



CARIBBEAN CLIMATE INVESTMENT PROGRAM

UNLOCKING PRIVATE SECTOR INVESTMENT IN
CLEAN ENERGY & CLIMATE ADAPTATION



Caribbean Climate Investment Program's geographic scope includes Dominican Republic, Jamaica, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Barbados, Trinidad and Tobago, Guyana, and Suriname.

OBJECTIVE

USAID/Dominican Republic has launched the Caribbean Climate Investment Program, an initiative under USAID's Climate Finance for Development Accelerator that aims to mobilize \$2.5 billion in public and private climate investments by 2030. This program is a \$20 million activity that will catalyze financing for the development of renewable energy and energy efficiency technologies, deploy climate change adaptation interventions that increase the resiliency of clean energy investments in the region, and unlock private sector investments to promote regional climate resiliency and energy security. The project advances key climate adaptation objectives under the U.S-Caribbean Partnership to Address the Climate Crisis (PACC 2030).

REGIONAL CONTEXT

While the Caribbean region is committed to mitigating greenhouse gas emissions and transitioning to renewable energy-based generation, it is highly vulnerable to both climate and

market impacts, including extreme weather and economic shocks. As the Caribbean is heavily dependent on imported fossil fuels for energy generation, the region faces significant challenges in securing reliable, affordable, and sustainable energy. Resource mobilization challenges are compounded by institutional challenges and increased borrowing costs (e.g., curtailment, price risks, insolvency of utilities), and there is a lack of private investment in climate resilience projects, businesses, and technologies. Despite regional demand for climate finance, challenges persist in matching viable clean energy and climate adaptation programming to investors and private sector partners. Further challenges constricting regional growth include lack of economies of scale (e.g., manufacturing), inadequate commercial banking instruments and the inability to offer attractive credit conditions, lack of human resource capacity to undertake and operate projects, and limitations surrounding origination and pipeline of bankable clean energy and adaptation projects.

In recognition of the critical role that energy plays in the daily economy, USAID/Dominican Republic is implementing the Caribbean Energy Initiative, which is focused on building energy sector resilience across the region. Through this program, USAID is making a series of investments to boost energy resilience of Caribbean island nations and achieve energy security, thereby propelling the region towards achieving its energy and climate objectives.

OUR WORK

Under the Caribbean Energy Initiative, USAID/Dominican Republic, in coordination with the USAID/Eastern and Southern Caribbean and USAID/Jamaica, created and is implementing the Caribbean Climate Investment Program. This program will support private businesses (with a focus on small and medium-sized enterprises), financial partners, communities, and partner governments to deploy technologies and approaches that advance clean energy and climate adaptation goals across the Caribbean region. Specific program approaches include:

- **Business development service facilitation and technical assistance** to private sector partners working with renewable energy and energy efficiency technologies.
- **Access to finance, de-risking instruments, and lending products** to climate finance seekers working with renewable energy and energy efficiency technologies.
- **Technical and financial support** to businesses, communities, partner governments, and other entities in developing, scaling, or improving adaptation practices and technologies.

Another core activity under the Caribbean Climate Investment Program is the establishment of the Blue Green Bank (BGB). Co-funded by the USAID/Eastern and Southern Caribbean Mission, Government of Barbados, and Green Climate Fund, the BGB is an investment vehicle that will finance climate change mitigation and adaptation projects, including resilient housing, renewable

energy, green transportation, and water conservation. The BGB will create an improved financing capacity and infrastructure that draws in other financing players such as banks, credit unions, pension funds, and insurance companies, and will build the wider community's support of a more resilient and sustainable Caribbean region. These measures will bring about a paradigm shift towards resilient livelihoods and low-carbon technologies, particularly for low-income, vulnerable households and the energy, housing, agriculture, and transport sectors.

EXPECTED RESULTS

- At least \$100 million in finance mobilized for climate mitigation and adaptation by 2030.
- Creation of a project preparation facility providing investment advisory services and facilitation for at least 30 renewable energy, energy efficiency, and adaptation projects.
- Increased capacity of finance providers to invest in climate mitigation and adaptation projects, while using best practices for gender and social inclusion.

Duration: May 2023 – May 2027

Budget: US \$20 million

Implementing Partner: Chemonics International

CONTACT

Katerin Ramirez

Email: drinfo@usaid.gov