The Green Climate Fund Regional Dialogue with the Caribbean

Saint Kitts and Nevis | 17-20 March 2025

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Introduction

The Green Climate Fund (GCF's) Regional Dialogue with the Caribbean was held from 17-20 March 2025 in Saint Kitts and Nevis under the theme: 'Towards a resilient Caribbean: Advancing regional solutions for climate action, sustainable growth and inclusive development'.

It brought together over 200 stakeholders, comprising governments, National Designated Authorities (NDAs), Accredited Entities (AEs), and other partners from the Caribbean region to discuss climate plans and how to access GCF financing.

Opening remarks

The Hon. Terrance Drew, Prime Minister of Saint Kitts and Nevis, welcomed participants to the four-day Regional Dialogue. With the Caribbean islands facing escalating challenges from rising sea levels, more intense hurricanes and increased drought, he expressed a sincere hope that the Dialogue would be used to resolve barriers that were impeding action on the ground; the region was small enough to be the best model of sustainability for the world.

He highlighted the vast potential for renewable energy generation for domestic use as well as for export and underlined that addressing climate change was fully compatible with enhancing economic growth. The Hon. Drew noted that GCF's support for geothermal energy had the potential to be one of the most important investments in the region and stressed the importance of regional collaboration in tackling climate change. Finally, he encouraged GCF to continue to improve the efficiency of its processes to enable actions on the ground to be expedited.

Mafalda Duarte, the GCF Executive Director, expressed sincere thanks to the government for making the Dialogue possible. While she recognized that GCF had probably been a challenging partner to work with, which she was working to address, at the same time, GCF had been one of the region's strongest partners: GCF had more than USD 700 million invested in the Caribbean and with a pipeline nearing USD 1 billion. The Fund was also the largest grant provider for technical assistance and capacity-building through Readiness.

A key priority was to maximize the efficiency of outputs, and she wished to see GCF with a USD 50 billion portfolio by 2050. This required ambition and efficiency, but efficiency was not just an issue for GCF, it was also an issue for the entire climate financing system which was not fit-for-purpose. Given current geopolitics, it was necessary to think strategically about sources of financing and she underlined the importance of private sector involvement.

Session summaries

Day 1

The focus of the first day was on high-level discussions and private sector engagement.

1.1 Fire-side chat: bridging the gap in climate finance for Caribbean resilience and prosperity through innovation

Participants were the Hon. Terrance Drew, Prime Minister of Saint Kitts and Nevis, the Hon. Mia Mottley, Prime Minister of Barbados, Mafalda Duarte, the GCF Executive Director and moderator, Daniel Best, President of the Caribbean Development Bank (CDB).

Mafalda Duarte recalled the new finance goal agreed at COP 29 where developed countries committed to delivering at least USD 300 billion annually for developing countries by 2035 while all actors would work towards delivering USD 1.3 trillion in international climate finance in the same period. It was recognized that the current system to mobilize public finance was not sustainable and subject to political risk. In the Caribbean and elsewhere, the portfolio was much larger than the resources available. She noted that some countries had been better able to access the limited resources than others. The gap needed to be bridged by addressing the barriers in innovative ways. Issues surrounding the GCF funding proposal process were also discussed.

During the exchanges there was widespread agreement that a critical factor was political will to close the financing gap. In terms of broader global financial architecture, Prime Minister Mottley noted that the Bridgetown Initiative had given developing countries a voice in scaling capital flows and reshaping the financial system. Some progress had been made, including support from multilateral development banks (MDBs) for debt swaps. She emphasized that all the entities in the region needed to boost their capacities and proposed that USD 1.5 million be made available for this purpose. Regional debt swaps and levies that would cut across sectors were also noted.

Several speakers underlined the importance of regional cooperation in relation to key sectors such as energy, agriculture, and health. It was stressed that the entire region must aim to become a net exporter of energy given that oil imports negatively impacted macroeconomic stability. This could include green ammonia, green hydrogen and liquified natural gas (LNG). The transformative potential for geothermal energy was noted. It was vital for the region to unlock its ability to finance these developments, and the innovative financing model of the CDB was referenced. In this regard, the CARICOM Development Fund (CDF) and the Blue Green Bank (BGB) were important. There was a capacity to move quickly but the region needed to move together. Support for regional trade was also discussed and the skills the region would need for the new industries and jobs.

Prime Minister Drew noted that the work being undertaken in relation to strengthening climate resilience of health systems through the Pan American Health Organization (PAHO), supported by GCF, was a good example of succession planning under a strategy which continued from one administration to another. The Prime Minister also underlined that climate action was economic action.

1.2 Special presentation: Caribbean regional initiatives on debt for climate, transport, energy, and unlocking liquidity for infrastructure investments

The Hon. Mia Mottley, Prime Minister of Barbados, and Mafalda Duarte, the GCF Executive Director, attended the session with Euan Low, Climate Impact Area Lead specializing in Energy and Industry, joining remotely from the GCF Headquarters. The Caribbean Regional Manager, Marie-Hélène Vanderpool, moderated.

Drawing on GCF's experience with the Pacific, Mafalda Duarte, underlined the transformative benefits from regional efforts where resources were pooled. While the initial focus had been on investments in transport infrastructure to help facilitate regional trade, GCF was now working with the Pacific beyond shipping to the entire ecosystem to help drive that trade. This was an example of what could be achieved at a regional level for SIDS working together to improve resilience and could be replicated in the Caribbean. Finally, she looked forward to the establishment of a GCF regional presence.

An overview was presented of the Pacific initiative to decarbonize shipping (the Pacific Blue Shipping Partnership) in line with the International Maritime Organization (IMO) target of net zero by 2050. This would demonstrate global climate leadership and create a virtuous economic cycle by enabling local businesses. The initiative required catalytic, upfront financing from organizations like GCF to overcome the funding gap.

While noting that the Caribbean was different in some respects from the Pacific, Prime Minister Mottley, said that maritime connectivity in the region had been an issue since independence. This gap needed to be filled by attracting private sector players who had traditionally not been attracted to shipping decarbonisation because of the high risks involved. Most of the shipping was controlled externally and a global levy was being considered. She believed that the region could use this, not just for green shipping, but also for green infrastructure (e.g. port facilities), and they needed to show the private sector that there was a credible market for investment, noting that Trinidad and Tobago was an example of this: there was a large untapped market in this region.

The Prime Minister emphasized that regional cooperation was not limited to maritime transportation, with energy being another example; the regional debt swap showed what could be done with everyone pulling together. The most recent debt for climate swap was particularly interesting, as savings had been aggregated upfront, and those savings had been used to finance a water treatment plant on the coast. In a highly indebted region, this was a plan which did not add further debt. She shared information about the Resilience and Regeneration Fund, with contributions from both individuals and employers where public contributions were possible without negative impacts on public finances; anything up to 1.5 per cent of the national budget could be provided without a significant negative impact on finances. GCF could play an important role in helping to attract the private sector, including mobilizing low return domestic capital that was not being mobilized due to high risk aversion.

1.3 High-Level Ministerial: the importance of policy coherence and whole-of-government approaches to climate investment

The session was attended by the Hon. Joyelle Clarke and the Hon. Konris G. Maynard from Saint Kitts and Nevis and the Hon. Michael Joseph from Antigua and Barbuda.

Ministers echoed the session's theme on the importance of policy coherence and whole-of-government approaches to climate investment. While recognizing differences between Antigua and Barbuda and Saint Kitts and Nevis, with the latter having two administrations, it was agreed that, to avoid policy siloes, it was necessary to develop policies across the islands: political realities had to be recognized and included in policies. Whole-of-government approaches were essential to prioritize financing decisions, otherwise they would not be effective. This led to coherent decisions on resources and was an effective pathway to success as sectors were inextricably linked. As such, if the government focused on one sector, such as energy, that led to solutions for other sectors such a water. As with the previous session, the importance of strong political will was highlighted if policies were to be successfully implemented. Given that political will was transient, there was a need for a framework which went beyond individual politicians. Establishing inter-ministry mechanisms, which involved all key players, could greatly assist coordination during policy implementation. Finally and importantly, it was noted that public buy-in to the sustainability agenda was helped when all ministries were talking about it.

1.4 Private sector: unlocking private capital flows in the Caribbean

Opening remarks were delivered by Henry Anderson, the Managing Director of the Development Finance Corporation (DFC) in Belize in the absence of Daniel Best, President of the CDB, which was followed by a roundtable.

Noting the existential threats posed by climate change, Mr. Anderson stressed that all available resources needed to be used. Due to structural weaknesses that existed in the economies of SIDS, the private sector needed to be involved: the business of development was too important to leave to governments. It was about creating an enabling environment though policy frameworks so that the sector could participate in investments which created climate impacts. There also needed to be synergies between regional and local policies.

Climate Investment Specialist, Ivette Velasquez Crespo, encouraged participants to explore the private sector facility (PSF) window, noting that they could access GCF funding through AEs and DAEs. She invited participants to take the opportunity during the Dialogue to discuss this further.

A representative from Republic Bank (Grenada) provided a summary of steps they were taking towards GCF accreditation. They described the factors that the bank assessed when considering climate projects. As well as considering the financial feasibility of projects, social and environmental risks and stakeholder engagement, a very important factor was the institutional capacity of the entity. They were separately seeking to encourage more customers to participate in their renewable energy package to secure solar loans.

The Managing Director of the Outrigger Impact Fund outlined their work in the blue economy through an island-dedicated fund which sought to make investments in blue economy activities and broader sustainability initiatives. They aimed to provide blended finance for blue economy deals and had a grant facility being supported by GEF. He noted that there was a willingness from specialized investors to make these type of investments, provided there was a return on investment to make the projects sustainable over the long-term. The Fund had an approved concept note with GCF and was working with the European Investment Bank (EIB) and two other development finance institutions (DFIs). The Fund was focusing on conservation, ecosystem service payments and investments in ecotourism as well as a broad range of fisheries (e.g. aquaculture, wild stocks). They also looked at infrastructure through grey and green solutions and were trying to find island-wide systems and subsequently region-wide systems. Outrigger Impact was a partnership fund, so it sought to co-invest with other sponsors and stakeholders.

1.5 Public sector roundtable: the catalytic role of public sector development banks in channelling climate finance in SIDS

Panellists were from the Saint Lucia Development Bank (SLDB), Bahamas Development Bank (BDB), Development Bank of Jamaica (DBJ) and the CARICOM Development Fund (CDF).

Following an introduction by Senior Infrastructure Specialist, Dev Bissoon, on the accreditation status of each bank, the representatives provided information on work in their country and in the region, in catalyzing climate action and in channelling climate finance.

Several key points were highlighted by the panellists. These included the vulnerability of the region to climate shocks causing loss of life, displacement of people, destruction of infrastructure and seriously impacting GDP. This underlined the critical importance of building resilience focusing on key sectors such as tourism, manufacturing, trade and fisheries; the strategic importance of an accreditation upgrade by the GCF Board (up to USD 200 million) which allowed one of the banks to have a much wider impact across the region; the importance of having a strategic plan and climate finance strategy which sought to leverage climate financing for the region; the key role of partnerships with multilateral funding partners, other climate funds, local businesses, civil society, commercial banks and credit unions; the role of technical assistance in help institutions, businesses and SMEs to understand climate change; the importance of external assistance for small banks and the value of capacity-building support, including through GCF Readiness; the value of ensuring the availability of financial instruments appropriate for each intervention; and the priority for concessionary resources and grant resources, especially for adaptation in the region.

As an entity accredited by GCF in 2023, the CARICOM Development Fund panellist explained how they were coordinating with national development banks to increase lending to SMEs for climate financing. It was not only engaging with these banks but also others in the private sector, such as energy service providers and commercial banks. They forecast a more active market for climate action in the development space and national development banks had an opportunity to be leaders in the market. It was essential to find innovative ways to attract funding into this space and turn idle capital into real investment. They referenced the Caribbean Community Resilience Fund which was attracting investment partners-in which they hoped that GCF would invest- while developing a project pipeline. National development banks could serve as intermediaries to provide finance from this Fund to SMEs in their countries. Given the global geopolitical environment, non-traditional climate financing options needed to be developed.

Among other topics, the Q&A touched on the role of non-profits in GCF processes and GCF's approach to investing in indigenous communities.

1.6 Regional state of play

The session provided participants with an update on GCF's engagement with the region and new developments, including the GCF's new regional structure, country platforms, sector priorities and mobilizing the private sector.

Dev Bissoon provided an update on the new regional structure within the GCF Secretariat, noting that this would be fully deployed within the next 18 months. In addition to a dedicated focal point at GCF for each country and entity, liaison officers were being recruited for each country. Being closer to regions would help GCF respond more effectively. This structure would also help support the goal of getting from submission of concept notes to funding proposals in nine months.

The Head of Accreditation and Entity Relations, Nonhlanhla Zindela, explained the difference between a country platform and a country programme. The country platform was a strategic approach that sought to transform the countries' objectives into strategic investments. It aimed to involve all players (such as private sector and NGOs) to discuss investments and enable resources. A country programme was a collection of specific projects, usually involving a single partner.

In terms of sector priorities, Climate Impact Specialist, Krishna Krishnamurthy, highlighted that the data showed both the uniqueness of the Caribbean subregion and the countries within it but also the commonalities, citing energy, which was about both mitigation, through emissions reductions, as well as resilience. He noted that in terms of adaptation, infrastructure and food systems were both of great importance. There were also opportunities to integrate across sectors (e.g. agriculture and water security).

On mobilizing the private sector, Ivette Velasquez Crespo, explained the organization of the private sector at GCF which promoted private sector investment through concessional loans and equity guarantees. She noted the need for greater engagement between the public and private sector in the region.

Day 2

The focus of the second day was on GCF operational modalities-facilitating access to climate finance.

2.1 The revised Readiness Strategy as a strategic tool for building climate investment pipelines

The Regional Manager for Latin America, Cayetano Casado, provided an overview of access modalities (Country Programmes, DAE Support Window and GCF Expert Placement Scheme) under the Revised Readiness Strategy. He mentioned the move from a DP-centred approach to a country-centred approach. The total envelope for Readiness was now up to USD 7.32 million per country over a 4-year period. This included USD 320,000 for the Placement Expert for LDCs or SIDS over 4 years. The USD 7.32 million also included up to USD 3 million for NAP implementation. Programming for a 4-year period could be one programme of activities or two programmes. One had to be at least USD 1 million with the second being for the balance of the USD 4 million country allocation. An overview of the templates and guides that formed the Toolbox on Readiness access was also provided as well as the GCF Placement Scheme.

The Q&A focused on the Revised Readiness Strategy, notably clarifying access modalities and templates. In terms of the latter, it was highlighted that GCF had templates for all the steps in the process, including a direct access proposal. The budget template was also now available while the results framework template should be available by the end of the month.

2.2 Lessons learned to shape future readiness success

Portfolio Management Officer, Candace Leung Woo-Gabriel, led a roundtable with NDA panellists from Saint Vincent and Grenadines, Belize, the Bahamas, and Jamaica. Ms. Gabriel highlighted that Readiness was the cornerstone of climate financing which aimed to help countries to be better prepared to access increasingly large-scale financing. Each NDA representative provided a brief introduction covering, among other points, the devastating impacts of climate change, the evolution of their climate policy infrastructures, lessons learned and their relationship with GCF. They all underlined the importance of GCF Readiness funding. This was followed by a Q&A session.

The NDA from Saint Vincent and Grenadines underlined the importance of strategic planning in relation to national priorities, stakeholder engagement at all levels and public awareness on climate issues. A strategic assessment had identified gaps in their NAPs including a tourism NAP and a coastal NAP.

The NDA from Belize highlighted that GCF Readiness had provided tremendous support to the country. They had been able to negotiate highly concessional loans with multi-lateral banks because of the capacity that had been built. They stressed the importance of working with all of a country's stakeholders, including academia and NGOs.

The Bahamas NDA shared several lessons. These included: a) the challenges of accessing financing under multi-country proposals and the need to have portfolios that were fit-for-purpose; b) the importance of data and tracking the effectiveness of projects; c) the importance of having good access to members of the government and key government committees; d) the need to ensure effective cross-agency working and climate tagging in agency budgets; and e) the requirement to educate the private sector in order to ensure the widest possible effort to combat climate change and to enable them to receive any available grants. Readiness was a key tool, but this required that countries took ownership. Finally, it was necessary to be realistic and not overreach.

Jamaica's NDA highlighted what had been achieved with GCF Readiness support, including strengthening the NDA and also redevelopment of the country programme. Other Readiness projects included mobilizing the private sector. The country now had two AEs and had developed a stakeholder engagement plan: embedded support and partnerships were essential.

During the Q&A, the value of stakeholder engagement, including Indigenous Peoples, at the design stage was further emphasized: governments could not solve all environmental problems; the importance of using country programmes strategically to engage multiple climate finance mechanisms; the value of using Readiness as a springboard to talk to other international finance partners in order to help fund a country's objectives; the need for effective communication between a country and GCF to help facilitate rapid no-objection letters for private sector entities; and the importance of using effective strategic planning to prioritize, given the many competing needs for Readiness funding which played such a critical role in climate action.

2.3 Accreditation Strategy

Nonhlanhla Zindela provided an overview of the revised accreditation framework which included process simplification, fast-tracking eligible entities and self-nomination of non-governmental entities. The changes under consideration to enhance the share of local private sector entities in the AE network were outlined. The timeline for processing from application receipt to submission for Board consideration was nine months, with an important qualifier that applications must be fully complete.

Subregional Team Consultant, Nlicia Lara, provided an update on DAEs in the region, noting that the small number of DAEs hampered financing. Challenges included lack of engagement with regional entities and limited engagement with civil society. It was noted that under-served sectors with the most vulnerable people and communities were the highest priority and that, ideally, all development banks in the region should be accredited. Recommendations included a communications campaign with stakeholders.

During the Q&A, GCF was commended for listening to its partners so that the changes being made to the accreditation process would make it more fit-for-purpose and could result in transformative change in the region. The difficulties of the current process were stressed by another participant who was supporting a private sector commercial bank to get accredited. A bilateral was proposed by Nonhlanhla Zindela who explained that there was an accreditation officer for the region. It was recommended that those starting the process of seeking accreditation request a virtual call.

Other matters discussed were the scope for credit unions to be accredited; the meaning of "capacity" for accreditation; whether development banks that received financing from multilateral finance institutions could be treated as ministries; and how an export development agency proceeding through GCF accreditation could offer support to NDAs for project implementation. Ms. Zindela thanked participants and confirmed that GCF was seeking to address both operational and practical aspects once they received Board approval.

2.4 The road from accreditation to programming-success stories

During this session, five panellists (Development Bank of Jamaica (DBJ), Caribbean Development Bank (CDB), Caribbean Climate Change Community Centre (CCCCC), Grenada Development Bank (GDB) and the CARICOM Development Fund) shared their experiences of working with GCF and suggestions for accreditation reform, that were particularly relevant to the specific circumstances of SIDS. They each addressed a different question. These covered experience in the choice of accreditation options (project size, environmental and social safeguards (ESS) risk category, financial instrument); lessons from implementing small size projects; benefits of using GCF's project preparation facility (PPF); and benefits of working with an executing entity (EE) to help build capacity prior to accreditation.

The panellists highlighted the various opportunities that accreditation to GCF provided, despite the challenges of the current accreditation framework. These opportunities included the development of new policies and internal processes to improve their operations. Accreditation was a means to an end, not the end itself. While accreditation had been challenging for many of the partners, there were various resources available and creative ways to fulfil requirements. In addition, accreditation could unlock new opportunities for resourcing.

2.5 SIDS-aligned approaches to climate investments in key sectors

The session explored how SIDS-aligned approaches to climate investments focused on tailoring climate finance to the unique needs of SIDS.

The Accredited Entity Manager from the Cook Islands' DAE (MFEM) provided an overview of their climate journey. A key strength of their approach was its collectiveness, with project idea development involving representatives from all the 15 islands. The umbrella for all work on climate change was its country programme which served as the roadmap. They had benefited from several Readiness proposals to build capacity and strengthen project management. Various integration mechanisms were also described. Their approach helped to strengthen long-term climate resilience and meant that they could move beyond projects to systemic change.

NDAs from the Caribbean region gave presentations including the Bahamas, Saint Kitts and Nevis, Grenada, Saint Lucia, and Dominica.

Several points were highlighted. These included the need to use every available tool to improve resilience; having a climate finance policy/strategy; ensuring political access at the highest level (e.g. a specialist climate and environment unit in the office of the prime minister); the importance of stakeholder engagement (e.g. civil society organizations (CSOs), youth) and partnerships; building resilience into all projects; the value of the GCF Readiness Programme to help build resilience; identification of contributors who were a best fit; establishing national mechanisms so "all key players were at the table"; addressing sectoral capacity challenges and ensuring regulatory frameworks were effective; focusing on priority sectors including infrastructure, energy, water, transport, and housing; the enormous potential from geothermal energy; and derisking low carbon investments, among others.

Cayetano Casado provided participants with an overview of country platforms, highlighting their role in helping countries prioritize climate investments, structure bankable projects, and mobilize resources at scale. He emphasized that platforms could be tailored to each country's context. Key components of a platform included clearly defined national goals in priority sectors, a transparent governance structure, and a strong Secretariat with expertise in project structuring and deal-making. He noted that the GCF could offer Readiness support to help develop such platforms, including support for establishing coordination mechanisms, conducting technical studies, and covering operational costs, among other areas.

In the ensuing discussion, the smallness and closeness of the SIDS was highlighted as an advantage in enabling them to react quickly and take decisions. Other points mentioned were the challenges of having full representation on committees while ensuring they remained manageable, having access to the Cabinet and the issue of changing political priorities.

In relation to the platform approach, a representative from CCCCC said that while they had been looking at this in Brazil, most projects in the Caribbean were on adaptation. This was a public goods space, and it was important to ensure people were constantly reminded of this. The private sector in the Caribbean was very different from the private sector in Brazil or Mexico. With public goods projects, countries may not be able to find partners to fund these other than GCF. The Dominica NDA noted that the investment thesis for adaptation was different to mitigation. For adaptation, it would require an international partner who had experience in getting billions of dollars in investment.

Several further points were made by participants. These included: that the private sector could be motivated by seeing action on the ground; that while adaptation was less attractive to the private sector, it could be more attractive if resources were blended or pooled; engaging local communities was vital, even after grant funding ended; mechanisms needed to be found so that visitors to the Caribbean, who used substantial volumes of water compared to citizens, contributed to the costs of adaptation; it would be valuable to create a space where non-traditional options for funding could be discussed; and that some NDAs had experience of and would continue to coordinate regional projects.

The Caribbean Regional Manager, Marie-Hélène Vanderpool, explained that normally it was the AEs, in consultation with countries, which decided on proposing a single-country or multi-country project. It could be more economical to leverage a multi-country project as it avoided transaction costs, while at other times the need was so unique that a single-country project was best. Cayetano Casado clarified that Readiness could support multi-country projects and that the PPF could be used for activities such as feasibility studies.

Day 3

The third day focused on the process of accessing GCF funding from early-stage concept note development to a full funding proposal within the overall GCF project cycle.

3.1 Concept note development: climate narrative and the theory of change

Dev Bissoon provided an overview of concept notes (CNs) stressing that, except in cases of requests for project preparation grants, they were optional not mandatory: CNs provided an opportunity for project developers to receive early feedback. He noted GCF's commitment to speed up climate finance with reviews of CNs and funding proposals (FPs) to be completed within nine months of submission, including the new screening process and feedback to AEs and the new digital CN template. An overview was provided of the digital CN template and how to submit on the portal.

Guidance was provided by Krishna Krishnamurthy on preparing a climate change narrative (not a climate rationale) based on a 5-step process. This involved identification of the problem, the drivers, the gap, the barriers and removing the barriers.

Monitoring and Evaluation Specialist, Kyung Chul Lee, focused on the Theory of Change (ToC): the ToC and intervention logic enabled alignment with strategic planning. It also enabled complementarity and coherence of components and there was no perfect ToC. For GCF, outcomes included reducing vulnerability and reducing GHG emissions. He noted that non-climate drivers may not be suitable for GCF support and therefore should not be included in the project scope. He underlined that one project could not solve everything and therefore countries needed to look at the climate narrative and determine which problems, drivers, gaps, and barriers would fit into the project scope to be eligible for GCF financing. It was emphasized that when working on CNs and FPs, it was important to think about mapping outcomes to GCF Results Areas.

These concepts were illustrated by a practical exercise involving several breakout groups focusing on five critical sectors in the Caribbean, namely infrastructure, ecosystems, food security, climate risk early warning systems (CREWS), and energy security. Each group made presentations reflecting their rich discussions. They were able to develop a climate narrative and to then convert this into a ToC.

3.2 GCF Operational safeguard requirements and overview of new tools to support Accredited Entities (AEs)

Sustainability and Inclusion Manager, James Williams, provided an overview of steps which were being taken to offer greater assistance from a range of GCF specialists during the project design stage with the goal of ensuring funding proposals were at least 90 per cent ready for approval when submitted. This would avoid subsequent delays. The presentation covered the key GCF sustainability policy requirements along with various tools to assist AEs. These included ESS and the revised Environmental and Social Policy (ESP), the Information Disclosure Policy (IDP), the Gender Policy, and the Indigenous Peoples Policy (IPP). It was clarified that the UNFCCC LCIP (Local Communities and Indigenous Peoples) platform was used in the development of the GCF IPP. As such, local communities may also be classified as IPs under the Policy.

The key point was that a late identification of ESS, Gender and IP components resulted in inaccuracies, delays and bottlenecks in the approval process, plus poor quality and downstream risks i.e. challenges, operational impacts, and strategic impacts.

3.3 Funding proposals

The session was structured around two themes, the first focused on evolving from concept notes into funding proposals and the second, on project implementation and adaptive management.

Theme 1: Evolving from concept note to full funding proposal: development, appraisal, and approval

Dev Bissoon provided an introduction during which it was noted that the approval of the debt for climate swap in less than 12 months highlighted how quickly results could be achieved with strong cooperation.

NDA representatives welcomed the GCF focus on efficiencies and reducing timelines for project approval with some highlighting their own work to shorten project development times. Early engagement with GCF teams and their specialists was a good opportunity to improve development of proposals as was pre-identification of bankable projects. They noted that there was great complexity in developing the technical studies and environmental and social documents as well as other instruments required for FPs. It could also take time to bring sufficient co-financing for projects. The importance of Readiness was also highlighted in capacity-building.

Representatives underlined the challenges for the region of finding and accessing data, noting that in some cases, the requests for data were unrealistic given the lack of technical capacity in NDA offices. Having a technical expert budget in the proposal could help to address this challenge. Where it was necessary to request data from local levels, this delayed proposal development. Furthermore, requests for the same information from GCF's independent Technical Advisory Panel (iTAP), which the country had already addressed, undermined the GCF narrative about efficiencies. Krishna Krishnamurthy explained that the team could assist countries that were challenged with proposal development due to a lack of data. He noted that the GCF Board had requested that the GCF Secretariat and iTAP be more aligned in terms of data.

Other challenges included time-consuming stakeholder consultations, especially with multi-country proposals, as sometimes communities were in isolated rural areas as well as the shortage of experienced project developers with various areas of expertise. The importance of managing expectations and separating development from climate problems was stressed, as was bringing stakeholders together in the project preparation phase through various mechanisms such as technical working groups and steering committees.

Financial Management Specialist, Patricia Yossianty Sonata, explained the characteristics of a good budget and the details of both the economic and financial analysis assessed. Sources of information on loan pricing for the public sector were shared, while Ivette Velasquez Crespo explained the situation with the private sector.

Theme 2: Project implementation and adaptive management: lessons learned and guidance from project implementation

Portfolio Management Specialist, Folasade Ayonrinde, provided a summary of trends and key statistics for the Caribbean portfolio, highlighting the need to figure out how to move forward faster in the Region so more disbursements could be made: implementation challenges were mainly of a financial and operational nature. Regarding multi-country proposals, it was confirmed that the model presented earlier in the day regarding the development of a climate narrative for single country proposals could also be used.

Lessons learned were highlighted. These included the need for constant and proactive GCF-AE engagement and effective communication between AEs and NDAs. Given that projects and programmes had long implementation periods, changes were to be expected. As such, adaptive management was a key component of the project life cycle. The importance of talking to GCF as early as possible about any project changes, such as requests for extensions to closing and completion dates, was underlined. These would be handled under the Policy on Restructuring and Cancellation and the approval process depended on whether the change was major or minor. Budget restructuring may also be required. Patricia Yossianty Sonata described actionable ideas, including enhancing local capacity, diversifying funding sources and tailoring approaches for SIDS.

A representative from the Inter-American Development Bank (IDB) emphasized that advance negotiations of the funded activity agreements (FAA) had helped them to significantly shorten the time from project approval to disbursement. Reduction by GCF of the conditions for effectiveness of implementation had also reduced time. Finally, their internal structure had helped them to work effectively with GCF with their USD 2.2 billion portfolio and 10 projects.

In relation to a comment about overly burdensome workload imposed on AEs for annual performance reports (APRs), the Regional Director for Latin America and the Caribbean, Kristin Lang, confirmed that APRs would be reviewed to ensure that they met their objectives. CNs and FPs were also being reviewed in this light.

Finally, a shortage of good quality companies (aligned with GCF procurement policies) to use in developing proposals and in implementation was highlighted. Suggestions from NDA representatives to help address this, included courses for suppliers and adopting the approach used by the Adaptation Fund where workshops were run during which companies could bring their projects and work through them, including the financial aspects.

3.4 Bolstering interlinkages between climate technology and finance: synergies between the Technology Mechanism and the Financial Mechanism of the UNFCCC

Representatives from the Climate Technology Centre and Network (CTCN) provided an overview of their work with NDAs in accelerating the use of technology in climate change mitigation projects. This included support for National Systems of Innovation (NSI) by performing technical assistance on feasibility studies with 51 technical assistance (TA) projects supported and 22 new TAs under implementation and design. It was also the largest GCF delivery partner of Readiness 1.0 projects. Candace Leung Woo-Gabriel highlighted the engagement needed between the NDAs, including separate ministries, and the NDEs.

Several NDE and NDA representatives shared experiences, noting that they had strong coordination with each other. Recognizing that farmers had little availability to finance in Antigua and Barbuda, the NDE outlined a blended finance (e.g. concessional loans, grants) programme that would help farmers access climate smart technology. The aim was to improve farmers' access to water.

The NDE from Saint Kitts and Nevis confirmed that the CTCN supported their focus on national priorities, including water, energy, transport, and agriculture through TA. Highlighting that limited data continued to be a challenge, they underlined that every opportunity must be used to capture data, noting that GCF Readiness was limited. The NDA from Saint Kitts and Nevis stressed the need to move forward with the financing for the Technology Action Plan (TAP). They acknowledged that there had been a disjointed approach to technology with the government which had led to a piecemeal approach. There was an opportunity to streamline that process, including through the budget. The TAP was being incorporated into the trans-water project with the GCF.

The NDE from Saint Lucia explained that they had also benefitted from CTCN technical support in building the technological resilience of their education system. While they did not have a TA project, they hoped to have one soon that focused on water management and resilience via the inclusion of smart water systems. The NDA from Saint Lucia presented information on the TA that led to the CIF CLIME project (Sustainable Agribusiness for Laborie and Environs (SABLE)/Smart Clime Project) that involved the private sector. The NDA from Grenada explained how TA helped facilitate the incorporation of drone technology into smart agriculture. Renewable energy was a sector where they hoped to have TA as well as in the fisheries industry.

In conclusion, it was noted that technical assistance from the CTCN served as a backbone for obtaining the data for many GCF projects.

Day 4

The final day included scheduled bilaterals, a session on Locally Led Climate Action in the Caribbean, and the outcomes of the Dialogue. Following the closing plenary, a Trade and Business Forum roundtable focused on the private sector, trade, and the green transition in the region.

4.1 Locally Led Climate Action (LLCA)

Locally Led Climate Action Specialist, Ramona Calin, provided an overview of LLCA.

This included decision-making at the lowest appropriate level, empowering local actors to drive local climate action and building capacity for LLCA. Local actors include local government, civil society, industry, livelihood, and private groups (e.g. farmer cooperatives, savings, and loan groups). Ms. Calin spoke about involving these actors in project development, implementation, and monitoring, learning and evaluation (MLE). Investment and opportunities for support were available through Readiness and other GCF funding.

Readiness could be used for creating/strengthening national enabling environments and DAE capacity-building. Funding could be used for targeted projects and leveraging programmatic approaches.

The benefits of enhanced direct access (EDA) were highlighted by participants, with one NDA noting that their multi-country EDA project had directly impacted communities more than any other project with GCF. They observed that there had been robust consultations and reviews and, while politicians were involved, decisions were not solely theirs. There had been implementation challenges, including people wanting funding to do things beyond climate change as well as impacts from political cycles.

A former GCF Board member and SIDS' representative, Diann Black-Layne, spoke about reorganization of the no-objection letter. She emphasized the importance of the work done by CSOs and other local groups with limited funding, given that international funding tended to go to central government for large infrastructure projects. Furthermore, she cautioned about the need to understand local communities and to use their structures for locally led climate action, as large projects involving significant funding could be extremely disruptive for communities. Finally, she highlighted issues regarding monitoring and evaluation processes used in local communities. Ms. Black-Layne was commended for her work for the whole region, not just Antigua and Barbuda.

Cristina Coc from an Indigenous Peoples' organization in Belize called for greater participation of IPs in all fora and improved access to finance and technical support. Despite being at high risk, IPs remained on the outskirts of climate finance and structural changes were needed. Traditional ecological knowledge (TEK) was a powerful climate adaptation tool, but climate finance often failed to fund TEK solutions. A core adaptation strategy was land stewardship by IPs through activities such as reforestation and watershed management: IPs should be a driver of climate finance, not a small component of this. Through the LLCA framework, GCF had a unique opportunity to address Indigenous-led adaptation at scale.

4.2 Closing Plenary

The Hon. Joyelle Clarke emphasized that SIDS were on the frontline of the climate battle, contributing less than 1 per cent of global emissions while shouldering a disproportionate share of the devastation. She highlighted the importance of collaboration in enhancing climate resilience and stressed that the GCF partnership was critical in driving joint commitments and accelerating efforts to increase climate investment. The Dialogue served as a platform to unite the Caribbean through partnerships, addressing common climate challenges, particularly in the food, water, and energy sectors.

She acknowledged the strong commitment of the Prime Minister of Saint Kitts and Nevis and reaffirmed a collective dedication to climate action. Moving forward, continued communication and engagement in critical events would be essential. A key outcome of the Dialogue was the development of a sustainable regional roadmap focusing on energy, transport, and climate finance solutions. She closed with a call to action, emphasizing that commitment and partnership were key to achieving lasting impact.

Kristin Lang expressed gratitude to everyone for their support during the Dialogue. She encouraged the continued and strategic use of GCF resources to maximize impact and underscored the importance of collaboration in ensuring a unified voice in climate action. Echoing the message of the GCF Executive Director, Mafalda Duarte, Ms. Lang highlighted the need to maximize efficiencies to achieve the greatest impact. The overarching goal remained to work smarter and more effectively in tackling climate challenges.

Annex 1: Trade and Business Forum

Following the close of the Regional Dialogue, a Trade and Business Forum was held, coordinated by the Caribbean Export Development Agency (CE) titled: "The Private Sector, Trade and the Green Transition in the Caribbean."

Damie Sinanan, from the Caribbean Export Development Agency (CEDA), who moderated the session, discussed the state of trade in the Caribbean, noting low amounts of interregional trade. The private sector needed to employ the use of green energy sources, digitization and attract investors to facilitate the transition to the green economy. In this regard, Mr. Sinanan mentioned that CEDA hosted the Caribbean Investment Forum and that support from the Agency included Green Transition Grants. Peter Compton of the Republic Bank (Grenada) said that the private sector served as a catalyst by developing unique products and services. Eugene Williams from CDF highlighted opportunities to increase competitiveness by diversifying energy sources to include solar and wind power. However, in order to excel in new and emerging industries and entrepreneurship, the education system needed to be reorientated. Observing that the threat of climate change created a sense of urgency, Henry Anderson of the Belize Development Finance Corporation (DFC) emphasized that it was important to talk about creating wealth rather more than poverty alleviation.

Participants also shared views on MSMEs. Henry Anderson noted that the definition of MSME in Belize had been changed to the World Bank standard which allowed the DFC to lend to those ready to export. Milton Clarke from the Jamaica Social Investment Fund (JSIF) spoke about the Fund's initiatives to support MSMEs. To improve MSMEs' access to funds, he recommended capacity-building for MSMEs, so that they would have sufficient funds to further their renewable energy goals. Donneil Cain from the Caribbean Development Bank (CDB) spoke about the constraints of MSMEs made worse by climate change. It was necessary to think about how to make MSMEs competitive on a global scale.

GCF Climate Investment Specialist, Ivette Velasquez Crespo, emphasized that additionality was very important as well as understanding gaps and barriers. Emerging technology was also an area of interest. It was essential to derisk with minimum concessionality. Examples of projects considered during GCF's recent forty-first Board meeting that may work in the Caribbean were FP 231, FP 253, FP 254, FP 262 and FP 263.

Sanya Alleyne from the Chamber of Commerce of Saint Kitts and Nevis explained that they were now providing advice on how to move into the green space, while noting that barriers existed regarding the enabling environment e.g. the policy and regulatory framework. The traditional extractive fossil fuel companies were pivoting into the green space and into becoming renewable energy suppliers.

This was echoed by Donneil Cain who emphasized that the instruments for mitigating climate change would come through trade. In this regard, the primary and tertiary sectors were the major areas of trade. However, manufacturing (secondary sector) may not be as competitive due to high energy costs. At the same time, renewable energy had the potential to reduce energy costs. Emphasis must also be placed on how to shape narratives that would help to attract the private sector. He referenced an integrated utility project where households and MSMEs would be able to access renewable energy technology. He also stressed the need to acknowledge climate services and climate impact studies i.e. climate effects on supply chains. Some key takeaways were:

- The Caribbean needed to encourage and enable their MSMEs to access finance to take forward their green initiatives.
- Development banks should lead the charge regarding derisking investment to give more fiscal space to local home-grown financial institutions.
- Partnerships were key and Chambers of Commerce were great conduits for disseminating information.