

High-Level Working Group on
Climate Change in the Caribbean

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HIGH-LEVEL WORKING GROUP ON CLIMATE CHANGE IN THE CARIBBEAN

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INTRODUCTION

The costs of dealing with climate change are massive and daunting. The United Nations has called it “the trillion-dollar challenge,” noting that while it is the “existential threat” of our times, it is still not fully clear how the solutions to the problem are going to be financed.¹ This is particularly so in the case in the Caribbean, which is keenly aware of the risks posed by climate change and is working hard to raise levels of preparedness, resilience, and sustainability, but is wrestling with financing the bills associated with such efforts. Moreover, the economic challenges of recent years have not been kind to the region, attributed in part to a COVID-19-induced recession, a de-risking of advanced economy banks from the region, and a recent spike in fuel and food prices caused by the Russo-Ukraine War.

Some of the financing for climate change solutions will come from foreign governments through development banks and multilateral lending organizations, such as the Inter-American Development Bank (IDB), the World Bank, and Caribbean Development Bank (CDB). Some will come from government tax initiatives, especially in higher-income countries that have trouble qualifying for multilateral and development loans.^{2,3} Some will come from bilateral donors such as the European Union and China. Some will also come from the private sector. The latter is important in developing sustainability bonds, which include green and blue bonds as well as debt-for-nature swaps.⁴ These financial instruments can tap large amounts of capital and, at the very least, reduce high levels of public-sector debt. Large debt repayments drag development and compete for scarce fiscal resources that might be better used fighting climate change and reaching sustainable development goals (SDGs).

The green bond and its newer cousin, the blue bond, are of increasing importance to climate change finance. The Climate Bonds Initiative (CBI) defines green bonds as “...debt instruments used to finance projects, assets, and activities that support climate change adaption and mitigation. They can be issued by governments, municipalities, banks, and corporates.”⁵ As for

¹ United Nations, “The Trillion Dollar Climate Finance (and Opportunity),” Climate and Environment, UN News, June 27, 2021. <https://news.un.org/en/story/2021/06/1094762>.

² IDB, “Survey and Assessment of Environmental Taxes in the Caribbean,” 2014. <https://publications.iadb.org/publications/english/document/Survey-and-Assessment-of-Environmental-Taxes-in-the-Caribbean.pdf>

³ PricewaterhouseCoopers (PWC), “Trinidad and Tobago,” Corporate - Taxes on corporate income, April 11, 2022. <https://taxsummaries.pwc.com/trinidad-and-tobago/corporate/taxes-on-corporate-income>

⁴ While green financing has exploded over the past decade, there is a lack of a lack of uniformity in ESG terminology. The Journal of Environmental Investing Report 2020 notes that there are more than 20 different labels being used for sustainable debt instruments. See Appendix 1.

⁵ https://www.climatebonds.net/files/reports/cbi_lac_2020_04e.pdf.

blue bonds, the Asian Development Bank defines them as follows: “A blue bond is a relatively new form of a sustainability bond, which is a debt instrument that is issued to support investments in healthy oceans and blue economies.”⁶ Like green bonds, blue bonds can be issued by governments, banks, or corporations. That also counts for another financial instrument being used, Sustainability-Linked Bonds (SLBs), recently used by Chile, with a USD \$2 billion sovereign bond issuance.

A driving force behind the green and blue bond financing are Environment, Social, and Governance (ESG) guidelines. For many investors, these guidelines emphasize moving away from fossil fuel financing and instead promoting alternative energy, conservation of forests and oceans, land rehabilitation, and better governance practices to reduce corruption, which impacts environmental rules and regulations. They can also be used to enhance sustainability and resilience.

Finding innovative solutions to unlock financing to adapt to the effects of climate change is one of the most pressing matters for Caribbean countries. The Caribbean remains a critical ecological zone replete with coral reefs, fishing waters, forests, flora, and fauna. Without proper financing, all of this, as well as local human communities, will remain at risk as the effects of climate change become more pronounced. As such, this paper will primarily focus on climate adaptation costs. That said, there are ample opportunities to expand the Caribbean’s clean energy activities, so this paper will secondarily focus on the obstacles to financing mitigation efforts.

⁶ Asian Development Bank, “Sovereign Blue Bonds,” Quick Start Guide.
<https://www.adb.org/sites/default/files/publication/731026/adb-sovereign-blue-bonds-start-guide.pdf>.

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1. The Need for Financing in the Caribbean

Access to financing for climate change and climate change-related infrastructure projects faces significant challenges. The root causes are found in the structure of regional economies, which are generally open, closely linked to larger external economies (e.g., Europe and North America), and vulnerable to external shocks. While considerable efforts have been made over past decades to develop greater economic resilience and broaden productive bases, the region remains heavily dependent

on a few critical sectors, namely tourism and, for a handful of countries, extractive industries. A small group of countries and territories have opted for offshore finance.

Most Caribbean small states face many of the same economic challenges. These include long-standing low economic growth rates, lack of competitiveness in many sectors, structural imbalances, and limited qualified personnel for multiple tasks. This mix of factors often results in sizeable current account deficits and, in some cases, high, often unsustainable, debt levels. (See table below.)

**Table 1: Selected Heavily Indebted Caribbean Countries
General Government Gross Debt/GDP (%)**

Country	2019	2020	2021	2022
Antigua & Barbuda	81.3	101.3	105.2	99.1
Aruba	72.9	115.1	117.5	114.6
Barbados	124.8	156.8	138.3	126.6
Belize	96.3	133.1	108.3	99.5
The Bahamas	59.7	75.1	102.8	91.3
Dominica	94.7	108.7	107.8	103.1
Grenada	60.6	71.8	70.2	69.4
Jamaica	94.3	70.2	95.8	87.3
St. Lucia	61.4	92.1	95.6	91.4
St. Vincent & the Grenadines	75.1	85.0	101.0	94.0
Suriname	85.2	148.2	140.6	137.5
Trinidad and Tobago	46.5	59.3	70.4	72.5

Source: International Monetary Fund. Belize data from 2022 Article IV Report.

<https://www.imf.org/en/Publications/REO/WH/Issues/2021/10/21/Regional-Economic-Outlook-October-2021-Western-Hemisphere>.

Considering the pressure under which Caribbean governments operate, budgets usually operate under fiscal restraint. In turn, this has meant public spending in social

areas needed to tackle poverty and inequality is often stressed. Other socially sensitive issues pertinent to the region include urban-rural gaps in housing, uneven access to

services, and the need to upgrade educational systems, especially regarding science, technology, engineering, and mathematics (STEM).

A broad generalization is that when the global economy is doing well, the Caribbean does well. Conversely, when global economic conditions become more uncertain, Caribbean economies tend to experience greater volatility in performance, often with a negative trajectory. Vulnerability to external shocks has thus made Caribbean government finances fragile. That condition has been worsened by natural disasters, like earthquakes and

volcanoes, and extreme weather in the form of hurricanes and droughts.

Between 2020-2022, the Caribbean was hit hard by the COVID-19 pandemic, which had several knock-on effects. These included the near total shutdown of air and cruise travel, which amounted to a substantial blow to the tourist sector; stressed supply chains (e.g., agriculture, construction, hotels, and restaurants); a downturn in commodity prices; a reduction in the flow of remittances; risk aversion for external investors; financial turbulence that caused an outflow in investment flows from a number of countries; and restrictions in foreign exchange availability.⁷

Table 2: Selected Caribbean Countries - Real GDP Growth Rates (%)

	2016	2017	2018	2019	2020	2021E	2022F
Antigua & Barbuda	5.5	3.1	6.9	4.9	-20.2	1.0	7.0
Bahamas	0.1	1.6	2.8	0.7	-14.5	12.8	8.0
Barbados	2.5	0.5	-0.6	-0.1	-19.0	3.3	8.5
Belize	-0.03	1.8	2.9	2.0	-16.7	12.5	5.4
Cuba	0.5	1.8	2.2	-0.2	-10.9	NA	NA
Dominican Republic	6.6	4.7	7.0	5.1	-6.7		5.5
Guyana	3.8	3.7	4.4	5.4	43.5	20.4	48.7
St. Lucia	3.6	3.5	2.9	-0.1	-20.4	3.5	13.1
Suriname	-4.9	1.6	5.0	1.1	-15.9	0.7	1.5
Trinidad & Tobago		-5.6	0.1	-1.3	-7.9	-1.0	5.4

Source: International Monetary Fund. <https://www.imf.org/en/Publications/REO/WH/Issues/2021/10/21/Regional-Economic-Outlook-October-2021-Western-Hemisphere>.

⁷ Economic Commission for Latin America and the Caribbean, "Borrowing Is Not an Option for Caribbean Countries, Access to Concessional Funding and Debt Relief is Urgently Needed to Face the COVID-19 Crisis," April 29, 2020.

<https://www.cepal.org/en/pressreleases/borrowing-not-option-caribbean-countries-access-concessional-funding-and-debt-relief>.

The Russo-Ukraine War, which started in February 2022, added one more external shock, raising international food prices and energy costs. Despite progress in the Caribbean over the past two decades, the region's economic, social, and environmental challenges were exposed by the pandemic and Russo-Ukrainian War.⁸

The Caribbean's need to address many of these challenges fits into the United Nations-backed SDGs. For countries in the Caribbean, the benefits of SDGs would generate both employment and help find innovative ways to broaden economic bases. The challenge is how to finance some of the items listed under SDGs, including cleaner water, more creative workforces, and healthier populations. All of this plays back to infrastructure. Without the necessary infrastructure, it becomes more difficult to tackle climate change.

Infrastructure is a central element in tackling climate change challenges. Estimates vary on how much money is needed to finance the necessary infrastructure for the Caribbean. According to the IDB, Latin America and the Caribbean need to invest \$2,220.7 billion

in water and sanitation, energy, transportation, and telecommunications infrastructure in the years leading up to 2030.⁹ While not all of this can be counted as climate financing, much of it will be used to build greater resilience and sustainability. The IDB identifies a price tag of \$19.6 billion for the Caribbean, while they estimate the cost for Central American countries (defined as Haiti, Mexico, Panama, the Dominican Republic, and others) is \$612.8 billion.¹⁰ The IDB clearly notes that climate change cuts across all infrastructure sectors, affecting infrastructure design and construction and, thus, investment needs. CARICOM has several frameworks to address these funding gaps including the Caribbean Development Fund (CDF) and the Caribbean Centre for Renewable Energy and Energy Project Preparation Facility (CCREE PPF).¹¹ Yet, according to the CCREE PPF, a disconnect between planned sustainable energy projects and untapped capital persists.¹²

⁸ Inter-American Development Bank, <https://publications.iadb.org/publications/english/document/The-Infrastructure-Gap-in-Latin-America-and-the-Caribbean-Investment-Needed-Through-2030-to-Meet-the-Sustainable-Development-Goals.pdf>.

⁹ Ibid

¹⁰ The IDB estimate for the Caribbean does not include members of the Organisation of Eastern Caribbean States

(OECS) – Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines – which are not members of the IDB.

¹¹ CARICOM Development Fund, Programmes. <https://caricomdevelopmentfund.org/programmes/>

¹² Caribbean Centre for Renewable Energy and Energy, Project Preparation Facility. <https://www.ccreee.org/ppf/>

Table 3: Investment Needs through 2030 to meet the Infrastructure Component of the SDGs in Latin America and the Caribbean by Region (USD in billions)

Region	Countries	New Infrastructure Spending	Maintenance and Asset Replacement	Total	Annual Per capita (USD)
Central American countries, plus Haiti, Mexico, Panama, Dominican Republic	Belize, Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Mexico, Panama, and Dominican Republic	382.7	230.1	612.8	243
Caribbean Group Countries	Bahamas, Barbados, Guyana, Jamaica, Suriname, and Trinidad and Tobago	10.0	9.5	19.6	251
Andean Group Countries	Bolivia, Colombia, Ecuador, Peru and Venezuela	283.3	174.7	457.9	259
Southern Cone Countries	Argentina, Brazil, Chile, Paraguay, and Uruguay	634.6	495.9	1,130.4	322

Source: <https://publications.iadb.org/publications/english/document/The-Infrastructure-Gap-in-Latin-America-and-the-Caribbean-Investment-Needed-Through-2030-to-Meet-the-Sustainable-Development-Goals.pdf>.

Financing climate change projects in the Caribbean is a significant challenge. As one IDB report states, “The history of public debt in Caribbean countries is striking. Several countries in the region have been among the most indebted in the world (as measured in terms of public-debt-to-GDP

ratio) since gaining independence beginning in the 1960s...the frequency, depth, and

duration of such episodes for Caribbean countries makes it an outlier.”¹³

The World Bank’s “360° Resilience: A Guide to Prepare the Caribbean for a New Generation of Shocks” Report provides further clarity as to what some selected countries can expect to finance the necessary infrastructure for climate adaption before 2050.¹⁴ Table 4 presents data taken from the World Bank’s high-level assessment of coastal protection infrastructure investment needs. It shows that some countries like Dominica, Guyana, and Suriname could have significant up front and maintenance investment needs for coastal capital protection. The study assumes that the representative concentration pathway (RCP) 4.5 scenario for future emissions. The RCP 4.5 climate model is characterized by the Intergovernmental Panel on Climate Change (IPCC) as an “intermediate scenario for future emission reductions.”¹⁵ The difference in the upper- and lower-bound estimates reflects a change in the ratio of the three IPCC climate adaptation strategies (listed in ascending order of costs) of protection, accommodation, and retreat. The report defines each strategy as such, “protection: defend vulnerable areas by

building infrastructure. Accommodation: continue to occupy vulnerable areas but accept a greater degree of risk by changing land use and improving preparedness. (Planned) retreat: abandon structures in developed but exposed areas, resettling inhabitants and setting new developments back from the shore.”¹⁶

¹³ Henry Mooney, Inter-American Development Bank, “Why Have Caribbean Countries Been So Indebted, and What Can They Do to Improve Outcomes?” March 10, 2021. <https://blogs.iadb.org/caribbean-dev-trends/en/why-can-they-do-to-improve-outcomes/>.

¹⁴ “360° Resilience: A Guide to Prepare the Caribbean for a New Generation of Shocks,” The World Bank Group, 2021. 301-313. <https://documents1.worldbank.org/curated/en/455831635274611545/pdf/360-Resilience-A-Guide-to-Prepare-the-Caribbean-for-a-New-Generation-of-Shocks.pdf>.

¹⁵ “Climate Change: Synthesis Report 2014,” IPCC. https://ar5-syr.ipcc.ch/ipcc/resources/pdf/IPCC_SynthesisReport.pdf.

¹⁶ “360° Resilience: A Guide to Prepare the Caribbean for a New Generation of Shocks,” The World Bank Group, 2021. 301-313. <https://documents1.worldbank.org/curated/en/455831635274611545/pdf/360-Resilience-A-Guide-to-Prepare-the-Caribbean-for-a-New-Generation-of-Shocks.pdf>.

Table 4: Selected Caribbean Countries' Coastal Protection Capital and Maintenance Investment Needs (2020–2050) assuming RCP 4.5.

	Total Coastal Protection Investment Costs (USD in millions)		Total coastal protection maintenance costs (USD in millions)		Total cost per year (% of 2019 GDP)	
	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
Antigua and Barbuda	53	138	94	256	0.3	0.8
The Bahamas	1,828	1,711	2,275	4,779	1.0	1.6
Belize	194	508	244	660	0.8	2.1
Dominica	112	291	210	568	1.8	4.9
Dominican Republic	225	554	409	1,095	0.0	0.1
Guyana	5,095	10,869	2,431	5,178	4.8	10.3
Jamaica	128	280	256	561	0.1	0.2
St. Martin	59	153	103	282	0.4	1.0
St. Vincent and the Grenadines	18	47	33	90	0.2	0.6

Source: <https://documents1.worldbank.org/curated/en/455831635274611545/pdf/360-Resilience-A-Guide-to-Prepare-the-Caribbean-for-a-New-Generation-of-Shocks.pdf>. Page 306. For more on the assumptions of the RCP 4.5 climate model, see: <https://sos.noaa.gov/catalog/datasets/climate-model-temperature-change-rcp-45-2006-2100/>.

2. The Public Finance Option

Financing is often a challenge for Caribbean governments. In the past, financing was provided by commercial bank loans, development bank loans and grants, sovereign bonds issued in international capital markets, and assistance from aid agencies. Conditionality was and still is a factor in acquiring loans from multilateral development banks and government

development banks and agencies. After the 1980s, when a large number of countries in Latin America defaulted, commercial banks radically trimmed their exposure to the region and in bond markets were replaced by relatively anonymous and more dispersed holders in global bonds in the international clearing systems.¹⁷ The newer holders of what is referred to as emerging market bonds are a combination of global hedge funds, insurance companies, pension funds, mutual funds, and family wealth offices.

¹⁷ Ian Clark, Thomas MacWright, Brian Pfeiffer, Dimitris & Case, October 2021. Lyratzakis, and Amanda Parra Criste, “Sovereign Debt Restructuring in Latin America: A New Chapter,” White <https://www.whitecase.com/publications/insight/latin-america-focus/sovereign-debt>.

Government-to-government lending or lending through multilateral development banks is also complicated by lengthy programmatic processes and conditionality. The latter is evident in the lending of China's development banks in Latin America and the Caribbean. While much of the lending process is straightforward and without the burdensome Western conditions, China demands adherence to its "One China" policy (i.e., no diplomatic recognition of Taiwan, which Beijing regards as a runaway province). Western lenders, including the United States, also have their own conditions, usually concerning human rights or environmental considerations.

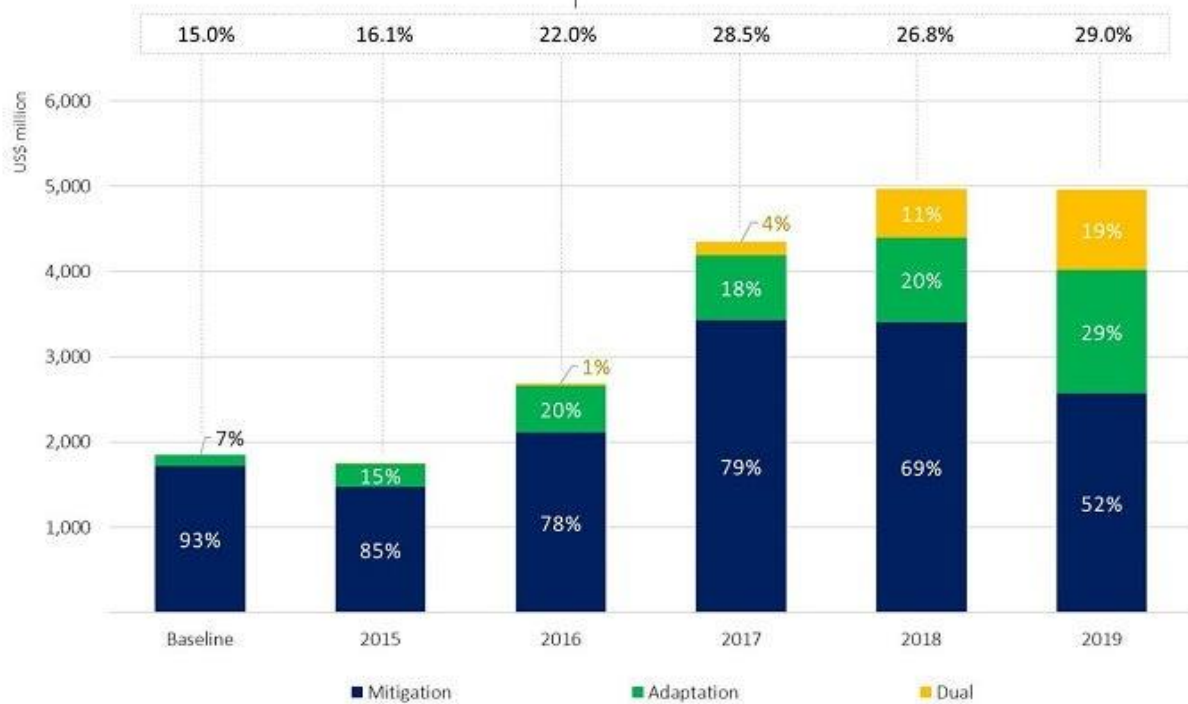
An example of U.S. conditionality was evinced by the Biden administration's vetoing of an IDB loan of just under \$100 million for Guyana Shore Base Incorporated (GYSBI).¹⁸ Although GYSBI proposal had gone through a two-year process that included an environmental assessment and

management plan, the Biden administration directed the IDB to no longer support the oil and gas industry. The GYSBI loan was meant to finance the company's port and shore-based facilities. Though the Biden administrations veto sets a climate-positive precedent, it will hurt a democratic partner's overall development capacity as the project had the potential to include other sectors through its construction of four additional berths, growth of the shore-based logistics support area, development of an infill project that would have allowed offloading of heavier cargo, construction of a waste management facility, installation of solar photovoltaic panels to meet GYSBI's energy needs, and up-gradation of additional warehouse capacity. If nothing else, the challenges of marching through the hurdles created by multilateral lending institutions and government-to-government loans reinforce the need for a greater private sector role in climate financing.

¹⁸ Lakman Bhagirat, "US Vetoed IDB Loan for GYSI Shore Base", *Stabroek News*, March 7, 2022.

<https://www.stabroeknews.com/2022/03/07/news/guyana/us-vetoed-idb-loan-for-gysbi-shore-base/>.

Figure 1: Evolution of Climate Change Finance at the IDB Group



Source: <https://www.iadb.org/en/news/iadb-group-sets-climate-related-financing-annual-floor-30-until-2023>.

That said, the IDB is doing much to address climate financing in the Caribbean. In 2020, the bank announced that it set the financing related to climate change to an annual floor of 30 percent for each lending window, encompassing the Inter-American Development Bank, IDB Invest, and IDB Lab.

One example of the IDB’s engagement in climate finance for the Caribbean was the approval of a \$50 million Global Credit Loan to the Caribbean Development Bank for a program to enhance the resilience of its eligible Organization of Eastern Caribbean

States (OECS) member countries to disasters and climate change.¹⁹ In particular, the program is expected to enhance disaster reliance of infrastructure and foster disaster-resilient growth for micro, small, and medium-sized enterprises.²⁰

Another challenge for Caribbean countries in financing has been that lending institutions classify them as either Middle-Income or High-Middle-Income countries through indicators (i.e., per capita income), which has precluded them from borrowing at the World Bank on concessional terms. The COVID-19 pandemic made this a more

¹⁹ “Caribbean Development Bank to Enhance the Climate Resilience of Caribbean with UDB Support,” Inter-American Development Bank, November 24, 2021. <https://www.iadb.org/en/news/caribbean-development-bank-enhance-climate-resilience-caribbean-idb-support>. The IDB loan has a 23.5-year repayment term, a seven-year grace period, and an interest rate based on LIBOR.

²⁰ Inter-American Development Bank, IDB Group Sets Climate-Related Financing at an Annual Floor of 30% until 2030. January 30, 2020. <https://www.iadb.org/en/news/iadb-group-sets-climate-related-financing-annual-floor-30-until-2023>.

pressing issue. In April 2020, Antigua and Barbuda's Prime Minister Gaston Browne stated that "the economic burden for our countries has been unsustainable because of high levels of debt. We don't have the capacity for printing money, and our policy instruments are very limited. What is required at this point is some level of support from international financial institutions, such as the IMF and World Bank."²¹ In response to the crisis, the World Bank created the Debt Service Suspension Initiative (DSSI) in May 2020 to help countries concentrate their resources on fighting the pandemic by suspending some of the debt due to the multilateral lender and the IMF. Among the 73 countries participating, the Caribbean was represented by Dominica, Grenada, Guyana, Haiti, St. Lucia, and St. Vincent and the Grenadines.²²

There is another angle to this discussion. In addressing the CDB's Caribbean Regional Risk Conference in April 2022, Bank President Gene Leon brought together the key threads challenging the region in terms of financing (including climate change projects), noting, "Another way to view this is that the implementation of appropriate risk mitigation policies improves risk profiles and by extension credit ratings; further the improved risk profile has a permanent effect on creditworthiness, which enhances access

to more affordable financing. This perspective provides a solution that implies a permanent impact on our ability to access more affordable finance, while reducing the reliance on temporary-impact, lower rate concessional funding."²³ To this point, he added, "Therefore, risk mitigation policies become a foundation for lower risk profiles and improved potential to achieving SDGs."

The public sector has played an important role in the development of climate change financing for the Caribbean, but demand is still higher than the supply of capital. Therefore, to further help the Caribbean reach climate change goals, other options need to be pursued.

3. Green and Blue Bonds

The green bond market has made considerable strides since the first deals were struck in 2007. The first deal was structured and issued with an AAA rating from multilateral lending institutions, the European Investment Bank (part of the European Union), and the World Bank. Initial progress was slow, with an important push coming from the International Finance Corporation (IFC) in 2013, when it launched a \$1 billion benchmark green bond, which helped transform the market.²⁴ In the same

²¹ <https://www.cepal.org/en/pressreleases/borrowing-not-option-caribbean-countries-access-concessional-funding-and-debt-relief>.

²² World Bank, "Debt Suspension Initiative," March 10, 2021. <https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative>.

²³ "CDC Urges Integrated Risk Management for Caribbean Countries to Improve Risk Profiles," Our Today. April 7, 2022. <https://our.today/cdb-urges-integrated-risk-management-for-caribbean-countries-to-improve-risk-profiles/>.

²⁴ The International Finance Corporation has been a pioneer in green bonds, launching its Green Bond Program in 2010 to help stimulate the market and unlock private sector projects that support renewable energy and energy efficiency. As of June 30th, 2021, the IFC issued \$10.55 billion across 178 bonds and in 20 currencies. https://www.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/about+ifc_new/investor+relations/ir-products/grnbond-overvw.

year, the first green corporate bond was issued by Swedish property company Vasakronan and the first green municipal bond issued by Massachusetts hit the markets. Other municipal bond issuers have since included Canada's Province of Ontario, South Africa's City of Johannesburg, and Argentina's Province of La Rioja.²⁵

Two other points are worth considering with green bonds. The first is that the market has grown considerably since green bonds were created. Much of the issuance has been linked to what are called "clean-energy" bonds as opposed to those issued to fossil fuel companies. The growing popularity of green bonds was evident in the first quarter of 2022, when banks underwrote more than \$100 billion of bonds and loans for clean-energy users, compared to \$95 billion in borrowing for oil-and-gas firms.²⁶

The second factor is "greenwashing."²⁷ Investors can be left wondering exactly how "green" their bond is as there is a lack of consistency in instrument labeling and post-issuance disclosure. This has left investors concerned that the sustainability claims made by issuers might be overstated or unreliable. Although these concerns are persistent, there is little evidence that greenwashing practices have become widespread in reality, according to Standard & Poor's.²⁸

As the green bond evolved, the type of bonds multiplied to include "Use of Proceeds" which are earmarked for green projects; Project Bonds, earmarked for or refinances for green projects; and Covered Bonds, earmarked for eligible projects included in the covered pool.²⁹ The benefits for issuers (mainly in the corporate sector) are that green bonds highlight their green assets/business; provide a socially positive

²⁵ <https://www.climatebonds.net/market/explaining-green-bonds>.

²⁶ Amrith Ramkumas, "Surge in Oil Challenges Banking's Green Shift," *The Wall Street Journal*, April 7, 2022: B1-B2. https://www.spglobal.com/assets/images/ratings/research/2709507_13218922.svg.

²⁷ S&P Global provides a lengthier explanation of greenwashing and its origins. "The term greenwashing was first coined by environmentalist Jay Westerveld in a 1986 essay in which he claimed a hotel was encouraging consumers to reuse towels to help protect the environment, when in reality the ask was a marketing ploy to help the hotel cut costs and improve its profits margins. The term gained prominence in the years following as consumer and media attention to environmental risks gained traction, leading to an influx of environmental marketing and product labelling campaigns to capitalize on the growing demand for 'green' products. Over time, the definition of greenwashing has morphed. While in Jay Westerveld's example, environmental benefits were still ultimately achieved despite the primary motivation being cost-cutting, concerns about greenwashing have become

broader in scope with companies perceived to be making exaggerated or misleading environmental claims, sometimes without offering significant environmental benefits in return."

https://www.spglobal.com/assets/images/ratings/research/2709507_13218922.svg.

²⁸ S&P Global Ratings, "To Mitigate Greenwashing Concerns, Transparency and Consistency Are Key." August 23, 2021.

<https://www.spglobal.com/ratings/en/research/articles/210823-the-fear-of-greenwashing-may-be-greater-than-the-reality-across-the-global-financial-markets-12074863>.

²⁹ A covered pool are debt securities issued by a bank or mortgage firm and collateralized against a pool of assets, which are meant to provide an additional layer of security for holders of covered bonds. According to Investopedia, covered bonds are a derivative financial instrument, the underlying loans remain on the books of the banks that issued them reducing the risk of losses to investors; and are more popular in Europe, though are used in the United States.

<https://www.investopedia.com/terms/c/coveredbond.asp>.

story when selling the bonds; and diversify their investor base. Considering the competitive basis of accessing international capital markets, green bonds have appealed

to a specific set of investors, albeit a rapidly growing sector.

Table 5: Types of Green Bonds

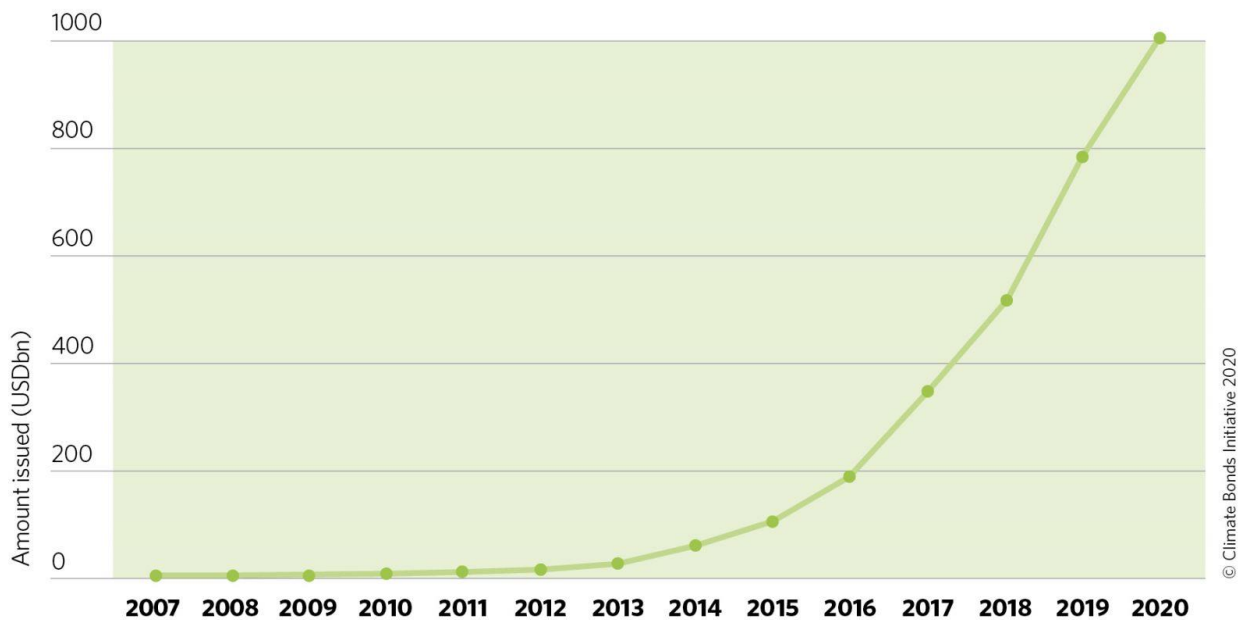
Type	Proceeds raised by bond sale are	Debt Recourse	Example
“Use of Proceeds” Bonds	Earmarked for green projects	Recourse to the issuer: same credit rating applies to issuer’s other bonds	EIB ‘Climate Awareness Bond’ (backed by EIB); Barclays Green Bond
“Use of Proceeds” Revenue Bond or ABS	Earmarked for or refines green projects	Revenue streams from the issuers.	Hawaii State (backed by fee on electricity bills of the state utilities)
Project Bond	Ring-fenced for the specific underlying green project(s)	Recourse is only to the project’s assets and balance sheet	Invenergy Wind Farm (backed by Invenergy Campo Palomas wind farm)
Securitization (ABS) Bond	Refinance portfolios of green projects or proceeds are earmarked for green projects	Recourse is to a group of projects that have been grouped together (e.g. solar leases or green mortgages)	Tesla Energy (backed by residential solar leases); Obvion (backed by green mortgages)
Covered Bond	Earmarked for eligible projects included in the covered pools	Recourse to the issuer and, if the issuer is unable to repay the bond, to the covered pool.	Berlin Hyp green Pfandbrief; Sparbank 1 Bolligkredit green covered bond
Loan	Earmarked for eligible projects or secured on eligible assets	Full resource to the borrower(s) in the case of unsecured loans. Recourse to the collateral, in the case of secured loans, but may also feature limited recourse to the borrower(s).	MEP Werke, Ivanhoe Cambridge and Natixis Assurances
Other debt instruments	Earmarked for eligible projects	NA	Convertible Bonds or Notes, Commercial Paper, Sukuk, Debentures

Source: <https://www.climatebonds.net/market/explaining-green-bonds>.

The IDB undertook the first blue bond issued in Latin America and the Caribbean in the form of an AUD \$50 million, 10-year fixed rate bond in November 2021. The proceeds of the bond issue will contribute to the UN Sustainable Development Goal 6, expanding clean water and sanitation to people in the region.³⁰

Green and blue bond issuance is expected to increase as investors and borrowers find the instrument more and more part of the investment landscape. As a result, Caribbean countries need to pursue this track more aggressively going forward.

Figure 3: Global Green Bonds
The \$1 trillion: cumulative progression Climate Bonds



Source: <https://www.climatebonds.net/market/explaining-green-bonds>.

4. Sustainability-Linked Bonds

Another financial instrument Caribbean countries should consider is sustainability-linked bonds (SLBs). SLBs are fixed-income instruments with financial and structural characteristics linked to

predefined sustainability/ESG targets. If the terms of the environmental and social goals are not reached, the issuer has to pay

³⁰ Inter-American Development Bank, IDB Invest Issues First Blue Bond in Latin America and the Caribbean, November 7, 2021. <https://www.idbinvest.org/en/news-media/idb-invest-issues-first-blue-bond-latin-america-and->

[caribbean#:~:text=Glasgow%20%E2%80%93%20IDB%20Invest%20announces%20the,financial%20solutions%20for%20climate%20action.](https://www.climatebonds.net/market/explaining-green-bonds)

up, which is usually done through a coupon step-up.

5. Debt-for-Nature Swaps

One of the areas gaining more serious consideration for heavily indebted countries is debt-for-nature swaps. Although debt-for-nature swaps have been around since the 1980s, they are a relatively new option for the Caribbean region. The first sovereign debt-for-nature deal was arranged in 1987 between environmental non-governmental organization (NGO), Conservation International, and Bolivia. The agreement cancelled \$650,000 of Bolivia's debt. In exchange, the Bolivian government agreed to set aside 3.7 million acres of land adjacent to the Amazon Basin for conservation purposes. The deal represents an example of a three-party swap, which involves a debtor, a creditor, and an environmental NGO acting as a broker.³¹

The first debt-for-nature swap in the Caribbean occurred in November 2021, when the government of Belize signed a deal with The Nature Conservancy (TNC), an environmental organization. The deal, which took considerable time and effort to bring together creditors, legal teams, the sovereign debtor, and a country risk insurance provider, reduced the nation's external debt by 10 percent of GDP, a sizeable chunk for a country troubled by past debt defaults.

Belize's external debt peaked at 91.7 percent of GDP in 2020; with the debt deal and other measures, the IMF estimated that external debt stood at 72.6 percent of GDP at year-end 2021. Although Belize's external debt is high and challenges remain, it is on what the IMF expects to be a downward trajectory.

The debt-for-nature deal also created a financial mechanism to help preserve the country's 125-meter (410-foot deep) Blue Hole, ranked as one of the world's best diving sites. Considering that tourism accounts for around 40 percent of Belize's economy, close to 40 percent of employment (directly and indirectly), and 60 percent of foreign exchange earnings, the logic in helping to maintain nature makes considerable sense.³²

Central to the agreement, a TNC subsidiary lent funds to Belize to buy back a \$553 million "superbond," which in effect was the Belizean government's entire stock of external commercial debt, equal to 30 percent of GDP. This was at a steeply discounted price of 55 cents per dollar of debt. This part of the transaction was financed by the government issuing \$364 million in blue bonds. The sale was arranged and underwritten by Credit Suisse, one of Switzerland's largest banks. Furthermore, the blue bond was backed by insurance from the U.S. government development bank, the International Development Finance Corporation (DFC), which allowed the debt

³¹ Tristan Bove, "What Are Debt-For-Nature Swaps & How Can They Address Countries' Climate and Debt Crises?" Earth.org, February 16, 2021. <https://earth.org/debt-for-nature-swaps/>

³² Marc Jones, "Analysis: Belize Offers Ocean 'Blue' Print with Debt-for-Reef swap," Reuters, November 5, 2021. <https://www.reuters.com/business/cop/belize-offers-ocean-blue-print-with-debt-for-reef-swap-2021-11-05/>.

issuance a low-interest rate, a 10-year grace period during which no principal is paid, and a long maturity of 19 years.³³

Under the blue bond deal, Belize's obligations are that it has to spend \$4 million a year on marine conservation until 2041. As part of this program, it will double its marine-protection parks, which span coral reefs, mangroves, and sea grasses. A \$23.5 million endowment fund will finance conservation after 2040. The deal dovetails with Belize's nationally determined contribution (NDC), which covers the country's plans for mitigation and adaption for 2021-2030. The NDC includes protecting and restoring natural habitats, expanding the use of renewable energy, using drought-tolerant crops, and enhancing infrastructure.³⁴

Debt-for-nature deals may not be for everyone. Indeed, countries that lack the natural resources Belize enjoys (rich forests and coastal areas) may not find international investors as open to the idea. Nonetheless, the deal was able to be finalized, and international investors were flexible enough to provide a "grant" in the form of a steep discount on the debt. (For some investors, the deal was an opportunity to exit from a

troubling debt situation.) For other investors, it allowed them to participate in a deal where they could translate their ESG guidance into action. However, the most significant factor for the purposes of this paper is that the deal provides hope for other heavily indebted countries struggling to finance climate change policies.

6. The Significance of ESG

The advancement of ESG as an investment philosophy is an important development for the advancement of green and blue bonds as well as debt-for-nature swaps. In the early twenty-first century, considerable inroads have been made in United States, Canada, and Europe in how investors perceive the need to play a more responsible role in bringing about a green transition. Indeed, the large investment firm, BlackRock, has been outspoken in its pursuit of ESG principles.³⁵

It is worth noting that while ESG is enjoying a run of popularity in financial circles, it is controversial. The University of Delaware's Dr. Kalim Shah observes, "The renaissance of ESG in the present context is undoubtedly being driven by the climate change discourse; but it must be noted that ESG is broader/deeper than climate change. Climate

³³ Analisa R. Bala, Adam Behsudi, and Nicholas Owen, "Meeting the Future, Three Countries—Belize, Colombia and Ghana—Highlight the Potential of technology and Innovation to Strengthen Public Finances," International Monetary Fund, March 2022. <https://www.imf.org/en/Publications/fandd/issues/2022/03/Country-cases-meeting-the-future-Belize-Colombia-Ghana>.

³⁴ IMF, Belize: Staff Concluding Statement of the 2022 Article IV Mission. February 24, 2022. <https://www.imf.org/en/News/Articles/2022/02/24/belize->

[staff-concluding-statement-of-the-2022-article-iv-mission](#).

³⁵ <https://www.blackrock.com/corporate/investor-relations/larry-fink-chairmans-letter>. This shift was reflected in the Chairman of BlackRock Larry Fink's March 24, 2022 letter to shareholders: "BlackRock remained committed to helping clients navigate the energy transition. This includes continuing to work hydrocarbon companies who play an essential role in the economy today and will in any successful transition."

change just acts as a force multiplier to many other concerns.” Those other concerns relate to social and governance issues, which can touch on sensitive issues of race, gender, form of government, human rights and transparency, and disclosure. For companies, ESG also raises the issue of profit maximization versus corporate citizenship.³⁶ Additionally, there are those who regard “...ESG investing as merely a gravy train for consultants, ESG fund managers, and investment marketers.”³⁷

Much of the ESG controversy ultimately ties back to the lack of a clear definition as to what counts as ESG investing. Without an accepted regulatory standard, financial observers and potential investors will continue to raise questions about the accountability and transparency of ESG. In 2020, the European Union launched its Taxonomy Regulation which established a list of environmentally sustainable economic activities to support the European Green Deal objectives. The core criteria for the regulation is the expectation that an associated activity must “contribute to at least one of six environmental objectives listed in the taxonomy and do no significant harm to any of the other objectives, while respecting basic human rights and labor standards.”³⁸ The regulation identifies climate change mitigation, climate change

adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems as its six environmental objectives. Though the EU’s taxonomy has helped address some transparency and accountability concerns, its global partners must follow suit with comparable regulatory frameworks to ensure ESG’s continued growth.

The embrace of BlackRock to ESG is significant. The investment firm has over \$100 billion in market capitalization and manages \$10 trillion in assets. BlackRock is hardly alone in its commitment to ESG guidelines. Vanguard and Charles Schwab, two trusted names in mutual funds, both adhere to ESG guidelines. InteractiveBrokers, an online broker, has a portal for its clients to conduct “impact investment,” which “helps you participate in driving the change you want to see in the world. Identify the values that matter the most to you, like racial equality or clean water, as well as the practices you find the most objectionable, like animal testing or greenhouse emissions.”³⁹

While these shifts may seem distant from the Caribbean and its climate change challenges, they are increasingly related as investor

³⁶ Ron Ivey, “Society Inc.: The Perils of Opportunities of ESG Investing,” *American Affairs*, Spring 2022: 3-17.

³⁷ Aswath Damodaran, “The ESG Movement: The Goodness Gravy Train Rolls On!” Stern Business School at New York University lecture, September 14, 2021.

³⁸ “EU taxonomy for sustainable activities,” The European Commission. <https://ec.europa.eu/info/business->

[economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en)

³⁹ “Impact,” by InteractiveBrokers. <https://impact.interactivebrokers.com/en/home.php>.

money needs to find a worthy asset, and Caribbean countries need financing for their green policies. Reflecting this development, there has been a move by several rating agencies (Fitch, Moody's, Standard & Poor's, and Smith's Research & Gradings) to assess ESG as part of the ratings process. Indeed, Standard & Poor's states: "We

incorporate ESG credit factors through the application of our sector-specific criteria when we think the ESG credit factors are, or may be, relevant and material to our credit ratings."⁴⁰ Caribbean countries are being included in this effort as demonstrated by the table below by The Economist Intelligence Unit (EIU).

Table 6: Selected Caribbean EIU ESG Risk Ratings
(ESG Risk Key: Very Low, Low, Moderate, High, Very High.)

Country	Overall Rating	Environmental	Social	Governance
Cuba	High	High	High	High
Dominican Republic	Moderate	High	Low	Low
Guyana	Moderate	High	Moderate	Moderate
Haiti	High	Very High	High	High
Jamaica	Moderate	High	Low	Low
Suriname	Moderate	High	Low	Low
Trinidad & Tobago	Low	High	Low	Low

Source: EIU's ESG Ratings. https://www.eiu.com/n/solutions/esg-rating-service/?utm_source=mkt-content&utm_medium=email&utm_campaign=esg-rating-service-launch-april-22&mkt_tok=NzUzLVJJUS00MzgAAAGDnf4BBUNIIikmWtI_sCdIYu-PsIkeWTZKqYC0iY7ENoFYEQDsoRE0_bkFlwRRBC6Mvj1vFTjJTcCmYYs-VrtkRcKWivc5Q6zS5ZeiHLfKyqQ#

The ESG element is not departing from the global investment scene any time soon. By 2025, ESG funds are predicted (at least by one source) to grow to \$53 trillion.⁴¹ This is a positive development for Caribbean countries. However, it does represent challenges in improving their creditworthiness and articulating their

commitment to battling climate change through policy action.

⁴⁰

<https://www.spglobal.com/ratings/en/research/articles/210823-the-fear-of-greenwashing-may-be-greater-than-the-reality-across-the-global-financial-markets-12074863>.

⁴¹ Adeline Diab and Gina Martin Adams, "ESG Assets May Hit \$53 Trillion by 2025, a Third of Global AUM," Bloomberg, 23, 2021. <https://www.bloomberg.com/professional/blog/esg-assets-may-hit-53-trillion-by-2025-a-third-of-global-aum/>.

7. RECOMMENDATIONS

Climate change finance is relatively well-established with public finance organizations, but it is a new and expanding area for the global private investment community. As such, it is driven by increased concerns over climate change and the need to assume greater responsibility among stakeholders to do something about it. Increased private-sector engagement is an important development for a region like the Caribbean that contends with tough climate change issues and is burdened by high debt levels and constrained fiscal resources. The following recommendations seek to provide a framework for Caribbean countries to approach climate change financing with greater success.

- Caribbean governments should consider advocating for more green and blue bonds to help deal with large debt burdens and monetize (where and when possible) natural resource riches. And the Caribbean has plenty of both—debt and natural resource riches. The quicker this process develops, the better. Caribbean governments should be proactive in holding programs calling for debt-for-nature agreements like the one between TNC and Belize.
- Caribbean governments need to level more pressure on multilateral lending institutions, particularly the World Bank and Inter-American Development Bank, to move away from basing concessional lending rates based on per capita income levels. The United States, Canada, and other non-regional stakeholders should lend their support to such an effort. Encouragingly, U.S. Vice-President Harris' U.S.-Caribbean Partnership to Address the Climate Crisis 2030 (PACC 2030) initiative pledges the U.S. Treasury's advocacy to unlock additional financing from multilateral lending institutions for infrastructure projects in underserved Caribbean countries.⁴² That said, sustained pressure is needed to live up to this item of the initiative's lofty goals. Financing fiscal deficits and paying off high debt levels should not diminish Caribbean governments' abilities to finance measures needed to deal with climate change. The Caribbean should consider developing a plan to reach out to some of the key players in executive and legislative branches around the world (i.e., the Nordic countries and Germany would be especially receptive) for additional support.
- The United States needs to follow through with a more coherent policy vis-à-vis the Caribbean that elevates climate change as a key concern. PACC 2030 provides a comprehensive framework to productively recast the relationship, but the success of the initiative is contingent on consistent funding and advocacy.⁴³ While the Trump

⁴² PACC 2030 is the Biden-Harris administration's initiative involving commitments to—and integration of—climate adaptation and resilience and clean energy programs across the Caribbean region. The initiative was launched in June 2022 and identifies strengthening energy security and promoting climate adaptation and resilience as its objectives. <https://www.whitehouse.gov/briefing->

[room/statements-releases/2022/06/09/fact-sheet-vice-president-harris-launches-the-u-s-caribbean-partnership-to-address-the-climate-crisis-2030-pacc-2030/](https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/09/fact-sheet-vice-president-harris-launches-the-u-s-caribbean-partnership-to-address-the-climate-crisis-2030-pacc-2030/)

⁴³ <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/09/fact-sheet-vice-president-harris-launches-the-u-s-caribbean-partnership-to-address-the-climate-crisis-2030-pacc-2030/>

administration was largely focused on national security issues, the Biden administration has an opportunity to revive the U.S.-Caribbean relationship. As reflected by severe floods in Guyana and Suriname in 2022, droughts in a number of island-states, and rising sea levels throughout the region, climate change makes a natural area where U.S. and Caribbean interests converge and where action is needed, especially in the area of financing. For a United States concerned with China gaining further influence in a region deemed critical to national security, Washington needs to understand what Beijing does—if you want to play, you need to pay. Money spent to fight climate change in the Caribbean goes a long distance to help reinforce democratic and capitalist countries, reduce violence, and ease social pressures.

- The Caribbean needs a plan to foster robust institutional ties between regional civil society organizations dedicated to the environment and climate and international organizations.
- Caribbean countries need to upgrade human capital to better play the climate change finance game. Caribbean governments facing the need for climate change financing must consider that human capital is needed to steer through what is often a complicated process. Without experts with the necessary skills, Caribbean countries will not be able to conduct reforms to improve the quality and coverage of current assets as well as manage future upgrades. The ability to tap the newly emerging financial system that is more geared to green finance will slip out of reach in what is a competitive game. In this regard, Caribbean countries should reach out to the G7, G20, and other interested parties, including civil society organizations, for assistance.
- Caribbean governments need to sharpen their knowledge of funding sources. There are many institutions dedicated to helping finance climate change projects. (See Appendix 2) Once identified, governments in their application process face eligibility standards. At the same time, some governments may lack the capacity to prepare proposals or fully understand the investment process including investment banks, institutional investors, and rating agencies.
- Caribbean governments need to develop a deeper understanding and awareness of ESG and how it plays into investor perceptions of the region. Paying attention to the Caribbean's natural resources is usually left to the tourist sector; a broad audience of investors from North America, Europe, Asia, and the Middle East are interested in helping preserve the Caribbean.
- Equally important is the need to help shape the dialogue about ESG with the rating agencies. The major rating agencies have increasingly taken a stronger stance on ESG and its role in their ratings, including sovereign, corporate, financial, and municipal debt issuers. Caribbean governments already have a dialogue with the rating agencies, but it can be deepened, which could help guide ratings and help lower the costs of raising money.
- Caribbean countries need to find a way to gain better lending terms from multilateral institutions, to overcome the high-middle income and middle income “hurdle” in terms of

public lending. Specifically, they must advocate for special consideration to account for the gap between GDP indicators and vulnerability to external shocks.

- When and where possible, Caribbean countries should press multilateral development banks and development finance institutions to increase funding for climate finance targets.
- For those Caribbean countries that have not done so, the creation of an environmental security investment plan, is well worth pursuing.⁴⁴ Along the same lines, Caribbean countries should develop Sovereign Wealth Funds (SWFs), which could re-direct a portion of all natural resource rents earned to a dedicated SWF. While this is likely to be easier for petro-producing countries, like Guyana, Suriname, and Trinidad and Tobago, other countries could consider using any better-than-expected windfall years in tourism or agriculture to develop a climate change-oriented SWF.

8. Appendix 1

List of sustainable bond variants

Bond Designation	Main Principles/Guidelines
Blue Bonds	World Bank Green Bond Implementation Guidelines
Catastrophe/Disaster Bonds	World Bank Capital-at-Risk Notes Program Guidelines
Climate Action Bonds	International Capital Markets Association (ICMA) Green Bond Principles (GBPs)
Climate Awareness Bonds	European Investment Bank Green Bond Framework
Climate Bonds	ICMA GBPs/Climate Bonds Standards
Climate Resilience Bond	CBI Climate Resilience Principles
ESG Bonds	ICMA GBPs/Climate Bonds Standard
Environmental Bonds	ICMA GBPs
Environmental Sustainability Bonds	ICMA GBPs
Forest Bonds	ICMA GBPs
Green Bonds	ICMA GBPs/Climate Bonds Standard/EU Green Bond Standards
Green Convertible Bonds	ICMA GBPs
Green Contingent Convertible Bonds	ICMA GBPs
Green Transition Bonds	ICMA GBPs
Pandemic Bonds	ICMA GBPs
SDG Bonds	ICMA GBPs/Climate Bonds Standard/EU GBS

⁴⁴ Keron Niles and Winston Moore, “Accounting for Environmental Assets as Sovereign Wealth Funds,” *Journal of Sustainable Finance & Investment*, 2021. <https://doi.org/10.1080/20430795.2019.1681618>.

Sustainability-Linked Bonds	ICMA Sustainably-Linked Bond Principles (SLBPs)
Social Bonds	ICMA SBPs
Social Inclusion Bonds	ICMA SBPs
Sustainability (Awareness) Bonds	ICMA GBPs
Sustainable Transition Bonds	ICMA GBPs/ICMA SBPs
Sustainable Development Bonds	ICMA GBPs/ICMA SBPs
Transition/Transformation Bonds	ICMA SBPs
Source: Journal of Environmental Investing 2020 and S&P Global Ratings	https://www.spglobal.com/ratings/en/research/articles/210823-the-fear-of-greenwashing-may-be-greater-than-the-reality-across-the-global-financial-markets-12074863 .

Source: Journal of Environmental Investing 2020 and S&P Global Ratings.

<https://www.spglobal.com/ratings/en/research/articles/210823-the-fear-of-greenwashing-may-be-greater-than-the-reality-across-the-global-financial-markets-12074863>.

9. Appendix 2

Organizations Involved in Climate Change Financing

Organization	Funds
United Nations Framework Convention (UNFCCC)	UN Adaptation Fund Least Developed Country Fund Special Climate Change Fund Green Climate Fund
World Bank	Global Partnership for Social Accountability Small Grant Program of Global Environmental Facility Climate Investment Funds
European Union	Global Climate Change Alliance+ (GCCA)
Germany	Federal Ministry for Economic Cooperation and Development (DMZ) Deutsche Gesellschaft Zusammenarbeit (GIZ) Kreditanstalt für Wiederaufbau (KfW) International Climate Initiative (IKI)
Japan	Japan International Cooperation Agency (JICA)
Nordic Countries	Danish International Development Agency

	Nordic Climate Facility Norwegian Agency for Development Cooperation (Norad) Swedish International Development Agency (Sida)
Switzerland	Swiss Agency for Development and Cooperation (SDC)
United Arab Emirates (UAE)	Abu Dhabi Fund for Development – Supporting Energy Transition
United Kingdom	Department for International Cooperation International Climate Fund
United States	United States Agency for International Development (USAID) International Development Finance Corporation
Non-Governmental Climate Finance Organizations	
Bloomberg Philanthropies	Oak Foundation
ClimateWorks Foundation	Packard Foundation
Ford Foundation	Rockefeller Foundation
Hewlett Foundation	Also
MacArthur Foundation	Amazon Fund
Oak Foundation	

Source: <https://reliefweb.int/sites/reliefweb.int/files/resources/ENGLISH-quick-guide-climate-finance.pdf>.