

# »» Project Information

## Climate change – Caribbean

### Financing ecosystem-based adaptation

Hurricanes Irma and Maria in 2017 show all too clearly that the Caribbean is one of the regions hit hardest by climate change and extreme weather events. Not only here, but also in many other partner countries, awareness is growing that climate adaptation measures also have to help preserve ecosystems like coral reefs, mangroves and seagrass beds. But the small island nations of the Caribbean lack the monetary means for this kind of ecosystem-based adaptation (EbA). KfW Development Bank's EbA facility is now supporting these countries with technical and financial assistance to implement measures designed to protect their coastal ecosystems and lower susceptibility to the impact of climate change.

### Context

Intact coastal ecosystems like coral reefs, seagrass beds and mangrove forests reduce the destructive force of tropical storms and protect against coastal erosion. They therefore contribute to easing the negative impacts of climate change. However, these ecosystems are extremely threatened: for example coral reefs are dying as a result of non-sustainable fishing and tourism. As a contribution to the preservation of biodiversity in the Small Island Development States (SIDS), KfW Development Bank, in cooperation with the World Bank, other partners, and eight Caribbean governments, formed the Caribbean Biodiversity Fund (CBF) in 2012 and provided EUR 20 million in funds from the budget of the Federal Ministry for Economic Cooperation and Development (BMZ).

The fund aims to create or enlarge protected areas in the region. The CBF does not, however, make provi-

sions for adaptation measures. Countries like Grenada, Jamaica, the Dominican Republic and St. Lucia showed particular interest in these kinds of adaptation strategies that boost their resilience to climate change at the International Climate Conference in 2015. All of these countries cited limited access to financial resources as the greatest obstacle. KfW has closed this gap on behalf of the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB). An EbA facility established as a redemption fund under the umbrella of the CBF in the amount of EUR 25 million now supplements the existing foundation fund and makes it possible to accept grants for EbA adaptation measures. This way, the urgent need for short-term financing can be met.

<b>Project name</b>	Climate change adaptation in the Caribbean
<b>Commissioned by</b>	Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB)
<b>Country/Region</b>	Caribbean
<b>Project partner</b>	Caribbean Biodiversity Fund (CBF)





Afforestation of mangroves is one of the measures the EbA-Facility is promoting. Source: KfW-Bildarchiv, photographer: Bernhard Schurian

### Project approach

At least 20 EbA projects in the region are slated to be developed, financed and implemented from facility funds. There is a special need for small and medium-sized investments of around USD 0.5 to 1.5 million, for example to restore coral reefs. The measures aim to directly protect natural ecosystems. And, they will be sustainably managed by local residents. The target group is particularly people who are directly threatened by coastal erosion or storm surges or earn their livelihoods from fishing or tourism and are thus significantly affected by the impacts of climate change. In addition, the project intends to build the political and administrative capacities of the partner countries for planning and implementing climate-related projects.

To this end, a committee defines the most important fields of action, creates selection criteria and also selects the projects to receive funding. They are proposed in the partner countries by the national nature conservation fund as partner institutions of the CBF, by government and non-government organisations or private companies. A need-based system for knowledge management will also be developed for the EbA facility; all activities and projects of the facility will be published on CBF's website. This creates transparency, and countries that are already members of the fund as well as potential new partners can benefit from the experiences of other member states. The regional exchange of knowledge is fostered at annual conventions and conferences.

### Impact

The grants in the EbA facility enable the SIDS organisationally, technically and financially to implement the necessary adaptation measures for protection, improved use and rehabilitation of ecosystems in the short and long term. In the long term, CBF will provide additional funding to preserve biodiversity. This doesn't just lower the negative impact of changing climate and weather developments in the partner countries. Some of the project measures, such as the rehabilitation of coral reefs, mangroves and other forests, also have a positive impact on climate change mitigation because they sequester the greenhouse gas CO<sub>2</sub>.

As the platform for the facility, CBF enjoys a high level of recognition in the project region and reaches the decision-makers in the ministries of the partner countries. The lessons learned with the EbA facility can thus also inspire other countries in the Caribbean – potentially even internationally – to pursue similar approaches and influence national policymakers.



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