Thoughts on the Caribbean Resilience Fund
Needs

- Economic Leadership
- Climate Resilience
- Economic Resilience
- Innovation for Long Term Growth & Resilience
- Comprehensive Financial Architecture
Growth & Competitiveness

• Diversification
• Renewables, Electric Mobility, Energy Efficiency
• Digitization
• Blue Economy
• AgriTech
• Education & Training
• Health, Wellness, Fitness, Sports
Climate Resilience

- Nature
- Housing
- Buildings (public & private)
- Water
- Agriculture
- Road Infrastructure
- Coastal Infrastructure
- Energy Infrastructure
- Communications Infrastructure

The EU Taxonomy Regulation establishes six environmental objectives

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems
Do we have a THEORY OF CHANGE?

(around the nexus of resilience & economic growth)
Be Selective and Articulate

A MISSION
For Example:

By increasing RE we can optimize balance of payments, reduce energy costs, increase competitiveness

Therefore focus on Energy

By 2030, Renewables will constitute [X]% of Energy Portfolio in the pilot countries
For Example:

By insuring public assets we can avoid losses to safeguard fiscal space

Therefore focus on Insurance

By 2030, [X] % of Public Buildings will be fully insured in the pilot countries
Being able to communicate momentum and success will attract more money.

Therefore start with a narrow focus
Facility & Investment Management Unit
Debt Conversion Unit
Investment Unit
Co-financing Unit
Specialist Unit

Consolidated Fund
ESG / Res Fund

National Accounts

GOVERNANCE

MANAGEMENT (CDF / CDB)

[Light Touch] Regional Governance Council for the Caribbean Sovereign Resilience Super Fund
ECLAC  CDB  CDF  CARICOM  OECS  Chamber Reps

Facility & Investment Management Unit
Debt Conversion Unit
Investment Unit
Co-financing Unit
Specialist Unit

- Debt conversion funds
- Green / blue bonds
- ESG Investment money
- Etc

“Low Hanging Fruit” Countries:-
- The right debt profile
- Ready to Accede
- Creditors are ready
- New Intermediaries are ready
- Can seed their national account

Prioritize “Sweet Spot” Portfolio of Climate Resilience Projects that confer Economic Resilience
Demonstrate Quick Wins and Early Successes.

Then grow and evolve
3 Windows within a Consolidated Fund

Different funders will have different criteria. Have buckets to service different needs.

Evolve after initial successes
[Light Touch] Regional Governance Council for the Caribbean Sovereign Resilience Facility

ECLAC  CDB  CDF  CARICOM  OECS  Chamber  Tourism  UWI  Manufacturing  Digital  Green  Blue

Country Representatives

Annual commentary on the Annual Reports + Physical meeting every 5 years to review and approve a 5-year plan

Facility & Investment Management Unit

Competitiveness Unit  Investor Relations Unit  Debt Conversion Unit  Bond & ESG Unit  Treasury Unit  Investment Unit  Incubation & Acceleration Unit  Co-financing Unit

Fiduciary Responsibility

Consolidated Fund

Incubator  Growth Fund  ESG / Res Fund
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Consolidated Fund

- Incubator
- Growth Fund
- ESG / Res Fund

Consider the potential benefits of aggregators to achieve scale

Annual commentary on the Annual Reports + Physical meeting every 5 years to review and approve a 5-year plan

Fiduciary Responsibility
[Light Touch] Regional Governance Council for the Caribbean Sovereign Resilience Super Fund

Facility & Investment Management Unit
- Competitiveness Unit
- Investor Relations Unit
- Debt Conversion Unit
- Bond & ESG Unit
- Treasury Unit
- Investment Unit
- Incubation & Acceleration Unit
- Co-financing Unit

Consolidated Fund
- Incubator
- Growth Fund
- ESG / Res Fund

National Accounts
- Tourism Revenue
- Debt Conversion
- Other Sources

- Allows for Greater Ownership
- Allows for “Skin in the game”
- Will help attract finance
- Get moving faster
Local Leverage (Target 1:3)

- Local Banks
- Multi-lateral, Bilateral etc.
- National Dev Bank Co-Funding

X island Sovereign Resilience Account
- Other Sources
- Debt Conversion
- Tourism Revenue
- CBI

CCrif
GCF, GEF Co-Funding
Other green Co-Finance

Investment Portfolios
A
- Incubation / Acceleration (Private)

B
- Growth / Economic Resilience (Public & Private)

C
- Climate Resilience

D

Multi-lateral, Bilateral etc., National Dev Bank Co-Funding, GCF, GEF Co-Funding, Other green Co-Finance, CCRIF, Local Leverage (Target 1:3), Local Banks.
Going Forward

Stage 1
• Sovereign Matrix: Credit ratings, NDCs, Competitive Opportunities, Gaps
• Common themes & Low hanging fruit
• Decide a Mission
• Thematic KPIs for the Fund (Resilience & Growth)
• White Paper & Deck; include evolution from simple start
• Embed in CARICOM Processes

Stage 2
• Develop within CDF or CDB (based on KPIs)
• Onboard “low hanging fruit” countries
• Proceed with Debt Conversion for Climate Resilience

Stage 3
• Better Harness Existing Instruments (IDA, IBRD, CDB etc etc)
• Consider: Green Bonds for Renewables & Energy Efficiency
• Consider: Blue Bonds for Coastal Resilience

Stage 4
• Prepare a Resilience, Growth & Competitiveness Report: include “out of the box” ideas
• Hold a Caribbean Economic & Investment Forum in partnership with existing processes (Consider partnership with WEF)
• Build a PROSPECTUS of Growth & Resilience Investment Opportunities
• Match-make using existing instruments
• Design Growth Fund to fill gaps (e.g. Private Sector equity)
Momentum is a Leader’s Best Friend

• Harness global trends (e.g. climate/green finance)
• Start with a narrow focus: make it a mission
• Get started!
• Generate Momentum
• Demonstrate and Communicate Success *Quickly*
• GROW
Thank You