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CARIBBEAN CORPORATE INVESTMENT FOR RESILIENCE (CCIR) BLENDED FINANCE MECHANISM

Using blended finance to mobilize capital for investment in disaster resilience in the Eastern Caribbean

On average, Small Island Developing States (SIDS) suffer **yearly losses from storm damages equivalent to 17% of their GDP**.¹ The most severe storm ever, in terms of per capita damage, hit Dominica in 2017, causing **damage equivalent to 280% of the country's GDP**.² After these shocks, these nations must rebuild, with **limited resources and capacity**, just to get back to their previous economic activity and infrastructure capacity baselines. Countries in the Eastern Caribbean face **significant economic challenges**, e.g. geographic size and markets, a lack of creditor trust, chronic debt, weak economic diversification, and low productivity. Compared to larger states, IMF research shows the region is up to **7 times more likely to experience a natural disaster** and suffer **6 times as much damage** when disasters transpire.³

¹ Lopez-Calva, Luis Felipe. After the Rain: The Lasting Effects of Storms in the Caribbean. Global Issues. 24, April 2019, <https://www.globalissues.org/news/2019/04/24/25236>

²For Heavily Indebted Small Islands, Resilience-Building is the Best Antidote. United Nations Conference on Trade and Development. January 7, 2021, <https://unctad.org/news/heavily-indebted-small-islands-resilience-building-best-antidote>

³Otker, Inci and Srinivasan, Krishna, Bracing for the Storm. International Monetary Fund. March 2018, <https://www.imf.org/Publications/fandd/issues/2018/03/otker>.



PROJECT OVERVIEW

The goal of this activity is to increase disaster resilience in the Eastern Caribbean by supporting businesses and initiatives with sound economic models. Providing funding into their operations and value chains can ultimately scale their economic growth, sustainability, and resilience, thereby strengthening communities. Our solution will use **blended finance** to mobilize capital for investment, providing social and economic returns for local businesses and communities.

To build a pipeline of investable deals, we held a “business resilience challenge” in **Saint Lucia**, an experience which informs the opening of a broader regional challenge including the following countries: **Antigua & Barbuda, Barbados, Bahamas, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago**. The activity [Facebook page](#) will provide the latest updates on application deadlines and developments.

THE USE OF A BLENDED FINANCE MECHANISM WILL ...

- Mobilize commercial debt and/or equity through grants, technical assistance and concessional capital
- Lower the costs of funding, increase available capital, and de-risk investments by aggregating domestic and foreign resources
- Create long-term cost effective solutions within critical economic sectors
- Provide more private capital to flow towards investments in economic resilience – fostering stronger business value chains and infrastructure capacity
- Increase the private sector’s (particularly small to medium-sized enterprises) resilience to natural disasters
- Promote broader economic recovery and equip communities to recover from disasters more rapidly and effectively
- Enable additionality, i.e. the opportunity to achieve goals that would not have happened without donor intervention to include structuring funds and financial instruments, guarantees and risk insurance, advisory services, and technical assistance.

PROJECT OBJECTIVES AND EXPECTED RESULTS

1. **Increase engagement** in the Caribbean Corporate Investment for Resilience (CCIR) Blended Finance Mechanism by **developing a pipeline** of “investment-worthy” projects in collaboration with the CCIR and other partners, using technical advisory services to increase investability.
2. Manage USAID de-risking funds to support a financially sustainable blended capital financing vehicle that **supports greater private sector engagement**, addressing the financing needs of fundees with the intention **to scale**.
3. Draft a **collaboration and learning agenda** on blended finance that addresses how to optimize blended finance for development/humanitarian outcomes, design and implement deals to address the operating context facing the identified investees, configure roles and relationships with players active in these markets, and provide specific suggestions for improving USAID’s overall Private Sector Engagement strategy in this region and beyond.



THE EASTERN CARIBBEAN BUSINESS RESILIENCE CHALLENGE

To identify small, and medium sized enterprises (SMEs) as well as other organizations with revenue-generating streams interested in investing in resilience, the CCIR Blended Finance Mechanism launched the Eastern Caribbean Business Resilience Challenge.

By applying to the Challenge, applicants can access:

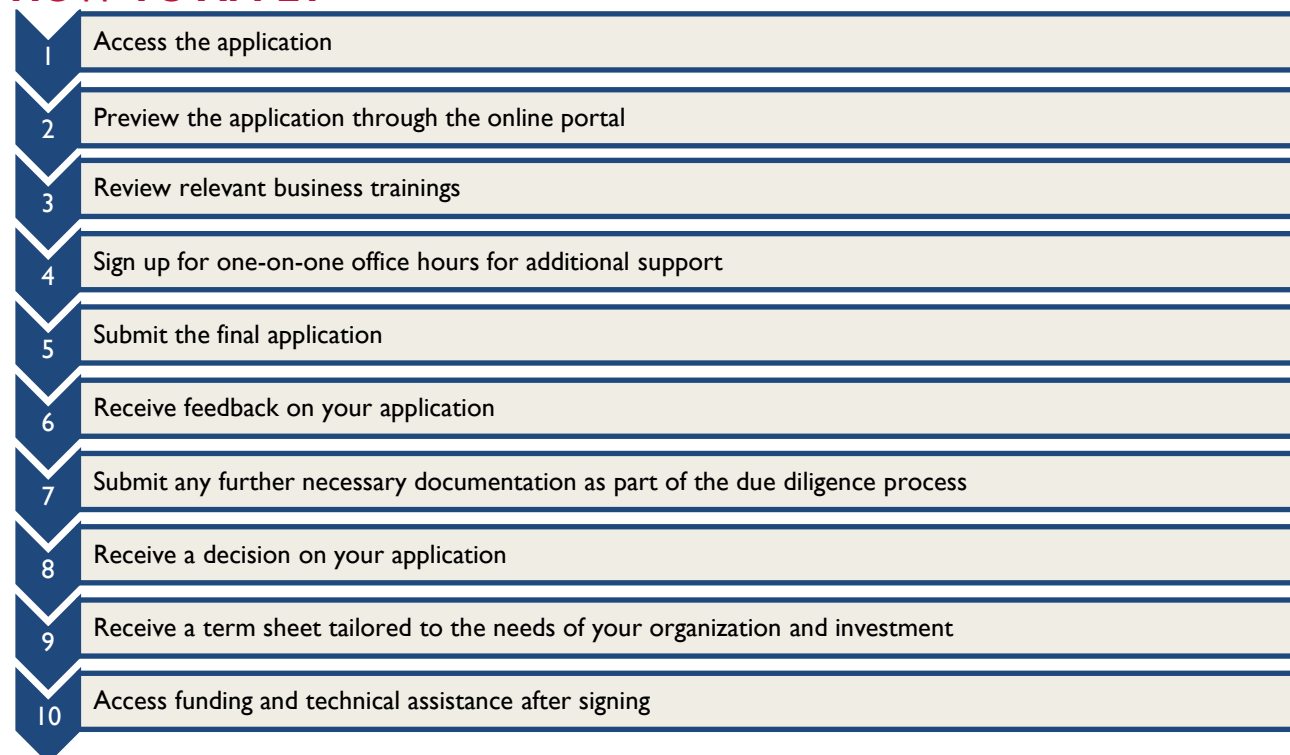
- Flexible loan funding options up to \$100,000 US on terms catered to your capital needs.
- Workshops and seminars
- Assistance creating bankable business proposals.

ELIGIBILITY REQUIREMENTS

In order to apply, applicants must meet the following criteria:

- Be operating in one of the eligible countries: Antigua & Barbuda, Barbados, Bahamas, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.
- Have revenue/financial streams that will produce a rate of return.
- Have an idea or business model to increase business and/or community resilience to disasters.
- Be able to receive loan funding.
- Be able to provide historical financial information.

HOW TO APPLY



LEARN MORE HERE

The CCIR Blended Finance Mechanism is being managed on behalf of the USAID Bureau of Humanitarian Assistance by PM Consulting Group, CollaborateUp, Pan American Development Foundation, and TOTAL Impact Capital.

Follow us on [Facebook](#) @CCIRBlendedFinance for updates!