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ANNEX II

to the Commission Implementing Decision on the financing of the annual action plan part II in favour of the Americas and the Caribbean for 2022

Action Document for Caribbean Resilience Program

ANNUAL PLAN

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

1. SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Caribbean Resilience Program OPSYS number: ACT-61459 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).
2. Team Europe Initiative	Yes Regional TEI for LAC on Green Transition
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	Multi-Annual Indicative Programme (MIP) for the Americas and the Caribbean for the period 2021-2027 - Caribbean window
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.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Disaster Risk Reduction, 740 - Disaster prevention and preparedness
7. Sustainable Development Goals (SDGs)	Main SDG - SDG 13 (Take urgent action to combat climate change and its impacts) Other significant SDGs (up to 9) and where appropriate, targets: SDG 9 (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) and SDG 11 (Make cities and human settlements inclusive, safe, resilient and sustainable).
8 a) DAC code(s)	43060 – Disaster Risk Reduction – 100%
8 b) Main Delivery Channel @	The Global Fund for Disaster Risk Reduction 47502

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 type="checkbox"/>	<input checked="" type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 people2people energy digital connectivity	<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"/>
	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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020141 Total estimated cost: EUR 15,000,000 Total amount of EU budget contribution EUR 15,000,000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing¹	Project Modality Indirect management with the World Bank Group			

1.2. Summary of the Action

Caribbean countries, a set of mostly Small Island Developing States (SIDS), have a history of dealing with large shocks. The region is threatened by both economic and natural hazards. Whilst Caribbean countries have achieved resilience levels that have allowed them to support economic development despite large recurring damages and losses from multiple hazards and shocks, they are not prepared for the new challenges posed by climate change, compounded by uncertainty on future tourism markets and a lack of fiscal space. Climate change mitigation and adaptation is the most pressing priority for the Caribbean region and these new challenges call for more consistent approaches to resilience, building on stronger institutions, robust analytics, and transparent prioritization.

The Caribbean Resilience Program is the second programme of the multiannual pipeline of AAPs under the Priority Area 1 – Caribbean-EU Partnership for a Green Deal. The EU-Caribbean Partnership on the Green Deal pursues the implementation of the external dimensions of both the European Green Deal and of the EU Adaptation Strategy, as well as the EU Action Plan on the Sendai Framework for Disaster risk reduction.

The program will continue the EU's work in the region in terms of resilience building, disaster risk management, disaster risk financing and recovery and preparedness through building back better. It will complement Euroclima Caribbean (EUR 35 M), adopted under the AAP 2021 and covering the areas of Climate Adaptation and Mitigation, Biodiversity, Circular Economy and Renewable Energy and Energy Efficiency.

Building on the successes of the ongoing 11th EDF B-envelope Caribbean Regional Resilience-Building Facility, the Caribbean Resilience Program will be implemented by the World Bank Group (WB) through the Global Facility for Disaster Reduction and Recovery (GFDRR). It will incorporate some important lessons learned to achieve better physical resilience and improved Disaster Risk Financing (DRF), such as a structural collaboration with regional actors and a stronger focus on resilience of physical infrastructure and disaster risk financing strategies for longer-term impact. The proposed action is also designed to ensure a more prominent role for the EU in policy dialogue with the countries/region and to mobilise investments beyond WB and from other international financial institutions active in the region, linking this to the EFSD+ pipeline.

It will work with a combination of policy interventions, physical infrastructure projects and financial instruments and strategies for risk mitigation.

Activities will be demand-driven and identified through consultations with all relevant stakeholders and implemented in close coordination with the regional organizations and other development partners. The policy dialogue mechanism for these consultations will be associated to the policy dialogue established by Euroclima Caribbean. It will ensure coherence between the overall EU interventions in the area of the green deal, bring EU Member States in the picture, link the action to the regional Team Europe initiative on Green Transition and raise EU profile. The presence of the EIB and where relevant other European Financial Institutions at the dialogue will also help identify opportunities for investments under the EFSD+ windows to contribute in achieving the objectives of this action.

¹ Art. 27 NDICI

2. RATIONALE

2.1. Context

Caribbean countries, a set of mostly Small Island Developing States (SIDS), have a history of dealing with large shocks. The region is threatened by both economic and natural hazards. Nations have specialized in tourism and commodity exports, disproportionately exposing them to global economic cycles through changes in tourism demand and commodity prices. They are also located in a region that is highly exposed to a range of natural hazards—from volcanic eruptions to earthquakes and hurricanes—which damage their infrastructure stock, reduce tourism demand, and destroy agricultural production. Hazards have often caused severe damage to economies and livelihoods in the region, affecting disproportionately the most vulnerable groups, including the elderly, women and children.

Disasters caused by natural hazards are a threat to development, and their costs are rising. The annual average cost of disasters in developing countries has risen from US\$23 billion to US\$150 billion over the past 30 years, and the number of affected people has tripled to 2 billion (Hallegatte et al. 2017). Population growth, rapid and unplanned urbanization, poor-quality infrastructure, and ineffective disaster risk governance have contributed to these increased damages from natural hazards. In the Caribbean, direct damages due to natural disasters have averaged almost US\$1.6 billion per year over the last 20 years. In 2017, Irma and Maria, two Category 5 hurricanes, hit the Caribbean in the same week, causing severe damages on small island states and territories. In Dominica, damages amounted to 226% of its gross domestic product (GDP). During the 2020-2021 period, more than 30 severe weather events impacted the economy of countries in the region. With the eruption of the La Soufriere volcano in 2021, Saint Vincent and the Grenadines counted economic damages amounting to more than \$400 million. Similarly, the 2021 earthquake in Haiti caused economic damages totalling \$1.6 billion and hurricane Elsa affected several Caribbean countries. Declining freshwater availability, rising sea levels, coastal erosion, and flooding are common throughout the region due to environmental degradation and climate change further exacerbate economic losses due to damage to critical infrastructure during disasters. Due to global warming, global climate models predict hurricanes will likely cause more intense rainfall and have an increased coastal flood risk due to higher storm surge caused by rising seas. Additionally, hurricanes that form are more likely to become intense.

The impact and severity of disasters that follow a hazard event depend on the choices made over time by governments, the private sector, and others. Even though disaster risk reduction renders benefits four times the costs in terms of avoided and reduced loss, investment in Disaster Risk Management (DRM) has been very low in most countries and represents a tiny proportion of international development assistance. The majority of DRM related development financing remains for emergency response. This is because decision makers tend not to prioritise investment in resilience due to lack of immediate gains or benefits. Due to their exposure and vulnerability to impact of climate change, adaptation is the top priority for climate action in Caribbean countries, have advanced in developing National Adaptation Strategies/Plans. DRR/DRM has a direct link with their adaptation strategies and supporting DRR/DRM in the Caribbean should obviously be linked to the development and implementation of National Adaptation Strategies/Plans.

The EU-Caribbean Partnership on the Green Deal, as reflected in the Caribbean window of the Multi-Annual Indicative Programme (MIP) for the Americas and the Caribbean for the period 2021-2027, pursues the implementation of the external dimensions of both the European Green Deal, the EU Adaptation Strategy as well as the EU Action Plan on the Sendai Framework for Disaster risk reduction and the EU Biodiversity Strategy. It is aligned to Title II of the Caribbean Protocol of the future EU-OACPS Partnership Agreement, that aims at contributing to making the Caribbean more resilient to the impact of climate change and natural hazards, and at supporting an inclusive green transition in Caribbean countries. Interventions under the EU-Caribbean Partnership on the Green Deal, including this one, will also be a concrete step in the implementation of the Global Gateway, our strategy to make the EU a global partner of reference and our offer for respectful and qualitative partnerships and co-investment. One that connects Europe and partners across the globe. One that creates links and not dependencies. One that reinforces the EU's and our partners' resilience and open strategic autonomy.

The multiannual pipeline of AAPs under the Priority Area 1 – Caribbean-EU Partnership for a Green Deal is built around three complementary actions. The first programme, Euroclima Caribbean (EUR 35 M), was adopted under the AAP 2021 covering the areas of Climate Adaptation and Mitigation, Biodiversity, Circular Economy and Renewable Energy and Energy Efficiency. The second programme, the Caribbean Resilience Programme

(EUR 15 M) proposed in this AAP2022, will continue the EU's work in the region in terms of resilience building, disaster risk management, disaster risk financing and recovery and preparedness through building back better, including a focus on ecosystem-based solutions. Under the AAP 2023 it is foreseen to allocate the remaining amount under this priority area (EUR 2 M) on biodiversity exclusively.

The EU has invested substantial resources in promoting resilience in the Caribbean. Programmes have been implemented both through regional mechanisms, aiming at resilience building, disaster management and governance and preparedness, and at country level, targeting mainly preparedness and post disaster recovery. In doing so, the EU has worked with and supported governments and regional organizations that play a key role in climate change adaptation, including the Caribbean Development Bank (CDB), the Caribbean Disaster Emergency Management Agency (CDEMA), and the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC). This has already made the EU a lead partner in the Caribbean resilience agenda.

Under the ongoing EU-WB Caribbean Regional Resilience-Building Facility (11th EDF B-envelope, EUR 28 M) the EU has supported countries to bring relevant policies up to date and thus accessing policy-based loans from the World Bank (leveraging more than USD 800 M in 4 years in loans and grants for resilience building region-wide). The action has also catalysed regional expertise from CDEMA, CDB, CARICOM's Regional Organisation for Standards and Quality (CROSQ), the Organisation of Eastern Caribbean States (OECS) and others that contributed to support the countries to reinforce their resilience mechanisms, governance, building codes, etc. In addition, the Caribbean countries have benefitted from tangible results of the EU resilience-focus action, such as support for improved financial protection for countries against disasters (e.g. through CCRIF's disaster risk insurance schemes).

The proposed Action will build on these successes, while incorporating some important lessons learned to amplify and sustain the results achieved in terms of better physical resilience and improved Disaster Risk Financing (DRF). In particular, the proposed action will be designed to ensure:

- A more prominent role for the EU in policy dialogue with the countries/region;
- A structural collaboration with regional actors such as CDEMA and CDB;
- A stronger focus on resilience of physical infrastructure and disaster risk financing strategies for longer-term impact of our action;
- Develop national and regional disaster risk finance strategies;
- Mobilisation of investments beyond WB and from other international financial institutions active in the region, linking this to the EFSD+ pipeline, in particular under the European Investment Bank (EIB) window;
- Consider ways to collaborate with Cuba under a regional perspective.

The programme would also find complementarities with actions under other priority areas/partnerships, mainly through resilience mainstreaming in key economic and social policies at country levels, infrastructure and policy-based investments and the addition of the risk-informed dimension both at the level of capital project investments and of the fiscal and financial policies.

2.2. Problem Analysis

Caribbean countries are not prepared for the new challenges posed by climate change, compounded by uncertainty on future tourism markets and a lack of fiscal space. The strategies that have worked in the past will not be enough in the future. Climate change threatens to intensify natural hazards and brings new sources of volatility though impacts on health, agriculture yields, and coastal landscapes. The post-COVID-19 world brings more uncertainty on prospects for tourism. Many countries have also depleted their fiscal space and coping capacity while dealing with past crises.

There is a strong economic and social rationale to invest in disaster risk reduction (DRR). Investing in resilient infrastructure, for example, can provide a net benefit of US\$4.2 trillion, with EUR 4 in benefits for each EUR 1 invested (Hallegatte, Rentschler, and Rozenberg 2019). When countries build back better and more inclusively after disasters, they can reduce the impact on livelihoods and well-being by as much as 31% (Hallegatte, Rentschler, and Walsh 2018). Investing in people by providing universal access to early-warning systems can reduce well-being losses from disasters by an estimated US\$11 billion (Hallegatte et al. 2017). In addition, mortality from disasters has declined over time due in part to economic development and better disaster management, especially for disasters where early warning is possible (UNDRR 2019).

Despite these opportunities, there has been insufficient investment in DRR and DRM, especially disaster risk mitigation and preparedness (United Nations International Strategy for Disaster Risk Reduction 2015; World Bank 2013b). Between 2010 and 2019, only 6.5 percent of total official development assistance (ODA) for disaster risk management was directed toward risk-reduction activities. The literature points to several reasons for this phenomenon: countries lack resources to invest in DRR and may have a limited understanding of disaster risks and vulnerabilities, and their governments tend to favour politically visible post-disaster initiatives over pre-disaster risk reduction. Supply is also a problem: much more international development assistance is available for disaster response and recovery than risk reduction, which has long been identified as a moral hazard in the sector (Keefer 2009; Tanner, Bahadur, and Moench 2017, Wilkinson 2012; World Bank 2013b).

The new challenges experienced in the Caribbean call for more consistent approaches to resilience, building on stronger institutions, robust analytics, and more transparent prioritization. New mechanisms need to be put in place before a disaster in order to protect lives and livelihoods, and this is the objective of proper DRM, supported by this Action. To boost resilience and better prepare for the shocks and stresses of the future, Caribbean governments need to focus on three main areas:

- Increasing government efficiency by improving investment management and infrastructure maintenance, clarifying procurement rules for emergency situations, allocating budgets transparently, ensuring fiscal rules are robust, and layering risk financing strategies
- Empowering households and the private sector by increasing both the coverage and adequacy of social protection, strengthening worker skills for resilience, improving access to finance, and facilitating access to risk information
- Reducing future physical risk by investing in critical infrastructure, better enforcing building codes and standards systematically and implementing widely nature-based coastal protection strategies².

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

Stakeholders and target groups include: 1) governmental institutions at all levels (ministries in charge of national disaster risk management, climate change, biodiversity, planning and finance, health, and other relevant government institutions, at regional, national and sub-national levels; 2) private sector (insurance companies, private sector investors, finance providers, business associations, small and medium enterprises) and 3) non-governmental organizations and institutions (academia and civil society organizations (CSOs) and communities, including women and youth).

National governments and municipalities will need to support inclusion of disaster risk informed decision-making within their development agendas. Capacities in relation to the technical, legal and policy aspects of disaster risk management will need to be enhanced in order to support, accelerate and mainstream risk informed development in an efficient and timely manner. Regional, national and local fora will need to be established/strengthened to ensure multi sectoral and interdisciplinary coordination. Regional institutions such as CDEMA and CDB will be supported through the programme and will collaborate closely in relation with the regional action to improve resilience. In particular, CDEMA will play a key role in mainstreaming the regional Comprehensive Disaster Mechanism in the country policies and will support the National Disaster Management Offices to implement the related policies and promote the exchanges of good practices between CARICOM countries and Cuba in the area. In addition, since 2020, CDEMA in collaboration with UNDP have been working to operationalize the Caribbean Resilient Recovery Facility (CRRF) launched in 2021. Under this new dispensation, resilient recovery is recognized as a pro-active exercise with programmatic interventions and an increased role in the coordination/mobilisation of recovery actions. CDB, as key financial institutions for the countries in the region, will be involved in the development of Disaster Risk Finance strategies at national level.

The private sector will play an important role for the definition and operation of risk-informed development mechanisms. Strong legal and institutional frameworks will set the right incentives for physical and financial risk reduction in public and private sector, support clear and effective governance for integrated multi hazard early

² The European Commission has adopted a guidance on climate proof infrastructure https://ec.europa.eu/regional_policy/en/newsroom/news/2021/07/29-07-2021-commission-adopts-new-guidance-on-how-to-climate-proof-future-infrastructure-projects

warning, preparedness, inclusive recovery and emergency response processes, and create accountability for existing and newly generated risk.

The ultimate beneficiaries of the action are the people in the Caribbean region. As the impacts of climate change and disasters are more pronounced for people in most vulnerable situations such as children, elderly, girls and women, displaced population and minorities, a significant program objective will be to tailor the interventions to the needs of these groups. Also, a specific attention will be paid to the rights, needs and inclusion of persons with disabilities.

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to reduce the impact of disasters, including those related to climate change and epidemics, while increasing the resilience to external shocks in Caribbean countries.

The Specific Objective (Outcome) of this action is: institutions and communities are better prepared to prevent, minimize impacts and recover from slow and rapid onset events.

The Outputs to be delivered by this action contributing to the corresponding Specific Objective (Outcome) are:

1.1 Capacities of DRR practitioners and government counterparts in developing disaster and climate risk informed policies and plans, including early warning systems, emergency planning and management, and community-based approaches, are enhanced:

- Analytical/knowledge products elaborated;
- DRM and/or climate resilience policies, plans and reforms elaborated/proposed;
- Resilience investments plans or projects developed;
- DRR practitioners and government counterparts trained in disaster and climate risk informed policy design and analysis.

1.2 Preparedness and response measures, infrastructure and capacity of governments, local and regional institutions and communities to respond to or sustain a disaster are improved.

- Response plan, contingency plans, SOPs strengthened or developed;
- Protective works and resilient infrastructure undertaken/built, including ecosystem-based approaches;
- Post-disaster activities such as post-disaster assessments and recovery frameworks, undertaken;
- DRR practitioners and government counterparts trained in efficient emergency preparedness and response;
- Support social protection systems shock responsiveness (notably through digitalization).

1.3 Capacity of Caribbean region in developing disaster risk financing and strategies is enhanced.

- Disaster risk financing analytical/knowledge products elaborated. Coordination with CDB will be sought as appropriate when designing new tools/products;
- Risk financing tools, instruments and strategies, linkages with social protection systems and forecast based tools supported;
- National counterparts trained in disaster risk financing and strategies.

3.2. Indicative Activities

Activities will be demand driven and will be defined at country/regional level through policy dialogue between the EU, the Government(s)/regional organizations and the World Bank (details in the organisational set up).

Activities related to Output 1 may include inter alia:

- Providing support to build or strengthen capacity to understand risk, including by carrying out analytical work such as hazard mapping, exposure modelling, vulnerability analysis, probabilistic risk models, and spatial data management, including how climate change may affect risk profiles, as well as economic and non-economic analyses;
- Providing technical assistance in designing and implementing risk informed policies and supporting the identification of investment projects and institutional reforms in key sectors (such as infrastructure, public buildings, housing, spatial planning including protection and/or restoration of key ecosystems, fiscal planning and tourism, among others) to strengthen emergency preparedness and response;
- Providing recipient-executed grants to directly co-finance resilience investments to foster the infrastructure vulnerability reduction works and innovative DRM approaches, including ecosystem-based approaches for

coastal areas, landslide prone areas and urban areas, flood mitigation measures, information protection and emergency communication, retrofitting of key infrastructure assets and integrated watershed management;

- Providing support to mobilize additional financing for resilience and recovery projects, including co-financing of DRM investment projects, and identifying opportunities for investments under the EFSD+.

Activities related to Output 2 may include inter alia:

- Providing support to strengthen emergency preparedness systems at the regional (notably through CDEMA's improved stock management and warehousing capacities) and national levels, including information management and emergency management facilities;
- Providing support in developing response plan, forecast based and contingency plans, SOPs and business continuity plans for governments, local authorities and the private sector in key economic sectors;
- Providing technical assistance in designing and implementing policies, investment projects and institutional reforms in the field of emergency preparedness and response and forecast based actions;
- Providing support to build or strengthen capacity in emergency preparedness and response, including through support to social protection policies and systems;
- Providing recipient-executed grants to co-finance investments to strengthen emergency preparedness and response, and to support risk-informed reconstruction and development.

Activities related to Output 3 may include inter alia:

- Provide technical assistance support to build capacity of Caribbean countries to guarantee understanding of disaster risk financing and insurance solutions, including in fiscal management in designing resilient budgeting frameworks and forecast impact based tools;
- Support Caribbean countries to elaborate comprehensive disaster risk financing strategies, in coordination with CDB;
- Support Caribbean countries to adopt innovative disaster risk financing and insurance solutions, in coordination with CDB;
- Support the implementation of sector-specific disaster risk financing solutions in priority sectors, like housing, agriculture, etc;
- Co-financing of development policy financing with Cat DDO.

The commitment of the EU's contribution to the Team Europe Initiative foreseen under this 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.

3.3. Mainstreaming

Mainstreaming in AAP is very general and provided possibly before the mandatory analysis at action level are realised. This section is based on the mainstreaming annex.

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, such as activities associated to construction activities that might require an EIA.

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.

Consideration of the implications of climate change will be integral to the detailed design and implementation of the programme and thus it is one of the cross-cutting elements to be taken into consideration to ensure long term resilience building. The Disaster Risk Reduction (DRR) and Building Back Better (BBB) approaches will be systematically applied.

The solutions proposed will mainstream climate change mitigation especially considering that per capita emissions are high in many of the Caribbean islands, often >2.0 metric tons of carbon per person per year.

Biodiversity conservation, management and restoration will be promoted as part of the need to increase the integration of ecosystem-based solutions as part of overall efforts to reduce disaster risks and build resilience to climate change. A special emphasis will be given in enhancing the role of ecosystem services to better adapt to the adverse effects of climate change and reduce disaster risk. For example, coral reefs can dissipate wave energy, mangroves can protect shorelines and wetlands can regulate flood events. This takes in consideration that often poorer communities are those that will be more affected by the lack of well protected and managed coastal ecosystems at local level.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that women and girls, older people, and people with disabilities face greater vulnerability and exposure to disaster. Female-headed households are more likely to be poor than male-headed households. Women generally faced higher unemployment rates, higher burden of care of the elderly and children and face more difficulties to access credit. Women and girls are especially vulnerable to gender-based violence during disasters. They are the main beneficiaries of better designed, targeted and implemented resilience programs. This implies that 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 violence and enhanced support for participation in decision making.

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.

Human Rights

Resilience to climate change and natural hazards 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) and its working principles (participation, non-discrimination, accountability and transparency) throughout, ensuring equality of treatment and access for stateless people, migrants, asylum seekers and refugees.

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

The Caribbean region is not a place where CC and Environment activists are at risk, this impact has not been considered. In addition, the alignment to the Escazú Agreement of the majority of countries is a guarantee that no mitigation measure is needed. 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. Better resilience, disaster risk management, disaster risk financing and recovery and preparedness are the main scopes of the program.

The action 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) and the Comprehensive Disaster Management Strategy of the Caribbean Disaster Management Agency (CDEMA), and ongoing projects as the Enhancing Climate Resilience in CARIFORUM Countries. Under the Regional Spotlight Initiative Programme, and for the first time in the Caribbean, Guidelines on the Integration of VAWG/FV in DRR/M in the Caribbean, including COVID-19 response were developed. This is a significant achievement in positioning gender and VAWG/FV considerations in the work of the CDEMA on DRR/M. The Guidelines will support the Comprehensive Disaster Management Strategy and promote awareness of definitions, tools, databases, key publications and reports available on gender-based violence in the Caribbean.

Other considerations if relevant
n/a

3.4. Risks and Lessons Learnt

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
Stakeholder Risk	Beneficiary countries of the proposed programme vary in size, population, economic development, exposure, vulnerability and implementation capacity. Identifying the most pressing needs of each beneficiary can be a challenge.	Medium	Medium	The proposed action will build on achievements, lessons identified and contribution from beneficiaries gathered during the previous programmes such as the ACP-EU NDRR Program and the Caribbean Regional Resilience Building Facility. It will also ensure that it will benefit as many Caribbean countries as possible. To address capacity issues, the action will include a capacity building component and technical assistance services to support national/regional organizations. The activities will focus on assessing and improving countries' capacity by responding to their specific needs, while adapting the technical and operational knowledge and expertise to the country context. In tailoring country-specific activities, the action will bring together expertise from across the World Bank and externally to provide feasible and actionable solutions. This approach would ensure that short-term development challenges are addressed while maintaining and enhancing technical and operational knowledge in the long-term.
Strategic Risk	Selection of countries/hazards for activities under the Action may create confusion or duplication and may not be aligned with countries priorities	Medium	Medium	In order of avoiding duplication with existing initiatives in Caribbean countries, EU and the implementing partner are working closely with the other Development Partners and Regional organization active in the Caribbean region to align and complement the different programmes. The proposed action will use existing operational and coordination mechanisms such as the Eastern Caribbean Development Partner Group (ECDPG) and the CDM Coordination and Harmonization Council to ensure synergies and complementarity between with other

				initiatives in the same areas. Moreover, the use of Euroclima Caribbean’s dialogue mechanism as the entry point for regional and national consultations will ensure coherence with all other EU funded activities and the full involvement of bilateral EU Delegations. Furthermore, EU and WB/GFDRR representatives will liaise with programmes funded by other partners in the same area (e.g. ECHO, USAID and Canada support to CDEMA, CCRIF, etc.) and participate where relevant in their steering committees. Consultations at the national and regional levels will be undertaken jointly by the EU and WB/GFDRR
Strategic Risk	Regional, national and/or local authorities fail to make required investments to support disaster risk management and climate change adaptation policy making and strategies/action plans within the Action lifetime and after the closing of the Action	Medium	Medium	Program activities will be implemented as much as possible in coordination with regional organizations, and will be demand-driven at the national level, to maximize ownership, increase budget allocation and ensure sustainability beyond the Action period of implementation. Evidence-based programming will motivate investments in disaster risk management and climate change adaptation. Advocacy for increasing domestic financing for disaster risk management will be promoted, as well as integrated approaches to climate change adaptation. Moreover, strengthening governance in disaster risk management will be at the core of the Action.
Strategic Risk	A significant disaster event or unprecedented crises (e.g. COVID-19 pandemic) occurring in one or several Caribbean countries during implementation can impact project activities.	High	High	Disaster risk is factored in the design of this proposed Action: Demand-driven approach for its different components allowing rapid reaction to specific needs, and flexibility in the implementation of the different activities in consultation with the EU.
Strategic Risk	EU has a limited influence on the WB agenda	Medium	Medium	EU steering role will be secured through bilateral dialog with WB initiated under the Regional Resilience Building Facility leading to joint agreement for the implementation of the activities which have been pre-selected through the Euroclima Caribbean identifying process.

Lessons Learnt:

Key lessons learnt taken from the EU and experience from the WB/GFDRR in the Caribbean and previous disaster risk management programs are as follows:

- The political and economic imperative for disaster risk management is weak in the face of competing priorities and decision-makers do not systematically prioritize investments in building resilience;
- Preparedness is still hampered by coordination, timely information and communication challenges;

- Risk assessments are still often pursued as a standalone activity and not as an integral part of disaster risk management, climate change adaptation, recovery and long-term development planning. Moreover, applied methodologies and data used for risk assessment differs, not allowing comparison of the results and the development of a common strategy to maximize synergies and cooperation;
- While some governments may be advanced in physical and operational planning for disaster risk management, these plans often lack a component that addresses the fiscal and financial risks of disasters and health emergencies;
- Few countries have institutional arrangements for recovery with strong management capacity, supported by policies that promote risk-informed development and resilience;
- Much attention is required to promote real absorption and project management capacities of potential beneficiaries and implementation partners to ensure long term sustainability of the results. Sufficient technical support must be made available for beneficiaries from the beginning to ensure effective implementation during usual project lifetime;
- Programme design that is based on evidence and wide consultation contributes to ownership;
- Involve regional institutions for program implementation according to their original mandate and their confirmed key qualifications and strengths.

Hence the action will focus on:

- A more prominent role for the EU in policy dialogue with the countries/region;
- A structural collaboration with regional actors such as CDEMA and CDB;
- A stronger focus on resilience of physical infrastructure, ecosystem-based solutions and disaster risk financing strategies for longer-term impact of our action;
- Develop national and regional disaster risk finance strategies;
- Mobilisation of investments beyond WB and from other international financial institutions active in the region, linking this to the EFSD+ pipeline, in particular under the European Investment Bank (EIB) window;
- Consider ways to collaborate with Cuba under a regional perspective.

The programme would also find complementarities with actions under other priority areas/partnerships, mainly through resilience mainstreaming in key economic and social policies at country levels, physical and natural infrastructure and policy-based investments and the addition of the risk-informed dimension both at the level of capital project investments and of the fiscal and financial policies.

3.5. The Intervention Logic

The action will support i) physical mitigation through protective works and resilient infrastructure, including ecosystem-based approaches; ii) policy and institutional reform (using both investment project financing and development policy financing); iii) disaster preparedness measures, including early-warning systems, emergency planning and management, and community-based approaches; and iv) disaster risk finance, such as developing insurance mechanisms or markets that function at sovereign, firm, and household levels and that take into account the gender specificities. Physical investments seek to reduce the area or share of people and assets affected by disasters. Policy reforms aim to change the behaviour of governments, firms, and other actors. Preparedness measures aim to improve the ability of actors to respond to a disaster. Financial disaster risk management helps actors cope with disasters by transferring or mitigating financial risk.

All the above will 1) enhance the capacities of DRR practitioners and government counterparts in developing disaster and climate risk informed policies and plans, 2) improve the infrastructure and capacity of governments, local and regional institutions and communities to respond to or sustain a disaster and 3) enhance the capacity of the region in developing disaster risk financing tools and strategies. If this successfully materialises, institutions and communities will be better prepared to prevent, minimize impacts and recover from slow and rapid onset events. This in turn will reduce the impact of disasters, including those related to climate change and epidemics, and to increase the resilience to external shocks in Caribbean countries.

Countries may lack awareness or knowledge of their disaster vulnerabilities, face fiscal constraints, act on DRR primarily when there are reform champions, and find that DRR is not a political priority except after a serious disaster event. When governments and national institutions are aware of their disaster risks and have the capacity to act (for example, available fiscal space and institutional capacity), they undertake priority DRR actions and investments.

The program will engage upstream to identify disaster risks management activities that will be demand-driven and identified through consultations with all relevant stakeholders, including private sector, women and communities' representatives, CSOs, etc., and implemented in close coordination with the regional organizations and other development partners. The mechanism for these consultations will be associated to the policy dialogue established by Euroclima Caribbean which will include aspects of disaster risk reduction priorities at regional or national level. The dialog will associate EIB and where relevant other European Financial Institutions helping in identify opportunities for investments under the EFSD+ windows. EFSD+ supported investments could target both physical infrastructure projects and innovative risk financing mechanism (e.g. supporting catastrophe or green bonds through guarantees).

The World Bank will use its advisory services and analytics in this policy dialogue and convening to raise awareness of country vulnerability to disasters and of opportunities for DRR/DRM. DRR/DRM activities implemented will contribute to reductions in disaster exposure and vulnerability and in turn to lower mortality, morbidity, and economic impacts from disasters. DRR/DRM activities will also reduce the share of the population, livelihoods, and assets that are exposed and vulnerable to disasters whilst improved disaster risk finance will reduce the financial stress from disasters.

Successful DRR/DRM activities have transformative effects and can make significant contributions to country or sector outcomes.

Results Chain

ACTIVITIES

Component 1:

- Providing support to build or strengthen capacity to understand, including by carrying out analytical work, as well as economic and non-economic analyses
- Providing TA in designing and implementing risk informed policies and supporting the identification of investment projects and institutional reforms in key sectors.
- Providing recipient-executed grants to directly co-finance resilience investments to foster the infrastructure vulnerability reduction works and innovative DRM approaches.
- Providing support to mobilize additional financing for resilience and recovery projects, including co-financing of DRM investment projects, and identifying opportunities for investments under the EFSD+.

Component 2:

- Providing support to strengthen EP&R systems at the regional and national levels, including information management and emergency management facilities.
- Providing support in developing response plan, contingency plans, SOPs and business continuity plans for governments, local authorities and the private sector in key economic sectors.
- Providing TA in designing and implementing policies, investment projects and institutional reforms in the field of EP&R.
- Providing support to build or strengthen capacity in EP&R.
- Providing recipient-executed grants to co-finance investments to strengthen emergency preparedness and response, and to support risk-informed reconstruction and development.

Component 3:

- Provide TA support to build capacity of Caribbean countries to guarantee understanding of disaster risk financing and insurance solutions.
- Support Caribbean countries to elaborate comprehensive disaster risk financing strategies.
- Support Caribbean countries to adopt innovative disaster risk financing and insurance solutions.
- Support the implementation of sector-specific disaster risk financing solutions in priority sectors.
- Co-financing of development policy financing with Cat DDO.

OUTPUTS

- Analytical/knowledge products elaborated related to disaster and climate risk
- DRM/climate resilience policies and plans prepared
- Resilience investment plans or projects developed
- Caribbean DRM practitioners trained in disaster and climate risk informed policy design and analysis

- Response plans, contingency plans SOP to issue warnings strengthened or developed
- Post-disaster activities undertaken such as post-disaster assessments and resilient recovery frameworks
- Caribbean DRM practitioners trained in emergency preparedness and response

- Disaster risk financing tools and/or strategies developed
- Analytical/knowledge products elaborated related to disaster risk financing
- Caribbean DRM practitioners trained in disaster risk financing tools and instruments

OUTCOME

Institutions and communities are better prepared to prevent, minimize impacts and recover from slow and rapid onset events

LONG-TERM IMPACT

Contribute to reduce the impact of disasters, including those related to climate-change and epidemics, and to increase the resilience to external shocks in Caribbean countries.



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 (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To reduce the impact of disasters, including those related to climate change and epidemics, while increasing the resilience to external shocks in Caribbean countries	<p>1. Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015–2030 (* and **)</p> <p>2. Direct economic loss attributed to disasters in relation to global gross domestic product (GDP) (SDG 1.5.2) (GERF 1.4)</p>	<p>1. TBD in the inception phase (2023)</p> <p>2. TBD in the inception phase (2023)</p>	<p>1.TBD in the inception phase (2028)</p> <p>2. TBD in the inception phase (2028)</p>	<p>1. Sendai Framework Monitoring report</p> <p>2. Post Disaster Needs Assessments, other sources (TBD)</p>	<i>Not applicable</i>
Outcome	Institutions and communities are better prepared to prevent, minimize impacts and recover from slow and rapid onset events	<p>1.1 Number of countries and cities with climate change and/or disaster risk reduction strategies (based on a gender analysis³) developed with EU support (* and **)</p> <p>1.2 Number of countries and cities with climate change and/or disaster risk reduction strategies (based on a gender analysis) under implementation with EU support (* and **)</p> <p>1.3 Total value of resilience investment projects (including risk reduction or adaptation to climate change projects) initiated based on or including recommendations from the EU</p> <p>1.4 Number of disaster risk financing strategies and schemes supported by the EU at national and regional level (*)</p>	<p>1.1 TBD in the inception phase (2023)</p> <p>1.2 TBD in the inception phase (2023)</p> <p>1.3 TBD in the inception phase (2023)</p> <p>1.4 TBD in the inception phase (2023)</p>	<p>1.1 TBD in the inception phase (2028)</p> <p>1.2 TBD in the inception phase (2028)</p> <p>1.3 TBD in the inception phase (2028)</p> <p>1.4 TBD in the inception phase (2028)</p>	<p>1.1 National development policies and, strategies; Sendai Monitoring</p> <p>1.2 National development policies, strategies and plans; Sendai Monitoring</p> <p>1.3 National and sectoral development budgets</p> <p>1.4 National development policies, strategies and plans;</p>	<p>Economic and political situation is sufficiently stable.</p> <p>Disaster risk management is considered a priority for achieving sustainable development objectives.</p> <p>Key government departments are interested in strengthening disaster risk governance and integrated solution.</p>

³ Meaning that gender considerations are included in climate change and/or disaster risk reduction strategies as appropriate.

		1.5 Percentage% of countries of total number of countries supported by the EU that have adopted preparedness and response measures	1.5 N/A TBD in the inception phase (2023)	1.5 TBD in the inception phase (2028)	1.5 Progress reports for the EU-funded intervention	Multi-stakeholder involvement is ensured.
Output 1 Component 1 /	Capacities of DRR practitioners and government counterparts in developing disaster and climate risk informed policies and plans, including early warning systems, emergency planning and management, and community-based approaches are enhanced.	<p>1.1.1 Number of analytical/knowledge products related to disaster and climate risk developed with support of the EU-funded intervention</p> <p>1.1.2 Number of DRM/climate resilience policies and plans prepared with support of the EU-funded intervention (disaggregated by country, by sector and including biodiversity protection measures)</p> <p>1.1.3 Number of resilience investment plans or projects developed with support of the EU-funded intervention (disaggregated by country, including number of which include ecosystem based solutions).</p> <p>1.1.4 Number of Caribbean DRM practitioners trained by the EU-funded intervention with increased knowledge and/or skills in disaster and climate risk informed policy design and analysis, (disaggregated by sex and organization/institution type)</p>	<p>1.1.1 TBD in the inception phase (2023)</p> <p>1.1.2 TBD in the inception phase (2023)</p> <p>1.1.3 TBD in the inception phase (2023)</p> <p>1.1.4 TBD in the inception phase (2023)</p>	<p>1.1.1 TBD in the inception phase (2028)</p> <p>1.1.2 TBD in the inception phase (2028)</p> <p>1.1.3 TBD in the inception phase (2028)</p> <p>1.1.4 TBD in the inception phase (2028)</p>	<p>1.1.1 Progress reports for the EU-funded intervention, analytical products</p> <p>1.1.2 Progress reports for the EU-funded intervention, policies and plans prepared</p> <p>1.1.3 Progress reports for the EU-funded intervention, investment plans</p> <p>1.1.4 Pre- and post-training test reports</p>	Governments maintain an ongoing engagement on DRM and CCA,
Output 2 Component 2 /	Preparedness and response measures, infrastructure and	2.2.1 Number of gender-sensitive response plans, contingency plans, standard operational procedures to	2.2.1 TBD in the inception phase (2023)	2.2.1 TBD in the inception phase	2.2.1 Progress reports for the EU-funded	Governments have the institutional

	<p>capacity of governments, local and regional institutions and communities to respond to or sustain a disaster are improved</p>	<p>issue warnings strengthened or developed with support of the EU-funded intervention</p> <p>2.2.2 Number of post-disaster activities undertaken, such as post-disaster assessments and resilient recovery frameworks with support of the EU-funded intervention</p> <p>2.2.3 Number of investments to strengthen emergency preparedness and response, and to support risk-informed reconstruction and development, co-financed by the programme (including number of them that have a focus on ecosystem based solutions)</p> <p>2.2.4 Number of Caribbean DRM practitioners trained by the EU-funded intervention with increased knowledge and/or skills in emergency preparedness and response (disaggregated by sex and organization/institution type)</p>	<p>2.2.2 TBD in the inception phase (2023)</p> <p>2.2.3 0 (2023)</p> <p>2.2.4 TBD in the inception phase (2023)</p>	<p>(2028)</p> <p>2.2.2 TBD in the inception phase (2028)</p> <p>2.2.3 TBS in the inception phase (2028)</p> <p>2.2.4 TBD in the inception phase (2028)</p>	<p>intervention, , response plans, contingency plans, SOP</p> <p>2.2.2 Progress reports for the EU-funded intervention, post disaster assessments, recovery frameworks</p> <p>2.2.3 progress report for EU-funded intervention</p> <p>2.2.4 Pre- and post-training test reports</p>	<p>capacity to support the activities and to share information and promote cooperation between national institutions.</p>
<p>Output 3 / Component 3</p>	<p>Capacity of Caribbean region in developing disaster risk financing tools and strategies is enhanced</p>	<p>3.3.1 Number of disaster risk financing tools and/or strategies developed with the support of the EU-funded intervention (disaggregated by country, including number of them that include gender considerations)</p>	<p>3.3.1 TBD in the inception phase (2023)</p>	<p>3.3.1 TBD in the inception phase (2028)</p>	<p>3.3.1 Progress reports for the EU-funded intervention</p>	<p>Governments supported by the Action maintain an ongoing engagement on disaster risk financing to</p>

		<p>3.3.2 Number of analytical/knowledge products elaborated related to disaster risk financing with support of the EU-funded intervention</p> <p>3.3.3 Number of Caribbean DRM practitioners trained by the EU-funded intervention with increased knowledge and/or skills in disaster risk financing tools and instruments (disaggregated by sex and organization/institution type)</p>	<p>3.3.2 TBD in the inception phase (2023)</p> <p>3.3.3 TBD in the inception phase (2023)</p>	<p>3.3.2 TBD in the inception phase (2028)</p> <p>3.3.3 TBD in the inception phase (2028)</p>	<p>3.3.2 Progress reports for the EU-funded intervention</p> <p>3.3.3 Pre- and post-training test reports</p>	<p>support decision making</p>
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4.1. Financing Agreement

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

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 72 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 measures⁴.

4.3.1. Indirect Management with a pillar assessed entity

This action may be implemented in indirect management with the World Bank, in accordance with the EU-WBG Framework Agreement. The EU has a longstanding partnership with World Bank and its specialised implementation Unit - the Global Facility for Disaster Reduction and Recovery (GFDRR), who have been active in the field of disaster risk management in the Caribbean for over 20 years.

The envisaged entity has been selected using the following criteria: 1) A strong field presence with technical, operational and country specialists in beneficiary region and countries; 2) A long-term global experience in capacity building on disaster risk management and developing innovative solutions to mitigate risk and mainstream DRM into countries' development strategies, including in disaster risk financing; 3) demonstrated capacity to implement EU funded Programmes, including on DRR and Resilience; and 4) capacity to effectively link EU funding with broader development support, thus scaling up the impact of operations and ensuring long-term sustainability.

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

4.4. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Indirect management with the World Bank and its specialised implementation Unit - the Global Facility for Disaster Reduction and Recovery (GFDRR). cf. section 4.3.1	15 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	will be covered by another Decision
Totals	15 000 000

⁴ 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.

4.5. Organisational Set-up and Responsibilities

At operational level, activities will be demand-driven and identified through a policy dialogue mechanism associated to the dialogue established by Euroclima Caribbean which will include aspects of disaster risk reduction and offer the space to identify priorities where the Caribbean Resilience Program can come in. This solution will ensure coherence between the overall EU interventions in the area of the green deal, bring EU MS in the picture, link the action to the regional Team Europe initiative on Green Transition and raise EU profile with our counterparts (rather than leaving the lead to the WB only). EIB and where relevant other European Financial Institutions associated to the dialogue will contribute to identify opportunities for investments under the EFSD+ windows.

An annual technical review meeting involving all implementing partners, representatives of beneficiary Governments and the Commission might be convened once a year in order to ensure overall coordination and share best practices and lessons learned. Specialised regional agencies (CDB, CDEMA, 5Cs...) and ECHO will be invited to attend the annual technical review meeting.

The action will be also implemented in close coordination with CDEMA, as lead CARICOM Agency promoting CDM in the region and as part of the structured relationships with EU and the WB. Through CDEMA partnerships and arrangements with a range of technical agencies, regional and international organisations (including EU), the CDM country work programme development process is now standard in Participating States and sectors have integrated CDM into programming. This coordination will take place under the CDM Coordination and Harmonisation Council which works to strengthen the regional capacity for leadership in advancing the disaster loss reduction agenda. The governance mechanism has three main functions which include the provision of overall guidance to CDM development and implementation, the facilitation of effective coordination and harmonization of the CDM implementation process and the facilitation of learning and knowledge management of CDM among key stakeholders.

CDB works closely and collaboratively with CDEMA to finance the implementation of country work programmes in its Borrowing Member Countries (BMCs) and is providing appropriate assistance to reduce climate and disaster risks. Through the Action and the implementation of the Caribbean component of the 11th EDF Intra-ACP-EU NDRR Programme, CDB and WB GFDRR will continue their strategic collaborative dialog ensuring work programme alignment with country context and priorities and the CDM Strategy. Demand driven process of the Action will allow WB to identify investment pipelines that might lead to parallel funding by the Development Banks whilst the ongoing CDB comprehensive Diagnostic on Disaster Risk Financing will contribute to identify the gaps where the partners can invest in this crucial area. It will contribute to the Action objective by :

- Improved country capacity to make informed decisions on disaster risk financing informed by sound financial analysis.
- Improved financial response capacity post disaster, including response to epidemics through innovative disaster risk financing and insurance tools and mechanisms.

This program will be channelled through a Trust Fund (TF) associated to, the GFDRR Umbrella Program. The GFDRR/World Bank and the EU, including the EU Delegations in the Beneficiary Countries, will follow best practice in previous EU-funded GFDRR managed programs. They will consult each other regularly and gather when needed to oversee the implementation of the Activities under the Trust fund in accordance with the description of the agreed activities.

Strategic priorities and activities identified will be agreed with the EU prior to be implemented. including proposed communication and visibility activities related to the action. Communication activities which relate to the action shall be coordinated with the EU and ensure EU visibility in line with the [Requirements on the use of the EU emblem](#) and related guidelines on communicating and raising visibility in EU external action, or any successor document(s). All activities shall be agreed with the EU Delegation and aligned with the EU's overarching regional strategic communication priorities.

The GFDRR Multi-Donor Trust Fund for Supporting Disaster and Climate Resilience in Developing Countries is the anchor TF of the GFDRR Umbrella Program. The Partnership Council, established under the Partnership Charter of the GFDRR as may be amended from time to time in accordance with its terms (the "Charter"), will have the following responsibilities with respect to the Trust Fund:

- a) provide strategic guidance and direction on the implementation of the GFDRR Multi-Donor Trust Fund for Supporting Disaster and Climate Resilience in Developing Countries and any Associated Trust Funds, including this Trust Fund; and
- b) review progress reports provided by the Bank based on the results framework for GFDRR Multi-Donor Trust Fund for Supporting Disaster and Climate Resilience in Developing Countries and any Associated Trust Funds.
- c) The Donor to this Trust Fund will participate as a member of the Partnership Council.
- d) The Partnership Council is expected to meet annually, as convened by the Bank. Meetings may be conducted physically or virtually. The Bank may agree to hold ad hoc meetings of the Partnership Council at the request of a member.
- e) The Donor to this Trust Fund and the Bank will endorse annual work plans and budgets for this Trust Fund presented by the Bank during the Partnership Council meetings. Decisions will be made by consensus of the Bank and the Donor contributing to this Trust Fund.

The Bank may, in consultation with the Partnership Council, invite other relevant stakeholders to attend meetings of the Partnership Council.

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.

5.1. 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:

Progress on activities will be aggregated and provided in the form of a consolidated Annual Report. All activities funded under the Action will utilize the GFDRR performance measurement system for its M&E to track achievement of objectives and results against its results framework. Data collection, analysis and monitoring will be collected through biannual internal reporting on activity progress through the GFDRR M&E Platform covering the previous six month's activities (July-December and January-June). Biannual updates will be presented at technical review working meetings with the European Union.

Financial information reporting will be made available via the World Bank's Trust Funds Development Partner Center secure website. The final financial information shall be made available within six months after the end disbursement date of the Action.

Other reports, publications, press releases and updates will be coordinated with to the European Union promptly before their issuance. The European Union may request reasonable additional information on a case-by-case basis, providing the reasons for the request.

5.2. Evaluation

Having regard to the nature of the action, a mid-term and/or final evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission.

In case a mid-term evaluation will be carried out, it will focus on problem solving and learning purposes in particular to identify possible adjustments to the programme.

The final evaluation 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 dissemination. 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.