



Climate Finance: International Business Opportunities



Canada.ca/TCS-Climate-Finance

The Canadian Trade Commissioner Service has more than 160 offices around the world with dedicated officers available to assist you with international trade activities. Specialized assistance is available for climate finance.

For information on the Caribbean Development Bank, contact Faheem.NoorAli@international.gc.ca

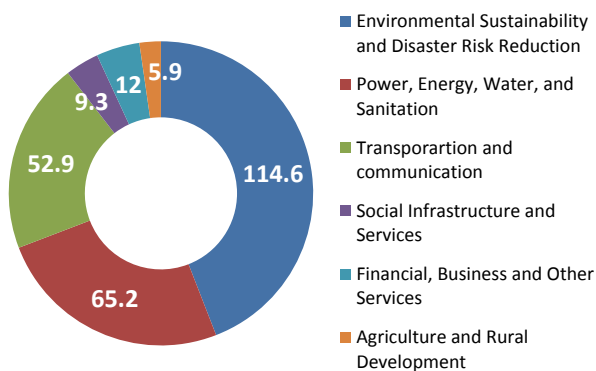
Caribbean Development Bank (Bridgetown, Barbados)

The [Caribbean Development Bank](#) (CDB), a regional multilateral development bank, was established in 1969 to be the leading catalyst for development resources in the Caribbean region. The CDB works in an efficient, responsive and collaborative manner with borrowing member countries (BMCs) and other development partners toward the systematic reduction of poverty through social and economic development. The CDB comprises 28 member countries, including 19 regional BMCs and 11 non-borrowing members.

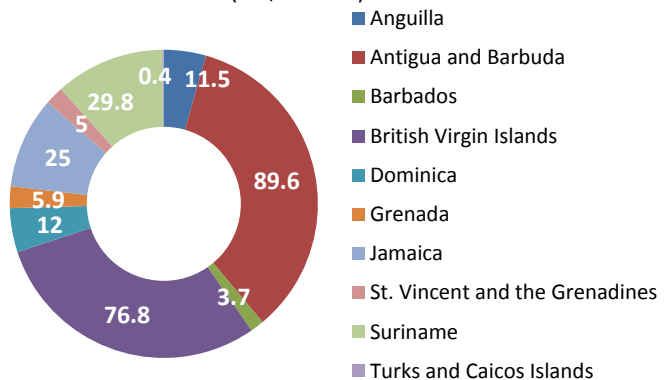
In 2017, the CDB approved US\$364 million in loans and grants towards projects spanning the agricultural, education, energy, and water and sanitation sectors. The CDB strategic plan for the period 2015 to 2019 comprises two distinct but complementary development objectives: supporting inclusive and sustainable growth and development, and promoting good governance. These two objectives are supported by the mainstreaming of three cross-cutting areas: gender equality, regional cooperation and integration, and energy security.

Canada is tied for the CDB's third largest shareholder.

Distribution of Loans by Sector, 2017
(US\$ million)



Distribution of Loans by Country, 2017
(US\$ million)



Source:

<http://www.caribank.org/publications-and-resources/annual-reports>





Procurement Processes

Responsibility for procurement under CDB-financed projects rests with BMC, with CDB performing an oversight role to ensure that procurement is carried out in accordance with its procurement guidelines and the terms of the relevant financing agreement between the BMC and the CDB. [General procurement notices](#) and [contract awards](#) are available online. The Bank has established [per-country monetary thresholds](#) to determine the most efficient method of procurement to be used by each BMC in the procurement of goods and works under CDB-financed projects. It is important to note that CDB permits unrestricted competitive shopping for all private sector projects financed directly by CDB and, in the case of expansion projects, waives the requirement for competitive shopping in instances when compatibility of equipment and the maintenance of established contacts with existing suppliers is considered by CDB important for project viability.

Procurement by Developing Member Countries

Goods, works, non-consulting and consulting services: The CDB recommends international competitive bidding (ICB) as the most appropriate method for public procurement. Where ICB is not the most appropriate method, other forms of procurement may be used (e.g. limited international bidding, regional competitive bidding, direct contracting, shopping). BMCs must prepare a procurement plan approved by the CDB listing the proposed methods of procurement and particular contracts. Please refer to [Guidelines for Procurement](#) for additional information.

Procurement by the CDB

Corporate procurement: As part of the CDB's procurement guidelines, contracts are awarded through competitive bidding procurement processes. Firms from CDB member countries and other countries as determined by the CDB are eligible to bid on contracts. In addition, the CDB provides policies and procedures for selecting, engaging and monitoring consultants required for projects that are financed in whole or in part by grants or loans from the CDB, or for funds administered by the CDB.

Consulting firms and individual consultants: The CDB's procurement process for consulting firms and individual consultants is governed by the CDB's [Guidelines for the Selection and Engagement of Consultants](#). Consultants must submit an application via the online [Register of Consultants](#) (RoCS) portal.

Private Sector Operations

The CDB's [Private Sector Development Unit](#) (PSDU) is responsible for identifying, appraising and supervising credit and technical assistance to support private sector development. Financing operations include private enterprises, financial intermediaries and public-private partnerships. In its [Lending Policies](#), the CDB gives priority to the financing of private enterprises that are controlled by nationals, governments or its BMCs' public agencies. The CDB provides a mix of loans and equity investments to private sector projects that establish, expand, diversify and modernize productive facilities in various sectors, including energy, manufacturing, agribusiness, tourism, transportation, infrastructure, telecommunications and financial services. Special attention is given to ensure that CDB intervention promotes social equity and environmental protection.



Private Sector Finance

To be considered for private sector financing, prospective enterprises/projects must be deemed beneficial to the economy of the BMC (e.g. enhance the region's foreign exchange earning capabilities, generate employment, prioritize poverty eradication). Typically, the CDB will not directly finance private sector projects where its intervention would amount to less than US\$3million. In direct lending to a private sector enterprise, CDB considers the size of the project, the borrower's commitment to the project as evidenced by the borrower's equity, the adequacy and variability of the project's cash flow, and the desirability to mobilize other financial resources. CDB offers a mix of financial and non-financial products to private sector companies, including:

Loans

- Senior and subordinated debt
 - Foreign and local currencies

Equity

- Direct investments

Guarantees

- Partial credit guarantees

Technical assistance/grants

- Capacity building, studies

To be considered for private sector financing, companies should be prepared to provide: (i) feasibility studies (technical, engineering and market analysis); (ii) an overview of the sponsor's financial capacity; (iii) implementation arrangements; (iv) the project's proposed structure of ownership and management; (v) historical financial data and financial model; and (vi) risk analysis, including social and environmental risks and impacts, and proposed mitigants.

Climate Finance

Since the approval of the CDB's [Climate Resilience Strategy 2012-2017](#), 58% of projects financed have included climate change adaptation and/or mitigation elements in the climate-sensitive sectors of water, education, physical infrastructure and agriculture. The CDB is in the process of updating the aforementioned strategy to define the scope of activities and direction for the period 2018 to 2025. In 2016, the CDB approved US\$50million for projects and US\$10million in technical assistance for initiatives having explicit climate resilience and sustainable energy actions. In addition to directing its own capital toward low-carbon and climate-resilience projects, the CDB serves as an intermediary for the [Green Climate Fund](#), which generally does not accept direct applications from the private sector.

CDB also manages other climate-relevant donor trust funds, including the [Canadian Support to the Energy Sector in the Caribbean Fund](#) (CESC-C). While financial products that the CDB provides from its own capital are subject to market-based terms and conditions, financial products offered through intermediated and donor funds may be offered at concessional (or sub-market) terms and conditions at just a level of concessionality needed to facilitate the investment; thus, funding recipients are provided with a blended financing solution.

Accessing private sector and climate finance

Canadian companies can access private sector financing for climate change projects for which they are a sponsor through CDB's Private Sector Development Unit: info@caribank.org