



Perspectives from Trinidad and Tobago

Enhancing financing of Local Green Enterprises for an inclusive green recovery: Challenges and Opportunities

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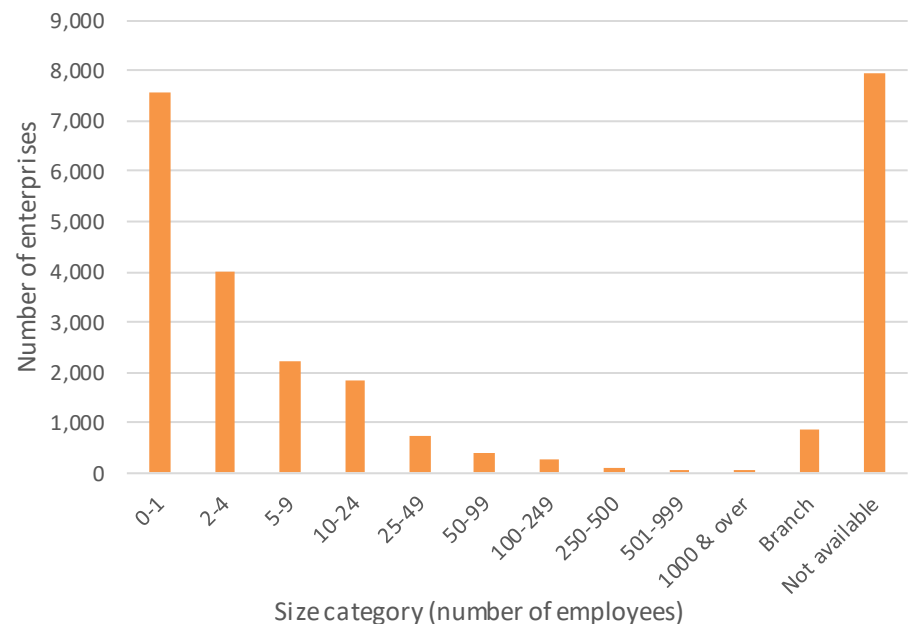
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- Twin-island state - size 5,131 km²
- Classified as high income - largest economy in CARICOM
- Economy driven by petroleum sector - 34% of GDP (2019)
- Population about 1.3 million
- Human Development Index 0.796 and ranked 67th in world (2019)
- Unemployment 5.1% (2020)
- 63% of the enterprises registered are MSMEs (with less than 50 employees) and 44% are micro (less than 5 employees) (2020)
- Informal sector 26-33% of GDP (2017)

Trinidad and Tobago context





Caribbean Local Green-Blue Enterprises



Are both
formal and
informal
businesses



Are social
enterprises



Use green
business
models



Deliver triple
bottom line
benefits
(economic,
social,
environmental)



Are usually
based in rural
communities



Use natural
resources



Challenges of the sector

Limited access to traditional markets and specialised niche markets (ranked #2)

Lack agreed definition of LGEs and knowledge about the sector (ranked #4)

Few networks and associations of LGEs (ranked #5)

No legal status for social and green enterprises





Challenges in policy and strategy

Incoherent and
weak policy
framework for
LGEs (ranked #5)

Poor policy
implementation
(ranked #3)

No national
'master plan' or
vision for LGE
sector





Challenges in access to finance

Financial products and grants not tailored to LGE needs (ranked #1)

Commercial financing not serving LGEs (ranked #5)

Weak financial inclusion policies and programmes

Policies for financial services not supporting LGEs

Collateral requirements inappropriate

Weak legal framework for digital financial services





Challenges in business development support

Existing services not tailored to unique needs of LGEs

Services not reaching LGEs especially in rural areas

Services are fragmented – no 'one stop shop' for financial, legal, advisory and capacity building services



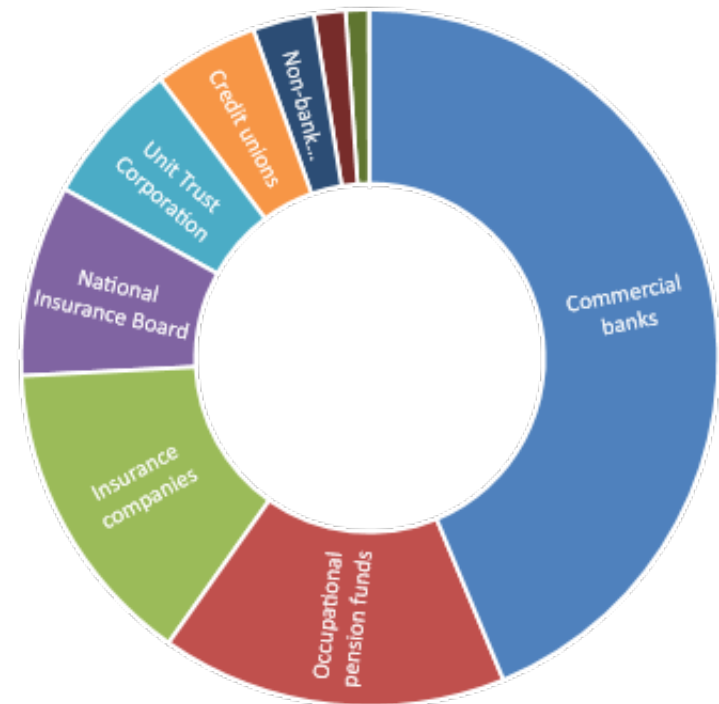
Photo credit: Grande Riviere Nature Tour Guides Association



- Map existing financing and create a tiered model for accessing financing (mix of grants, loans, venture capital, angel financing) to match LGEs with services suited to their needs
- Explore opportunities to tailor existing financing to address needs of LGEs (e.g., linked to corporate ESG commitments, eligibility of grant programmes)
- Explore development of sector-specific financial cooperatives

Opportunities in financing

Size of financial sectors





- Inventory the sector and develop definition of LGEs
- Identify champion ministry/agency and create inter-sectoral committee
- Pilot model of coordinated approach to supporting LGEs at local level, share lessons, advocate for scaling up in policy

Opportunities for strengthening the policy and regulatory framework



Photo credit: New Fire Festival



- Promote and provide structured capacity building for LGE support agencies so that they are better equipped to support LGEs, including using mentoring approach to support LGEs
- Promote collaboration among support agencies
- Encourage LGEs to form associations/ networks/ cooperatives

Recommendations for strengthening capacity



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Thank you!

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