

Financing Resilience: Facilities, Access and Uptake

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Weak economic growth

The Caribbean (15 countries): Average GDP growth, 2012-2017

(Percentage)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

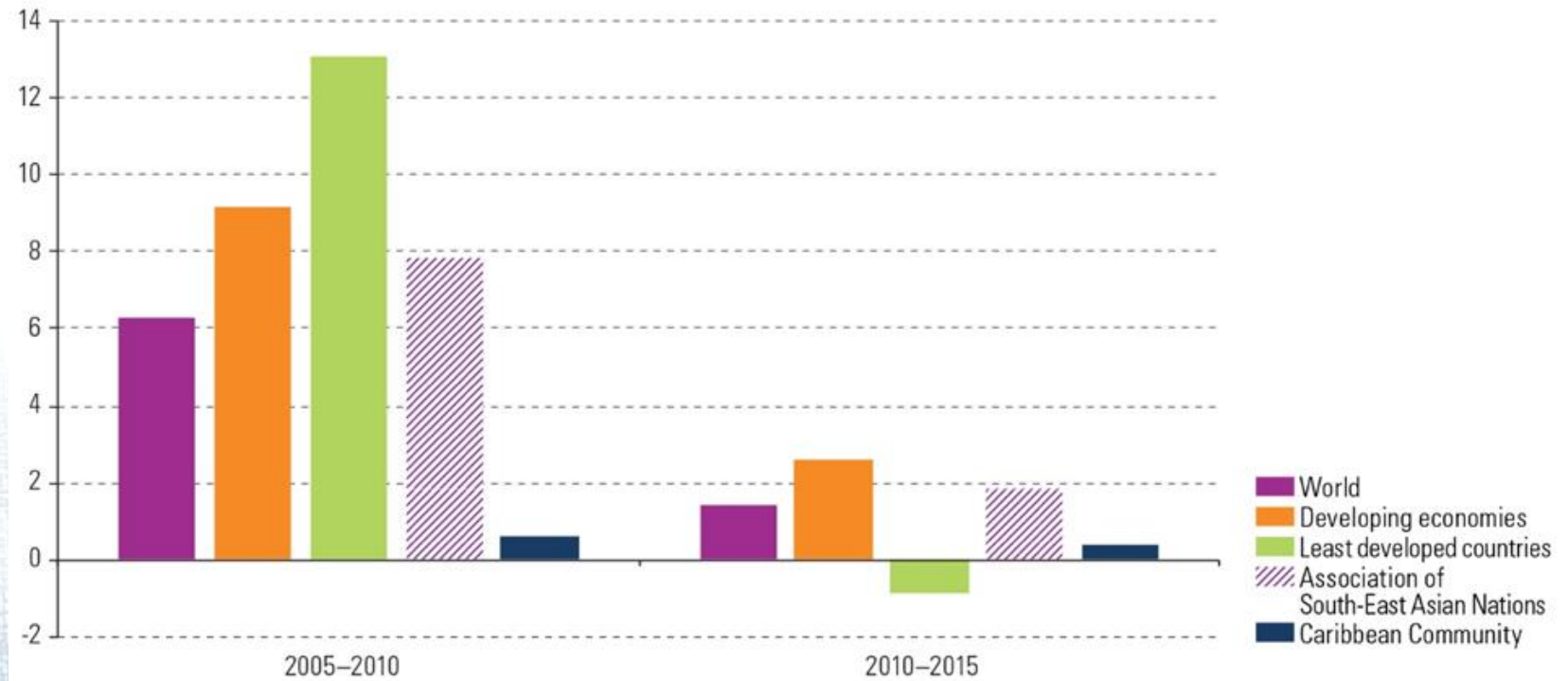
aAnguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago.

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Declining exports

**The World and selected groupings: merchandise exports,
2005-2015**

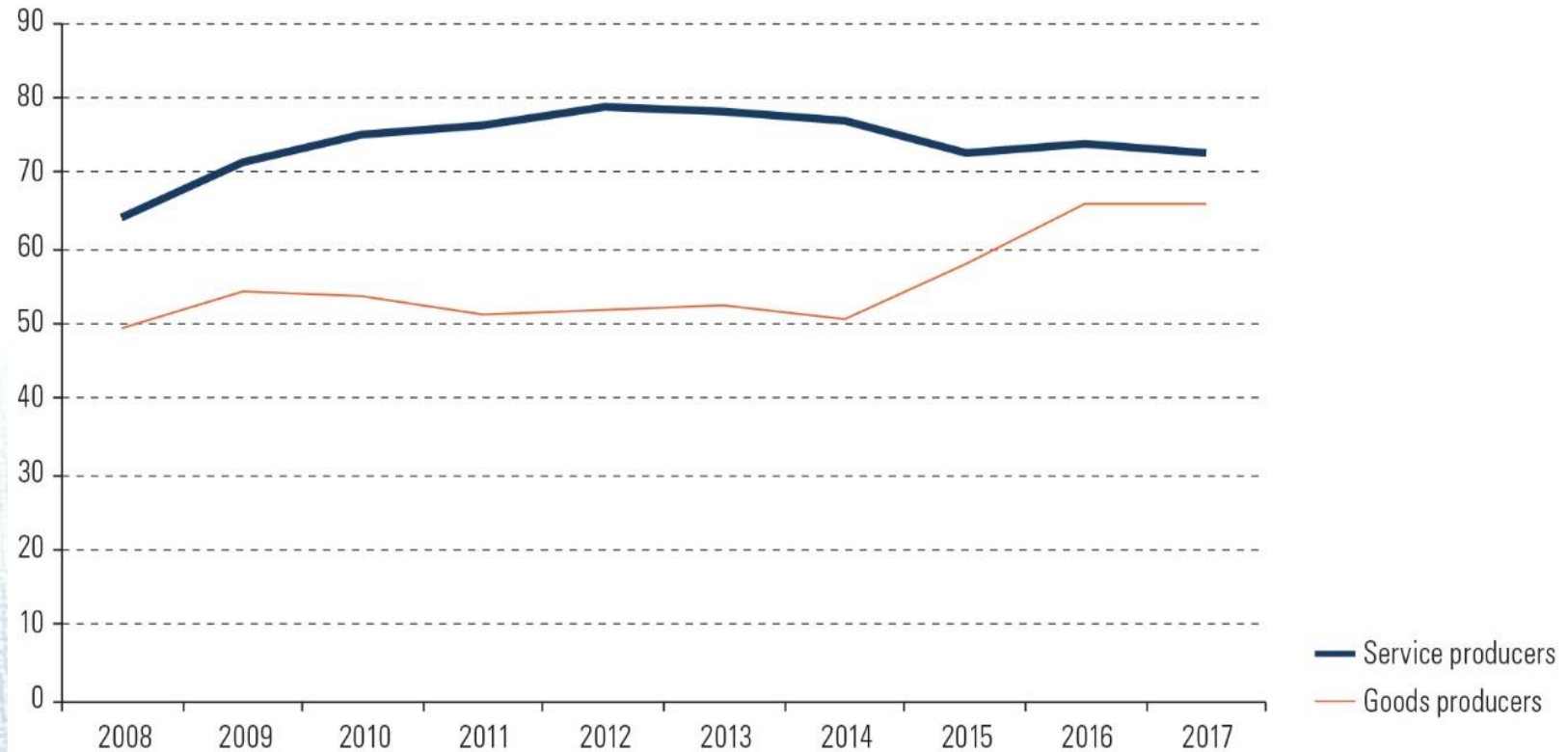
(Average annual growth rates)



Source: United Nations Conference on Trade and Development (UNCTAD), UNCTADstat [online database] unctadstat.unctad.org.

High debt burden

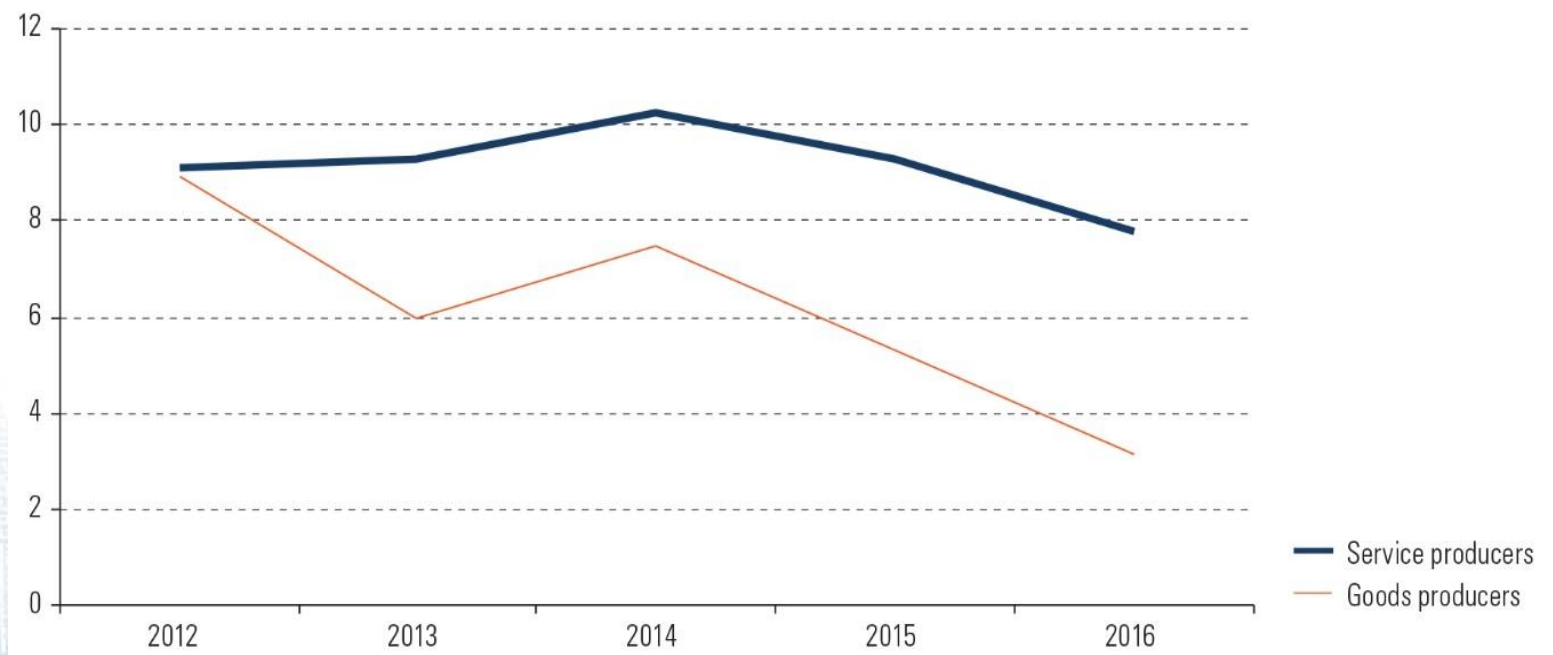
The Caribbean (15 countries): Average total public debt for goods and service producers



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago.

Falling foreign direct investments

The Caribbean (15 countries): Foreign direct investment inflows (Percentage of GDP)

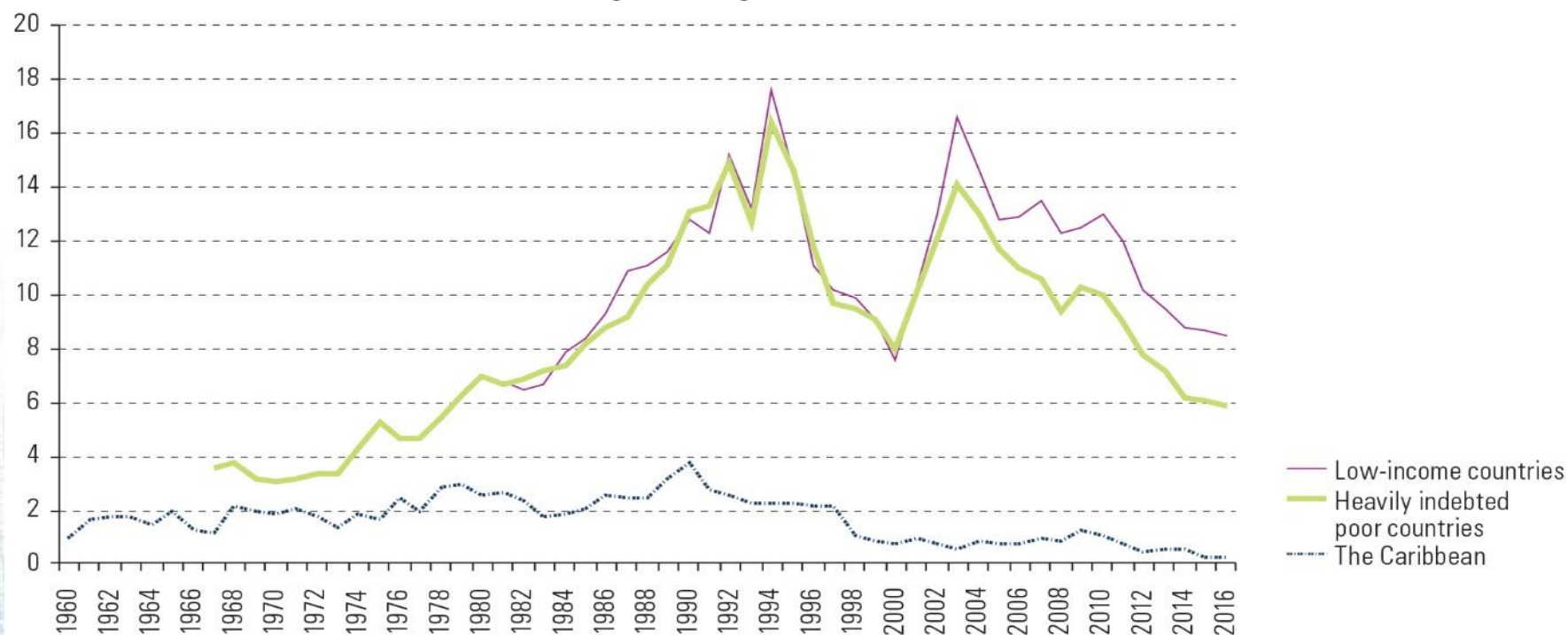


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago.

Declining overseas development assistance

The Caribbean (13 countries): net official development assistance received, 1960–2016

(Percentages of gross national income)

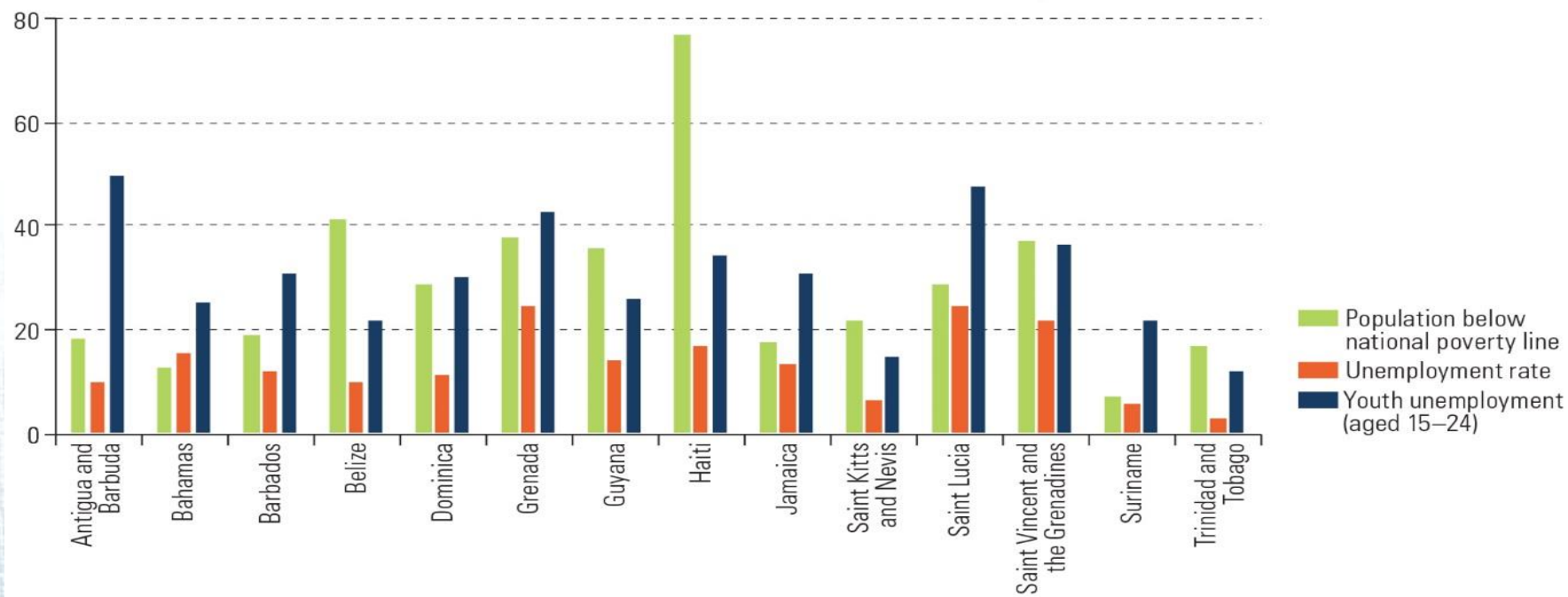


Source: World Bank database.

a Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago

Population below poverty line, unemployment rate and Youth unemployment

The Caribbean (14 countries): population below national poverty line, unemployment rate and youth unemployment (Percentages)



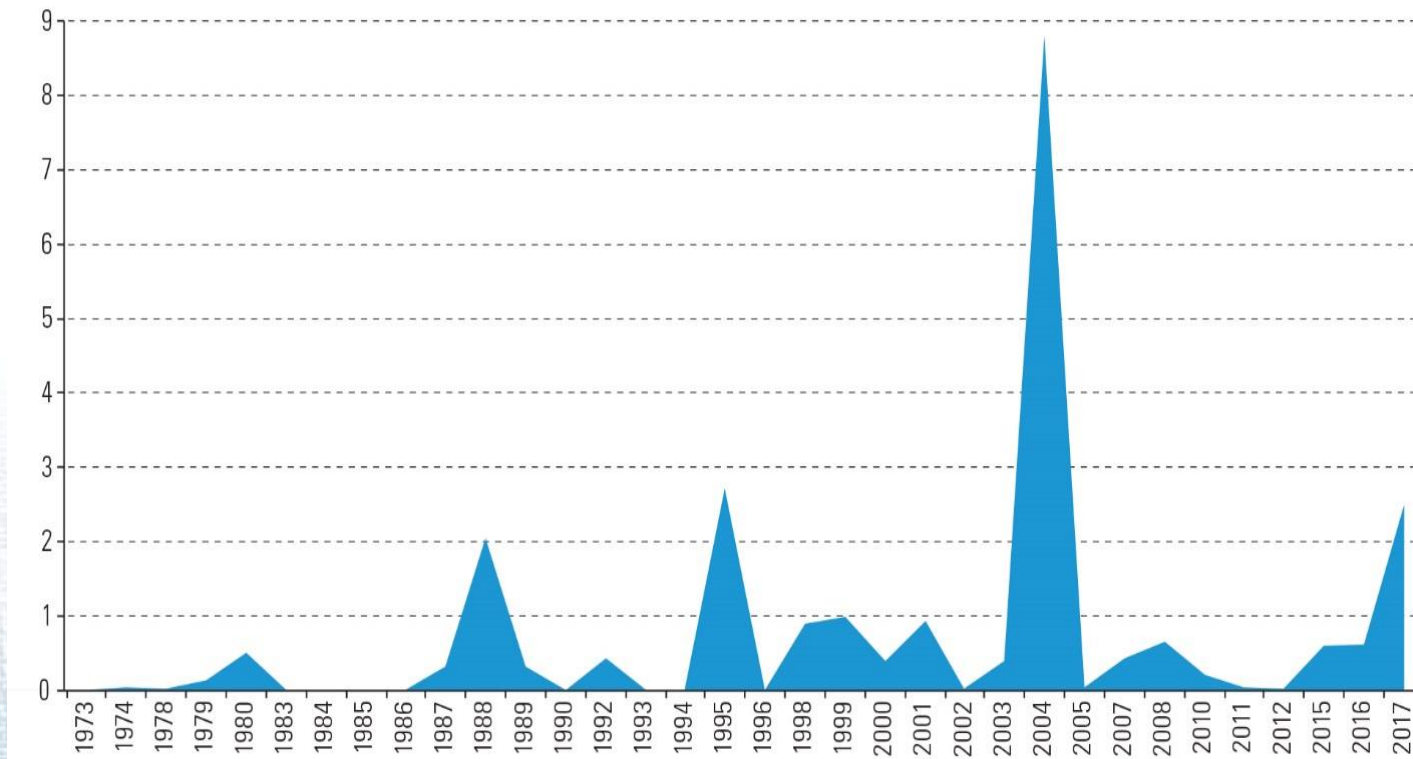
Source: United Nations Development Programme (UNDP), Caribbean Human Development Report: Multidimensional progress: Human resilience beyond income, New York, 2016 and World Bank, "World Development Indicators" [online database] databank.worldbank.org/data/databases.aspx.

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Damage caused by storms

The Caribbean (29 countries and territories): a damage caused by storms, 1973-2017

(Billions of dollars)

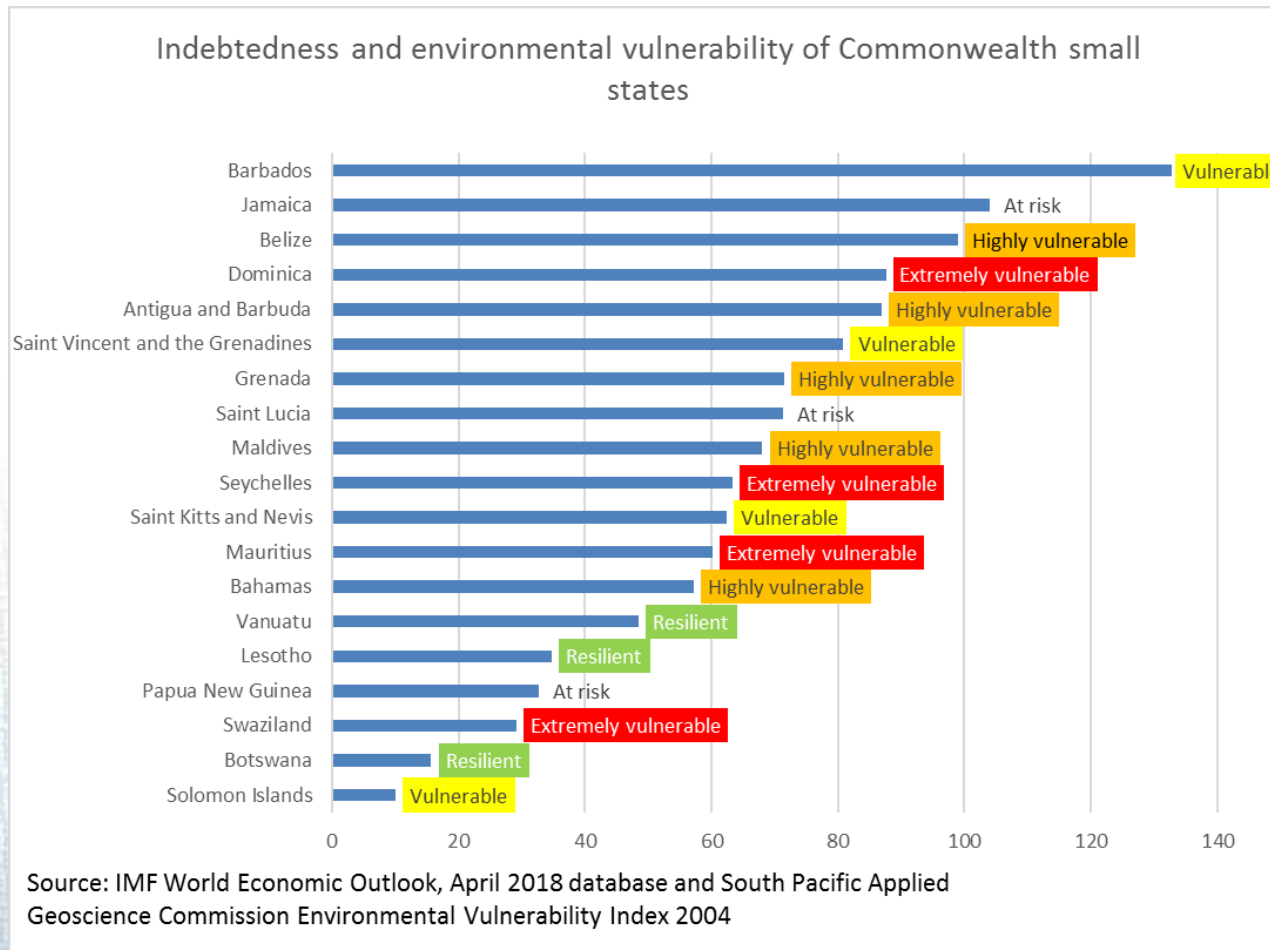


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Centre for Research on the Epidemiology of Disasters (CRED), Emergency Events Database (EM-DAT) [online] www.emdat.be, and assessments by ECLAC and the World Bank.

aAnguilla, Antigua and Barbuda, Barbados, Bahamas, Belize, Bermuda, British Virgin Islands, Cayman Islands, Cuba, Dominica, Dominican Republic, Grenada, Guadeloupe, Guyana, Haiti, Jamaica, Martinique, Montserrat, former Netherlands Antilles, Puerto Rico, Saint Kitts and Nevis, Saint Martin, Saint Lucia, Saint Vincent and the Grenadines, Sint Maarten, Trinidad and Tobago, Turks and Caicos Islands, United States Virgin Islands.

Financing Resilience: Facilities, Access and Uptake

Indebtedness and Vulnerability



Grasping opportunities and building partnerships

Improving access to finance. Address challenges to de-risking Offshore services & concessional finance

Regional Integration for value chains development

Promoting Sustainable investment in the blue economy
And creative industries

Strengthening the private sector and promoting women in SMEs

Creating environmental resilience
Through mitigation and adaptation

Partnerships for sustainable development

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Key questions for financing resilience (1/2)

1

The ECLAC debt for climate adaptation swap initiative, combines debt reduction with development financing in order to build Caribbean resilience.

How can various institutions help to support this strategy?

2

Given the middle-income trap, to what extent can the IFI's help to unlock low cost long term financing to assist debt constrained Caribbean countries. **Are the existing windows adequate to address the financing needs of the region?**

3

Climate resilience is costly and the Caribbean has not been able to secure such finance from the various Funds available often due to capacity constraints.

What opportunities are there for member states to benefit from such capacity building from International and regional financial institutions?

Key questions for financing resilience (2/2)

4

While domestic sources of finance for climate and disaster resilience are available these are limited and tax to GDP ratio is already high. **Can the IFIs encourage mechanisms to increase international financial flows while at the same time reducing vulnerability?**

5

At the moment, the debt of developing countries is treated individually with some countries getting better terms than others, especially given their size. **Should there not be emphasis on creating an internationally agreed debt workout mechanism so that all states are treated equally, given similar circumstances?**

6

ECLAC's research has shown a fundamental link between the debt burden and environmental vulnerability in the Caribbean. More so there exists a negative relationship between debt as well as exogenous (financial) shocks (e.g hurricanes, derisking, the global financial crisis) and growth in the Caribbean. **As such, how do you see the region adequately financing its resilience building needs, addressing climate change and rebuilding after natural disasters without retarding its economic growth?**

Key questions for financing resilience (2/2)

7

With respect to building disaster resilience in the Caribbean, a key issue that has emerged in moving forward has been the need to craft innovative financing mechanisms for responding to the region's vulnerability to hurricanes and other natural disasters. **What role do you see Green Bonds, Catastrophe Bonds, Environmental Impact Bonds, Resilience Bonds, micro-finance, crowd funding, digital currencies, PPPs, Citizen by Investment Programmes, sovereign bonds and Debt for Climate/Nature Swaps for example, playing in this regard?**

8

World Bank green bonds have helped attract private finance because they meet a demand among investors for highly rated, fixed income investments product whose proceeds supports mitigation- and/or adaptation-related projects.

At the recipient end, what sets green bonds finance apart from ordinary World Bank project finance, is that projects must meet green bonds eligibility criteria, supporting the transition to low-carbon and climate resilient growth in the recipient country. **Do you see World Bank green bonds a viable resilience financing mechanism for Caribbean economies?**

Key questions for financing resilience (2/2)

9

ECLAC is currently moving steadily towards rolling out its Debt for Climate Adaptation Swap Initiative in 2019. As mentioned earlier the Initiative provides an avenue for beneficiary countries to simultaneously address the challenges of high debt, climate change vulnerability and economic diversification. The establishment of Caribbean Resilience Fund (CRF) will facilitate investment in green industries and resilience building. **Do you see any value-added in the Caribbean Community Secretariat establishing an inter-agency group to consider green/resilience building initiatives that may attract investment for capitalizing the CRF? What are agencies which should be invited to participate in the Group?**

10

Grenada has successfully introduced hurricane clauses (*i.e. legal provisions that allow for the deferral of payments in the event of a hurricane or other natural disasters*) into its debt restructuring arrangements with bilateral partners (e.g the Republic of China (Taiwan) and Paris Club creditors) and commercial entities (e.g the Export Import Bank). **Do you see this taking traction or finding favor with multilateral creditors? If so how do you see regional economies tackling issues that will undoubtedly emerge such as access, eligibility, terms and conditions, and the setting of a precedent when attempting to negotiate such clauses with the multilaterals?**