

The Bahamas

Market Research Report:

Climate Finance Opportunities for Clean Technology and Environmental Services Firms in the Caribbean Market

July 2018

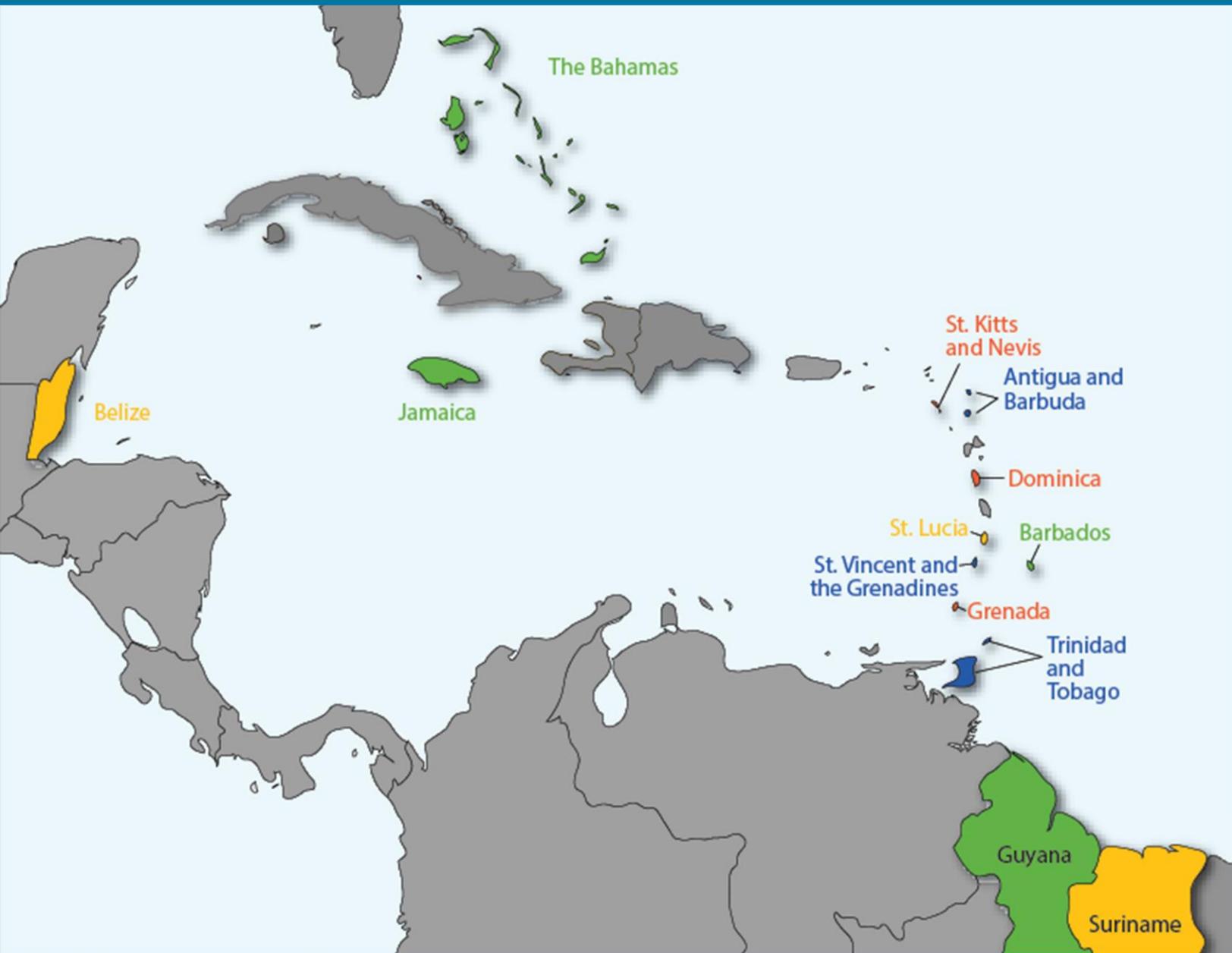
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Countries of focus in this report:





Acronym List

CARICOM	Caribbean Community
CCCCC	Caribbean Community Climate Change Centre
CCIC	Caribbean Climate Innovation Center
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Authority
CIF	Climate Investment Funds
CREAD	Climate Resilience Execution Agency of Dominica
CROP	Caribbean Regional Oceanscape Project
DFID	Department for International Development (UK)
EDF	European Development Fund
EE	Energy Efficiency
EIB	European Investment Bank
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
GAC	Global Affairs Canada
GCF	Green Climate Fund
GEF	Global Environment Facility
GIZ	German bilateral development agency
GRIF	Guyana REDD+ Investment Fund
IBC	International Business Companies
IDA	International Development Association (World Bank)
IDB	Inter-American Development Bank
IFIs	International Financial Institutions
IMF	International Monetary Fund
INDC	Intended National Determined Contributions
JICA	Japan International Cooperation Agency
LCDS	Low Carbon Development Strategy
NAMA	Nationally Appropriate Mitigation Actions
NAP	National Adaptation Plans
NDC	National Determined Contributions
NEIA	Newfoundland and Labrador Environmental Industry Association
OAS	Organization of American States
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OECS	Organization of Eastern Caribbean States
PAHO	Pan-American Health Organization
PPCR	Pilot Program for Climate Resilience
RE	Renewable Energy
SEEC	Sustainable Energy for the Eastern Caribbean
SKN	St. Kitts and Nevis
UK-CIF	United Kingdom Caribbean Infrastructure Program
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UNFCC	United Nations Framework Convention on Climate Change
UN-REDD	UN Collaborative Program on Reducing Emissions from Deforestation and Forest Degradation
USAID	United States Agency for International Development
WB	World Bank
XCD	East Caribbean Dollar



1. Introduction and Context

In 2014, the Newfoundland and Labrador Environmental Industry Association (NEIA) embarked on an ambitious, multi-year program to support its members with exploration and pursuit of export opportunities in the Caribbean Market. The successful and multi-faceted Caribbean Business Development Program that has been implemented by NEIA over the course of the last four years was largely informed by a comprehensive market research and member engagement exercise conducted in the spring of 2014 that identified priority markets within the region and opportunities for NEIA’s member firms.

Since conducting this initial research and engagement, economic factors in the region have changed due to geopolitical influences, natural disasters, natural resource discoveries, and an increased sense of urgency related to climate change mitigation and resiliency. Broadly speaking, the region’s distinct economies are largely experiencing low growth and high debt, due to a number of factors, not least of which are the natural disasters that impacted the region in 2017. The reaction to these changes from Climate Funds, International Financial Institutions (IFIs) and bilateral aid agencies, including Canada’s, is creating new opportunities for business in the region.

In order to better understand the changing environment and opportunity landscape, and the role of development partners in the region, NEIA has commissioned a research report that seeks to articulate current and emerging opportunities for its members in the region. *Section 2* of this report provides an overview of the role of the IFIs and bilateral aid agencies in financing business opportunities for clean technology and environmental services firms in the Caribbean. IFI priorities are outlined, and key projects and programs are presented that may align to capabilities and offerings of NEIA’s members. In *Section 3*, concise snapshots of various Caribbean countries are presented so as to offer quick access to additional information on the jurisdictions under analysis in this report.

It should be noted that there are several definitions used to delimit and describe the Caribbean Region, including differing groupings of islands, coastlines and bodies of water. For the purposes of producing a more focused report that aligns to the collective interests and capabilities of NEIA’s membership, various jurisdictions in the region have thus been excluded from this research undertaking. These include the U.S. islands of Puerto Rico and the U.S. Virgin Islands, the five Caribbean territories under British sovereignty, the seven Caribbean territories under French sovereignty, three of the four Dutch constituent countries (the ABCs – Aruba, Bonaire, and Curacao) as well as Haiti, Cuba and the Dominican Republic, which have tended to be of lesser interest to NEIA’s membership due to language considerations. The 13 jurisdictions of focus thus covered under this report include:

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



2. Caribbean Climate Finance

Climate Finance, or capital flows directed toward low-carbon and climate resilient interventions in developing countries, has arguably been flowing into the Caribbean Region for many years from both multilateral and bilateral agencies focused on climate change and sustainable development.

With the exception of Suriname, which is yet to ratify the Paris Agreement, all 12 of the other countries included under this research report have submitted either Nationally Determined Contributions (NDCs) or Intended National Determined Contributions (INDCs), as per the requirements of the Paris Agreement. Most have also begun formulating and implementing National Adaptation Plans (NAPs) and Nationally Appropriate Mitigation Actions (NAMA). Despite the availability of programs and financial support to build capacity around adaptation and mitigation planning, progress in the Caribbean has, however, been slow. And given that these various action plans and strategies are typically pre-requisites for accessing climate finance, this moderated pace is therefore stalling the region's ability to tap into Climate Funds. Other factors that have hindered the region's ability to tap into Climate Funds include weak project identification and implementation capacities that are coupled with complex application procedures.

Playing in the region's favor, though, is the fact that there are a considerable number of organizations either based in the region, or serving the region, that have been accredited by the large multilateral climate funds such as the Green Climate Fund (GCF) or Global Environment Facility (GEF). Given that climate funds can only be accessed by these 'Accredited Entities', this is a significant advantage for the region, and bodes well for future climate finance flows into the Caribbean. Of the 59 entities that are currently accredited by the GCF, for example, the Caribbean Community Climate Change Centre (CCCCC), the Caribbean Development Bank (CDB), the Department of Environment of Antigua and Barbuda, the Food and Agriculture Organization (FAO) of the United Nations, the Inter-American Development Bank (IDB), the World Bank (WB), the United Nations Development Program (UNDP) and several others, are actively focused on supporting the needs of the Caribbean. Notably, the IFIs are an integral partner to Caribbean governments seeking to tap into the increasing volume of climate finance.

2.1 Role and Operations of International Financial Institutions in the Caribbean

In part due to the extreme vulnerability of the Caribbean region and the small and remote nature of many countries in the region, the IFIs have long been supporting the Caribbean region to address development challenges. And well before the creation of 'climate funds', the IFIs have been supporting Caribbean countries with sustainable development initiatives and issues related to climate change.

While Official Development Assistance (ODA) for the Caribbean region has actually been declining over the last 20 years, the three main IFIs that fund projects in the region – the CDB, WB and IDB – have held steady in their financial commitments.

Not all countries in the region, however, have equal access to IFI funding. In fact, only a few Caribbean countries have access to concessional funds from the World Bank's International Development Association (IDA) window and these include Dominica, Grenada, Guyana, St. Vincent, and St. Lucia (as well as Haiti). Others, such as St. Kitts and Nevis and the Bahamas, have graduated from ODA eligibility.

And given that IFIs are membership-based organizations, the countries that make up the sub-region of the Organization of Eastern Caribbean States (OECS) don't qualify for direct financing from the IDB since they are not members of this Bank. Fortunately, through a unique charter provision, IDB resources are, however, channelled to OECS countries that are not members of the IDB, through the CDB. Other Caribbean countries



such as Barbados, the Bahamas, Belize Guyana, Jamaica, Suriname and Trinidad and Tobago are eligible, and receive considerable support, from the IDB.

The CDB, on the other hand, provides concessional and non-concessional support to all 13 of the countries covered by this report. But although the CDB is inclusive in its coverage, the total volume of financial support it provides for the region is significantly lower than that of the IDB or World Bank.

While most of the IFI support directed at the Caribbean is in the form of grants or loans to borrowing country governments who then execute projects themselves through appointed executing agencies in country, both the World Bank and the Inter-American Development Bank also provide loans directly to private sector organizations as well. And increasingly, the IFIs are placing enhanced emphasis on blended finance and the leveraging of both private and philanthropic sources of financing to magnify their impact.

It should also be noted that given the small population size of numerous countries in the region, a considerable number of IFI-financed projects in the region take the form of regional initiatives that encompass multiple countries, particularly in the OECS region.

2.2 IFI Priorities Related to Climate Change, Environment and Sustainability

The climate, geology, ecology, size and geographic proximity of the islands that make up the Caribbean result in many similarities and shared areas of focus across the region. Common challenges faced by most Caribbean countries include climate change adaptation, effective coastal zone and marine management, disaster risk preparedness, energy diversification, solid waste diversion tactics, mitigating the loss of potable water from leaky distribution systems and the need to develop solid waste and wastewater treatment facilities based on current good practices.

The issues of **climate change (and particularly adaptation), disaster risk preparedness and coastal zone and marine management** are not only prevalent across the Caribbean, but they are also intricately connected. Due to the coastal nature of the region, there is great concern regarding the impact from extreme weather-related events and rising sea level. These events pose a safety risk to citizens of these countries and may have drastic effects on a country's vulnerable infrastructure and economy. Climate change increases the likelihood and intensity of natural disasters in the region and can exacerbate the damage caused.

The IFIs and the donor community have therefore been channeling substantive resources to these aforementioned areas of focus from their own institutional budgets and are increasingly looking to leverage financing from the global climate funds such as the GCF and the GEF. One year ago (in June 2017), the GCF met with representatives of 13 Caribbean countries to map out a pipeline of prospect initiatives. 42 projects and programs, for a total project value of USD 2.1 billion, were included in the roadmap that was developed as a result of this dialogue. Key themes that cut across these 42 projects and programs were:

- Scaling up energy access and **Energy Efficiency (EE)**;
- **Climate-proofing infrastructure**; and,
- **Increasing resilience in communities, ecosystems and land use.**

As of December 2017, the GCF had approved USD 102 million in funding for the Caribbean, with an additional pipeline of projects under consideration amounting to more than USD 500 million. Areas of focus include climate information services and early warning systems, increased resilience, ecosystems, smart cities and low-carbon solutions.

The 2017 hurricanes which caused immense damage and loss of life throughout the region have intensified the focus on **climate resilience** in the Caribbean. The IFIs are integral partners in the newly launched Caribbean



Climate-Smart Coalition, a public-private initiative aimed at mobilizing \$8 billion to transform the Caribbean into the world's first "climate-smart" zone. Priorities of the coalition will include scaling renewable energy as quickly as possible and building low carbon, resilient infrastructure to better withstand future storms. While there was significant fanfare around the announcement of the Coalition in December 2017, it is unclear to what extent progress is being made in terms of transforming pledges and vision into action and concrete projects.

Although **Renewable Energy (RE)** has arguably been at the forefront of the IFIs' support strategies for the region for some time now, the focus on energy efficiency is perhaps a newer trend. As of 2014, for example, the CDB now has a RE/EE unit and significant investments are being made by the IFIs in retro-fitting public facilities with LED lighting and other EE technologies.

One program of potential interest to NEIA members is the [Sustainable Energy for the Eastern Caribbean](#) (SEEC) Program. The multi-donor facility supports public sector with renewable energy and energy efficiency projects in six countries in the Eastern Caribbean.

Another broad thematic area of focus for the IFIs in the Caribbean is that of the **Blue Economy**. Given that the Caribbean is made up of small islands and coastal developing states where the ocean has long played a critical role in generating subsistence and income, it is not surprising that the concept of leveraging the ocean's potential for accelerating regional economic growth, improving social inclusion, and protecting coastal environments and marine life, has been gaining traction in the region. Several IFIs, notably the CDB, World Bank and UNDP have been focusing recent efforts at supporting the region to better understand and prepare for initiatives that would seek to capitalize on the Blue Economy, as it has been noted that the scope and scale of blue economy initiatives, remains below the potential and that there is a need for a strategy.

To this end, the World Bank is playing a leading role with its [Caribbean Regional Oceanscape Project](#) (CROP), which is geared at strengthening capacity for ocean governance and coastal and marine geospatial planning in participating countries. But the CDB and the UNDP have also recently been narrowing in on the potential opportunities that can be leveraged through a Blue Economy. A recent report published by the CDB, [Financing the Blue Economy](#), discusses the engineering of Blue Economy interventions to leverage international climate finance. Areas of focus and industries encompassed under this concept of a Blue Economy include fisheries and aquaculture, marine renewable energy, marine transport, waste water treatment, coastal and marine environmental monitoring, capacity building and building knowledge.

Solid waste and waste water management have been key areas of focus for the IFIs in the Caribbean long before discussions of the Blue Economy arose. Sewage from land sources and ships has been identified as the most pervasive threat to the coastal environment of the Caribbean and there remains a great need in many Caribbean countries to establish sustainable and energy efficient wastewater management mechanisms. In many jurisdictions, this requires legislative reform and regulatory development as well as improvements in technological capabilities and capacity building. The IDB and CDB are playing a particularly important role in financing solid waste and waste water management initiatives throughout the region.

One final IFI priority which deserves mention is particularly relevant to Belize, Guyana and Suriname who boast large swaths of pristine rainforest. UN agencies that include the FAO, the UNDP and the United Nations Environment Program (UNEP), are supporting Belize, Guyana and Suriname through the United Nations Collaborative Program on **Reducing Emissions from Deforestation and Forest Degradation** in Developing Countries (UN-REDD).

In summary, the following areas of focus constitute current priorities for the IFIs in the Caribbean countries covered under this report:

<u>CDB</u>	<u>IDB</u>	<u>World Bank</u>
Climate resilience	Climate resilience	Climate resilience
Energy efficiency	Energy efficiency	Energy efficiency
Disaster risk management	Disaster risk reduction	Disaster risk reduction
Renewable energy	Renewable energy	Renewable energy
Environmental management	Coastal infrastructure	Environmental management
Water and sanitation	Water and sanitation	

Institutional and human/technical capacity within the region are frequently cited as key challenges or barriers to achieving development objectives. Therefore, a focus on **capacity building and training** is embedded into each of these priority areas. In a similar vein, **data management and information-sharing mechanisms** are significant constraints to monitoring environmental and climate change initiatives in the region and so another priority for all three IFIs in the region is improving data management and sharing by creating effective tools and facilities and building the capacity to do so.

Finally, in an effort to encourage Public Private Partnerships in the region the World Bank Group, in collaboration with the CDB and IDB, launched the [Public Private Partnership Support Facility](#) in May 2015 to increase the technical capacity of Caribbean governments in infrastructure development. Organizations like the IDB's private sector lending arm, the Inter-American Investment Corporation, are also establishing a local presence in the Caribbean as a means of stimulating private sector investment. NEIA members with expertise around the structuring of such partnerships may therefore find increasing opportunities to contribute services.

2.3 The Role of Bilateral Development Finance in the Caribbean

Although it was previously noted that Caribbean-dedicated ODA has been declining over the last two decades, various bilateral aid agencies remain active in the region. Of relevance to the sectors and geographies of focus in this report, the most important sources of bilateral funding are:

- Global Affairs Canada (GAC),
- The United Kingdom's Department for International Development (DFID),
- GIZ, the German bilateral development agency,
- United States Agency for International Development (USAID),
- Japan International Cooperation Agency (JICA) and
- European Investment Bank (EIB).

Other active donors in the region include the China Development Bank, which is largely financing agriculture projects, and l'Agence Française de Développement, which is largely focused on targeting jurisdictions outside of the scope of this report for its bilateral programs or channeling resources through the CDB or other agencies. The Government of New Zealand is also co-financing Dominica's geothermal project, the Government of the Netherlands recently financed a Blue Growth Coastal Master Plan for Grenada, and other bilateral donors are also present in the region, although usually in targeted sectors or specific sub-regions.

With the Caribbean region counting as one of Canada's 25 regions/countries of focus, all 13 countries included in this report are served by **Global Affairs Canada's** Caribbean program. While much of the program is focused on economic growth and skills development initiatives, Canada has also pledged \$100 million to support reconstruction and climate resilience efforts in the Caribbean region over the next five years. And Canada is so far the only foreign government considered to be an official supporter of the aforementioned Caribbean Climate-Smart Coalition. \$50 M of this will be allocated in grants and contribution agreements to partners that include Canadian organizations as well as the IFIs. (It should be noted that no profit is allowed on grants or



contribution agreements therefore there is limited incentive for a private sector entity to pursue this funding.) Some potential projects under consideration by GAC include an initiative to build the capacity of the Caribbean Disaster Emergency Management Agency (CDEMA); support to countries with development of National Adaptation Plans and supporting the recently announced Climate Resilience Executing Agency of Dominica (CREAD).

For the last number of years, much of Canada's commitments are flowed through the IFIs or other development partners in the region. For example, GAC funds the [Community Disaster Risk Reduction Fund](#) (alongside the UK) but the Fund is managed by the CDB. As of 2016, Canada is also supporting the [Canadian Support to the Energy Sector in the Caribbean \(CSEC-C\) Fund](#), a four-year program that provides capacity building and investment support to Caribbean country efforts at shifting to sustainable energy.

DFID is active in most countries of interest to NEIA's membership and supports three major global programs in the region which cover climate resilient infrastructure, water resources, and forestry. Only 8% of its portfolio is dedicated to Climate & Environment, however, with the bulk of its financing dedicated to economic and human development (via grant form). Nearly all DFID programs are delivered through established partnerships with multilateral organizations and a good example of this is the [UK Caribbean Infrastructure Fund](#) (UK-CIF) being administered by the CDB (and a program that has already been successfully tapped by one NEIA member). Another example is the previously mentioned [Sustainable Energy for the Eastern Caribbean](#) (SEEC) program which is co-financed by the European Union (EU) and managed by CDB.

GIZ has been working in the Caribbean for more than three decades and has upwards of 100 personnel employed in the region to oversee its programs. Of relevance to NEIA's members would be GIZ's focus on:

- Adapting to climate change,
- Reducing greenhouse gas emissions,
- Sustainable use of natural resources and renewable energy,
- Natural resource conservation and
- Coastal zone management.

Germany is currently providing short-term consultants to the CDB in the areas of Renewable Energy and Energy Efficiency and is supporting a number of projects throughout the region in these areas. Information on its projects and programs and the Caribbean can be found [here](#).

Generally speaking, Canadian, UK and German aid programs, as described above, are of an 'untied' nature which means that organizations from all countries are eligible to bid on procurement emanating from projects financed by these governments.

USAID has a considerable focus on climate change issues in the Caribbean and its work in this area includes building technical capacity to collect and analyze climate data and strengthening local, national, and regional institutions' capacity to promote climate change adaptation. While there are examples of Canadian firms benefitting from USAID financing in the region (e.g. Baird & Associates), USAID's procurement policies continue to favor US or local (Caribbean) organizations. Therefore, any of NEIA's members looking to position for opportunities funded by this bilateral agency will want to be aware of the eligibility restrictions and consider strategic collaborations with US or Caribbean firms as an entry tactic.

JICA delivers support to Jamaica, Belize and Saint Lucia and this ranges from Renewable Energy and Energy Efficiency to Fisheries and Agriculture Development to Disaster Prevention and Water and Sanitation. JICA maintains offices in these three countries and its current projects and initiatives can be accessed [online](#). Its assistance is delivered in the form of grants, loans and technical co-operation assistance. Loan and grant



support ranges from “general untied” (allowing procurement from any country in the world) to “partially untied” (allowing procurement only from Japan and developing countries) to “tied” (allowing procurement only from Japan). Its technical cooperation program appears to be geared towards the sharing of Japanese expertise with developing country partners and thus appears to be primarily creating opportunities for Japanese organizations only. NEIA members exploring JICA funded procurement opportunities will need to assess eligibility on a project by project basis.

The **EIB** has funded about 165 projects in the region and these include a mix of technical assistance and financing to ‘project promoters’. While there are technically no eligibility restrictions preventing Canadian firms from positioning for procurement opportunities generated by EIB projects, it is likely more challenging for Canadian firms to infiltrate a supply chain that would inevitably favor European firms.

2.4 Current and Emerging Projects Aligning to NEIA Member Capabilities

The following list of projects and programs currently underway, or under consideration by funding agencies, is not exhaustive but is intended to present some of the projects that may generate opportunities for NEIA members.

Approved Projects:

- Guyana [Water Sector Enhancement Project](#) (Funded by the CDB and approved in May 2018). Funds will be used to provide consultancy services to develop a national water policy and to provide designs and estimates for the construction of water treatment plants and the upgrade of related infrastructure.
- [Emergency Agricultural Livelihoods and Climate Resilience Project](#) in Dominica (Approved in April 2018 by the World Bank). Includes components focused on institutional strengthening and building of climate resilience and agribusiness capabilities (including fisheries). The project spans support to the agriculture, fisheries, and forestry sectors.
- [Housing Recovery Project in Dominica](#) (Funded by the World Bank and approved in April 2018). Primarily geared at housing reconstruction but also includes a focus on management information and monitoring systems.
- [Promoting Community-based Climate Resilience in the Fisheries Sector](#) in Jamaica (Approved by the World Bank in April 2018). Includes capacity building and diversification of fisheries-based alternative livelihoods.
- [Caribbean Light Detection and Ranging \(LiDAR\) Data Project](#) (Funded by the CDB and approved in March 2018). Aimed at increasing the use of technology to build greater climate resilience throughout the region, the three-year project will include creation of a product development and marketing strategy for the Centre as well as the training of 38 end-users from the Bank’s Borrowing Member Countries (BMCs) in the applications of LiDAR data.
- Trinidad and Tobago’s **Nationally Determined Contribution Support Program**. In January 2018, Trinidad and Tobago moved into a second phase of the UNDP’s Low Emission Capacity Building (LECB) Program. A coastal erosion assessment and mitigation initiative for Southwest Trinidad as well as national capacity development for the Office of Disaster Preparedness, are said to be two priorities that will be addressed under this next phase of support.

- **\$65 M in grant funding for Guyana from the United Kingdom Caribbean Infrastructure Partnership Fund (UK-CIF).** Earmarked for waterfront construction and sea defense rehabilitation in the Georgetown area, road construction and construction of a bridge over the Essequibo River.
- **Establishment of a Climate Change Training Centre in Grenada** (Funded by the GCF). The centre will be established in collaboration with local, regional and international institutions to provide certified training in climate change at the technical, vocational and professional levels to the public and private sectors, as well as communities and civil society actors.
- **Transforming the town of St. George's into the first climate resilient-smart city in the Caribbean.** Pre-feasibility and capacity building are being financed by the GCF.
- [Climate Vulnerability Reduction Program in Belize](#) (Funded by the IDB and approved in December 2017). The objective is to reduce Belize's climate vulnerability and risk, through the implementation of climate resilient measures in the tourism sector and by improving the governance of Belize's Disaster Risk Management.
- [Climate Resilient Coastal Management and Infrastructure Program in the Bahamas](#) (Funded by the IDB and approved in November 2017). Includes institutional strengthening for coastal zone management as well as diagnostics, design and construction of science-based engineering solutions for shoreline stabilization and coastal flooding control and reconstruction of critical public infrastructure.
- [Jamaica Energy Management and Efficiency Program](#) (Funded by the IDB and approved in October 2017). Objective is reducing electricity consumption within government facilities by financing the auditing and implementation of deep energy retrofits in 7 hospitals as well as addressing related environmental issues and training.
- [Caribbean Regional Oceanscape Project](#) (Approved by the World Bank in September 2017). Elements of potential interest to NEIA members include development of coastal and marine spatial plans and associated training and knowledge and capacity strengthening for citizens and institutions related to ocean governance.
- [Energy Resilience for Climate Adaption](#) in Belize (Funded by the GEF but administered by World Bank and approved in September 2016). Specific elements include enhancing the collection of meteorological and hydrological data; developing the capacity to carry out long-term energy and climate adaptation planning and strengthening transmission network structures.
- Additional Financing for the [Regional Disaster Vulnerability Reduction Project](#) (Funded by the Pilot Program for Climate Resilience (PPCR) - a funding mechanism under the Climate Investment Funds (CIF) and administered by the World Bank). Focused on the Eastern Caribbean and geared at ensuring climate risk reduction outcomes through improved drainage and flood prevention infrastructure in selected urban areas and contributing critical building blocks to the technical and institutional capacity to manage climate resilience. Other elements include reduced risk of OECS population to failure of public buildings and infrastructure due to natural hazards or climate change impacts and increased capacity of OECS Governments to identify and monitor climate risk and impacts.
- [Multi-Phase Wastewater Rehabilitation Program](#) in Trinidad and Tobago (Approved by the IDB in 2012, but with Phases 2 & 3 scheduled to proceed in the current period – 2016 through 2020).
- [Climate Change Adaptation in the Eastern Caribbean Fisheries Sector](#) – a \$38 M GEF project to increase resilience and reduce vulnerability to climate change impacts in the eastern Caribbean

fisheries sector, through introduction of adaptation measures in fisheries management and capacity building of fisherfolk and aquaculturists. The project was approved in 2016 and is being managed by the FAO.

Projects in Preparation and/or Under Consideration:

- **Guyana Oil and Gas Capacity Building Project** – A project is currently being designed by the Government of Guyana to enhance legal and institutional frameworks and strengthen the capacity of key institutions to manage the oil and gas sector in Guyana. The executing agency is still to be determined. (\$20 M in funding will be requested from the World Bank.)
- A **Renewable Energy Sector Development Project** is being designed in Saint Lucia to be brought forward to the World Bank. The goal of the project will be to assess the viability of harnessing indigenous renewable energy resources, in particular geothermal energy.
- The Government of Saint Vincent and the Grenadines is preparing a \$30 M proposal to the World Bank for a **Port Modernization Project**. If approved, it will support modernization of both services and infrastructure.
- Under consideration for funding by the CDB is a project in Dominica that would entail energy efficiency audits on select government buildings, one waste water facility and three water treatment facilities.
- A second phase of an existing IDB project in Barbados is being prepared: [Sustainable Energy Investment Program \(SMART FUND II\)](#). Like the previous phase, it would focus on renewable energy and energy efficiency investments in public sector and small and medium enterprises.
- Grenada has developed a [Blue Growth Coastal Master Plan](#) which lays out opportunities and plans for blue growth development in areas such as fisheries and aquaculture. Private investors are being sought to fund most of these initiatives.
- In May 2018, Tobago's Division of Infrastructure commissioned an Infrastructure Committee to better coordinate and execute infrastructure development in Tobago specifically. NEIA should monitor the work of the committee and the 'Infrastructure Plan' for future opportunities.
- A Waterfront Redevelopment Project is being considered by the CDB for the Government of Trinidad and Tobago to redevelop the waterfront in San Fernando. The CDB would provide \$1 M for preparation of a Masterplan and Investment Project. This is slated to go to the board for approval in July 2018.

3. Jurisdictional Snapshots

While there are many similarities across the various sovereign countries that comprise the Caribbean region, there are also stark differences and unique variances across jurisdictions. The following section therefore provides brief snapshots of each of the 13 countries featured within this report and touches upon the defining characteristics of the different economies as well as the development challenges and potential areas of opportunity for NEIA members within each country.

3.1 Antigua and Barbuda

Key economic drivers and development challenges

The economy of Antigua and Barbuda is predominantly service based, with tourism representing over half of the GDP of the twin-island nation. The country is well connected internationally via air and sea and is home to the headquarters of LIAT – the regional air carrier. Antigua has a literacy rate of over 99% and boasts about being one of the first nations in the Caribbean to introduce broadband connectivity. The process of obtaining permits for construction, electricity and enforcing contracts is simplified and the country is committed to cultivating international trade.

Antigua is home to fragile terrestrial and marine ecosystems and is also highly susceptible to climate change. Mangrove wetlands and coral reefs are endangered by land misuse and poor waste disposal practices. With seasonal drought conditions, limited rainfall, and inadequate amounts of fresh groundwater, both islands face water resource challenges, presenting issues in areas including agriculture. Barbuda was severely impacted by the effects of Hurricane Irma in September 2017, with 95% of buildings and infrastructure destroyed and all 1800 residents displaced. This has exacerbated challenges in waste management, water supply, and infrastructure.

In 2015, Antigua and Barbuda introduced both the Environmental Protection and Management Act, and the Renewable Energy Act. To enact the former, the Department of Environment has been divided into four broad programmatic areas: Climate Change; Biodiversity; Monitoring, Evaluation and Data Management; and Pollution. The Renewable Energy Act tasks Government with developing renewable energy targets and sets out a legal, economic and institutional framework to foster development of sources including wind, solar, biomass, geothermal and tidal. In 2018, the largest renewable energy contract in the country's history was awarded to retrofit public buildings with wind and solar installations. The estimated 10 MW of renewable power which will be produced via these installations will be used to offset the energy needs of the buildings where they have been installed.

Key Sources of Project and Program Financing

Antigua and Barbuda use the East Caribbean Dollar (XCD) as their currency and the government has no limits on foreign exchange transactions. All International Businesses Companies (IBC) are exempt from paying corporate tax, income tax, capital gains tax, direct tax and sales tax for the first 50 years. The Antigua and Barbuda Investment Authority provides incentives and concessions such as tax holidays and tax credits to all IBCs. Noteworthy sources of external financing include the Caribbean Development Bank, People's Republic of China, the Government of Taiwan and the European Development Fund (EDF).

Potential Opportunities for NEIA Members

- *Waste Management* – The country does not have a central sewerage system, nor does it have any resources for monitoring effluent emissions or managing illegal dumping. Due to lack of financial resources the current focus is on development of small scale systems rather than a national/central sewer system;
- *Renewable Energy* – Recognizing the importance of renewable energy, Government has promoted use of solar and small-scale wind energy and thus, waived or reduced all import duties on renewable energy efficient technologies;
- *Information Management and Monitoring Related to Climate Change* – Under the UNFCCC, Antigua is obliged to develop programs not limited to: establishing a climate change database; implementation of monitoring programs and research programs; and, development of an inventory of GHG.

Suggested websites/readings for background information

- [Department of Environment; Procurement and Opportunities](#)
- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(NDC\)](#)

Quick Facts

- Ease of doing business ranking: 107/190
- Population: 102,012
- Geographic size: 443 km² (nearly the exact size of the city of St. John's)
- Language of business: English
- Economy
 - GDP per Capita: \$26,300
 - Debt: \$441.2M
 - Inflation: 2.4%
 - Growth Forecast: 2.7%
- Principal Sectors: Services (77.5%), Industry (20.2%), Agriculture (2.3%)
- Government and Legal System: Constitutional monarchy with common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Bridgetown Barbados

3.2 Bahamas

Key economic drivers and development challenges

The Bahamas is one of the richest countries in the Caribbean with tourism and tourism-related industries contributing over three-quarters of the country's GDP. Hurricane-related reconstruction and relief financing have increased public debt since 2017.

Bahamas welcomes foreign investments and in 2012 declared interest in industries like tourism, banking, alternative energy, agriculture, pharmaceuticals and sea salt mining. In the past, the most successful exporters to the Bahamas were involved in food items, manufactured goods, vehicles and auto parts, hotel, restaurant and medical supplies and computers and electronics products.

Bahamas is located in a zone which is highly susceptible to hurricanes and droughts and particularly vulnerable to climate change. Currently it has constrained capacity to recover from these major climate-related events or even forecast the local impact of such events. The country also has limited coastal zone management capabilities which it is seeking to address through a \$35 million-dollar loan approved by the IDB in 2017. The financing will be used to address shoreline stabilisation and coastal flooding control measures as well as natural infrastructure for hazard resilience through the restoration of natural habitats and institutional strengthening for coastal risk management efforts. In 2018, it was also announced that the government will receive a \$500,000 grant from the IDB for a study about economic diversification in the Bahamas, focusing on digital technology, "blue economy" products like sustainable fisheries and 'boutique agribusiness products'.

Key Sources of Project and Program Financing

The IDB is the largest source of IFI financing in the Bahamas. Other international agencies that support initiatives in the country include the CDB, the GEF, the IMF and the Pan American Health Organization (PAHO). The Bahamas is also a member of CARICOM.

All residents, including IBCs, in the Bahamas are exempt from paying income tax or sales tax. IBCs in Bahamas are also exempt from paying licensing fees, direct taxes, capital gains tax, dividend taxes, and capital duty and payroll taxes. However, high tariff and import fees contribute to government revenues. In lieu of downsizing its fiscal debt, Bahamas has opened its doors for international financing. One of the largest sources of external financing for the Bahamas is the People's Republic of China.

Potential Opportunities for NEIA Members

- *Renewable Energy and Energy Efficiency* - Bahamas imports 99% of its energy which consists almost exclusively of heavy oil products. The National Energy Policy developed in 2008 focused on reducing dependency on non-renewable sources of energy and led to programs like the Solar Electric Light Fund, Ocean Thermal Energy Conservation and the Green Climate Fund. Firms with capabilities and technologies related to energy efficiency, energy conservation and renewable energy are thus well-positioned to locate opportunities in the Bahamas; and
- *Coastal Zone Management* - In light of the country's focus on building resilience to coastal hazards and enhancing conservation and management of its coastal zone, firms with capabilities and technologies related to risk assessment, marine and coastal monitoring and coastal zone management may also find opportunities in the Bahamian marketplace.

Suggested websites/readings for background information

- [IDB Country Strategy with the Commonwealth of the Bahamas – 2018-2022](#)
- [Government Tenders and Opportunities](#)
- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(INDC\)](#)

Quick Facts

- Ease of doing business ranking: 119/190
- Population: 395,961
- Geographic size: 13,8800 km² (Only 12% of the size of the island of Newfoundland)
- Language of business: English
- Economy
 - GDP per Capita: \$25,100
 - Debt: \$17.26B
 - Inflation: 2.4%
 - Growth Forecast: 1.8%
 - Principal Sectors: Services (90%), Industry (7.7%), Agriculture (2.3%)
- Government and Legal System: Constitutional Parliamentary Democracy and English Common Law
- Responsible Cdn Trade Office: Cdn High Commission, Kingston, Jamaica

3.3 Barbados

Key economic drivers and development challenges

Barbados is the wealthiest and one of the most developed and densely populated countries in the Caribbean. Historically the economy has been heavily dependent on the sugar cane industry. However, in recent years the economy has diversified and transitioned to a focus on tourism, services and as a regional centre for the Caribbean. (Barbados has a world class education system that generates a highly skilled, English-speaking work force.)

The Barbados economy has been injected with foreign direct investment, 75% of which is derived from Canadian sources. However, the Barbadian economy has struggled in recent years and as of 2018 had the 4th highest debt-to-GDP ratio in the world.

While Barbados is categorized as a tropical monsoon climate, the country is often spared the worse effects of the region's tropical storms and hurricanes. As coastal erosion and reef degradation threaten the country's tourism industry, the island is seeking to address environmental and coastal vulnerabilities by strengthening the institutional framework for integrated coastal zone management and improving the mechanisms for assessing and managing coastal risks. Other areas of focus for the government include more efficient water supply and resource management, the promotion of clean energy, energy efficiency and the diversion of waste from landfill.

Barbados is currently experiencing a sewage crisis on the South coast, which the Prime Minister referred to in June 2018 as the most significant issue the country is facing outside of its economic situation.

Key Sources of Project and Program Financing

Barbados receives funding from a variety of international organizations including the IDB, IMF, GEF and PAHO. Barbados is a borrowing member country of the CDB, which is headquartered there.

The low corporate tax rate serves as an incentive for business, with the rate as low as 1.75% for international business. Barbados is the only Caribbean nation to be an 'OECD approved domicile' – in recognition of having substantially implemented the internationally agreed tax standard. Barbados is also a signatory to many bilateral investment treaties, including double taxation agreements. These agreements make it very attractive for foreign investors. As of 2013, more than \$63B in Canadian investment had been invested in Barbados, principally on deposit in resident Canadian banks such as the Royal Bank, Scotiabank and CIBC.

Potential Opportunities for NEIA Members

- *Water and Sanitation Management* – Due to a very limited supply of fresh water and growing clean water demand, coupled with detrimental wastewater runoffs into the ocean, water management and wastewater treatment are key concerns for the government;
- *Coastal Zone Management* – Shoreline stabilization, coastal data monitoring and institutional strengthening are but three areas of focus; and
- *Energy Efficiency and Clean Energy* – Capacity building, promotion of energy efficient technologies and expansion of renewable energy constitute areas of opportunity and priority for the government.

Suggested websites/readings for background information

- [IDB Country Strategy with Barbados](#)
- [CDB Country Strategy for Barbados](#)
- [Government Tenders](#)
- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(INDC\)](#)

Quick Facts

- Ease of doing business ranking: 132/190
- Population: 285,719
- Geographic size: 430 km² (nearly the exact size of the city of St. John's)
- Language of business: English
- Economy
 - GDP per Capita: \$17,500
 - Debt: \$7.5B
 - Inflation: 5.0%
 - Growth Forecast: 0.9%
 - Principal Sectors: Agriculture (1.6%), Industry (11.2%), Services (87.1%)
- Government and Legal System: Constitutional parliamentary democracy with common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Bridgetown, Barbados

3.4 Belize

Key economic drivers and development challenges

Belize is a relatively small economy within the Caribbean region, with a recorded GDP of \$3.23B in 2017. While Belize has the third highest per capita income in Central America, the economy is burdened by high levels of public debt and a large income gap between rich and poor. While oil reserves were discovered in 2005, oil production is relatively low at ~3000 barrels per day, and there is an indefinite moratorium on offshore oil exploration. Tourism is the dominant feature of the economy, followed by a strong marine products industry and agricultural sector.

Foreign Direct Investment (FDI) is a pillar of the economy, mostly through tourism, energy and telecommunications. FDI from Canadian sources is relatively low with approximately \$1236M injected into the economy in 2017. Decreased growth and an increasing level of public debt are causes for concern. Belize relies heavily on foreign trade, mainly with the US, and it is currently operating in a trade deficit.

Belize is home to the largest barrier reef in the Americas as well as tropical rain forests – both of which fuel the country's tourism industry but are threatened by climate change and natural disasters. The climate in Belize is generally tropical but does experience significant variations in weather patterns. Hurricanes are prevalent and have played a key and devastating role on the physical infrastructure of the country. For example, in 2010 Hurricane Richard yielded over \$33M in damage, and damage inflicted by Hurricane Earl in 2016 estimated at an additional \$110M.

Key Sources of Project and Program Financing

Belize receives project and program support from a number of sources, including the IDB, CDB, EDF, PAHO and WB.

Belize has enacted an International Business Companies Act, based upon the British Virgin Islands model. This has enabled the registration of over 15,000 IBCs in the last decade. Additionally, profits from IBCs are exempted from all taxes.

The country is a close trade partner of the US, specifically through the Caribbean Basin Initiative, a US Government program to stimulate investment by providing products with duty-free access to the US market.

Potential Opportunities for NEIA Members

- *Climate resilience* – Improving roads and electricity infrastructure and protecting forests and marine ecosystems to mitigate annual losses from natural disasters;
- *Water and Sanitation Management* - There is a strong need for more efficiency and more sophisticated drainage and wastewater systems to address the unsustainable management of solid waste and liquid effluents; and
- *Sustainable Environment and Natural Resource Management* – Institutional strengthening to address such issues as overfishing, deforestation and a weak environmental impact assessment system is needed.

Suggested websites/readings for background information

- [IDB Country Strategy with Belize – 2013-2017](#)
- [World Bank Country Strategy with Belize – 2018-2022](#)
- [CDB Country Strategy Paper for Belize - 2016-2020](#)
- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(INDC\)](#)

Quick Facts

- Ease of doing business ranking: 121/190
- Population: 374,681
- Geographic size: 22,966 km² (1/5 the size of the island of Newfoundland)
- Language of business: English
- Economy
 - GDP per Capita: \$8,300
 - Debt: \$1.33B
 - Inflation: 1.8%
 - Growth Forecast: 2.5%
 - Principal Sectors: Agriculture (9.7%), Industry (13.8%), Services (62.2%)
- Government and Legal System: Parliamentary democracy with common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Guatemala City, Guatemala

3.5 Dominica

Key economic drivers and development challenges

The economy of Dominica has undergone a series of reforms in recent years. Historically, the country has been heavily dependent on the banana industry but has recently diversified the agricultural sector by introducing coffee, aloe vera, fruits and flowers. While Dominica has experienced growth, the economy contracted in 2009 in response to the global financial crisis. The IMF has praised Dominica's macroeconomic reforms. There is, however, concern over the large amount of public debt levels, which increased from 67% of GDP in 2010 to 77% in 2016. This debt burden is one of the largest challenges for the Dominican economy. IBCs are exempt from all taxes for a minimum of twenty years, making the country an attractive location for international businesses.

Dominica is mostly volcanic with a scattering of black sand beaches. As such, tourism has grown more slowly than in neighboring countries. Recently, Dominica has attempted to position itself as an "ecotourism" destination. A key challenge, however, will be the effective management of the abundant natural resources. In a self-assessment of its own capacity for environmental management, the government identified inadequate monitoring and enforcement of environmental laws and regulations as a key challenge, citing reasons including lack of resources, incomplete laws and regulations, and lack of cooperation and support of the police and judiciary.

Dominica is subject to tropical storms, hurricanes, landslides, floods and volcanic activity, all of which pose serious challenges for the agricultural industry and physical infrastructure of the country. Following Hurricane Maria in 2017 Dominica experienced a negative growth estimated at 6.4% and the island lost 225% of GDP. However, the economy is expected to grow as it rebuilds from disaster. The CDB is positing a general upward trend for the region this year with Dominica projected as one of the top performers. Following Maria, Dominica established a goal of being the world's first climate-resilient nation and is setting out to determine and implement best practices across every sector. In March 2018, the Government established the [Climate Resilience Execution Agency of Dominica](#) (CREAD) that will help rebuild Dominica as the first climate resilient nation and coordinate reconstruction work to avoid duplication, maximize economies of scale, spot and fill critical gaps.

Key Sources of Project and Program Financing

Dominica receives project support and financing from a number of different international institutions, including the WB, CDB, IMF, IDB, UNEP and GEF. In 2018, The World Bank announced plans to support the Dominica geothermal project with funding of more than \$17 million. It has also approved a US \$29.5M [Emergency Agricultural Livelihoods and Climate Resilience Project](#) for Dominica as well as a US\$40M [Housing Recovery Project](#) which will focus on rebuilding houses and improving resilient building practices.

Potential Opportunities for NEIA Members

- *Agriculture and Fisheries Sector Revitalization* – Given that the sector employs 25-40% of the population, support for revitalization of the sector is a critical priority, with specific attention to introduction of climate resilient practices;
- *Renewable and Geothermal Energy* – One of the country's main priorities is to increase its renewable energy, specifically through the development and implementation of geothermal technologies; and
- *Environmental Management* – There is a push to improve the protection of natural resources to further develop the ecotourism industry. As such, coastal zone and natural resource management services and solutions are needed.

Suggested websites/readings for background information

- [Government of Dominica Tenders](#)
- [Post-Disaster Needs Assessment](#)
- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(INDC\)](#)

Quick Facts

- Ease of doing business ranking: 98/190
- Population: 73,925
- Geographic size: 751 km² (nearly twice the size of the city of St. John's)
- Language of business: English
- Economy
 - GDP per Capita: \$12,000
 - Debt: \$288.6M
 - Inflation: 0.6%
 - Growth Forecast: 3.9%
 - Principal Sectors: Agriculture (15.3%), Industry (71.1%), Services (13.6%)
- Government and Legal System: Parliamentary democracy with common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Bridgetown, Barbados

3.6 Grenada

Key economic drivers and development challenges

Three islands (Grenada, Carriacou and Petite Martinique) comprise the country of Grenada. Grenada's economy has struggled as of late due to devastating effects of hurricanes and the global economic slowdown. As of 2013, Grenada's GDP was \$1.4B with a public debt level of almost 110% of GDP. In June 2014, the IMF's Executive Board approved a \$22 million Extended Credit Facility to restore fiscal sustainability and improve Grenada's growth prospects. 2017 marked the fifth consecutive year of growth in Grenada, with public debt-to-GDP reduced from 100% of GDP in 2013 to 71.8% in 2017.

The agricultural sector, specifically the cultivation of cocoa and nutmeg, were the foundation of the economy before hurricanes severely damaged the agricultural infrastructure of the island. In order to address this setback, the economy has shifted to rely on tourism as its main source of revenue. Additionally, growth in the education sector, specifically medicine, has attracted foreign investment and contributed greatly to national output. There has also been a slight resurgence in the construction and manufacturing sectors partly attributable to the introduction of a citizenship by investment program.

Hurricane Ivan devastated the island in 2004 bringing economic growth to a standstill and yielding a degree of damage equivalent to 200% of the country's GDP. While some of the damage has been repaired, Grenada's economy still has a series of challenges, illustrated by its current Standard & Poor's credit ranking of BBB-. A significant challenge for Grenada lies in reducing its vulnerability to natural disasters. A large WB-funded project is currently focused on doing just this. Key elements include prevention and adaptation mechanisms and a regional platform for hazard and risk evaluation and improved decision making.

Key Sources of Project and Program Financing

Grenada receives project support and financing from the CDB, IMF, WB and GEF. GEF is one of the major sources of funding for the country, contributing to 27 projects since 2012.

Grenada is a member of both the OECS and CARICOM.

Potential Opportunities for NEIA Members

- *Disaster Risk Management* - Grenada is highly vulnerable to damage caused by hurricanes and tropical storms. Sustainable infrastructure, disaster management capacity building, risk assessment and early warning technologies are needed;
- *Renewable Energy* – In an effort to reduce the dependency on oil and to introduce renewable energy alternatives, there is an opportunity for firms to cultivate partnerships in this sector; and
- *Coastal Zone Management* – Firms specializing in coastal zone monitoring and management technology may find opportunities in the Grenada market.
- *Waste Management* – Despite a \$10.7M loan from the CDB in 2014, issues persist around landfill capacity, waste diversion, and lack of recycling and composting programs. The Solid Waste Management Authority indicated in late 2017 that the country's Waste Management Strategy should be completed "soon".
- *Blue Economy* - Grenada is one of the world's first countries to develop a vision for an economy based on 'blue growth', focusing on areas such as fisheries and aquaculture, blue biotechnology, renewable energy, research and innovation and the establishment of a 'Blue Innovation Institute'.

Suggested websites/readings for background information

- [Grenada Government Tenders](#)
- [Grenada Blue Growth Coastal Master Plan](#)

Quick Facts

- Ease of doing business ranking: 142/190
- Population: 107,825
- Geographic size: 334 km² (3/4 the size of the city of St. John's)
- Language of business: English
- Economy
 - GDP per Capita: \$14,700
 - Debt: \$679M
 - Inflation: 2.6%
 - Growth Forecast: 2.5%
 - Principal Sectors: Agriculture (9.1%), Industry (14.2%), Services (76.7%)
- Government and Legal System: Parliamentary democracy with a common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Bridgetown, Barbados

3.7 Guyana

Key economic drivers and development challenges

Guyana, located on the Caribbean Sea in northern South America, has a strong economy based on extractive industries and agriculture. The economy has traditionally been based on export of agricultural products such as sugar, gold, timber, rice and shrimp. Collectively, these commodities represent nearly 60% of the country's GDP. Declining sugar production has been offset by gold production.

Due to recent economic success, Guyana has significantly reduced its amount of public debt. However, challenges like lack of skilled labor and inadequately built institutional infrastructure challenge this positive growth. Comparatively, Guyana responded strongly to the global financial crisis and its economy grew every year between 2005 and 2015, at an average annual rate of 4.4%. Offshore oil exploration in recent years has uncovered the world's biggest deep-water find in a decade, with an estimated minimum recoverable resource of 3.7 million barrels and a target of first oil production by 2020.

The climate of Guyana is predominately tropical and it has generally moderate rainy seasons. Guyana is home to one of the world's largest rainforests, most of which is inaccessible to people. In 2017, Guyana with the support of UNEP released a Green State Development Strategy, emphasizing five core strategic areas: Land use planning and natural resource management systems; Sustainable agriculture; Sustainable forest management; Fresh water management; and traditional knowledge and practices.

Key Sources of Project and Program Financing

Guyana receives funding from many international institutions including the WB, IDB, GEF, CDB and individual countries such as Norway and Canada. Funding from Canada has fueled projects primarily for economic capacity building. Canadian resource-based companies are active in the country. In 2012, Guyana received \$45M financing from Norway to promote rainforest sustainability and protection efforts. Norway feeds into the Guyana REDD+ Investment Fund (GRIF) which finances the Government of Guyana's Low Carbon Development Strategy (LCDS).

Potential Opportunities for NEIA Members

- *Water and Sanitation* – Guyana received more than \$30M from the IDB and the Caribbean Investment Fund of the EU to boost efficiency, quality and sustainability of drinking water and sanitation infrastructure in Georgetown and other coastal areas;
- *Natural Resource Management* – Almost 90% of the country's forest resources are still intact. However, weak institutional capacity for natural resources management is a significant threat;
- *Sustainable energy* – Guyana's cost of electricity is among the region's highest. Implementation of a low-carbon energy framework is a priority and opportunities exist to build regulatory, institutional and legal capacity; to introduce a greener mix of energy supply and to reduce technical and commercial losses. In shifting to low carbon energy, Guyana has set zero-rated items (e.g. essential food and consumer items, agricultural items, health/medical services) and machinery/equipment to utilize renewable energy is fully exempt from import duties; and
- *Coastal Zone Management* - The coastal zone is at risk of environmental hazards due to climate change: Guyana is considered as one of the most vulnerable CARICOM member states to sea level rise, as a majority of its coastal plain is 2.5 meters below mean high tide sea level.

Suggested websites/readings for background information

- [IDB Country Strategy with Guyana \(2017-2021\)](#)
- [Caribbean Development Bank Country Strategy for Guyana \(2017-2021\)](#)
- [Government of Guyana Tenders](#)
- [Framework of the Guyana Green State Development Strategy and Financing Mechanisms](#)
- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(INDC\)](#)

Quick Facts

- Ease of doing business ranking: 126/190
- Population: 777,859
- Geographic size: 214,970 km² (nearly 2x the size of the island of Newfoundland)
- Language of business: English
- Economy
 - GDP per Capita: \$8,300
 - Debt: \$1.73B
 - Inflation: 2.3%
 - Growth Forecast: 3.5%
 - Principal Sectors: Agriculture (17.5%), Industry (37.8%), Services (44.7%)
- Government and Legal System: Constitutional monarchy with common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Georgetown, Guyana

3.8 Jamaica

Key economic drivers and development challenges

Jamaica's economy is predominately based on the service industry, which accounts for over 70% of GDP. Significant contributions come from the tourism sector, investment from remittance payments from expat Jamaicans, and bauxite/alumina. The global recession was felt in Jamaica, specifically in the alumina and natural resource sectors; however, the stability of tourism and remittance payments helped to address any substantial negative growth. On average, the economy has been stagnant for the last two decades, with a growth rate of below 1%.

Jamaica's economy faces a series of challenges, including high crime, corruption, a lack of financing for social and public programs and high inflation. Additionally, the level of public debt is a great concern. This debt has mostly been generated by government bailouts of the financial sector. As a result of this difficulty, Jamaica negotiated a new \$1B funding contract with the IMF in 2013. The contract stipulated that, in return, Jamaica must undergo reform to the tax system and reduce the debt to GDP ratio to 100% by 2020. Jamaica has been making steady progress towards this goal, having reduced the GDP-to-debt ratio from 150% in 2012 to 115% as of 2017.

Jamaica is located on the hurricane belt and as such is subject to severe weather, tropical storms and hurricanes. These storms can cause significant damage to the physical infrastructure of the island. The necessary cleanup that follows this damage is another reason for the high level of public debt.

Key Sources of Project and Program Financing

Jamaica receives a substantial amount of assistance from international organizations, such as the \$1B granted by the IMF in 2013. Other sources include the WB, CDB, and the IDB.

Jamaica also receives financial support from individual countries, including Canada and the EU. Canadian initiatives include projects designed to enhance social programming and public health capabilities. The EDF has given \$800M in financial assistance to the country and considers it a priority to facilitate the country's economic development.

Potential Opportunities for NEIA Members

- *Clean and Efficient Energy* – A major priority for the government of Jamaica is the development and implementation of a clean energy policy. The country is looking to reduce energy costs and its dependency on imported petroleum products;
- *Clean Technology Incubator* - Caribbean Climate Innovation Center (CCIC) is headquartered in Jamaica, providing early stage education, boot camps, accelerators, grants and other services. Thematic areas of focus are (a) water management (b) sustainable agriculture (c) energy efficiency (d) solar energy and (e) resource use efficiency.
- *Transportation infrastructure and logistics* – Jamaica has launched an ambitious initiative to transform itself into a logistics hub complete with expanded port capacity, road-rail ground transport system and extensive warehousing. The country has endorsed the use of PPP mechanisms for project financing. Cabinet approved tabling of the Jamaica Logistics Hub Initiative Market Analysis and Master Plan in Parliament last month for adoption in May 2018. The Market Analysis and Master Plan is being advanced by the Jamaica Special Economic Zone Authority in association with the Planning Institute of Jamaica.

Suggested websites/readings for background information

- [World Bank Jamaica Country Partnership Strategy](#)
- [IDB Jamaica Country Strategy 2016-2021](#)
- [Jamaica Government Public Tenders](#)
- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(INDC\)](#)

Quick Facts

- Ease of doing business ranking 70/190
- Population: 2.9 million
- Geographic size: 10,991 km² (nearly 1/10 the size of the island of Newfoundland)
- Language of business: English
- Economy
 - GDP per Capita: \$9,200
 - Debt: \$14.9B
 - Inflation: 3.4%
 - Growth Forecast: 1.7%
 - Principal Sectors: Agriculture (7.5%), Industry (21.3%), Services (71.2%)
- Government and Legal System: Constitutional parliamentary democracy with common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Kingston 10, Jamaica

3.9 Saint Lucia

Key economic drivers and development challenges

Despite the small size of the island, Saint Lucia has a relatively high GDP for the region at \$1.7B. The economy is based on a prosperous tourism industry and its ability to attract foreign business and investment. Tourism is the primary sector, accounting for 65% of the country's GDP. The diversity of the manufacturing and agricultural industries is also a point of success for the country. Exports such as mangos and avocados continue to fuel the economy. Conversely, the banana industry has essentially collapsed as of late due to increasing global competition coupled with the loss of preferential pricing by the EU.

Similar to its other small neighbors, Saint Lucia is vulnerable to many external shocks such as fluctuations in tourism patterns, natural disasters and severe weather and energy prices given its dependency on foreign oil and energy sources. The high level of public debt, corresponding to 77% of the country's GDP is also a great concern. This debt hinders the ability to respond to the adverse effects of external factors. In response to the global economic crisis, many airlines discontinued service to the island, substantially wounding the tourism industry and leading to anemic growth for the country. Recent tax increases have been implemented as a way to inject more capital into public spending.

Saint Lucia is a volcanic island with a more mountainous character than many other Caribbean islands. However, these volcanos, such as the famous Pitons, a world heritage site, serve as tourist attractions. While Saint Lucia is on the hurricane belt, the country is most often spared from the worst of the destruction caused by many hurricanes.

Key Sources of Project and Program Financing

Saint Lucia receives funding and project support from many sources. The WB, CDB, the UN and the IMF invest heavily in the region. Due to the size of the country, a portion of this support is facilitated through collective agreements with other countries and through the OECS, of which it is a member, and which is based on the island. Saint Lucia is also a member of CARICOM.

Saint Lucia is one of the original members of the CDB and as such, has received a substantial amount of development assistance from it over the past number of decades. CDB funding in Saint Lucia has historically been used to build social and economic infrastructure and disaster-resistance strategies.

Potential Opportunities for NEIA Members

- *Renewable Energy and Energy Efficiency* – Like many countries in the region, Saint Lucia is highly dependent on foreign energy sources. The country has no internal petroleum reserves and thus imports all energy to meet demand. Saint Lucia is the largest energy market in the Eastern Caribbean, with 90,000 customers. As such, there is a great need to develop renewable energy sources.
- *Greening Tourism and Agriculture* – A 2016 UNEP report “Green Economy Scoping Study for Saint Lucia” outlined a number of key measures to help Saint Lucia strengthen its environmental and economic resilience. Notably, the study indicates significant potential to grow a sustainable aquaculture industry.
- *Wastewater and Sanitation Management* – The government of Saint Lucia has listed the investment and development of a stronger means to process industrial and household waste as a priority. The country is currently seeking financial investment as well as subject matter expertise and technical support in the field of sanitation management.

Suggested websites/readings for background information

- [Saint Lucia Government Tenders](#)
- [Green Economy Scoping Study \(2016\)](#)
- [CDB Country Strategy for Saint Lucia](#)

Quick Facts

- Ease of doing business ranking: 91 /190
- Population: 178,844
- Geographic size: 616 km² (almost 1.5 times the size of the city of St. John's)
- Language of business: English
- Economy
 - GDP per Capita: \$13,500
 - Debt: \$523.2M
 - Inflation: 0.2%
 - Growth Forecast: 1.6%
 - Principal Sectors: Agriculture (2.9%), Industry (14.2%), Services (82.8%)
- Government and Legal System: Parliamentary democracy with common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Bridgetown, Barbados

3.10 St. Kitts and Nevis

Key economic drivers and development challenges

In terms of both population and geographic size, the dual islands of St. Kitts and Nevis (SKN) make up the smallest nation in the hemisphere. The economy is heavily dependent upon the tourism industry. Historically, the sugar industry served as the main fuel for the economy until 2005, when after decades of negative growth, the government collapsed the industry entirely. The government is attempting to diversify the agricultural industry in order to reverse the vast unemployment that followed. Most diversification focused on the tourism sector through encouragement of private sector investment in real infrastructure. This included the development of a major casino, several five-star resorts and government financed upgrades to the airport to permit long haul jet landings.

As of 2013, the country's GDP was relatively small for the region, recorded at, \$726M. The income per capita, however, ranks as one of the highest across the Caribbean. Much of the annual success of the economy can be attributed to tourism. Post-9/11, tourist arrivals dropped significantly, severely impacting the economy for a short time. Nonetheless, the economy recovered and entered a period of expansion with an annual growth rate of about 2%. In light of the small agricultural sector, St. Kitts and Nevis imports the majority of their food and is thus highly dependent on international trade.

The twin island federation is made up of the St. Kitts Island and the smaller island of Nevis. Both islands share a similar volcanic geography, consisting of a number of dormant volcanos and large uninhabited peaks. St. Kitts and Nevis is located on the hurricane belt, and is vulnerable to severe weather that can have drastic effects on tourism, and thus the economy. In 2017, drilling of test wells began to explore the potential of geothermal energy.

Key Sources of Project and Program Financing

A main source of financing for the country is the IMF. As of June 2014, the IMF had approved an additional \$4.5M in funding, combining to a total of \$7.9M in disbursed funds. This financing is targeted to promote financial sector stability and debt reduction efforts. Sources of project support and program financing include the CDB, the WB, and the EU. St. Kitts and Nevis is a member of both the OECS and CARICOM.

The EU's funding is facilitated through the European Development Fund (EDF). Under the 11th EDF, Saint Kitts and Nevis benefits from €2.8 million which will focus on developing a sustainable energy sector, with an emphasis on renewable energy and energy efficiency.

In 2017, the CDB announced a program of assistance of USD76.2 million for St. Kitts and Nevis over the period of 2017 to 2021, with "Environmental protection and infrastructure enhancement" being one of three main pillars. Under this category, interventions would aim to strengthen environmental management and climate-resilient infrastructure, including sea defenses, roads, slopes, water and drainage systems, and energy infrastructure.

Potential Opportunities for NEIA Members

- *Disaster Relief and Emergency Management* – Due to the country's vulnerability to violent weather, there is a need to develop and implement coastal monitoring technology and to enhance natural disaster risk mitigation capabilities; and
- *Expansion of infrastructure* – The country continues to invest in water, wastewater treatment (WWT), roads, the port and other public infrastructure as well as in good governance to support growth in the tourism sector.

Suggested websites/readings for background information

- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(INDC\)](#)
- [SKN National Biodiversity Strategy & Action Plan 2014-2020](#)

Quick Facts

- Ease of doing business ranking: 134/190
- Population: 56,641
- Geographic size: 261 km² (nearly half the size of the city of St. John's)
- Language of business: English
- Economy
 - GDP per Capita: \$26,800
 - Debt: \$198M
 - Inflation: 1.2%
 - Growth Forecast: 2.7%
 - Principal Sectors: Agriculture (1.1%), Industry (30%), Services (68.9%)
- Government and Legal System: Parliamentary democracy with common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Bridgetown, Barbados

3.11 St. Vincent and the Grenadines

Key economic drivers and development challenges

St. Vincent and the Grenadines consists of the main island of St. Vincent, eight other smaller islands with a permanent population, Bequia being the best known, and hundreds of islets. The country is considered a lower-middle-income economy, with a relatively small GDP of \$815M. The primary sector is agriculture, which accounts for 7.1% of the country's GDP and 26% of the labour force. There is little diversification within this industry, as bananas alone account for 60% of the sector. Such reliance on a single crop makes the economy extremely vulnerable to external factors. Historically, the economy has benefited from preferential access to the European market; however, EU demand for bananas from St. Vincent and the Grenadines has declined, which has forced the government to encourage economic diversification.

Similar to other Caribbean countries, tourism also plays an important and expanding role in St. Vincent and the Grenadines' economic success. While overall tourist influx has decreased in recent years, the Grenadines has become a sought-after destination for cruises and the high-income yachting demographic. Additionally, the country's new international airport officially opened in February 2017 and is hoped to increase tourism and airlift activity.

St. Vincent and the Grenadines is highly susceptible to extreme weather, including hurricanes, tropical storms and flooding. These events have had drastic consequences on infrastructure, crops and homes across the country. More than 90% of the infrastructural development of St. Vincent and the Grenadines lies on a narrow coastal belt less than eight meters above sea-level and many of the coastal protection ecosystems have been removed or are degraded, which exacerbate vulnerability of coastal infrastructure to storm and hurricane activity.

Key Sources of Project and Program Financing

The country receives a variety of project support and financing, namely through the WB, IMF, CDB and the EU. It is also a member of the Organization of American States (OAS), OECS and CARICOM amongst others.

The CDB and the Government of Saint Vincent and the Grenadines are currently working together to structure a financing package that would support the redevelopment of the Kingstown Port.

Potential Opportunities for NEIA Members

- *Physical Infrastructure and Environmental Preservation* – Current infrastructure development and future construction needs must adhere to newly drafted multilateral environment agreements. As such, there is a need for environmental impact assessments, technology and capability within the marketplace;
- *Sustainable and Renewable Energy Development* – The government, in conjunction with CARICOM, has made it a priority to develop and implement a national energy policy to reduce the dependency on external energy sources and to increase the development of renewable energy sources including geothermal; and
- *Technical Vocational Education and Training (TVET)* – Reorganization and improvement of the TVET structure and development of programmes to ensure that principals and teachers have the capacity to manage the schools and deliver curriculum through the integration of ICT are two key priorities.

Suggested websites/readings for background information

- [St. Vincent and the Grenadines Government Tenders](#)
- [The St. Vincent and the Grenadines National Economic and Social Development Plan 2013-2025](#)
- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(INDC\)](#)
- [CDB Country Strategy Paper 2014-2018](#)

Quick Facts

- Ease of doing business ranking: 129/190
- Population: 109,897
- Geographic size: 389 km² (nearly the exact size of the city of St. John's)
- Language of business: English
- Economy
 - GDP per Capita: \$11,600
 - Debt: \$324.4M
 - Inflation: 1.7%
 - Growth Forecast: 2.2%
 - Principal Sectors: Agriculture (7.1%), Industry (17.4%), Services (75.5%)
- Government and Legal System: Parliamentary democracy with common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Bridgetown, Barbados

3.12 Suriname

Key economic drivers and development challenges

Suriname is the smallest sovereign state in South America and is divided between two main regions, the northern lowlands and the southern rainforest, which covers 80% of the country's landmass. The economy is almost solely dominated by the mining industry. Collectively gold and oil account for 85% of the country's exports and 27% of the country's GDP of \$3.7B. Having traditionally been the key export of Suriname, cessation of the alumina mining industry in the country has had significant economic impact.

Due to the country's dependency on the mining industry, it is highly vulnerable to fluctuations in commodities and mineral price volatility. Rising international oil prices and higher production by Suriname's oil company, Staatsolie, will lift oil exports and the exploration of offshore oil wells will draw considerable FDI inflows. Higher gold prices and increased production from the Merian gold mine which began production in 2016 also should increase exports. However, the success of the economy is contingent upon the introduction of liberal market reforms in order to promote further competitiveness across the market. Further success is expected through the promotion of ecotourism. Due to the southern rainforest, the government is attempting to increase the attractiveness of Suriname as a tourist destination.

Suriname is located almost directly on the equator. As such, the climate is hot and consistently tropical. Humidity levels average around 90%, with very little temperature fluctuation. Suriname lies outside the hurricane belt so is spared from most violent weather and simply receives periodic heavy rainfall.

Key Sources of Project and Program Financing

Suriname receives both multilateral and bilateral funding from international organizations and individual countries. These funding sources include IDB, WB, CDB, IMF, the Dutch Development Fund and the EDF.

One of the major sources of project financing for Suriname comes from the EU by means of EUROPEAID. As of 2013, it had allocated 19.8 million euros to the country over a four-year period. In 2014, it allocated a further 13.8 million euros with a focus on sustainable agriculture.

Potential Opportunities for NEIA Members

- *Infrastructure development* – The physical infrastructure of Suriname remains weak. As an example, the road network consists of over 4,700 km of road, only 1,100 of which are paved. This has severe implications on many aspects of industry and impedes both economic development and public access to services;
- *Energy Sector Development* – It is considered a priority to create a financially sustainable energy sector to facility the adequate supply of energy and to improve the overall access to electricity. There is also a great need to implement cost effective and efficient energy alternatives;
- *Water and Sanitation Management* – As of 2016, there was no solid waste management policy being enforced; and
- *Education and Training* – Strengthening the quality of education and improving teacher professional development are but two of the priorities for the government in terms of education enhancement.

Suggested websites/readings for background information

- [Inter-American Development Bank Suriname Country Strategy](#)
- [CDB Country Strategy for Suriname – 2014-2018](#)
- [World Bank Country Partnership Strategy](#)
- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(INDC\)](#)

Quick Facts

- Ease of doing business ranking: 165/190
- Population: 563,402
- Geographic size: 163,820 km² (nearly 1.5 times the size of the island of Newfoundland)
- Language of business: Dutch
- Economy
 - GDP per Capita: \$13,900
 - Debt: \$1.7B
 - Inflation: 22.3%
 - Growth Forecast: -1.2%
 - Principal Sectors: Agriculture (11.6%), Industry (31.1%), Services (57.4%)
- Government and Legal System: Constitutional democracy with a civil law legal system.
- Responsible Cdn Trade Office: Cdn High Commission, Georgetown, Guyana

3.13 Trinidad and Tobago

Key economic drivers and development challenges

Trinidad and Tobago is a twin island country, consisting of two islands, nine regions and one ward. It is one of the wealthiest economies in the Caribbean and is also one of the most developed nations in the region. As of 2016, it was ranked 33 out of the 70 high income countries in the world. It is also one of the only Caribbean countries not considered a developing country. Primary industries are natural gas, petrochemicals and steel. Trinidad and Tobago is a leading supplier of oil and gas to the Caribbean and many other parts of the world. Oil and gas account for 40% of the country's GDP and 80% of exports. While 2014-2017 saw a contraction of GDP, due primarily to challenges with gas shortages and low commodity prices, early 2018 shows economic promise with increased oil and gas production and steadily rising prices.

Tourism, especially in Tobago, is also a profitable sector within the economy, although less compared to other Caribbean countries. Fueled by a well-regulated and stable financial system, the country attracts considerable foreign direct investment and international business attention. In recent years, there has been substantial investment made in the communication technology sector in an attempt to diversify the economy.

The tropical climate of Trinidad and Tobago is split between equal rainy and dry seasons. Unlike most Caribbean islands, Trinidad and Tobago is located outside the hurricane belt and as such is not subject to the prevalence of violent storms seen in other areas of the region.

Key Sources of Project and Program Financing

Trinidad and Tobago receives development assistance from a variety of sources, however due to their economic success they receive less funding than other Caribbean countries. For instance, since graduating from the WB's lending program in 2003, Trinidad and Tobago's support from the WB consists of Technical and Advisory services focused on promoting a better investment climate in order to stimulate inclusive growth, economic diversification and increased competitiveness, and strengthening institutional capacity in order to build a modern and efficient public sector.

The IDB serves as the main source of assistance and has pledged approximately \$200 million to Trinidad and Tobago for multiple projects for the period 2016-2020.

Potential Opportunities for NEIA Members

- *Water and sanitation* – There is a need to create an action plan for sewage treatment and clean water integration. The government is looking to decrease the uncontrolled discharge of untreated water into the environment and to improve public water supplies. Key agencies are <http://www.swmcol.co.tt/> and <http://www.wasa.gov.tt/>;
- *Renewable energy* – Trinidad and Tobago is looking to diversify the energy sector to respond to energy/oil price volatility. There is a need for investment and partnership opportunities to develop and implement renewable energy alternatives, which will require strengthening regulatory and legal frameworks and increasing efficiency and transparency within the industry.
- *Coastal Zone Erosion* - A coastal erosion assessment and mitigation initiative for Southwest Trinidad was identified as a priority in Trinidad and Tobago's Nationally Determined Contribution Support Program

Suggested websites/readings for background information

- [Inter-American Development Bank Trinidad and Tobago Country Strategy 2016-2020](#)
- [CDB Country Strategy Paper for Trinidad and Tobago – 2017-2021](#)
- [TT Government Tenders](#)
- [United Nations Framework Convention on Climate Change \(UNFCCC\) Intended Nationally Determined Contribution \(INDC\)](#)

Quick Facts

- Ease of doing business ranking: 102/190
- Population: 1.37 million
- Geographic size: 5,128 km² (Only 5% of the size of the island of Newfoundland)
- Language of business: English
- Economy
 - GDP per Capita: \$31,200
 - Debt: \$10.07B
 - Inflation: 3.2%
 - Growth Forecast: -3.2%
 - Principal Sectors: Agriculture (0.4%), Industry (48.8%), Services (50.8%)
- Government and Legal System: Parliamentary democracy with common law legal system.
- Responsible Cdn Trade Office: Cdn High Commission Port of Spain, Trinidad and Tobago