

ANNEX II

of the Commission Implementing Decision on the financing of the annual action plan - part 2 - in favour of the Latin America and Caribbean region for 2021

Action Document for Euroclima Caribbean – A Partnership for a Caribbean Green Deal

ANNUAL PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan of Article 23 of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	<i>Euroclima Caribbean – A Partnership for a Caribbean Green Deal</i> CRIS number: NDICI LA/2021/043-453 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes 1. Regional TEI for LAC on Green Transition 2. Sub-regional (BAR and OECS countries) TEI for Green, Climate and sustainable financing, with a specific focus on energy (in case it materializes)
3. Zone benefiting from the action	The action shall be carried out in the Caribbean Region at the following countries: Antigua and Barbuda, The Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.
4. Programming document	Regional MIP for Latin America and the Caribbean 2021-2027
5. Link with relevant MIP(s) objectives/expected results	Priority area 2.2.1. Caribbean-EU Partnership for a Green Deal Specific Objective 1: The Caribbean is more resilient to the impacts of climate change and natural hazards. Specific Objective 2: Caribbean countries scale up their inclusive green transition.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Green Transition
7. Sustainable Development Goals (SDGs)	Main SDG: <ul style="list-style-type: none"> • SDG 13 – Climate Action Other significant SDGs (up to 9) and where appropriate, targets: <ul style="list-style-type: none"> • SDG 5 – Gender Equality • SDG 6 – Clean Water and Sanitation; • SDG 7 – Affordable and clean energy; • SDG 9 – Industry, innovation and infrastructure; • SDG 11 – Sustainable Cities and Communities; • SDG 12 – Responsible consumption and production; • SDG 14 – Life below water;

	<ul style="list-style-type: none"> • SDG 15 – Life on land; • SDG 17 – Partnerships to achieve the Goal 			
8 a) DAC code(s)	<ul style="list-style-type: none"> • 410 – General Environmental Protection (50%); <ul style="list-style-type: none"> ○ 41010 - Environmental Policy and administrative management (20%); ○ 41030 – Biodiversity (10%); 41040 Site preservation (20%) • 140 – Water Supply and Sanitation (5%); <ul style="list-style-type: none"> ○ 14015 Water resources conservation (including data collection) (5%) • 230 – Energy (30%); <ul style="list-style-type: none"> ○ 23110 Energy policy and administrative management (10%); ○ 232 Energy generation, renewable resources (20%) • 430 Other Multisector (15%) <ul style="list-style-type: none"> ○ 43060 Disaster Risk Reduction (15%) 			
8 b) Main Delivery Channel @	Public Sector Institutions, 1000 Third Country Government (Delegated co-operation) 1300			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity Tags: transport	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

	people2people		<input type="checkbox"/>	<input type="checkbox"/>
	energy		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity		<input type="checkbox"/>	<input type="checkbox"/>
	Migration (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned¹	Budget line(s) (article, item): 14.020141 Total estimated cost: EUR 35,000,000 Total amount of EU budget contribution EUR 35,000,000 This action is co-financed in joint co-financing by: - Member State Agency(-ies) TBD for an amount of TBD - International Organisation TBD for an amount of TBD Country TBD (amount to be confirmed)			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing²	Direct management through procurement Indirect management with the entities) to be selected in accordance with the criteria set out in section 4.3.2			

1.2. Summary of the Action

The Caribbean sub-region continues to face a daunting number of challenges, largely related to its high vulnerability to the negative effects of climate change and to natural hazards. In addition, the economic reality of the Caribbean States – small islands, with undiversified economies, usually depending on vulnerable sectors like tourism and agriculture as main drivers – makes them very permeable to the idea of green transition to zero-carbon societies as well as to the principles of green and blue economy. Their efforts to fulfil the objectives and the requirements of the Paris Agreement is often hindered by a lack of coherent policy framework, lack of means of enforcement of legislation and of means of implementing existing action plans, and by a chronically difficult access to finance for the necessary investments.

The Euroclima Caribbean is thus in line with the region's priorities, with the proposed Team Europe Initiatives (TEI) for LAC on "Green Transition", for Barbados and the Eastern Caribbean Countries on "Green, Climate and sustainable financing" and with other national TEI proposed at country level on areas like biodiversity, energy, environment or climate change. The programme is also in line with the Priority Area 1 – Partnership for a Caribbean Green Deal of the 2021-2027 Multiannual Indicative Programme for the Latin America and the Caribbean (Caribbean Window). The action, aligned with the New European Consensus on Development, the 2030 Agenda for Sustainable Development and the Joint Communication to the European Parliament and the Council "European Union, Latin America and the Caribbean: joining forces for a common future", will mainly contribute to SDG 13 (Climate Action). It intends to increase resilience to climate change, in particular for vulnerable communities and ecosystems, and to accompany the region in its efforts towards a green transition and a green recovery from the COVID-19 pandemic. This will be achieved through the action's specific objective: the enabling frameworks and available opportunities for a transition to a fully risk informed, sustainable, carbon neutral, circular economies in the Caribbean are improved. The action will pay special attention to vulnerable communities, including women, youth and indigenous populations.

¹ The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this annual action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

² Art. 27 NDICI

This Euroclima action specifically formulated to the Caribbean countries will complement another Euroclima action that will cover the entire LAC region. Due to the specific challenges of the Caribbean region and the different means of addressing them, separate budget lines and the two different responsible services, two action documents have been prepared but this will closely interface with each other through a shared secretariat and governance mechanisms to assure the coherence of the EU action in the region in order to maximise efficiency and reduce administrative costs.

2. RATIONALE

2.1 Context

The Caribbean remains an important region for the EU and its Member States, not only for the historic and cultural ties and for the vicinity of European territories, but also thanks to the strategic interest of preserving stability and shared values, and for addressing global challenges such as security, climate change, management of natural resources, promoting social inclusion and cohesion, while still fighting pockets of poverty, concerning mainly the most vulnerable segments of the population (including women, indigenous peoples and youth). These priorities are shared with the Caribbean states. The promotion of the European policies, especially in the case of the Green Deal, and encouraging European investments in the green transition are also key EU objectives.

The region's vulnerability arises from an extreme sensitivity of these countries to climate variability and change, and to environmentally damaging human activity. This is mainly due to: the small size of the countries and economies and their island topography; the near-exclusive reliance on climate sensitive economic activities like tourism and agriculture (tourism-dependent and commodity-dependent economies); the high dependency on rainfall for the replenishment of water resources; and high public debt, which restricts capacity and fiscal space to build resilience to climate change and to cope with hazards (as available resources are utilized to service debt). Furthermore, disaster recovery has also significantly contributed to the public debt burden. The need for solid adaptation measures is substantial, as preparedness is a matter of survival for the sub-region. In addition to preparedness and to adaptation, another way of pre-empting negative effects of disasters and speeding up recovery is the annual insurance policies that the countries contract with the Caribbean Catastrophe Risk Insurance Facility (CCRIF). With a very low fiscal space, the countries have been forced to redirect funds, initially dedicated to insurance, towards COVID19-related actions and economic recovery.

The two main contextual elements that have a critical impact on both natural ecosystems and human societies in the Caribbean are the global climate change and the unsustainable consumption patterns. These two elements have proven a short-, medium- and long-term negative impact on both marine and terrestrial ecosystems, as well as on human societies and, in conjunction with a structurally difficult economic situation, they are seriously hindering efforts towards the regions sustainable development efforts, while increasing vulnerability to natural hazards and other shocks. In terms of global climate change, the temperature increase projections show that there will be an increasing occurrence of extreme events unprecedented in the observational record with additional global warming, even at 1.5°C of global warming (to be reached or exceed in all scenarios up to 2040)³. The estimated increase in global surface temperature since Assessment Report 5 of the IPCC is principally due to further warming since 2003–2012 (+0.19 [0.16 to 0.22] °C). This invariably leads to more climate variability and unpredictable weather patterns. Overall climate-related risks are exacerbated also by unsustainable trends in human consumption and production patterns, as for instance: (i) increased solid waste generation, which has a negative impact mainly on marine and terrestrial ecosystems, tourism, health and water resources management, and (ii) unsustainable fisheries and agricultural practices (e.g. fish caught by trawling, use of pesticides), that lead to ecosystems degradation, biodiversity loss, soil degradation and to a considerable decrease in water resources quality and quantity.

In terms of ecosystem degradation and biodiversity threats, a number of factors have still damaging consequences: uncontrolled entry of alien invasive species (mainly because of weak enforcement of trade regulations), urbanization and unregulated land use leading to habitat destruction and fragmentation, pollution (e.g. chlordecone pollution of soils from banana plantation and recurrent contamination of the marine fauna with pesticides⁴), excessive resources exploitation (over 35% of marine species stocks are overexploited), hunting and illegal trade of species (e.g. sea turtles, iguanas in Turks and Caicos, mountain chicken in Monserrat), as well as the many consequences of climate change (disasters, coral bleaching, etc.)

³ Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), August 2021

⁴ Dromard et. al., 2015

Nevertheless, in a region-wide effort (to which the EU and its Member States have contributed through their cooperation programmes) to reduce these vulnerabilities, many positive trends can already be recognised: (i) increased adaptation and resilience-building measures; (ii) strong commitment and clear achievements in the field of renewable energy; (iii) more sustainable policies promoting a green transition (e.g. single-use plastic ban in many of the Caribbean countries), (iv) efforts in ecosystem restoration, and (v) efforts in finding alternative financial instruments for critical green investments.

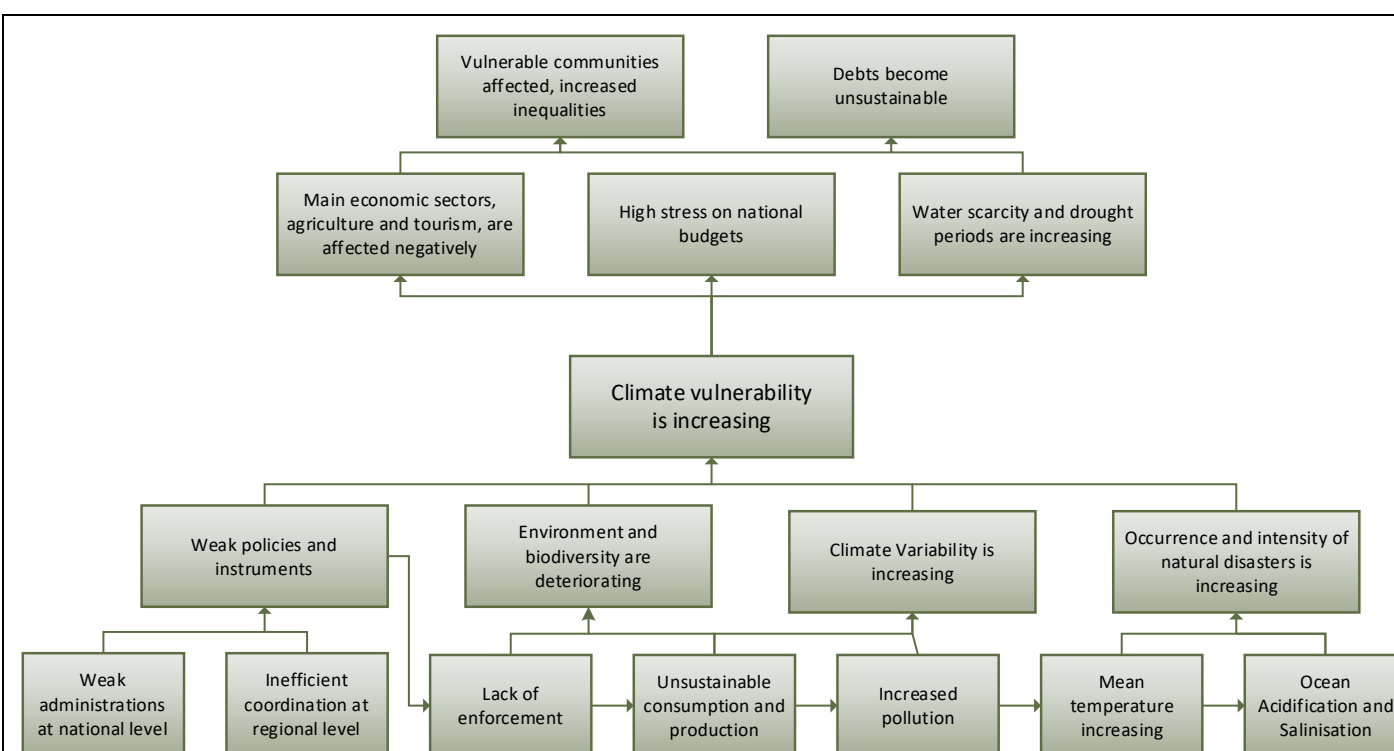
The EU's cooperation action presented under this proposal will be framed by the principles and objectives of the 2019 Joint Communication to the European Parliament and the Council "European Union, Latin America and the Caribbean: joining forces for a common future". It is also following the objectives of the Paris Agreement and of the 2030 Agenda for Development, which have been translated, at EU level, in a number of policies and policy frameworks. Thus, the programme is in line with the EU Climate Adaptation Strategy's external dimension, but also with the relevant strategies and action plans and policies under the Green Deal: e.g. Circular Economy Action Plan, Farm to fork Strategy and Zero Pollution Action Plan. Most of these policy elements have implications in the EU's external action, which will be reflected in the present programme to the extent possible. In addition, as the region has been highly affected by the COVID-19 pandemic, the EU principles of green recovery will be followed.

Most of the above-mentioned EU efforts find an echo at the Caribbean level, be it regional or national. Like-minded strategies and policies will be guiding this action, as for instance the Regional Action Plan for the implementation of the Sendai Framework in the Americas and the Caribbean, the CARICOM Energy Policy, the Regional Climate Change Framework and its Implementation Plan for Development Resilient to Climate Change, the OECS Biodiversity and Ecosystems Framework and Strategic Action Plans, national climate change resilient development strategies and the Nationally Determined Contributions (NDC).

Besides being an objective and mainstreamed in the Agenda 2030 for sustainable development, gender equality (is one of the cross-cutting development issues enshrined in the Paris Agreement Preamble (and also included in Article 7 on adaptation actions and Article 11 on capacity-building), and Priority 4 of the Sendai Framework. In addition, gender, youth and vulnerable groups (e.g. indigenous peoples) are generally given particular attention in the regional and national policy frameworks in the Caribbean. Women and indigenous peoples can be major contributors to adaptation and mitigation and disaster risk reduction in the sectors of water management, food security, agriculture and fisheries, biodiversity and ecosystem services, health, energy and transportation, human settlements, disaster management, and conflict and security (BNRCC, 2011). The World Bank has argued that gender equality (GE) is a core contributor to better development outcomes, including poverty reduction and increased sustainability (World Bank, 2012).

2.2 Problem Analysis

It is a fact that effects of climate change are more severe in the Caribbean Small Island Developing States (SIDS) due to their biophysical and socioeconomic characteristics, which make them more vulnerable to both direct and indirect impact of changing climate patterns. Their location in the Atlantic hurricane belt, the concentration of population in vulnerable coastal zones, their dependency on a narrow range of economic activities (most of them strongly linked to the environment and climate, like agriculture, fisheries and tourism) – all these make the Caribbean SIDS very vulnerable to external shocks and, as a consequence, bring them, out of necessity, to the frontline of the green transition.



1) Increased vulnerability to climate change and variability

As previously mentioned, the insularity of the Caribbean, their ocean-dependency, together with unsustainable patterns of consumption and production are putting the region on the frontline of the fight against climate change. Generating only 0.3% of the global GHG emissions, the Caribbean states are among the ones suffering the most damages and losses from slow and rapid onset climate-related disasters. This situation puts a lot of stress on ecosystems, on natural resources, on national budgets and economies (that mainly focus on two highly vulnerable sectors – agriculture and tourism) and ultimately on the most at-risk populations (women, poor, youth, indigenous populations).

As a consequence, supported by the IPCC reports and other international, regional and national statistics and research, fighting climate change, through both adaptation and mitigation, is perceived as a “matter of survival”: the XXII forum of Ministers of the Environment of LAC, held in February 2021 and chaired by Barbados has acknowledged that the LAC Region is in a “climate emergency”. Similarly, on a statement made on August 17, 2021, by the WMO Secretary General, Petteri Taalas, he mentioned that “Latin America and the Caribbean is among the regions most challenged by extreme hydro-meteorological events”. The UN report released on the same date, *State of the Climate in LAC*” recognises that facts are speaking for themselves: a yearly 3.6mm increase in the sea level in the Caribbean (slightly higher rate than the global average); 2020 was the year with the highest positive temperature anomalies and with the most named tropical storms (30 named storms) on record in the Region; LAC-wide, climate-related and geophysical events resulted in the loss of 312,000 lives and directly affected more than 277 million people.

The action aims to tackle both climate adaptation and mitigation, by improving the policy framework in the region, implementing concrete actions and improving the resources availability for resilience building and investments in the Caribbean.

2) Biodiversity loss and environmental degradation

The Caribbean Islands, represent one of the most important insular system of the world. As one of the 34 biodiversity hotspots, these islands represent a global priority for conservation. The Region supports about 11,000 plant species, of which 72 percent are endemic⁵. For vertebrates, 96 percent of the 200 amphibian species and 82 percent of 602 reptile species in the hotspot are endemic, which is likely due to their low dispersal rates, in contrast to the more mobile birds (26 percent of 565 species) and mammals (49 percent of 104 species, most of which are bats⁶. The

⁵ Acevedo-Rodriguez and Strong 2007

⁶ BirdLife International 2017; IUCN 2017a

biodiversity of the Caribbean region is at serious risk of species extinctions. Of the taxa reviewed for the preparation of the ecosystem profile, 992 species are assessed as globally threatened. These comprise 14 mammals, 37 birds, 118 reptiles, 78 amphibians, 33 bony fishes, 16 cartilaginous fishes, 11 reef-forming corals, 258 flowering plants, seven conifers and three cycads.

From a socioeconomic point of view, although most countries in the Caribbean are considered middle or high income, there are high levels of economic inequity in some countries. Poor people in the Caribbean often depend directly on natural resources but are frequently forced to use them unsustainably because of immediate survival needs. Consequently, poverty is considered a root cause of biodiversity and ecosystem loss and land degradation on many of the islands. This is a difficult situations for the decision makers that will need to be dealt with from two different ends: diversification of the economic activities of the ecosystem-dependent populations, and the setup of unequivocal regulations and means of enforcement.

The proposed action aims to support the countries and the communities through improvement of the policy frameworks in such way that the most vulnerable, including women and youth, are taken into account, (finding alternative livelihoods, vocational training, etc.), as well as through concrete remedial and protective actions at the level of ecosystems, and through the involvement of the private sector on the model of the European Business and Biodiversity Campaign as well as through promotion of biodiversity measurement and natural capital accounting.

Research has shown that men and women are impacted differently by biodiversity loss and climate change. Exposing and understanding gender-differentiated biodiversity practices and knowledge of women and men enhances biodiversity conservation. The Convention on Biological Diversity (<https://www.cbd.int/gender/>) has committed to ensuring that the post-2020 Global Biodiversity Framework is gender-responsive, by systematically integrating a gender perspective and ensuring appropriate representation of women and girls.

3) Occurrence and intensity of natural hazards

In describing this specific problem, facts speak for themselves: 2020 was the year with the most named storms on record; in 2017, category 5 Hurricane Maria has caused the Commonwealth of Dominica to lose in a few hours 226% of its GDP and has almost entirely defoliated the forest that covers almost entirely the island; still in 2017, Hurricane Irma has caused all the population of the island of Barbuda to be relocated, following the destruction, almost complete, of the human habitat. These examples show that, when an economically vulnerable SIDS is hit by a category 4 or 5 hurricane, the most vulnerable communities are unprepared (a general characteristic of High-Intensity Low-Probability events – HILP) and the major sectors of the economy are severely disrupted. The effects of these natural hazards are all the more impactful as the Governments have low capacity to help the populations in distress, neither during the events nor post-disaster, and therefore response and recovery are often totally dependent on external support and on the most sustainable recovery mechanism, the insurance (CCRIF) pay-outs. Nevertheless, the latter are conditioned on premium payments which, during the COVID19 crisis, have been problematic for the countries with very low fiscal space.

The proposed action would only tackle this problem from the preparedness/climate adaptation angle as well as from the support to insurance premium payments, taking into account that another programme is foreseen to support the region in terms of DRR governance.

4, Weak policies and instruments.

While looking at the context with a policy first lens, one of the conclusions would be that in order for the region to engage in a genuine green transition, numerous policy-related challenges remain. The policy frameworks, from strategies, action plans to legislation and enforcement, are key for the success of the transition. The main areas where the programme would be ready to take up these challenges are:

- The strategic, policy, regulatory and legislative frameworks for the sectors related to the green transition know various degrees of development in different Caribbean Countries. This includes the countries' reporting capacities on NDC implementation and other commitments under the Paris Agreement (NAPs, Global Stocktake), often limited by data availability and monitoring capabilities.
- Implementation of policies and enforcement of legal frameworks in the areas of the green transition is often a challenge for the countries where the policies and legislation are already adopted. Insufficient resources often cause the governments not to be able to adopt holistic approaches to projects. The present programme

would be able to complement already budgeted actions for a better coordination in the policy implementation at local, national and regional level.

- The means of implementation of green transition-related policies are often costly and the conditionality of enhanced resilience often translate in higher costs in all areas, from agriculture to tourism. Euroclima Caribbean could support the implementation of nature-based solutions and various alternatives that are already used in similar contexts in Europe or in other regions.
- The coordination between different sectors and levels of the Government, local authorities, the civil society and the private sector could be improved, with the goal of increasing awareness at community level on adaptation, resilience and circular economy principles, and of a better involvement of both the private sector and the civil society in the implementation of these principles.
- The difficulty of financing projects is due both to lack of resources at Governments' level and to difficulties to find investors, especially for the smallest islands. The present programme could link up existing initiatives to alternative finance offered through the European Fund for Sustainable Development Plus (EFSD+) and the Blending Facilities under the NDICI.
- Most of the Caribbean population lives in urban areas, and therefore, sustainable urban development needs to be taken into account when adaptation and mitigation actions are going to be designed.
- With between 22 and 44 % of households in the CARIFORUM region being headed by women, Climate Change based natural disasters can result in the reduction of women's share of productive activities in the informal sectors.
- Men and women, the young and elderly across the Caribbean are the main beneficiaries of better designed, targeted and implemented resilience programs. Gender issues, people with disabilities, indigenous people (e.g. Kalinago people in Dominica or Lokono in Guyana) or the differences which the examination of such issues makes clear, have been identified as one of the cross-cutting themes to be integrated into all resilience program areas.

Euroclima Caribbean will tackle to the extent possible these above-mentioned areas, based on the already extensive strategy and policy work that has already been done in areas like climate adaptation and resilience or energy, and on the solid societal and political will to advance the green transition.

Activities related Climate Change and Environment bears different levels or risk in the Caribbean region (as defined by the EU) and therefore there is a need to a differentiated approach for example with regard to Do No Harm risks related to the management of natural resources, land issues, energy production, environmental defenders, etc. Therefore the programme will pay attention to contexts/countries where greater risks may occur. Moreover, Euroclima Caribbean will ensure respect of human rights as set out in the EU Human Rights Strategy, specifically for the region being very vulnerable to Climate Change hazards, as it has been during the last hurricane seasons.

Identification of **main stakeholders** and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

Euroclima Caribbean, as a new initiative in the region that is based primarily on policy dialogue between the EU and the partner countries, will need to work very closely with, primarily, the Ministries in charge of Environment or Climate Change and with the Ministries of Finance. The respective partner Governments will nominate a Focal Point per country that will be in charge of the liaison with the programme and will oversee the programme implementation.

The multi-sector nature of Euroclima translates into the necessity of involving a wide range of stakeholders:

- **Central Government Authorities** in beneficiary countries, represented primarily by identified National Focal Points (often Ministries of Environment, but representing up to three Ministries/country): These are the main actors in policy dialogue;
- **local authorities, including cities and municipal authorities**, and community leadership will be involved in actions targeting sustainable urban development; Local Authorities would be involved in the action through the national policy dialogue, through the involvement of the Caribbean Association of Local Government Authorities (CALGA) in region-wide events, and through specific actions defined at local level. Green transition priorities often entail actions at urban level in areas for which city authorities have the responsibility.
- **other regional authorities** (Organization of Eastern Caribbean Countries – OECS, Caribbean Community Climate Change Centre – CCCCC, Caribbean Institute of Meteorology and Hydrology– CIMH, Caribbean Centre for Renewable Energy and Energy Efficiency - CCREEE), Caribbean Disaster Emergency

Management Agency (CDEMA): these regional agencies have different mandate levels and they would be involved depending on those; the Caribbean Catastrophe Risk Insurance Facility (CCRIF), a non for profit funds created by the Caribbean States for post disaster insurance schemes, will be also targeted by this action.

- **other policy makers** (including parliaments) responsible for the strategic decisions on public policies;
- **the scientific and academic community** (mainly represented by the University of West Indies (UWI), but open to other): they should provide data, updated evidence and trends for decision making;
- **national and local public administrations** responsible for the implementation of policies: these can involve from ministries (fisheries, energy, environment, education, finances, etc.) to specific departments (soil conservation units, heritage, port authorities, etc.)
- **other associated and independent technical professionals** related to the implementation of policy decisions;
- **international agencies** (e.g. UNDP for the NDC, UNEP for Environment, UNFCCC for Climate Change, UNDRR for disaster risk reduction, etc.) and related entities specifically linked to Climate Change (NDC Partnership, etc.) or indirectly linked to it⁷. The World Bank will be involved in the CCRIF support.
- **civil society organisations** (NGOs, Red Cross Societies, women's organizations, indigenous & local communities, etc.) and non-state actors: their participation in the policy dialogue ensures the people's vision and ideas and ensure that the communities are duly involved (e.g. right to free, prior and informed consent for indigenous peoples). The inclusion of women and people with disabilities should be carefully considered and incorporated to ensure greater resilience and inclusion.
- **the private sector** (and more specifically, the one related with key aspects as trade, tourism, food chain, etc.), which complies with and influences climate regulations; and
- **the financial sector** (national, international and development banks, social security entities and lenders): they will contribute to generate climate finance (and financing CC related activities) and investment. Among others, the European Investment Bank, the World Bank, the Inter-American Development Bank, CAF, the Green Climate Fund, Caribbean NDC Finance Initiative⁸, Caribbean Development Bank (CDB), etc.
- Men and women, the young and elderly across the Caribbean are the main beneficiaries of better designed, targeted and implemented resilience programs. Said this, climate risks, lead to competition for land use, food production and food security, and influencing human mobility including climate, environmental and disaster induced displacement generate migration, or "climate refugees," 80% of whom are female, according to the UN. Women and girls indeed are more exposed than men and boys to the effects of climate change, particularly in rural areas

Specific **target groups and direct beneficiaries** will be decided partly in the inception phase, and partly when defining the concrete actions to be implemented under the programme (following demand by the country and approval by the programme's governance).

3 DESCRIPTION OF THE ACTION Objectives and Expected Outputs

The **Overall Objective** (Impact) of this action is:

To increase sustainability and resilience of Caribbean societies and ecosystems.

The **Specific Objective** of this action is:

The enabling frameworks and available opportunities for a transition to a fully risk informed, sustainable, carbon neutral, circular economies in the Caribbean are improved.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives are:

- 1.1 Climate and green transition-related policies and instruments are revised and the capacity to implement them is improved
- 1.2 Climate and green transition-related action plans are increasingly implemented
- 1.3 Target countries have increased access to climate change and disaster-related finance and investments

⁷ WMO, IOC-UNESCO, etc.

⁸ <https://ndcfi.oecs.org>

3.2 Indicative Activities

Activities related to Output 1.1

Activities under this Output 1.1 will comprise, but not exclusively:

- (i) Undertake strategic policy dialogue with partner countries in the region in the areas of the Caribbean Green Deal Partnership to strengthen and formalise policy network and coordination mechanisms
- (ii) Technical assistance and other means to support the development of strategies, policies, action plans, legal and regulatory frameworks for an effective implementation of the NDCs, complying with the Transparency Framework obligations and other Paris Agreement-related commitments.
- (iii) Improve the monitoring and reporting framework for Paris Agreement commitments and related SDGs, including quantitative and qualitative improvement of the relevant data collected and processed.
- (iv) Capacity building and support to regional agencies and organisations, relevant to the Caribbean Green Deal Partnership
- (v) Supporting mainstreaming towards the inclusion of the gender, youth and human rights based approach dimensions in strategies and policies through, for example, revisions to the existing legislative documents, according to the Paris Agreement and other international provisions.

Activities related to Output 1.2:

- (i) Selection, through policy dialogue, of actions to be implemented, according to pre-defined criteria⁹ inclusive of gender and human rights markers to ensure mainstreaming of gender equality, youth and vulnerable groups is integrated into all actions.
- (ii) Support to the implementation of the existing action plans in the areas of climate mitigation and adaptation, notably in the following sectors: biodiversity and ecosystem protection/restoration (mostly by Nature-based Solutions (NbS), ocean governance/blue economy, renewable energy/energy efficiency, tourism, sustainable urban development, agriculture, disaster risk reduction, etc.

Activities related to Output 1.3:

- (i) Technical assistance to improve the investment climate for the Caribbean Green Deal Partnership
- (ii) Organise public-private dialogue
- (iii) Identify potential investment opportunities, and linking them with potential financing sources (EFSD+, blending, GCF, etc.) and with existing Technical Assistance (EFSD+)
- (iv) Technical assistance for developing investment
- (v) Support CCRIF reinsurance, in order to improve the financial affordability and coverage of the Caribbean State's disaster insurance policies.

3.3 Mainstreaming

Mainstreaming in AAP is very general and provided possibly before the mandatory analysis at action level are realised. This sections is based on the mainstreaming annex. We suggest to keep it.

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that key environmental and climate-related aspects need be addressed during design of the initiatives to be carried out at regional and national level.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment). However, case by case financed intervention under the different outcomes, and especially outcome 1 may require of an EIA.

⁹ Criteria will be included in the methodology developed by the implemented partners at contract level.

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment). However, case by case financed intervention under the different outcomes, and especially outcome 1 may require of a CRA or a CRA as part of an EIA.

Climate change and biodiversity are strongly interconnected. Biodiversity is affected by climate change, with negative consequences for human well-being. But biodiversity, through the ecosystem services it supports, also makes an important contribution to both climate-change mitigation and adaptation. Consequently, conserving and sustainably managing and restoring ecosystems and biodiversity is critical to addressing climate change.

Gender equality and empowerment of women and girls

Men and women, the young and elderly across the Caribbean are the main beneficiaries of better designed, targeted and implemented resilience programs. Another specific area to watch out is how this will be mainstreamed in the design of policies, strategies and programmes aimed at safeguarding local populations in the face of the negative effects of disasters and in the recovery thereafter.

Specific vulnerabilities for women will be addressed, including for unaccompanied girls, women and girls with disabilities and the elderly women. The higher protection risks and special assistance required for women and girls will be addressed, including appropriate and safe shelter, sanitation and health facilities, protection from gender based violence¹⁰ and enhanced support for participation in decision making.

Promoting gender equality in environmental management is also one of the eight decisions of the 2021 XXII Meeting of the Forum of Ministers of Environment of LAC. Gender considerations will therefore be integral to policy dialogue, such as the Euroclima Caribbean country dialogue mechanism.

In 2015, the European Union released its framework on gender equality and women's empowerment: transforming the lives of girls and women through EU external relations 2016 – 2020. At COP23 in 2017, UNFCCC adopted its first Gender Action Plan to support and enhance the implementation of UNFCCC gender-related decisions and mandates through a set of specific activities. Both documents emphasise gender sensitivity and the need for gender mainstreaming into cooperation programs and Climate Change-related activities.

Human Rights

Climate change is inextricably linked to human rights. The programme will ensure respect of human rights as set out in the EU Human Rights Strategy, specifically for the region being very vulnerable to CC hazards, as it has been during the last hurricane seasons.

The action will apply the human rights based approach (HRBA)¹¹ and its working principles (participation, non-discrimination, accountability and transparency) throughout.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that while this has not been identified as a significant objective the action will seek to be inclusive in its communication and participation to people with disabilities.

Democracy

Caribbean countries have a long and stable democratic tradition and except for unrest Haiti and the democratic deficiency in the country. The country dialogues and the action design will be carried out according to participatory democracy principles.

Conflict sensitivity, peace and resilience

¹⁰ The Caribbean Region benefits from the Spotlight Programme and synergies with this Action will be ensured.

¹¹ https://ec.europa.eu/international-partnerships/news/taking-forward-commitment-reducing-inequalities-human-rights-based-approach-toolbox-adopted_en

Activities financed under this action will assess risks of doing harm and issues related to potential or existing social conflict and natural resources, for example

1. Conflict sensitivity issues especially as they relate to the management of transboundary ecosystems, whether this be within or across national boundaries, as well as the management of protected areas and indigenous territories, and the impact of illicit economies, illegal logging, especially in forested areas and the Amazon basin (Guyana, Suriname) etc.
2. Regional, national, and sub-regional dialogues will promote exchanges on how to best manage natural resources, promote peace and deter conflict and violence, as well as human rights violations. The inclusion and participation of marginalised groups will be promoted to ensure societal and environmental resilience.

The particular situation of Haiti will be taken into account while defining the further methodologies.

Disaster Risk Reduction

Integration of DRR and CCA has particular importance in the Caribbean, with its unequal burden of disasters due to accumulated layers of hazards, vulnerabilities and resulting risks. The Sendai Framework has substantially expanded the scope of DRR to include natural hazards as well as human-made and all related environmental, technological and biological hazards and risks. It has broadened the task of mainstreaming to include the private sector, cultural heritage and tourism. It has advocated an all-of-society and whole-of-government approach for DRR.

To align with it, Euroclima will line up with the regional strategies (e.g. CARICOM Regional Framework for Achieving Development Resilient to Climate Change, from the Caribbean Community Climate Change Centre (CCCCC)¹² and the Comprehensive Disaster Management Strategy of the Caribbean Disaster Management Agency (CDEMA)), and ongoing projects as the Enhancing Climate Resilience in CARIFORUM Countries¹³

The incorporation of the Disaster Risk Management (DRM) strategy into national development policies and plans could be (in addition to existing policies) a choice within the country policy dialogue and it would constitute the mainstreaming of the approach as an inherent part of sustainable development. As the Caribbean region has the experience, post-disaster recovery processes represent an opportunity to rectify the previously followed course and rebuild with resilience by incorporating DRM into development strategies. Reducing prevalent social, economic and environmental vulnerability, and increasing the resilience and general well-being of the population with a rights-based approach, is an end goal of the program. Recovery must be resilient and must encompass infrastructure for adaptation, as well as access to basic services and livelihoods, essential for development, among other complementary services (Health, Education).

To the extent possible, and depending if relevant for the actions, the proposed programme will support mainstreaming, in targeted policies and actions, of preparedness practices, such as climate-proofing and the build-back/forward-better principles.

Other considerations if relevant

n/a

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
3	The programme, given the expectations and the example of its predecessors in LA (EUROCLIMA and EUROCLIMA +) might	M	M	Euroclima will be very well communicated to the countries and partner. It will also group, under a very flexible approach, a number of regional actions, notably in the fields of

¹² <https://www.caribbeanclimate.bz/blog/2017/07/27/2009-2021-regional-planning-for-climate-compatible-development-in-the-region/>

¹³ <https://www.caribbeanclimate.bz/blog/2021/04/07/2019-2023-intra-acp-gcca-programme-in-the-caribbean-enhancing-climate-resilience-in-cariforum-countries/>

	create expectations that are beyond the possibilities of the programme			Adaptation, Energy, Biodiversity and Circular Economy.
5	Lack of understanding of Euroclima Caribbean approach	M	M	A clear and comprehensive communication on the programme will be sought at all levels, and the key stakeholders will be involved in the programme early in the projects' design.
1	Due to unforeseen circumstances (e.g. COVID 19), the political priorities in the region will give less priority to climate action, in favour of economic rehabilitation, etc.	H	H	Thanks to a flexible operating modality, the programme will adapt and will promote a green transition focused on the priorities and the demands of the countries.
2-3	Insufficient progress on adaptation. Despite the Caribbean's vulnerability and exposure to natural hazards, sufficient resources to enhance resilience are not allocated	H	H	Adaptation activities are prioritized in the Euroclima Caribbean programme. Moreover, the programme focuses on leveraging finance for both mitigation and adaptation, through involvement of IFIs and Private Sector whenever possible.
1	Increased strength and frequency of hurricanes and other natural hazards jeopardize the results of the programme.	M-H	M-H	On top of the numerous existing EU actions targeting resilience building, disaster risk management, risk finance, etc., the EU will continue, together with other development partners, to support the Region in preparing to and facing natural hazards.
3	Countries' rivalry for the selection of concept notes/proposals of concrete actions	L	L	The programme's governance will ensure objective mechanisms for selection, and the criteria for selection will be sensitive to country representation for selected actions, without jeopardising the efficiency and the result-orientation of the selected projects.
3	The private sector is not interested in the implementation of the scaling up of concrete proposals.	M	M	Euroclima will share the successful experiences of the Private Sector in Europe (e.g. on business and biodiversity), will issue high quality and clear information, and will support the private sector to access various financial opportunities.
2	Lack of sufficient inclusion and participation of marginalised groups due to the impact pandemic or lack of political willingness, etc; lack of consultation with communities and FPIC protocols for indigenous peoples	M	M	The inclusion and participation of marginalised groups will be promoted to ensure societal and environmental resilience

Assumptions

1. Political and public support both for the Paris Agreement and similar multilateral agreements would not decrease both in the Caribbean and in the EU. Multilateral partnership in these areas will continue to be sought as a priority.
2. The political dialogue between the EU and the Caribbean will continue at the highest level, and the Partnership for a Caribbean Green Deal will be part of this dialogue.

3. Caribbean citizens, including civil society, largely recognise the importance of environmental sustainability and CC challenges and will support public investment to adapt to CC.
4. The Private Sector understands the necessity of CC and Biodiversity Action, and is ready to observe, in its actions and investments, the necessary needs for climate adaptation and mitigation along the existing social and environmental clauses.
5. It is to be expected that tropical storms, hurricanes and other extreme weather events will continue to disrupt the Caribbean society, and therefore, possibly, the actions of the present programme.

Lessons Learnt:

The EU regional flagship programme for Latin America in the CC sector, EUROCLIMA, has been under implementation since 2010. At the beginning, the programme supported policy development at regional and national level. It was with EUROCLIMA+, under implementation since 2017, that, building on lessons learnt and going further by allocating funds to specific complementary activities, the programme started funding climate mitigation and adaptation actions in Latin American countries, on a demand basis, in six selected sectors.

A first results-oriented monitoring (ROM) of EUROCLIMA+ was carried out in 2018, which positively assessed the programme for relevance, cost efficiency and sustainability, and recommended (a) to increase the programme's capacity to respond to country demands and (b) to improve coordination, communication and monitoring.

Based on discussions with counterparts ("National Focal Points") and ROM results, the European Commission services prepared a concept note for the future of EUROCLIMA+, which recommended focusing the Programme on in-depth country dialogues. This was adopted by the Programme Steering Committee as well as recognized at the **Forum of Ministers of Environment of the LAC Region** and it served to inform the Action Document included under the last EUROCLIMA+ decision taken in 2019. Lessons learnt, products and results from EUROCLIMA+ actions would inform the Action Document for Euroclima Caribbean¹⁴.

Among other experiences in the Caribbean, this action will benefit from lessons learnt and recommendation as described in the final evaluation of the **"Global Climate Change Alliance (GCCA) Project on Climate Change Adaptation and Sustainable Land Management in the Eastern Caribbean (iLand Resilience)"** implemented by the OECS: (i) The learning generated during the project was significant, and was facilitated by a relatively open culture within the project implementation approach by OECS. This openness is refreshing and should be encouraged in future. (ii) For some Member States, after running into problems with land policy they quickly realised that **senior political buy-in for projects in the Caribbean is a pre-requisite**, and this requires explaining the issues to Permanent Secretaries and Ministers. (iii) Regarding the project implementation experience in the Member States, while the focal points function worked relatively well, the evaluation of the fieldwork and findings suggested how to create greater impact and change going forward. It is important to state that the focal point can exercise an appreciable influence on the relative success of the work at the country level. It is not a coincidence that some of the higher performing countries also appear to have registered higher than average performances of the focal point. (iv) Another success factor appeared to be the clarity of the national strategy and how the GCCA project fitted in with these. In addition, another success factor appears to have been the extent to which national government ministries and other bodies already had experience in working horizontally across these bodies.

This action will also benefit from different studies carried out, as for instance from the **Regional Assessment of Solid Waste Management in the Caribbean**¹⁵. **National actions** will also guide and inform the actions of the EUROCLIMA Caribbean, as a next step, at contract level.

In addition, we can mention a few of the guiding elements for this programme that have been the result of lessons learned from good and bad practices:

- The basis for a successful action has to be a solid and genuine policy dialogue, based on cooperation and easy communication.
- The role of the NAO office need to be analysed on a case-by-case basis, and its active involvement in the programme should not be taken for granted. A more flexible and direct channel of communication, through National Focal Points, will replace the NAO role.
- Multi-country actions, based on common interests of countries and actors, will be preferred to all-Caribbean actions, where the interest and participation levels are often unequal.

¹⁴ Follow-up activities could include (i) technical assistance to reach objectives of projects and feed them to the policy framework, (ii) systematization of lessons learnt for replication and (iii) link to finance for upscaling

¹⁵ FWC SIEA 2018 Lot 2 2018-445.

- Build on what is already there: only work on strategic, policy and legal framework where they are absent and in the sectors where they are only incipient (e.g. circular economy). Build concrete actions only on existing and up to date policy documents, and where an action plan and monitoring framework for policies are in place.

The action will largely benefit from the experience of the EU-WB Caribbean Resilience Facility, through two main elements: first, the 2020 support to CCRIF reinsurance, which led to the granting of a 26% discount on the annual disaster insurance policies of all Caribbean countries (for 2020 and/or 2021 and/or both years). In COVID19 crisis context, this support has been vital for countries which otherwise would have not been able to pay the policy: *“By covering CRIFF insurance costs, the EU Commission supported the member countries in flexibly using budget as they saw best fit, while ensuring coverage for potential future crisis. The combination of financial flows and TA under the EU-WB Caribbean Regional Resilience Facility has been useful to reinforce the scope of the support brought. Flexibility and effectiveness were also enhanced as the design of the discount gave countries the possibility to choose between different options, including using the discount in 2020/2021, applying it over two years or increasing the coverage of the insurance for 2020/2021.”*¹⁶

Secondly the experience from the facility demonstrated that a considerable leverage effect can be obtained through funded grants and TA is possible (the action having leveraged to date more than USD more 650 million in loans from the WB from EU contribution totalling EUR 17.7 million)).

3.5 The Intervention Logic

The Euroclima Caribbean programme, under the guidance of the regional and bilateral EU Delegations, will put the basis of the National Policy Dialogues, through official request to the governments and stakeholders concerned. Any positive reaction to this request will lead to specific arrangements, to a prioritisation of the Green Deal-related sectors subject to the Euroclima partnership and a thorough choice of stakeholders as partners for discussion and action. The Methodology for the organisation of the National Policy Dialogues will be integral part of the contract with the implementing partner in charge of their set-up and follow up. Among the elements defined in the methodology will figure, among other things, the criteria for selection of the participants to the Dialogues.

Based on the policy dialogue, the identification of needs will be carried out, based on two options:

- When the main need is the strengthening of strategic, institutional and legal framework, the programme will concentrate on actions that respond to these needs, including critical elements like reporting under the Paris Agreement (e.g. NDC, NAPs, Global Stock Take, Long Term Adaptation Strategies, etc.), or data collection and analysis. The areas for support will be based on the findings under the policy dialogue and on the country demands, and will be selected through the Euroclima Caribbean methodologies and governance.
- For countries or sectors where the strategic, policy and legal framework are fully functional, the programme will fund, based on the country demand, concrete adaptation and mitigation actions identified in long-term strategy and policy instruments, NDC and NAP/NAMAs. Multi-country programmes will be encouraged, based on common elements of various in-country dialogues, for a better regional cooperation and for ensuring economies of scale when needed.

In addition, the Euroclima Caribbean programme will also aim to leveraging additional finance for the Green Deal in the Caribbean. It will identify opportunities for investment, both for public and private sector, and will seek to follow up and continue the programme's implemented projects with larger investments. The programme, through a specialised technical assistance, will link up existing projects to EU various financial instruments (EFSD+, Blending) and financing institutions like the European Investment Bank (EIB), to available international climate/environment finance instruments (GEF, GCF, Adaptation Fund) and to relevant private initiatives. This specific action will be inspired from the mechanisms used under the EU-WB CRBF, from two key points of view: the support to the reinsurance of CCRIF for obtaining premium discount for the Caribbean CCRIF members, and the leverage effect of the programme, which from grants and TA (for a total of EUR 17.7 million) to partner countries has leveraged more than USD 662 million in loans from the WB.

This logical chain of action will effectively contribute to the regional efforts to reduce the climate change impacts and to support the region advance in its transition to a fully sustainable, carbon neutral and circular economy (outcome) - through ensuring a quality policy and legal framework, through implementation of critical

¹⁶ Fast-track assessment of the EU initial response to the COVID-19 crisis in partner countries and regions, Country Note – Caribbean (draft version)

actions and facilitating investments in key sectors. The **Euroclima Caribbean programme would therefore become a key player in increasing resilience and sustainability of the Caribbean societies.**

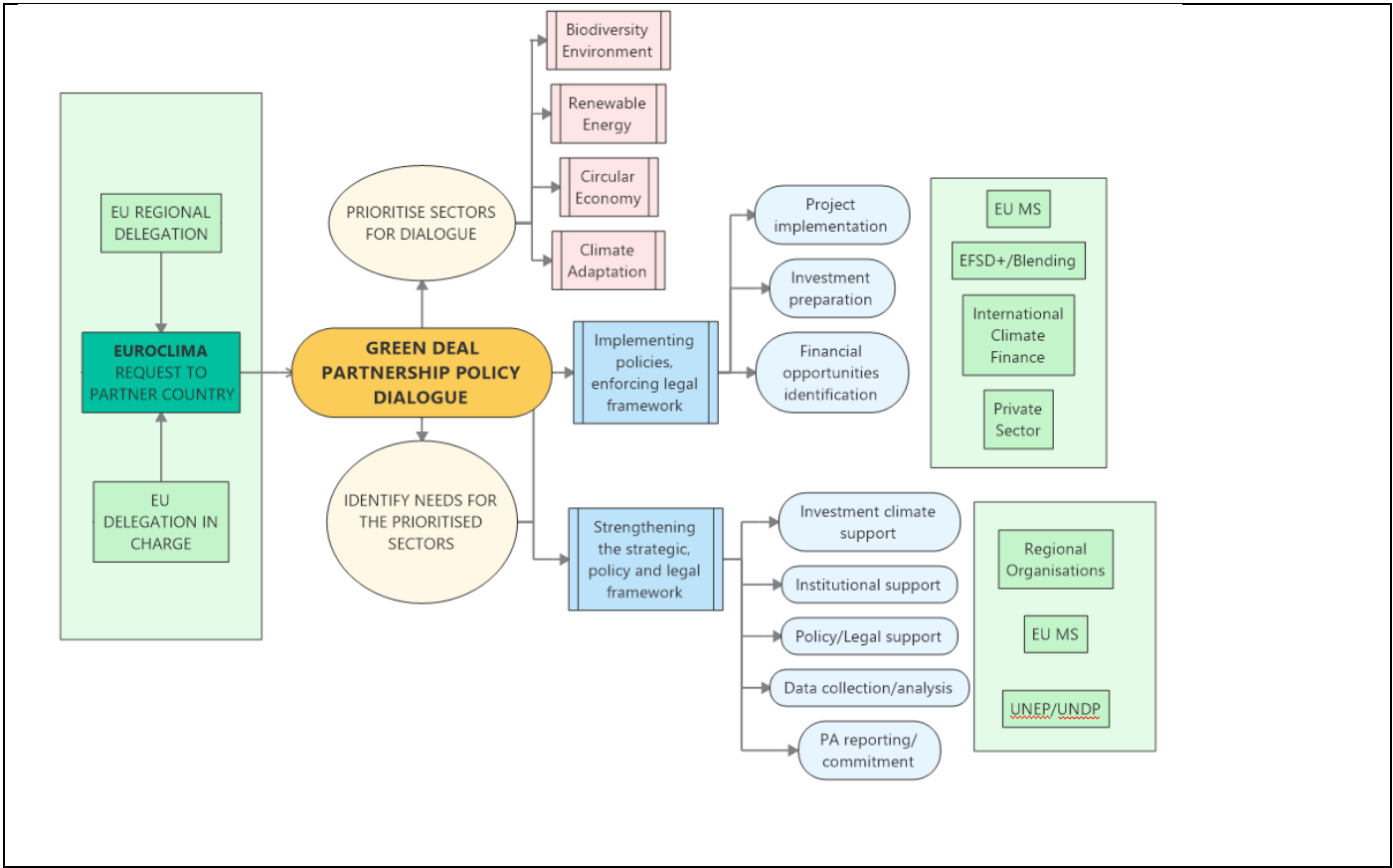
The three expected outputs follow a logical sequence based on the main assumption that the partner countries would remain engaged and would want to intensify the policy dialogue with the EU in the area of the Green Deal Partnership. This engagement is fully in line with the EU Green Deal and Adaptation Strategy external dimensions as well as with the existing Caribbean strategies and programmatic documents¹⁷ and aims to consolidate the existing bilateral and multilateral partnerships in the areas concerned.

As an example, the “Output 1.1 - Climate and green transition-related policies, institutions and instruments are strengthened”, is in line with the *Caribbean Community (CARICOM) strategy for implementation of the biodiversity cluster of Multilateral Environment Agreements (MEAS)/ OECS Biodiversity and Ecosystems Management Framework 2020-2030*, Goal 4 – “To build an enabling regional environment to manage biodiversity” (Objectives 9, 11 and 12); it is also in line with the goal of strengthening and enhancing the human and institutional capacities in the Community energy sector, of the *CARICOM Energy Policy*, with the objective of increasing the institutional capacity and institutional support within the Comprehensive Disaster Management Mechanism at regional and local level. At individual countries level, the various Sustainable Development/ Climate Resilient and sectoral strategies foresee the strengthening the capacity of the institutions, filling the policy gaps in key green transition areas (energy, agriculture, etc.) and mainstreaming in existing policies disaster risk reduction, climate adaptation and resilience (e.g. *National Resilient Development Strategy of Dominica, The Climate Change Policy Framework for Jamaica, etc.*)

The “output 1.2- Climate and green transition-related action plans and legal frameworks are implemented and enforced”, is in line with the priorities of the region and of the targeted countries, as it aims only to implement measures that are already foreseen in regional, national or local action plans, like for instance *The Action Plan for the implementation of the National Resilient Development Strategy of Dominica, The Caribbean Waste Management Regional Action Plan, The OECS Climate Change Adaptation Strategy and Action Plan (2021- Still Draft), etc.*

The “output 1.3 - Climate change finance and investments are facilitated”, is relevant for the region’s policy and strategic framework as all existing national or regional strategies have either a component or a target on resources mobilisation, given the low fiscal space and increasingly stressed national budgets of the Caribbean States.

¹⁷ <https://www.oecs.org/climate-&-disaster-resilience/resources.html?task=document.viewdoc&id=5>. Each country has a different framework, but the OECS and the CCCCC provide structural basis for the development and following updates of those.



3.6 Logical Framework Matrix

At action level, the indicative logframe should have a maximum of 10 expected results (Impact/Outcome(s)/Output(s)). It constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain: Main expected results	Indicators:	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Increase sustainability and resilience of Caribbean societies and ecosystems	1. % reduction in economic and ecosystem losses resulting from climate change impacts	1. TBD	1. TBD	1. National/ regional green transition strategies	Not applicable
		2. Increased reliance on economic drivers which support risk informed and circular economy principles	2. 0	2. TBD	2. National communications to UNFCCC	
Outcome 1	The enabling frameworks and available opportunities for a transition to fully risk informed, sustainable, carbon neutral, circular economies in the Caribbean are improved	1.1 Number of countries and cities with climate change and/or disaster risk reduction strategies (a) developed with the EU-support (EURF 2.5)	1.1 0	1.1 TBD	1. Approved policy and programme reports	Approval and acceptance process for the national policy and strategy documents has been completed by national governments
		1.2 Number of countries and cities with climate change and/or disaster risk reduction strategies (b) under implementation with the EU-support (EURF 2.5)	1.2 TBD	1.2 TBD	2. National reports and strategies	Full engagement and collaboration of regional and national stakeholders
		1.3 Number of countries supported by the EU to (a) develop and/or revise policies/strategies/laws/regulations (EURF 2.10)	1.3 TBD	1.3 TBD	3. National reports and strategies	
		1.4 Number of countries with established carbon neutrality targets	1.4 TBD	1.4 TBD	4. Nationally Determined Contributions and LTSs	National support for achievement of carbon neutrality ambitions
Output 1 related to Outcome 1	1.1 Climate and green transition-related policies and instruments are revised and the capacity to implement them is improved	1.1.1. Number of local, regional and national inclusive mechanism for policy dialogue to support Caribbean Green Deal	0	TBD	Project reports	Political will and support for establishment or strengthening of

		Partnership established with support of EU-funded intervention				regional and national mechanism
		1.1.2. Number of long term national strategic plans and legislative instruments developed with support of the EU-funded intervention, which consider the gender, youth and vulnerable groups dimensions (including local communities), and support effective implementation of the NDCs	0	TBD	National reports and strategies	Full engagement and collaboration of regional and national stakeholders
		1.1.3 Number of monitoring and reporting frameworks with disaggregated data collection, analysis and tracking of activities related to NDC commitments and SDGs developed with support of the EU-funded intervention	TBD	TBD	National NDCs and SDGs reports	Required capacities and technological capabilities to support comprehensive MRV frameworks, data collection, management and analysis
Output 2 related to Outcome 1	1.2 Climate and green transition-related action plans are increasingly implemented	1.2.1 Number of regional/ multi-country priority actions articulated in environmental, biodiversity, climate mitigation or adaptation plans and LTSs implemented with support of the EU-funded intervention	0	TBD	Project reports National reports	Project implementation not significantly affected by natural hazards or political changes during the programming cycle
		1.2.2 Number of policy instruments or legislative measures that promote	0	TBD	Project reports National reports	Political will and support for the

		the integration of a gender and human rights based approach dimension in climate policies and / or NDC actions prepared, revised or implemented with the support of the EU-funded intervention				development revision and implementation of key policies and legislative measures
Output 3 related to Outcome 1	1.3 Target countries have increased access to climate change and disaster-related finance and investments	1.3.1 Number of climate finance strategies, investment plans and / or institutional strengthening processes for climate finance developed with support of the EU-funded intervention	0	TBD	Project reports National pipeline investment reports	Required technical capacities to support review and development of plans and policies to support investment and strengthen legislative and fiscal processes
		1.3.2 Number of countries benefitting from discounts from CCRIF premiums or additional coverage for the period 2022/2023	0	TBD	CCRIF reports	
		1.3.3 Number of viable prospective investment opportunities identified and linked with potential financing sources with support of the EU-funded intervention	0	TBD	Project reports National pipeline investment reports	Investment opportunities are aligned with areas of focus for the relevant investors and financing sources

NB: Most baselines and targets are to be determined during the inception period of the Contracts with the Member States Agencies and International Organisations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the regional counterparts.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 78 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁸.

4.3.1 Direct Management (Procurement)

A service contract tender will soon be launched under a suspensive clause¹⁹ prior to the adoption of this Decision. Amongst others, this is justified to allow an earlier launch of the tender procedure(s) - as well as, of the contractualisation - of the technical assistance foreseen for this programme. This is all the more necessary both in order to ensure the timely start of the implementation and a smooth transition from the currently implemented Euroclima programme to this new programme, as well as, to avoid any potential delay while ensuring the availability of all support resources necessary

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Programme coordination and Technical Assistance	services	Q4 2021

4.3.2 Indirect Management with Member State Organisations and International Organisations

EU Member State Agencies

The largest part of this action will be implemented in indirect management with a number of MSAs, which will be selected by the Commission's services using the following criteria:

- Specific expertise in climate change, biodiversity, circular economy, policy support, strategic planning, capacity building, knowledge management
- Preferably previous experience in the Caribbean
- Robust operational capacity
- Operational capacity to work in as many countries in the region as possible
- Capacity and track record in collaborating with other EU MSAs, UN agencies, EU Delegations and Caribbean Governments
- Absence of (potential) conflicts of interest

¹⁸ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

¹⁹ amount allocated for the programme coordination and technical assistance under this Action will be used, in principle, to contribute to the costs of a single programme coordination and technical assistance contract together with the Euroclima 2.0 programme (LA/2021/043-581) adopted under the same Commission Decision, unless otherwise negotiated with the implementing partner. Therefore, there would be a single tender and suspensive clause for both Actions.

This implementation entails the achievement of results under EO1, EO2 and EO3 (section 3.1), with special attention to a) support the EUD in the policy dialogue with the country, b) implement actions under EO2 and c) improve the investment climate for the Caribbean Green Deal Partnership.

The cooperation with EU MSAs will ensure the best access to expertise in key sectors from European agencies with experience in the region and the sectors covered.

Considering the complexity and the demand-driven approach of the programme, the detailed division of responsibilities and tasks among the EU MSAs will be fine-tuned during the inception phase and described in the Contribution Agreements

International Organizations

A part of this action may be implemented in indirect management with one or more International Organisations, which will be selected by the Commission's services using the following criteria:

- Specific expertise in climate change, biodiversity, circular economy, policy support, strategic planning, capacity building, knowledge management
- Solid experience of operating in the Caribbean
- Robust operational capacity
- Operational capacity to work in as many countries in the region as possible
- Good track record in working directly with Governments in the Caribbean States
- Capacity and track record in collaborating with other EU MSAs, UN agencies, EU Delegations
- Absence of (potential) conflicts of interest

This implementation entails the achievement of results under EO1 and EO2 (section 3.1), with special attention to a) support the EUD in the policy dialogue with the country, b) implement actions under EO2.

World Bank - Global Facility for Disaster Reduction and Recovery (GFDRR)

A part of this action may be implemented in indirect management with the World Bank GFDRR. This implementation entails the support to the reinsurance process of the Caribbean Risk Insurance Facility in order to obtain premium discounts for the partner countries, as foreseen under EO3. The envisaged entity was selected using the following criteria: 1) Experience in the Caribbean; 2) Facility of accessing partner countries concerned government entities; 3) Experience in implementing programmes on resilience and DRR in the Caribbean; 4) Experience in working with insurance mechanisms and with CCRIF in particular.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced the decision to replace it needs to be justified.

4.3.3 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case implementation originally foreseen through indirect management cannot take place due to circumstances outside of the Commission's control, the Authorising Officer reserves the possibility to consider identifying alternative modality in direct management (procurement, grants) to one or more entities that offer similar technical competences and/or capacities and/or experience to those of the entities originally foreseen in indirect management.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

	EU contribution (amount in EUR)	Indicative third party contribu- tion, in currency identified
Indirect Management with EU Member State Agencies – cf. section 4.3.2	20 000 000	TBD
Indirect Management with International Organisations – cf. section 4.3.2 (of which EUR 5.000.000 for the World Bank)	12 000 000	TBD
Procurement (direct management) – Technical Assistance– cf. section 4.3.1	3 000 000	
Contingencies	N.A	N.A.
Totals	35 000 000	TBD

4.6 Organisational Set-up and Responsibilities

The governance of the programme is based on the set-up that has been put in place for the ongoing EUROCLIMA+ Programme in Latin America. However, it has been adapted to the Caribbean context. To be noted that the two action documents for Euroclima Caribbean and Euroclima LAC will closely interface with each other through a shared secretariat and governance mechanisms to assure the coherence of the EU action in the region in order to maximise efficiency and reduce administrative costs.

Programme Steering Committee

The supreme decision-making body of the programme continues to be the Programme Steering Committee (PSC). This PSC will complement the Euroclima LAC PSC in its tasks and activities notably when common issues regarding the programme will be at stake.

It is comprised of representatives of:

- the 16 Caribbean countries eligible to participate in the programme²⁰;
- the EU Member States agencies and the international organisations in charge of the implementation;
- the European Union Delegation (EUD) to Barbados²¹, which will co-chair the Steering Committee with one of the Caribbean countries.²²
- representatives of PSC from other major EU funded programmes in the region, (CCCCC, CIMH, ClimSA, 11th EDF Intra-ACP NDRR Programme, etc.) could be invited to participate, on a case by case basis

The PSC normally meets twice per year to approve overall strategic orientations, annual work plan and budget, attended by representatives at a level appropriate to the proposed agenda and the decisions to be taken. Decisions will be taken by consensus. If consensus cannot be reached, the EUD may exercise its right to decide.

At least one PSC will be organized in coordination with the Euroclima LAC Annual Event, in order to assure the coherence of the EU action in the region and increase the regional dialogue between the countries from both sub-regions.

An advisory group comprised of recognised experts and nominated *ad personam* may be constituted to advise the programme, if, and when needed.

Management Committee

²⁰ Participation of the countries could be virtual or physical

²¹ Other EUD (bilateral) or INTPA HQ representatives could be also participate when relevant action is to be presented

²² Normally, the PSC will be co-chaired by the Caribbean country hosting the meeting/event.

The Management Committee supervises the programme coordination and monitoring. Moreover, it will allocate responsibilities and tasks in order to operationalise work plans. It is comprised of representatives of:

- the Regional EUD (as chair) and Bilateral EUD and other EU representatives (INTPA HQ, DG CLIMA, ENV, EEAS, EIB...) when needed;
- the EU Member State agencies in charge of programme implementation
- the International organisations in charge of programme implementation
- Other regional and international organizations as well as recognized experts could be invited to participate, on a case by case basis.

The Management Committee will meet 4 to 6 times per year, attended by representatives at a level appropriate to the proposed agenda and the decisions to be taken. A close coordination with Euroclima LAC will be assured.

As per the National Policy Dialogue on the Green Deal, the Management Committee will:

1. Focus on prioritizing together with the specific country the areas of the Green Deal to work on. The Bilateral Delegation (if the country has one) will be in the lead.
2. Once the needs identified, the identified proposals are shown, in terms of support to processes and support to implementation (see intervention logic; there will be demand-based requests, only to be taken into consideration if supported by the Bilateral Delegation).
3. The Management Committee will decide on the selection of the requests to be implemented.
4. The Regional Delegation will have the final word on the choice of the proposals (with the agreement of the Bilateral Delegation).

Programme Secretariat

The Programme Secretariat will benefit to the experience of the current EUROCLIMA+ Programme Secretariat based in Brussels. In this sense it is foreseen the support for a Programme Secretariat under the AD Euroclima LAC that continues to operate on a permanent basis, with a modified set of responsibilities and extensive activity not only in Latin America, but in the wider Caribbean (which will be financed under this AD). The Programme Secretariat staff is comprised of:

- staff recruited through a long-term service contract²³,
- representatives of the implementing agencies, as appropriate.

The Programme Secretariat will be responsible for coordinating, with the implementing agencies, the dialogue with the partner countries and other regional actors about the programme's actions and operationalisation, in line with the guidance by the PSC.

Based on the results of the dialogue with the partner countries and the other Caribbean actors, the Programme Secretariat establishes the draft working plan where the actions to be performed are preliminarily planned, in order to be submitted to approval of the PSC.

The Programme Secretariat is in charge of the day-to-day programme and notably will be required to perform all essential day-to-day activities necessary to ensure its efficient and coordinated functioning. These activities may include, but are not limited to, its day-to-day monitoring, the execution of its day-to-day communication needs, including in particular the knowledge management, logistics and sharing aspects of the programme. These activities will be performed, in as much as, and to the extent of, are necessary to ensure the day-to-day programme coordination, its smooth and efficient implementation and the continuous monitoring. It is to be noted that, given the substantial financial allocation of the programme, as well as, its geographical coverage (even more given the recent inclusion of the Caribbean countries into the programme and therefore also given the distinctive remoteness and isolation common to all SIDS) as well as, the countless number of stakeholders involved in the programme, most of the above mentioned activities are intrinsic to the programme itself and cannot be dissociated from it without endangering its efficient implementation. The Programme Secretariat assists in the preparation of meetings, including those of the PSC and the Management Committee

Implementing Partners

²³ Through the service contract will also be financed the logistic arrangements related to Programme coordination (office space, meetings, etc.)

The implementing partners will take an active role to support the process of policy dialogue with the countries, which informs annual work plans. Their main responsibility will be the implementation of agreed activities as per their contracts and work plans approved by the PSC. The implementing partners will cooperate closely to ensure effective programme implementation.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Baseline and target data, as preliminarily presented in the LF Matrix (3.6.), will be refined at the beginning of the implementation of this action by the implementing partners, in collaboration with the national and regional entities concerned (e.g. the CARICOM Statistics Unit). The implementing partners will be contractually bound to closely monitor the operations and periodically (at least one-yearly) report on the selected indicators to the EU Delegation. The costs for the actions mentioned above are covered by the project.

The implementing partners will be responsible for providing detailed information about the activities and results of their specific interventions, while the Secretariat will produce consolidated periodical reports which will be presented to the Programme Steering Committee for comments and related decisions. The implementation reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the Programme. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The EU Regional Delegation and the other concerned Delegations in the Caribbean will also be monitoring the projects through continuous communication with the implementing partners and through field visits.

5.2 Evaluation

Having regard to the nature of the action, a mid-term and/or ex-post evaluations will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that several agencies were cooperating in the implementation of the programme.

The Commission shall inform the implementing partner at least two months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation

experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination²⁴. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

²⁴ See best [practice of evaluation dissemination](#)

APPENDIX REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Option 1: Action level		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action