

## **GCF Executive Director's Remarks for High-Level Opening Session**

### GCF Caribbean Regional Dialogue 2021

<b>Theme:</b>	Regional Spotlight: Prioritizing climate Finance for vulnerable SIDS during a global pandemic
<b>Venue:</b>	Virtual
<b>Date &amp; Time:</b>	1 March 2021, 23:00-00:30 KST
<b>Speaking Order:</b>	First
<b>Host Agency:</b>	GCF-DCP

### **Salutations**

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Her Excellency, The Right Honorable Mia Amor Mottley, Prime Minister of Barbados.

His Excellency, the Honorable John Briceño, Prime Minister of Belize.

Her Excellency Ambassador Diann Black-Layne, of Antigua and Barbuda and current Chair of AOSIS.

Dr. Colin Young, Executive Director of the Caribbean Community Climate Change Center (CCCCC).

Dr. Didacus Jules, Director General of the Organisation of Eastern Caribbean States Commission.

I would like to deeply thank you for taking the time from your extremely busy schedules to open this 5 day Regional Dialogue between Caribbean countries and the Green Climate Fund on fostering green, climate resilient development in the region.

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I would also like to acknowledge and thank our audience:

GCF National Designated Authorities and representatives from the Caribbean Community.

GCF Accredited Entities and Readiness Delivery Partners.

Representatives of International, Regional and National Organisations operating and serving the Caribbean Community.

Representatives of the Private Sector, Civil Society Organisations and Academia.

Excellencies and Heads of Regional Organisations,

We are not yet on track to reach the goals of the Paris Agreement and avoid the devastating impacts of climate change. The hurricane season this past year has reminded us yet again that the Caribbean is at the forefront of the fight against climate change.

And at the same time, we must now grapple with a second crisis: the Covid-19 pandemic. COVID-19 is causing an economic collapse, eroding decades of socio-economic gains. For developing countries, including in the Caribbean, Covid-19 is increasing levels of debt and reducing access to affordable long-term finance – which is critical for investing in climate action.

But this is also an opportunity. A chance to ensure that our recovery can create the paradigm shift towards low emission, climate-resilient development. I commend the Caribbean region's vision for economic revitalization in the CARICOM Economic Recovery and Transformation Plan (CERT)

The GCF takes a four-pronged approach to support countries' green recovery efforts and we stand ready to accelerate these actions in the region in 2021.

**First, we promote integrated strategies, planning and policy making** to

maximize the co-benefits between mitigation, adaptation and sustainable development and Covid-19 recovery efforts.

Through our Readiness Programme, we have approved USD 73.5M for the Caribbean region. This grant funding is essential to support country-driven climate planning, to enable countries translate their Nationally Determined Contributions into an investment pipeline for climate action, and to support the development of National Adaptation Plans.

- For example, St. Vincent and the Grenadines has requested support from the GCF to develop a national strategy for fostering a resilient recovery and a concept note to bring to the GCF for investment.
- Through our Readiness Programme, we are providing USD 1.2 million to nine countries in the Caribbean (The Bahamas, Belize, Dominica, Haiti, St. Kitts and Nevis, St. Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago) to take an inter-sectoral approach to identify promising practices and technologies to enhance resilience in the agricultural sector.
- Last December, the GCF approved over USD 1 million to seven CARICOM states, with Guyana leading these efforts to enhance the resilience of health systems and build a pipeline of project on health and climate change.

Second, we **catalyze financial innovation** to increase countries' access to finance without increasing their debt burden

- For example, we are supporting Antigua and Barbuda to establish financial and institutional mechanisms to facilitate debt for climate swaps. This includes supporting negotiations with creditors, establishing legal frameworks and developing operational procedures. This will be the region's first multi-year readiness proposal of over \$2 million. Discussions have also started with other Caribbean countries (such as Surinam).
- We are also supporting Jamaica to establish the first regional exchange for green bonds and exploring options to support the issuance of green asset backed securities.

Third, we **accelerate the development of transformative blended finance mechanisms** that scale up climate action in the era of Covid-19.

To date, the GCF has allocated USD 237M for 9 climate projects serving 11 countries in the Caribbean to take urgent mitigation and adaptation action and strengthen their resilience to climate change.

- At our last Board meeting we approved a GCF co-financing for a USD 750 million programme – the Global Sub-national Climate Equity Funds. This will finance adaptation and mitigation sub-national middle scale infrastructure projects in 42 countries, including SIDS in the Caribbean - Bahamas, Dominica, Dominican Republic, Haiti and Jamaica.
- GCF has also committed USD 8 million to leverage USD 20 million in Belize to help increase the resilience of smallholder farmers through increased access to climate information services, sustainable production methods and access to markets.

Finally, we **mainstream climate risks and opportunities into investment decision making to align finance with sustainable development**

We do this by developing methodologies, standards and practices that foster new norms and values that in turn change perceptions of the risk/reward profile of climate investments.

- For example, in partnership with the Government of Jamaica and the Coalition for Climate Resilient Investment, we are developing new valuation methodologies that balance off the higher upfront costs of climate resilient infrastructure and higher perceived technology risks with their lower operating costs and lower climate physical and transition risks. Such methodologies will help create a new class of assets in infrastructure, and new financing instruments such as resilience bonds.

Excellencies, the GCF and the Caribbean have laid a strong foundation together and the GCF is committed to scaling up this support.

- **For example,** we are exploring with our partners a blue economy programme for the Caribbean that is likely to be USD 350-400 million in total size - covering resilient infrastructure, disaster risk financing and nature based solutions. We expect this programme to be ready for submission to the first GCF Board in 2022.

As a country-driven fund, we are also committed to scaling up our support through direct access entities.

- To date, we are providing \$96 million through 3 DAEs in the Caribbean.
- For example, GCF is providing \$27.6 million to the Caribbean Community Climate Change Centre to strengthen the resilience of the water sector in Barbados to climate change. In partnership with the Department of Environment of Antigua and Barbuda, GCF has also committed USD 20 million to 3 SIDS, including Dominica and Grenada, to strengthen community resilience through ecosystem services and climate resilient infrastructure.

As we move to the panel discussion, let us explore some of the tough questions together, with the aim of improving the region's access to climate finance from the GCF.

I thank you.

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