



# Project Factsheet

Integrated physical adaptation and community resilience through an enhanced direct access pilot in the public, private, and civil society sectors of three Eastern Caribbean small island developing states

January 2018

## Enhancing Direct Access request for proposals

In 2016, the Green Climate Fund announced a pilot initiative for Enhancing Direct Access with the objective of the pilot to allow The Fund to effectively operationalize its enhanced direct access modality at the sub-national, national and regional public and private entities to the Green Climate Fund.

This includes devolved decision-making and stronger local multi-stakeholder engagement. The pilot phase will offer the GCF an opportunity to gain experience and additional insights through such an approach.

### Proposal snapshot

**What?** The Enhancing Direct Access (EDA) project aims to build integrated resilience of individuals and their businesses, communities and governance systems through responsive grant and loan award mechanisms that are transparently managed through devolved decision-making by those affected by climate change. The three participating countries are Antigua and Barbuda, Dominica and Grenada.

**Why?** Governments and citizens of the Eastern Caribbean are already self-financing climate change adaptation and disaster recovery.

An estimated **5% of GDP** in the two years following an extreme hurricane is what Eastern Caribbean SIDS pay to recover. For small, highly open economies volatile to external shocks, with ~2% annual growth rate, the cost of adaptation and recovery can be the difference between positive and negative economic growth. The GCF is a fund designed for significant climate impact potential; this makes for a much needed partnership.

**Who?** Government, NGOs and the private sector (homeowners).

**How?** The project has four components that will be implemented in three pilot countries: 1) establish transparent decision-making processes and build capacity; 2) award USD 9 M towards adaptation in **pilot public infrastructure** projects; 3) award USD 3 M in **small adaptation grants** to CSOs; and 4) approve USD 6 M in **concessional micro-Revolving Loans** to vulnerable homes and businesses.



The people of Barbuda under evacuation to Antigua after Hurricane Irma (2017), which resulted in losses of ~USD 300 million in Antigua & Barbuda

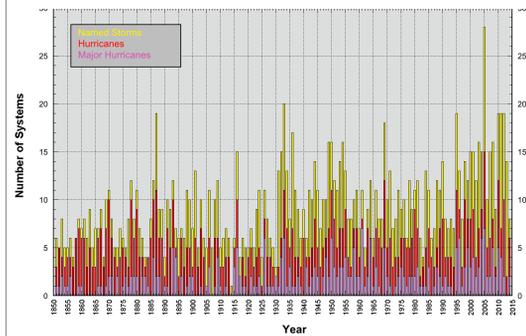
### Financing barriers analysis

**#1: Adaptation that 'leaves no one behind'.** Low-income households suffer disproportionately from climate impacts; difficult access to finance.

**#2: Financing for adaptation in public, private and civil society sectors.** Lack of predictability and timeliness in the delivery of climate finance; disbursement rates as low as 10% of approved climate finance in pilot SIDS.

**#3: High per capita losses and costs of climate recovery.** Adaptation that involves infrastructural works requires large up-front costs, which in the case of SIDS can't be downscaled in proportion to the population size.

## Steady increase in Atlantic storm count (1850 – 2014)



### Key Performance Goals

- % of pop. with increased resilience: 5%
- % female: 50%
- # new entities accredited: 3
- # strengthened financing mechanisms: 6

GCF contribution (million USD): 20  
 Financial instrument: Grant

#### Counterpart, leveraged financing and in-kind support: (million USD)

Government co-financing	6
Civil society organizations	1.5
Private sector (households, MSMEs)	11
<b>Total</b>	<b>18.5</b>

#### IPCC Climate Projections for the Eastern Caribbean (by end of century):

- Increase in hurricane intensity between 5% and 15%
- Temperature rise of between 1 and 4°C
- Average annual rainfall could decrease by up to 40%
- Increased rainfall variability, more extremes (flood and drought)
- 1 meter sea level rise

### Consultative process

- April 2016:** First EDA consultations
- June 2016:** NDA endorsement
- July 2016:** Concept submission to GCF
- February 2017:** Baseline studies completed
- July 2017:** Full proposal submitted

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# Alignment with GCF Investment Criteria

<b>Impact potential</b>	→	Approximately 13,200 direct project beneficiaries, totaling 5% of the population of the three pilot SIDS. Indirect beneficiaries are estimated at 87,000 people, or 32% of the population of the beneficiary SIDS.																
<b>Paradigm shift</b>	→	The Enhancing Direct Access proposal will contribute to conditions for effective and sustained participation in climate resilient development that go beyond the life of the project, with new and strengthened transparent sustainable financing mechanisms that can build confidence of the GCF and the population to program other GCF instruments.																
<b>Sustainable development</b>	→	Currently, 10% of the population in the target SIDS are at risk of falling below the poverty line due to an extreme climate event. The EDA proposal will contribute to overall national and regional efforts to reduce economic losses due to climate impacts for beneficiaries.																
<b>Needs of recipient</b>	→	<table border="1"> <thead> <tr> <th></th> <th>Antigua Barbuda</th> <th>Dominica</th> <th>Grenada</th> </tr> </thead> <tbody> <tr> <td>Size of Economy (USD)</td> <td>1.45 billion</td> <td>550 million</td> <td>1.016 billion</td> </tr> <tr> <td>Central Gov't debt (% GDP)</td> <td>1.2 billion (83%)</td> <td>352 million (64%)</td> <td>900 million (88%)</td> </tr> <tr> <td>Climate/disaster recovery as % of World Bank loan portfolio</td> <td>N/A</td> <td>72%</td> <td>47%</td> </tr> </tbody> </table>		Antigua Barbuda	Dominica	Grenada	Size of Economy (USD)	1.45 billion	550 million	1.016 billion	Central Gov't debt (% GDP)	1.2 billion (83%)	352 million (64%)	900 million (88%)	Climate/disaster recovery as % of World Bank loan portfolio	N/A	72%	47%
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<b>Country ownership</b>	→	The EDA proposal has strong country ownership, which benefitted from GCF Readiness support. Ministers, NDAs, civil society and key stakeholders have been active in developing this country-driven proposal, coordinated by the Department of Environment in Antigua & Barbuda. DOE was accredited to the GCF in October 2017.																
<b>Efficiency and effectiveness</b>	→	The proposal uses an innovative approach of the Revolving Fund to maximize impact and co-financing of a grant. The grant is necessary to pass on concessional and risky lending to vulnerable populations for whom repayment, even concessionary, may be difficult.																

data.worldbank.org

## Map of the Eastern Caribbean

### A strategic sub-regional partnership with the GCF to pilot Enhancing Direct Access

- ✓ Strong legal governance framework for integration under the Revised Treaty of Basseterre, which reinforces the Organisation of Eastern Caribbean States (OECS)
- ✓ Eastern Caribbean SIDS share geographic, social and economic vulnerability to climate extremes
- ✓ Sub-regional scaling of functions such as policies, fiduciary and oversight can be more cost effective with ~100,000 people in each island
- ✓ The OECS has a proven track record of sub-regional collaboration
- ✓ OECS Commission experts will monitor and evaluation the EDA proposal, and scale up successful outcomes
- ✓ GCF will receive added value for programming its scarce resources while meeting its commitments to special circumstances for SIDS



Accredited Entity:

Project Partners:

