



PARTNERSHIPS AND INVESTMENTS FOR A MORE CLIMATE-RESILIENT CARIBBEAN



Introduction

As very small islands and low-lying coastal states, countries in the Caribbean Region are among the most vulnerable to climate change in the world.

Climate change presents a significant threat to these countries and their viability. It has affected key economic sectors, and socio-economic activity; quality of life of people who live in the Region; water availability; agriculture and food production; health; natural resources and ecosystem services; and tourism.

Therefore, climate resilience is a critical priority as the Region seeks to protect development gains already achieved and to address the specific challenges and opportunities presented to improve resilience in a range of sectors; particularly, infrastructure (roads, airports, ports, coastal and river defences), tourism, agriculture and renewable energy and energy efficiency.

Climate resilience is a key priority in the Caribbean Development Bank's (CDB) work and investments.

CDB has been actively improving the resilience of its portfolio in climate-sensitive sectors such as water, agriculture and physical infrastructure. The Bank invests in knowledge-building and capacity development in climate resilience for its Staff and across its Borrowing Member Countries (BMCs).

In addition, CDB mobilises and facilitates access to concessionary resources from global partners to help its BMCs finance the effective implementation of policies and investments as part of their wider sustainable development programmes.

Description	Key Features	Project Examples	Eligible Countries
ADAPTATION FUND			
<p>The Adaptation Fund (AF) is a financing mechanism set up with the purpose of financing concrete climate change adaptation projects and programmes in developing countries that are party to the Kyoto Protocol.</p> <p>The Fund is financed with a share of proceeds from Clean Development Mechanism (CDM) project activities as well as through voluntary pledges of private donors and donor governments. The share of proceeds from the CDM amounts to 2% of Certified Emission Reductions issued for a CDM project activity.</p>	<p>On February 26, 2016, CDB was accredited as a Regional Implementing Entity for a period of five years.</p>	<p>Projects under preparation</p>	<p>All Borrowing Member Countries</p>
AGENCE FRANÇAISE DE DÉVELOPPEMENT CREDIT FACILITY AGREEMENT			
<p>This Agreement covers sustainable infrastructure projects with significant environmental or climate impacts, thus contributing to resilience and vitality in the economies of the Bank's BMCs.</p>	<p>The Facility will be used by CDB to augment financing for infrastructure projects in several areas:</p> <ul style="list-style-type: none"> • renewable energy • water and sanitation • waste management • adaptation of infrastructure to the effects of climate change • protection of coasts and rivers 	<p>Projects under preparation</p>	<p>CDB will provide sovereign and non-sovereign loans in its BMCs, except for countries which are not on the Organisation for Economic Co-operation and Development's Development Assistance Committee's list of official development assistance Recipients</p>

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CANADIAN SUPPORT TO THE ENERGY SECTOR IN THE CARIBBEAN FUND			
<p>Global Affairs Canada has established with CDB, the Canadian Support to the Energy Sector in the Caribbean Fund (CSES-C) totalling CAD5 million. The CSES-C supports technical assistance projects that strengthen regulatory frameworks, build capacity and prepare renewable energy and energy efficiency investment projects.</p>	<p>Support provided for:</p> <ul style="list-style-type: none"> • development of legislative and regulatory frameworks and associated institutional capacity, in the Caribbean • deployment of energy efficiency and renewable energy technologies in the Caribbean • workshops, training and professional attachments, including in Canada 	<ul style="list-style-type: none"> • Solar Power capacity building intervention – Suriname Electric Utility • Capacity building for tariff productivity improvement in the electricity sector – Jamaica • Sea water air conditioning study tour to Canada and regional workshop 	<p>All Borrowing Member Countries</p>
CDB GEOSMART INITIATIVE			
<p>The CDB GeoSmart Initiative was designed to mobilise adequate and appropriate funding for investment and technical assistance to address the risks associated with each stage of the geothermal energy project cycle. The budget consists of USD76.5 million in grants and concessional loans.</p>	<ul style="list-style-type: none"> • Resources already mobilised include those available under the Sustainable Energy Facility (SEF) • United Kingdom Department for International Development (DFID) parallel grant financing may be provided through CDB for early stage geothermal energy project development in four SEF countries • Concessional resources under consideration include those provided through the Inter-American Development Bank, the Green Climate Fund and the European Union - Caribbean Investment Facility (EU-CIF) • Partners include the Government of New Zealand and Japan International Cooperation Agency 	<ul style="list-style-type: none"> • Geothermal energy development - St. Vincent and the Grenadines • Geothermal exploration - Grenada 	<p>Dominica, Grenada, St. Kitts and Nevis, Saint Lucia and St. Vincent and the Grenadines</p>

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CLIMATE ACTION LINE OF CREDIT			
<p>The first Climate Action Line of Credit (CALC I), signed between the European Investment Bank (EIB) and CDB in 2011, is a USD65 million financing package offered at a subsidised interest rate from EIB to CDB under the Cotonou Agreement between the members of the African, Caribbean and Pacific Group of States and the European Union (EU). CALC I supports nine projects in seven countries across the Caribbean.</p> <p>In 2017, the EIB and CDB signed a second line of credit (CALC II) of USD110 million, which builds on the USD65 million CALC I, to support investment projects in the Caribbean under CDB's climate action policy.</p> <p>Eligible investments under CALC include climate change mitigation, adaptation and resilience projects in: renewable energy; energy efficiency; forestry and land-use; low carbon technology research development and innovation; road transport; water infrastructure; and community-level physical and social infrastructure that reduce greenhouse gas emissions and improve resilience to the impacts of climate change.</p>	<ul style="list-style-type: none"> • Interest subsidy on loans for a portion of the investment project cost • Public and private sector entities are eligible • Includes grant-funded climate risk and vulnerability assessments 	<ul style="list-style-type: none"> • John Compton Dam Rehabilitation Project - Saint Lucia • Phillip S.W. Goldson Highway Upgrading Project - Belize • 1MW Solar PV Plant Project - Anguilla • Street and Flood Light Retrofitting Project - St. Kitts and Nevis 	All Borrowing Member Countries
COMMUNITY DISASTER RISK REDUCTION FUND			
<p>The Community Disaster Risk Reduction Fund (CDRRF) finances projects which reduce the risks of natural disasters and support climate change adaptation efforts in communities across the Caribbean. The CDRRF is a multi-donor trust fund managed by CDB. Contributions to the fund total USD24 million and are sourced from the Department of Foreign Affairs, Trade and Development, Canada, the United Kingdom's Department for International Development and CDB.</p>	<p>Some of the key features of the Fund include resources for:</p> <ul style="list-style-type: none"> • institutional strengthening • community-based disaster risk reduction • climate change adaptation • education promotion • capacity building 	<ul style="list-style-type: none"> • Jeffery Town Community Disaster Risk Reduction Plan - Jamaica • Climate Change Adaptation and Risk Reduction Technology and Strategies to Improve Community Resilience Project - Jamaica • Building Adaptive Capacity and Resilience to Climate Change in Toledo, Southern Belize • Volcano-ready communities in St. Vincent and Grenadines 	All Borrowing Member Countries except Haiti

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GREEN CLIMATE FUND			
<p>The Green Climate Fund (GCF) was created by the Conference of the Parties to the United Nations Framework Convention on Climate Change in 2010.</p> <p>GCF launched its initial resource mobilisation in 2014, and rapidly gathered pledges worth USD10.3 billion. These funds come mainly from developed countries, but also from some developing countries.</p>	<p>CDB is an accredited regional implementing entity of the GCF. Accreditation was granted by the Board of the GCF in October 2016. CDB is accredited for small projects of up to USD50 million, and for Category A projects having maximum environmental and social risk.</p> <p>CDB has access to funding to support low-emission and climate-resilient programmes and projects in its BMCs.</p>	<p>Projects under preparation</p>	<p>All Borrowing Member Countries</p>
NATURAL DISASTER RISK MANAGEMENT PROGRAMME			
<p>The ACP-EU Natural Disaster Risk Management in the CARIFORUM Programme (NDRM) is an initiative of the African, Caribbean and Pacific (ACP) Group of States, funded by the European Union (EU) to support disaster risk reduction (DRR) and climate change adaptation (CCA) activities in the Caribbean Region. Launched in 2014 for a period of five years, the EUR20 million programme is implemented by the Caribbean Disaster Emergency Management Agency (CDEMA), CDB and the Dominican Republic Ministry of the Presidency.</p>	<p>Supported activities under the Programme include:</p> <ul style="list-style-type: none"> improving the capacity of national disaster offices and CDEMA in the implementation of the Comprehensive Disaster Management for the Region enhancing national, local and regional resilience through strengthened early warning systems, national risk profiling and community-based DRR and CCA sector resilience strengthened in key public policy sectors, through DRR and CCA mainstreaming 	<ul style="list-style-type: none"> Preparation of the State of the Caribbean Climate Report 2016: Information for Resilience Building - University of the West Indies (Mona) Enhancing Weather and Climate Early Warning Systems and Impacts-Based Forecasting Platforms in the Caribbean - Caribbean Institute for Meteorology and Hydrology (CIMH) Building Capacity for Disaster Risk Management and Climate Resilience Project, Ile À Vache - Haiti Expanded Weather and Climate Forecasting and Innovative Product and Service Development and Delivery in the Caribbean - CIMH 	<p>All Borrowing Member Countries except British overseas territories (Anguilla, British Virgin Islands, Cayman Islands, Montserrat and Turks and Caicos Islands)</p>

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RENEWABLE ENERGY AND ENERGY EFFICIENCY TECHNICAL ASSISTANCE			
<p>The GIZ-managed Renewable Energy and Energy Efficiency Technical Assistance (REETA) Project has dedicated up to EUR3 million to support the financial sector, including CDB. Technical assistance provided will address the political, organisational and technical challenges of the growing energy efficiency and renewable energy market.</p>	<ul style="list-style-type: none"> • Donor-funded technical assistance or support are in the areas of: <ul style="list-style-type: none"> ◦ Caribbean Sustainable Energy Roadmap and Strategy implementation; ◦ capacity building; ◦ model projects; ◦ the financial sector; and ◦ short-term expert pool for consultancy support 	<ul style="list-style-type: none"> • Regional Workshop for Minimum Energy Performance Standards and Energy Efficiency Building Code • Training Workshop on Cooling and the Economic Rationale for Energy Efficiency • Fifth Caribbean Sustainable Energy Forum: “Future Energy 2027” 	<p>All Caribbean Community (CARICOM) Member States and the Dominican Republic</p>
SUSTAINABLE ENERGY FOR THE EASTERN CARIBBEAN			
<p>The Sustainable Energy for the Eastern Caribbean (SEEC) Programme is a multi-partner loan and grant facility with a total budget of up to EUR21 million. It is co-financed by CDB, EU-CIF and DFID. SEEC provides innovative financing to the public sector for investments in renewable energy and energy efficiency, as well as technical assistance for institutional strengthening, capacity building and project support, including energy audits.</p>	<p>Scope includes:</p> <ul style="list-style-type: none"> • institutional strengthening and capacity building of local and regional actors. • technical assistance for supporting renewable energy and energy efficiency projects. • investment and financial mechanisms for renewable energy and energy efficiency pilot projects. 	<ul style="list-style-type: none"> • Street Light Retrofitting Projects - Antigua and Barbuda, Saint Lucia 	<p>Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines</p>

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SUSTAINABLE ENERGY FACILITY			
<p>The Sustainable Energy Facility (SEF) for the Eastern Caribbean is a financing package of: Inter-American Development Bank (IDB) loan, Global Environment Facility Trust Fund (GEF) and the Clean Technology Fund (CTF) contingently recoverable grant or loan resources, provided through the IDB to CDB (as executing agency). It funds technical assistance and investments in renewable energy and energy efficiency.</p> <p>Total: USD22.06 million CTF: USD19.05 million GEF: USD3.01 million</p>	<p>SEF has three components:</p> <ol style="list-style-type: none"> 1. energy efficiency investments 2. regulatory frameworks, Institutional strengthening and capacity building 3. renewable energy - intermittent and base-load <p>Most of the resources under SEF are for supporting geothermal energy development, mobilized under CDB's GeoSmart initiative.</p>	<ul style="list-style-type: none"> • Photovoltaic Project – Antigua and Barbuda 	<p>CTF: Governments of, public utilities of, and special purpose vehicles legally established in, Dominica, Grenada, St. Kitts and Nevis, Saint Lucia and St. Vincent and the Grenadines.</p> <p>GEF: Governments of Antigua and Barbuda, Grenada and St. Vincent and the Grenadines.</p>