

## **Launch of the Caribbean Climate-Smart Coalition - Communiqué Paris, France, 12 December 2017**

Recent hurricanes have left unprecedented devastation across the Caribbean and it is a traumatic time for all those who live in the region. Whole communities and towns have been decimated, and the global community needs to act quickly and give generously to relieve the suffering and help the community rebuild.

Alongside the on-going emergency response, Caribbean leaders have come together to announce their vision for the world's first climate-smart zone as part of an US\$8 billion climate investment plan for 3 million resilient households that will also harness an 8,000 megawatt energy opportunity – meeting close to 100% of energy needs.

Reaching beyond business-as-usual, public and private sector partners have committed to accelerating the transformational change to climate-smart development the Caribbean region requires to meet and expand its commitments under the Paris Agreement.

Despite the immense human suffering and economic damage caused by the recent hurricanes, the people of the Caribbean do not want to be just passive victims of climate change. Rather, they want to be active participants in designing and implementing solutions, and for their Caribbean region to serve as a beacon of hope for island nations and other small climate-vulnerable states all over the world.

Their collective, ambitious vision aims to reinvigorate the islands that have been impacted by the recent hurricanes, and help build a resilient, thriving future for the people of the Caribbean. A beacon destination for the world to see the great potential of “climate-smart” investment to transform a region through affordable clean energy, resilient design, low carbon infrastructure, creative financial tools, and effective, inclusive partnerships.

Success with a vision of this scale calls for a unique partnership between the Caribbean leaders and people; multilateral organisations such as the Caribbean Development Bank, the Inter-American Development Bank and

the World Bank; the local and international private sector; philanthropies and civil society; and bilateral partners.

The Caribbean Climate-Smart Coalition was launched by Caribbean leaders who have committed to a [founding Charter](#). An operational team will be in place by early 2018 to progress the Coalition's ambitious agenda. The Coalition is committed to helping drive a collective vision, founded on a clear road map and dynamic partnerships with civil society and public and private sector organisations.

Private Sector groups and Philanthropies will be key partners in the coalition to help the Caribbean Climate-Smart Zone come to life through technology, nature-based resilience design, unique financial tools, and innovative approaches to renewable energy. The Coalition will lay the groundwork for these partners to enter, focused on specific investment opportunities.

There are four initial critical priorities that Coalition partners are focused on:

- **Innovative Financing Tools and Platforms:** Creating innovative financing models such as a debt-for-resilience swap initiative in exchange for demonstrated progress on policy reforms and investments to strengthen resilience and promote a climate-smart growth pathway. Building platforms to help facilitate the large public and private investments required to catalyse climate-smart economic prosperity for all the peoples of the Caribbean, including emerging tools in risk financing.
- **Resilient Infrastructure:** Building infrastructure that is low carbon, aligned with natural resiliency, and which can better withstand future natural extremes.
- **Renewable Energy:** Scaling renewable energy as rapidly as possible to help free Caribbean countries from the high cost of imported fossil fuels and the high vulnerability of distribution systems, setting them up for a future fuelled by secure and distributed renewables.

- **Capacity Building:** Building regional and local capacity for climate-smart, resilient growth. Strengthen the capacity of Caribbean countries and key regional institutions to plan for long-term resilience and climate smart growth strategies.

**Commitments** to achieve these priorities are being made by affected countries, multilateral institutions, bilateral partners, and the private and philanthropic sectors.

- More than US\$1.3 billion in commitments have been made to assist in recovery and rebuilding efforts.
- A further US\$2.8 billion has already been committed towards the longer-term goals of “a more systemic approach to climate resilience” grounded in the vision of the Coalition. This can deliver meaningful progress towards the estimated US\$8 billion needed to implement the islands’ NDCs (nationally determined contributions). This includes:
  - The IDB Group envisions US\$1 billion of additional financing at both the national and regional levels to (i) advance the region’s policy framework for confronting climate and natural disaster risks; (ii) provide contingency resources to respond to disasters; and (iii) develop a public and private investment framework for investing in resilient infrastructure, especially related to sustainable and renewable energy, cleaner fuels, energy efficiency, electric mobility, smart and resilient grids, sustainable transport, water and sanitation, coastal management, including ecosystem-based solutions, and development of shelters with full access to water and electricity during and after disasters.
  - The Caribbean Development Bank is proposing to commit US\$800 million over five years, helping regional governments rebuild more resilient infrastructure. These funds will support climate-smart investments in transportation, education, water and sanitation, and agriculture and fisheries, and provide the

foundation for greater and more robust development impacts in the affected countries. The Bank has agreed to repurpose US\$50 million in available balances for Dominica, and is seeking Board approval in December 2017 for loans in excess of US\$100 million to finance rehabilitation and reconstruction in Anguilla, Antigua and Barbuda, and the British Virgin Islands. These investments build on CDB's earlier contributions of US\$1.2 million for emergency relief.

- The World Bank has committed US\$100 million to support Dominica's vision to build a climate-smart, resilient economy as it emerges from the damage caused by Hurricane Maria.
- The Nature Conservancy, working with Caribbean governments, multi- and bi-laterals, creditors, donors and investors, will endeavour to restructure US\$1 billion of sovereign debt, to create cash flow for investment in the Blue Economy, specifically for the completion of marine spatial plans, the restoration and improved management of marine and coastal resources, and ecosystem-based adaptation to climate change.
- Virgin Unite has committed US\$6 million, of which US\$2.5 million has been raised through its British Virgin Islands community support appeal fund. This commitment is to support reconstruction efforts in the BVI and deliver projects to support the local community, as well as innovations that can be a beacon for other Caribbean islands around resiliency and renewables.
- GCF is committed to helping the Caribbean Coalition to fast-track transformative investments in the next five years. As well as the projects that are already in the pipeline to the Caribbean in excess of US\$0.5 billion, the GCF will propose to deploy a similar amount which can help aggressively pursue private finance to catalyse billions more in private investments.

- The IDB Group and the World Bank have committed to support the Caribbean people as part of the Coalition for the next three years. A plan is being finalised with the Caribbean leaders to establish a team to accelerate the Coalition's plans, with an estimated budget of US\$6 - 10 million, which will catalyse billions of public and private funding for creating the world's first climate smart zone.
- Caribbean countries' NDC agreements – commitments to mitigating the effects of and adapting to climate change made under the Paris Agreement – demonstrate the importance that countries in the region give to climate change. The Caribbean countries wish, together, to work not only with Coalition partners to meet existing NDCs, but to lead the world in embracing even bolder and more urgent action as commitments are revised in 2018.
- The Coalition will mobilise the latest re/insurance related capabilities to transfer natural disaster risk and provide the enhanced financial security needed to enable greater flows of resilient investment. Using innovations such as the Caribbean Catastrophe Risk Insurance Facility (CCRIF) and coalitions such as the Insurance Development Forum and the recently-launched InsuResilience Global Partnership, industry and governments will provide climate risk modelling, disaster risk financing and public-private co-investment facilities to build a pathway for more resilient lives, livelihoods and economies in the Caribbean region.
- The Private Sector will support the Coalition by acting as investors in local and regional initiatives, but also amplifiers and convenors while introducing a new DNA into this international undertaking. Private sector engagement will range from philanthropic organisations through to commercial and blended models. Efforts will be made to attract significant engagement from both the local and international private sector by creating a powerful business case for climate-smart development in the Caribbean, and by extension, elsewhere. Over 30 public, private and civil society organisations have committed to support the Coalition.