and programmes is developed for the region.
37. A fund or funding window for loss and damage is designed and developed for the region.

C. Strategic area III: harnessing green-blue economy approaches

1. Rationale

38. The envisioned OECS green-blue economy is an economically viable, climate-resilient economy that is based largely on sustainable domestic production and inward investment. An economy that pursues long-term prosperity for its entire population, including its most vulnerable communities, through socioeconomic inclusiveness, responsible management of its coastal, marine and terrestrial ecological resources and transparent, participatory governance. It assumes a low-carbon, climate-resilient strategy that utilizes the member States' indigenous talents and natural resources to transform its coastal and other populations from a state of vulnerability to one of prosperity and effectively values nature through data-driven planning, mapping and visioning in a holistic way. It places a premium on sustainable use of its marine and coastal resources and ensures that the entire population are aware of and are empowered to take advantage of plausible opportunities for sustainable investment, production and consumption.⁶

39. The green-blue economy is a priority for the region – 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 underinvesting in sustainable oceans. There is also a lack of supply of quality blue economy projects and offsets to meet this investor demand.



⁶ OECS. 2020. *Green-Blue Economy Strategy and Action Plan*. June 2020. Available at <https://www.oecs.org/en/the-oecs-green-blue-economy-strategy-and-action-plan>.

40. Consequently, there are opportunities to sustainably utilize this resource for the benefit of the region. Support will be provided for strengthening the regional green-blue economy strategy and deployment of instruments such as blue bonds, blue carbon markets, debt for nature swaps and local currency de-risking. The focus will be on blended finance and in de-risking investments to crowd in the private sector and mobilize at scale, including through the generation of blue carbon credits. Resources will be mobilized from bilateral donors, philanthropists and partners to provide levels of risk cover and crowd in private sector investment.

2. Activities

41. Support the strengthening of the all-encompassing regional green-blue economy strategy to build an enabling environment, promote capacity-building and develop policy frameworks, including maritime plans, blue carbon policies, capacities and registries, as well as an analysis of the applicability of various financial instruments to allow for financial access at scale.

42. Develop a pipeline of projects and programmes that could include investments such as decarbonizing shipping and port services, waste management and circular economy, protection of coastal and marine ecosystems, protection of coastal livelihoods and promotion of onshore and offshore renewable energy, as appropriate, and considering regional and national priorities.

43. Promote the OECS Green-Blue Economy Strategy and Action Plan, the OECS Regional Marine Spatial Planning Framework and other national blue economy strategies and national ocean policies and strategic actions plans. Activities may include:

- (a) Supporting policies and incentives to promote blue infrastructure, such as ridge to reef policies to reduce siltation, coastal community-based adaptation planning and climate-resilient investment;
- (b) Developing social safeguards, creating an enabling environment, protecting in coastal and marine areas, and improving coastal zone mapping;
- (c) Defining community-focused marine protected areas or sustainable use zones to improve the sustainability of food security;
- (d) Supporting the regulation of marine fisheries linked to technology and revenue taxation for national economies;
- (e) Creating an enabling environment for offshore energy development, including policy and capacity development.

44. Support the establishment and growth of carbon markets and enhance the inclusion of blue carbon in voluntary and compliance carbon markets, as well as other innovative financing mechanisms.

45. Enable learning and knowledge-sharing to support the alignment of finance with sustainable development;

46. Support and enable the development of economic opportunities in addressing the sargassum problem⁷ across the region in collaboration with development partners and climate funds.

3. Indicators

47. Strengthened regional green-blue economy strategy with the support of the GCF and/or others.⁸

48. Support secured for and ensure the development of projects and/or programmes that are eligible for funding such as green and/or blue economy investment facilities, funds and initiatives.

49. Sourced and secured funding for policy regulation development support and information sharing for the green blue economy, with the support of the GCF and/or others.

50. A comprehensive assessment of carbon pricing and other innovative financing opportunities and needs to include required policy instruments in support for a regional market is conducted with the support of the GCF and/or others.

D. Strategic area IV: building capacity and raising awareness

1. Rationale

51. 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 and addressing some of the knowledge, data and skills gaps and barriers experienced in the region.

2. Activities

52. Build capacity, including on gender-responsive climate finance, for example for small and medium-sized enterprises, food processing entrepreneurs, farmers, fishers and municipal governments.

⁷ Sargassum is brown algae that has expanded its reach to several Caribbean islands in record volumes. Decomposing sargassum gives off a foul odour which is a deterrent for tourist and recreational activities in the beaches. High influx of sargassum has resulted in a large economic cost for cleaning efforts and losses in tourism and fishing revenue.

⁸ See footnote 6 above.

53. Evaluate existing regional capacity and gaps in relation to preparing project proposals, to include details of beneficiaries, climate rationale, impact, project cost, objective and scope, among other key variables.
54. Pool resources to address knowledge and data gaps and explore common barriers to foster South–South cooperation.
55. Explore the possibility of a project preparation facility that also pools experts and installs specialized project experts in each country that can be drawn upon to assist in preparing programmes and projects for the region, including encouraging the mobility of existing financial and technical expertise and engaging national and regional financial actors among entities with responsibility for finance, the environment, energy, planning and economic development.
56. Encourage the use of regional scientific knowledge hubs for climate change actors, focusing on scientific studies and collecting and analysing scientific data from various sources on climate change, to facilitate the development of climate project proposals.
57. Raise awareness of best practices, lessons learned and innovations in climate change initiatives that have been completed, planned or are under way in a targeted manner among national and regional, public and private actors to build cross-sectoral buy-in.
58. Capitalize on existing publicly accessible online knowledge platforms for the region for compiling information on projects and programmes that are completed, approved or under way.
59. Capitalize on existing exchanges of regional and national good practices for accessing and mobilizing finance, to be organized in a structured manner through regular regional virtual or in-person knowledge exchange forums.
60. Strengthen the institutional capacity and staffing of the OECS Commission to enhance its ability to carry out its functions in assisting the region to implement the strategy.

3. Indicators

61. Training programmes focused on capacity-building efforts for member States to develop and implement projects at larger scale are delivered.
62. Support to member States in accessing climate finance readiness support from appropriate funds (e.g. the GCF, the Adaptation Fund, the Global Environment Facility) is provided.
63. Human, technical and financial resources for the OECS Commission are secured.

E. Strategic area V: strengthening measurement, reporting and verification of climate finance

1. Rationale

64. The benefits of climate finance data and information are numerous. The availability of transparent climate finance data and information builds mutual trust and enhances accountability. It can enhance countries' access to technical and financial support by clearly establishing needs and capacity constraints as well as, in some cases, negotiate better premiums for insurance against extreme weather and slow onset events.

2. Activities

65. Build on national efforts and support the setting up of a regional climate finance tracking system by the Caribbean Development Bank to assist country reporting under decision 18/CMA.¹⁹ in implementing the enhanced transparency framework on information on financial support received by developing country Parties under Article 9 of the Paris Agreement to the extent possible.

66. Support effective national and regional climate finance reporting to facilitate alignment with other reporting systems.

3. Indicator

67. An integrated means for tracking climate finance and reporting is underway.

⁹ FCCC/PA/CMA/2018/3/Add.2 pages 42 and 43.

IV. Institutional arrangements and timeline

68. The endorsement, implementation, monitoring and evaluation of the Strategy will be overseen and supported by the OECS Commission.

69. The OECS will provide its member States with reports on the progress of implementation of the Strategy.



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Further information, related to the NBF Project
is available on the UNFCCC website

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