



EN

THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX 3

to the Commission Implementing Decision on the financing of the annual action plan part 1 in favour of the Americas and the Caribbean for 2023

Action Document for Regional Private Sector Development (III)

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Regional Private Sector Development (III) OPSYS number: ACT-61893 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
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 2.2.2. Caribbean-EU Partnership on Economic resilience and Trade S.O.1: Trade and investment between the Caribbean and the EU is enhanced in the framework of the Economic Partnership Agreement (EPA) and the Caribbean private sector grows in a sustainable manner. <ul style="list-style-type: none"> • R1: Private sector’s competitiveness, economic diversification and sustainable practices are increased, with a special focus on MSMEs, women and youth, and Caribbean-EU business-to-business links are enhanced; • R2: Caribbean business environment and investment climate, including digital and innovation drivers, regional quality infrastructure and economic regulatory convergence are ameliorated.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	250 business, Other Services

7. Sustainable Development Goals (SDGs)	Main SDG (1 only): Objective 8: Promoting inclusive and sustainable economic growth, employment and decent work for all The project has an impact on Sustainable Development Goals (SDGs): No. 7 Affordable and Clean Energy, No.12 Responsible Consumption and Production, No. 5 – Gender Equality and Goal No. 10 – Reduced Inequalities			
8 a) DAC code(s)	32130-SME Development (100%)			
8 b) Main Delivery Channel	40000-Multilateral Organization (Caribbean Export)			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	/
digital governance		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital entrepreneurship		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

	digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
	energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<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 concerned	Budget line(s) (article, item): 14.020141 Total estimated cost: EUR 12,000,000 Total amount of EU budget contribution EUR 8,000,000 This action is co-financed by: Caribbean Export Development Agency for an amount of EUR 4,000,000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing¹	Indirect management - with the Caribbean Export Development Agency (CEDA)			

1.2 Summary of the Action

The private sector is at the cornerstone of Caribbean economies and can play a central role in driving a sustainable economic recovery. However, there are several structural hurdles that firms face, especially Micro, Small and Medium Enterprises (MSMEs). These include limited access to finance, limited diversification, high dependency on imports to meet energy needs, inefficient labour markets, inability to benefit from economies of scale, limited integration of technology into production processes, difficult logistics and high costs of transportation, complex regulatory and bureaucratic hurdles capacity. At the same time, regional integration processes such as the Caribbean Single Market and Economy (CSME) have made under-whelming progress in providing synergies to a conglomerate of mostly very small economies, not fully inclusive of all CARIFORUM member states. As a consequence, the economic growth potential from the Caribbean-EU Economic Partnership Agreement (EPA) continues to be below expectations.

In this context, and in line with the priorities of the Caribbean-EU Partnership for Economic Resilience and Trade, the proposed programme will support the private sector to bring innovative solutions to some of these challenges, while reinforcing links with European businesses to enhance trade and help attract European investments in the region. This programme will also contribute to the roll out of Global Gateway in the Caribbean. It is aligned with the UN “2030 Agenda for Sustainable Development”, specifically SDG 8 “Decent work and economic growth”, SDG 12 “Responsible consumption and production, and SDG 5 “Gender equality”.

¹ Art. 27 NDICI

The overall objective of this programme is to contribute to sustainable and inclusive economic growth and job creation in the Caribbean Region due to sustainable growth of trade and investments between the Caribbean and the EU through a combination of technical assistance, training and coaching supported by grant funding to foster trade and innovation. It aims to reinforce private sector's trading potential, diversification and competitiveness in the region, with a special focus on MSMEs including women and youth owned enterprises (specific objective 1). This will be achieved with the promotion of greater access to finance for firms through increased capacity in the development of bankable projects and promoting a wider variety of financing options, as well as through supporting the private sector advancement in their green and digital economy transition. The programme also aims at enhancing trade and investment between the Caribbean and the EU within the framework of the EPA assisting the Caribbean private sector to grow in a sustainable manner (specific objective 2). It will achieve this by supporting firms to make better use of the Agreement, for instance through building awareness of bilateral trade opportunities, and building trade competences, market intelligence platforms, business matchmaking or explanatory events.

2 RATIONALE

2.1 Context

The Caribbean has an intrinsic economic vulnerability defined by high public debts, limited fiscal space, small scale and fragmented markets, geographic isolation and reliance on few primary economic sectors (eg. tourism, agriculture, fisheries) exposed to all kinds of external shocks. The region varies, in terms of income, from low income (Haiti) to high income (Trinidad and Tobago, Jamaica etc.), with a majority of upper middle income and high-income countries. Generally, over the past decade, the Caribbean region has displayed weak economic performance. Between 2009-2020 average annual GDP was merely 0.77%. By contrast, Caribbean countries grew at an average rate of 3.53% in the decade prior to the 2008 global financial and economic crisis. In addition, natural disasters, price volatility in international markets, energy dependency, foreign exchange reserve pressure and high external debt all combined to constrain policy options and limit private sector competitiveness.

Furthermore, the COVID-19 pandemic has exacerbated existing economic challenges and structural inequalities. It also posed a threat to the autonomy of women, mainly in four areas: economic inequality and poverty, with a significant negative impact on employment levels and their business undertakings². The COVID-19 crisis has impacted, in many ways, the financial and fiscal policies in Caribbean countries. Most countries, already under the constraints of high indebtedness and low fiscal space, have concentrated efforts and resources on supporting the productive structures and taking social measures to counter the impact on the labour market. This has resulted in an increase of the debt to GDP ratio at least in the short term, which is now only slowly reversing the trend. These measures add to the efforts of continuously building fiscal and financial resilience and investing in preparedness - which remain critical to reducing the large human and economic costs caused mainly by climate change.

The private sector including MSMEs is at the cornerstone of Caribbean economies, placing them in a critical position to drive economic recovery and growth. The private sector contributes significantly to the economic and social development of the region with MSMEs contributing more than 60% of GDP to the economies of some CARICOM countries and creates more than 45% of jobs according to the CARICOM Regional MSME Policy.

Whilst the Caribbean private sector possesses great potential to diversify economies and contribute positively to environmental sustainability, structural impediments within underdeveloped business ecosystems further compounds the macroeconomic challenges confronting firms. Regulatory bottlenecks, inadequate capacity of business support organizations (BSO), homogeneity and limited availability of competent capital, along with critical infrastructure capacity gaps all together restrict the ease of doing business. The World Bank's Ease of Doing Business Report 2020 has ranked most Caribbean countries in the bottom half of countries globally. The exceptions are Jamaica and St. Lucia which were ranked at 71 and 93 respectively. At the micro level the structural hurdles are well understood. SMEs in the region generally have limited access to finance, limited supply capacity, inability to benefit from economies of scale, vulnerability to external competition, poor knowledge of foreign

² UN Women (2021), Finance for all women. Innovative experiences and initiatives for women's financial inclusion and recovery with gender lenses in Latin America. Latin America and the Caribbean.

markets and related opportunities, limited integration of technology into production processes, high cost of technology, low value-added production, high electricity costs, supplier concentration risk and the cost of meeting standards to penetrate export markets. Resolving these structural deficiencies will be key to post-COVID 19 recovery and broader economic transformation. As women have been disproportionately affected by the social and economic consequences of the COVID-19 pandemic, the design and implementation of green recovery measures need to take gender considerations into account in order to contribute to reducing gender inequalities while reinforcing environmental objectives³.

The private sector must also deal with structural challenges in terms of market entry to regulated sectors and innovative project ideation to enlist investment. Regional integration processes such as the Caribbean Single Market and Economy (CSME) have made under-whelming progress in providing synergies to a conglomerate of mostly very small economies, not fully inclusive of all CARIFORUM member states. As a consequence, the economic growth potential from the Caribbean-EU EPA continues to be largely unrealised.

In this context, the European Union has an opportunity to help the Caribbean private sector overcome some of these challenges, reinforcing its role as a key player for the inclusive and sustainable growth, poverty reduction and employment creation whilst facilitating trade and investment between the Caribbean and the EU under the framework of the EPA. This is directly in support of the Global Gateway priorities for catalysing private sector investment. More concretely, this action intends to notably contribute to the delivery of the Global Gateway's ambitions through the promotion of investment opportunities and organisation of business-to-business events, like Caribbean Investment Forum⁴, and contribute to creating and reinforcing links between European and Caribbean businesses, including potential European investors with interests in bankable investment projects and prospects in the Caribbean. Action to raise awareness about the internationalisation opportunities provided by the EPA would also continue to be supported. Moreover, through its focus on green, circular and digital transformation, this action intends to, on one hand, increase the competitiveness of the Caribbean enterprises by reducing their energy costs and increasing their energy efficiency. On the other hand, it will support the Caribbean companies in creating their own capacity of providing green transition services and thus leave space for further involvement of the EU companies with expertise in the field of green transition.

The Commission Communication "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries"⁵ recognises the private sector as an important player in the fight against poverty. The document underlines, among others, the need to combine the work on enabling conditions for green business development with co-funding of innovative projects that support sustainable consumption and production patterns and practices in partner countries. As part of its support to micro, small and medium-sized enterprises and the creation of an enabling environment for their development, the Commission will give particular attention to female entrepreneurship and employment. Typically, women are under-represented in business communities in developing countries. This is often a result of legal differences in how men and women are treated that hamper women's opportunities for starting businesses, owning property and land, or accessing credit, and are thus a major obstacle to gender equality. The Commission will push for gender-sensitive business regulation, and will address the specific training and support needs of women as entrepreneurs and workers to ensure that recent improvements in girls' education are translated into real economic opportunities for women⁶.

The European Consensus for Development⁷ also recognises the role of MSMEs as engines of growth, employment, innovation and social development. It calls for facilitation of the access of MSMEs to relevant information, both in the EU and in partner countries, to integrate them into supply and value chains, while addressing the MSME financing gap. It calls for encouraging business-to-business (B2B) exchanges and dialogue between firms across both regions. The EU will also promote private sector initiatives and social enterprises, cooperatives, and women and youth entrepreneurs, to boost the provision of local services as well as inclusive and green business models⁸.

³ OECD 2022. Supporting Women's Empowerment through Green Policies and Finance.

⁴ <https://www.caribbeaninvestmentforum.com/>

⁵ COM(2014) 263 final, 13.05.2014.

⁶ *Íbid*

⁷ The new European consensus on development 'OUR WORLD, OUR DIGNITY, OUR FUTURE'

⁸ *Íbid*

The Multi-Annual Indicative Programme (MIP) for the Americas and the Caribbean for the period 2021-2027 and in particular the *Caribbean-EU Partnership for Economic Resilience and Trade* aims to promote the sustainable growth of Caribbean private sector and the trade opportunities of the Economic Partnership Agreement (EPA) while also facilitating regional responses to common challenges in the Caribbean. This is fully anchored with the priorities set in Title I of the Caribbean Protocol of the future EU-OACPS Association Agreement (Post-Cotonou). The MIP also promote to increase digital entrepreneurship and digital business transformation, including for women and youth; the decent work agenda, responsible business conduct, inclusion and economic empowerment of women, younger generations and indigenous peoples and minorities, and will work towards the objective of eliminating child labour; as well as empowerment and entrepreneurship opportunities, particularly for women, youth, indigenous people, migrants, refugees and returnees as well as other minorities, are promoted and enabled⁹. The Action is in line with the Gender Action Plan III 2021-2025 (GAP III), in particular to the thematic areas of engagement “Promoting economic and social rights and empowering girls and women”, “Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation”.

Further, the UN “2030 Agenda for Sustainable Development” promotes sustained economic growth, higher level of productivity and technological innovation. Encouraging entrepreneurship, green and digital transition and sustainable job creation are key to this and contributes specifically to SDG8 “Decent work and economic growth”. By encouraging resource efficiency in production and endeavour to decouple economic growth from environmental degradation, the Action will contribute to SDG 12: “Responsible consumption and production”.

2.2 Problem Analysis

The Caribbean region is confronted by multi-scalar challenges which create risks for the achievement of Agenda 2030, as illustrated above. In this complex context, this programme will primarily focus on three key issues:

➤ Access to finance

In the Caribbean region, the private sector consists largely of MSMEs. Such companies are mostly locally owned, and lack strong links to the international economy. In this context, access to finance is a major constraint impacting negatively on the success and growth of Caribbean MSMEs, which account for 95% of firms in the region including large proportion of women and youth owned businesses. The 2021 World Bank’s Enterprise Surveys show that the proportion of SMEs that identify access to credit as a major constraint is much larger in the Caribbean than in the rest of LAC. Nearly 40% of SMEs in larger Caribbean countries such as Jamaica and Barbados cite credit access as a major issue. Borrowing from traditional sources, primarily commercial banks, is the largest source of credit for businesses in the Caribbean. Banks will remain the primary lenders in the region for the foreseeable future. While credit unions and microfinance institutions are steadily gaining market share, these are set up to complement banks rather than replace them.

However, for many firms especially smaller businesses including women and youth businesses, credit is hard to come by. Affirmative and comprehensive actions are required in order to increase the financial inclusion of both unbanked women and those women who, despite being banked, have little access to credit and other financial products or are limited to fledgling entrepreneurship and, therefore, are unable to grow their businesses. A general consensus has reached around the need to design products and services for women that break the logic of exclusion from the current financial system.¹⁰ A major issue in the region is excess banking liquidity, with bankers in the region complaining of a lack of bankable projects and confining their lending to large, well-established companies. The reasons for this failure by financial institutions to lend to newer or smaller businesses are associated with factors that increase financial risk, namely: lack of tangible collateral, unavailability of information, credit registries, absence of well-structured businesses and business plans and the general risk averse natures of traditional financial institutions. A recent study by the IDB notes the lack of diversified credit facilities beyond commercial bank lending. Equity financing in the Caribbean region such as angel investing, crowdfunding, venture

⁹ The Americas and the Caribbean Regional Multiannual Indicative Programme (MIP) 2021-2027.

¹⁰ UN Women (2021), Finance for all women. Innovative experiences and initiatives for women’s financial inclusion and recovery with gender lenses in Latin America. Latin America and the Caribbean.

capital and funding via the stock market are still underdeveloped and underutilized. These types of options lend themselves as more appropriate for high potential start ups and MSMEs.

➤ **Green and Digital Economy transition**

For CARIFORUM countries, like all other countries in the Alliance of Small Island States (AOSIS), the grand challenge of climate change mitigation and adaptation presents an opportunity for economic transformation. Although CARIFORUM's total contribution to greenhouse gas emissions is less than 1 percent of global emissions, the cross-sectoral impact of energy transition would: (i) limit the region's exposure to energy dependency and by extension energy price shocks, (ii) create fiscal space and lessen the burden on countries' foreign exchange reserves and (iii) provide new and more flexible energy and other environmental services to commercial and industrial consumers.

According to a joint report published in 2020 by the International Labour Organization and the Inter-American Development Bank, energy transition would lead to the net increase of jobs in the Caribbean by 3.1%, that is, the creation of approximately 400,000 jobs. Moreover, a report from the International Renewable Energy Agency estimates that for every US dollar invested in energy transition in the Caribbean, an additional US 93 cents of GDP growth will occur above the business-as-usual scenario. According to the Inter-American Development Bank, energy transition could yield a net economic benefit of USD 16.1 billion to CARICOM over the next 20 years. However, significant investment will need to be mobilized. An estimated USD 11 billion over the next 10 years would be required in areas such as renewable energy generation, battery storage, energy efficiency and grid modernization. Furthermore, with the establishment of new policies aimed at mitigating the effects of climate change such as the EU Green Deal, private sector firms in the region must take climate change and energy efficiency into account if they wish to expand their presence in more sophisticated markets.

The global digital economy and society evolves along various trajectories driven by the dynamic interactions of digital technologies, business models and consumer trends, operating in a wider policy, regulatory and international political economy environment. The strategic adoption of digital technologies and digital business models allow for increased efficiency in business processes and operations and deeper and potentially more valuable engagement with clients and other actors in the value chain. On the other side, network logic, manifested by a growing and deepening desire by people, organizations and governments to connect, collaborate and co-create produce actionable data that can enhance the resource-efficiency and productivity, competitiveness and responsiveness of a business or organization. In essence, the digital economy presence tremendous opportunities for entrepreneurs, businesses and government in developing countries to appropriate this globalizing phenomenon for social and economic development. From a gender perspective, most women have limited entrepreneurial and digital capabilities, as well as limited access to productive resources¹¹. Also women face various obstacles regarding their participation in the labour market and access to green jobs: they are more likely to work in the informal sector, and there is an education gap of women and girls studying STEM subjects, which are highly valued in the many sectors of the green economy and in the financial sector¹².

From a strategic point of view, businesses need to focus on questions related to their organizational structure's relevance in a more digital world; the right assets to compete digitally and globally; the right suppliers and customer channels; their capacity and willingness to take on new risks. A digital trade perspective of the digital economy and society can help to unpack some of the factors and issues for strategic and policy consideration and guide understanding leading to appropriate and adequate responses.

➤ **Increased trade and investment using the Economic Partnership Agreement**

In 2021, the European Commission published an evaluation of the EPA¹³'s benefits 10 year after its signature, which provided important insights on the opportunities going forward given the challenges experienced. Overall, the EU benefited more extensively from the agreement given that EU exports to CARIFORUM countries increased at an average annual growth rate of 4%. In contrast, CARIFORUM's exports to the EU decreased by minus 2%

¹¹ *Íbid.*

¹² OECD 2022. Supporting Women's Empowerment through Green Policies and Finance.

¹³ <https://op.europa.eu/en/publication-detail/-/publication/c9cf20af-6788-11eb-aeb5-01aa75ed71a1>

annually on average over the evaluation period. The decrease in the value of CF exports to the EU explains the reduction in the overall trade of goods traded between the two regions from 9.5 billion in 2008 to EUR 9.0 billion in 2018. Nevertheless, the efforts to diversify the Caribbean economy have directly benefited countries such as Grenada and St. Lucia, which increased their exports to the EU by 9% and 19% respectively over the same decade. The key issues that must be addressed to ensure greater economic benefits in the Caribbean were highlighted in the report:

“While the shortcomings in the implementation of the agreement could be part of the explanation for the limited economic impact, this does not appear to be the main reason. One important reason is that there are challenges in the business environment (e.g., small markets that limit scale, logistical constraints, bureaucracy) as well as at company level on the CARIFORUM side, which make it relatively difficult for CARIFORUM companies to compete. In addition, consultations showed that there is still a lack of awareness of the EPA and that practical information on the opportunities it offers is scarce.”

In this sense, targeting some of the hurdles at company level through this programme would be an effective complement to more structural support to CARIFORUM countries in addressing the shortcomings of the implementation of the EPA and the poor awareness about the opportunities under the Agreement.

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

- **Private Sector Firms including MSMEs in priority sectors**

For the purposes of this action, the right-holders will be targeted based on the needs of the firm matched with the proposed interventions that the programme offers. Understanding that MSMEs are defined differently across each country in the region, the programme will be tiered to address the different levels and be targeted to the specific needs identified. In this regard the programme will also have an emphasis on women and youth owned businesses.

Business Support Organizations (BSOs) are important service providers to MSMEs in business development, trade promotion and investment. They provide a voice to connect the national private sector firms with relevant regional and international entities, in addition to the public sector and as such are critical actors for the implementation of national trade and investment strategies. This is why the programme will support regional and national BSOs among others to assess and improve performance, develop clearer strategies, adapt their service portfolios, establish results measurement systems, strengthen networks and optimize the use of resources at their disposal.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is to contribute to sustainable and inclusive economic growth and job creation in the Caribbean Region.

The **Specific Objectives** of this actions are:

- SO1: Reinforce private sector’s diversification and competitiveness in the Caribbean, with a special focus on MSMEs including women and youth owned enterprises;

- SO2: Enhance Trade and Investment between the Caribbean and the EU in the framework of the Economic Partnership Agreement (EPA) including support to B2B dimension and assisting the Caribbean private sector to grow in an inclusive and sustainable manner, *including* in relation to the area of services.

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

- **For SO1:** *Reinforce private sector's diversification and competitiveness in the Caribbean, with a special focus on MSMEs including women and youth owned enterprises*

Output 1.1 Caribbean MSMEs have greater access to finance, increased capacity in the development of bankable projects and wider variety of financing options with a gender and human rights based approach and with a specific focus on building trade potential in line with SO.

Output 1.2 Enhance capacity of the Caribbean private sector actors to advance on its green transition.

Output 1.3 Digital and innovation drivers for private sector in the Caribbean are enhanced, with a special focus on women owned enterprises and promoting entrepreneurship by women, youth and persons with disabilities and with a specific focus on building trade potential in line with SO.

- **For SO2:** *Enhance Trade and Investment between the Caribbean and the EU in the framework of the Economic Partnership Agreement (EPA) assisting the Caribbean private sector to grow in a sustainable manner, including in relation to the area of services.*

Output 2.1 Caribbean private sector increased knowledge and access to the export related benefits of the EPA.

Output 2.2 European private sector has increased access to investment opportunities in the Caribbean.

3.2 Indicative Activities

Activities relating to **Output 1.1**

- Activity 1.1.1 - Building the technical capacity of MSMEs to access financing and support them to develop bankable project proposals in the sectors with trade potential.
- Activity 1.1.2 - Expanding the range of financing options available to MSMEs, including equity financing options and building partnerships with regional financial institutions.

Activities relating to **Output 1.2**

- Activity 1.2.1 - Providing targeted technical assistance to private sector entities to support their green energy, including through selected grant funding.
- Activity 1.2.2 - Enhancing the technical capacity of green energy service providers to support the private sector in their green energy transition.

Activities relating to **Output 1.3**

- Activity 1.3.1 - Providing targeted technical assistance to the private sector for its digital transition, including through selected grant funding.

- Activity 1.3.2 - Developing and executing an accelerator programme focussed on providing firms with a road map towards digital transformation.

Activities relating to **Output 2.1**

- Activity 2.1.1 - Providing technical assistance and training to private sector firms interested in exporting to the EU, including through the expansion of B2B initiatives, the market intelligence platforms or EPA-related events.

Activities relating to **Output 2.2**

- Activity 2.2.1 - Establishing strategic alliances, platforms and partnerships through B2B engagements, including trade fairs and in-market missions.
- Activity 2.2.2 - Facilitating business matchmaking and foster strategic partnerships and business trade advocacy and transparency platforms, including through high-level events on trade and investment.

3.3 Mainstreaming

Environmental Protection & Climate Change

Increased investment and trade may have certain negative or positive impacts on environment and climate change. On the one hand, more trade and investment activities can put more pressure on the environment (land, air, water, coastal area, fisheries, etc) and contribute to environmental degradation. On the other hand, with the revenue and income generated from the increased trade and investment, Governments and businesses within the Caribbean may have more financial resources to tackle environmental problems and promote the agenda for investments in the green and circular economy and clean energy.

Outcomes of the SEA screening

The Strategic Environmental Assessment (SEA) screening concluded that no need for further assessment.

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is “low risk” (no need for further assessment).

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the initiative will have a cross-cutting gender approach in all its stages, from formulation to evaluation. . The Action is in line with the Gender Action Plan III 2021-2025 (GAP III), in particular to the thematic areas of engagement “Promoting economic and social rights and empowering girls and women”, “Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation”. Although in recent years there has been a positive trend to the inclusion of gender equality and empowerment of women in the labor market, there still remains a gap when compared to the more successful developed economies. Women entrepreneurs currently face barriers such as related to lack of awareness, orientation of education and training, lack of experience, fewer financial resources, limited networks, and market barriers. These form the impetus for support from this programme. The programme will aim to empower woman through private sector development, entrepreneurship and skills that provide gateways to jobs and enterprise creation. In order to achieve this, the programme will launch specific interventions specifically focused on women owned enterprises and ensure that for other interventions there are representative portions of women participants. This would be achieved via targeted

marketing efforts to women owned firms as well as partnerships with women business associations in the Caribbean region. Women entrepreneurs will also be promoted via success stories and case studies in order to provide the necessary publicity needed. The programme will also ensure proper data capture for women owned firms to ensure that it is targeting the salient issues being faced by women owned entrepreneurs.

Human Rights

A human rights-based approach will be applied throughout EU cooperation and will advance the goals set out in the EU's Action Plan on Human Rights and Democracy 2020-2024, with particular attention to tackling inequalities, furthering women and girls' empowerment, as well as promoting the rights of vulnerable groups, including children, refugees, displaced people and migrants, and indigenous people. ¹⁴The Caribbean has a history of robust representation of labor and human rights and is ranked as one of the regions with the greatest stability in its governance and transparency framework. The programme will build on this framework and in accordance with the work done by the ILO on the implementation of core labor standards under the EPA. The programme will align with the principles of the regional ILO office, the Caribbean Congress of Labor (CCL) and the Caribbean Employers' Confederation (CEC) to assist the private sector and MSMEs to incorporate these standards at the firm level.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that tackling disabilities is not in itself an objective, however the programme aim at improving the livelihood of citizens in vulnerable by introducing them to new job market avenues, including those with disabilities.

Reduction of inequalities

To support a more inclusive distribution of development gains, the programme will focus on women and youth to empower them through entrepreneurship and skills that provide gateways to jobs and enterprise creation. Women and youth entrepreneurs in the region face several challenges in growing their businesses which have been exacerbated by the COVID-19 pandemic. In a 2015 report from InfoDev, it was estimated that only 3,000 women-owned businesses in the region (not including Montserrat) with five or more employees. Furthermore, 87% of female enterprises operate in low technology and less knowledge-intensive sectors which are experiencing the lowest levels of growth. (Profiling Caribbean women entrepreneurs, WB 2015). Youth (defined as persons under 35 years of age) make up more than half of the region's population and also face the highest unemployment rates. The action will target sectors that provide employment opportunities at scale for these groups and helps them benefit from international trade and investment opportunities. In targeting the sectors the programme will amongst other actions provide technical assistance to address identified needs (e.g. Business plans, websites, standards), capacity building, coaching, mentorship and B2B engagements. The programme will ensure rich participation of women and youth in the decision making along the cycle of the programme.

Democracy

While supporting democratic principles is not the main focus of the action, the programme will engage with social actors like civil society organizations, banks, corporations and non-governmental agencies, in particular with youth, with the objective to enhance their skills, employability, capacity to participate to policy and political dialogue.

Conflict sensitivity, peace and resilience

The programme contributes to green resilience by supporting the promotion of green energy usage and environmentally sustainable practices for MSMEs.

Disaster Risk Reduction

The programme contributes to Disaster Risk Reduction by supporting the green transition for private sector in particular for MSMEs in the field of energy. Reinforcing access to green energy at firm level can contribute to stabilizing marginal energy costs as well as developing greater climate resilience .

¹⁴ The Americas and the Caribbean Regional Multiannual Indicative Programme (MIP) 2021-2027.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Technical	Beneficiary countries of the proposed programme vary in size, population, economic development. To land regional activities at national level in such as heterogeneous context is a challenge.	High	High	Build an adaptive, flexible, iterative mechanism with a distributed approach for actions, outputs and measures addateed to the context of each beneficiary country. Programme delivery will require competent and experienced technical staff and full engagement with actors at regional and national level.
Technical	Inability of MSMEs beneficiaries to implement due to absorption capacity and low administrative capacity.	Medium	Medium	Support to strengthen the capacities of MSMEs, and other economic actors and support at the different stages of their development, as required.
Social	Low representation of women and young people in the management of MSMEs, due to socio-cultural norms and values.	Medium	Medium	Specific activities will be carried out to support the participation of women and young people in the action.
Political	Shift in priority for Caribbean States due to unforeseen developments	Low	High	High level political involvement from Caribbean member states is required in order to successfully achieve coordinated deliverables for each country. Fluent and continuous communication with beneficiaries is highly needed. Beneficiaries should be updated on any prospective changes and proposed actions to be undertaken for continued results and impact.

3.5 The Intervention Logic

The underlying intervention logic for this action is that private sector has a key role to play as a driver for economic growth and job creation in the Caribbean region, but in order to do that, it has to overcome structural challenges that can undermine its positive effect. These include: access to finance, low competitiveness and limited economic diversification, high dependency on imports to meet energy needs, inefficient labour markets characterised by a strong brain drain dynamics, difficult logistics and high costs of transportation, complex regulatory and bureaucratic hurdles

In line with the priorities of the Caribbean-EU Partnership for Economic Resilience and Trade, the programme will support the private sector to bring innovative solutions to some of these challenges, while reinforcing linkages with European businesses to enhance trade and help attract European investments in the region. The programme will focus on firm competitiveness, diversification and export potential making use of the CARIFORUM-EU EPA. For that:

Firstly, the programme seeks to provide greater access to finance to Caribbean MSMEs through increased capacity in the development of bankable projects and wider variety of financing's options. In order to do so, the action will work towards building the technical capacity of MSMEs to develop bankable projects through training and coaching. This includes developing strong project proposals for equity investment, development of business strategies, linking them to financing opportunities, among others. In addition, the programme intends to widen the variety of financing's options for MSMEs expanding the range of financing options available to MSMEs, including equity financing options and also building partnerships with regional financial institutions. This activity would build on the success of the non-financial MOU signed between Caribbean Export (implementing partner) and the Republic Bank Limited which is largest indigenous bank in the region. The activity will seek to identify pools of financial resources allocated to MSMEs and then work with the firms in partnership with the banks so they can successfully access these funds. A medium risk with medium impact to these outcomes is the inability of MSMEs beneficiaries to implement due to absorption capacity and low administrative capacity. By strengthening the capacities of MSMEs, and other economic actors involved at the different stages of their development, the risk can be mitigated. If, in turn, the above outputs are delivered and the assumptions hold true, the programme will be able to support Caribbean MSMEs to have a greater access to finance through increased capacity in the development of bankable projects and wider variety of financing's options.

Secondly, the programme supports the advancement of the private sector in its green transition. In order to do so, the programme will support with targeted technical assistance to private sector entities to support green energy transition including through selected grant funding. In partnership with other regional institutions, the programme will provide support to structuring projects in the energy sector and will make provision of matching grants to fund renewable energy projects. These projects will be financed through a blended approach with grant funding from the programme, matching funds from 3rd party investors and co-financing from the firms themselves. In addition, the programme will enhance the technical capacity of green energy service providers to support the private sector in their green energy transition. The purpose of this support is to develop the region's role as a net provider of diverse services to accompany the green transition, creating potential job opportunities, industry expansion and economic diversification. If the above outputs are delivered the programme will be able to support the private sector in the Caribbean advance on their green transition.

Thirdly, the programme supports the advance of the private sector in its digital transformation. In order to do so, the programme will provide technical assistance on digital and innovation technologies and processes, and supported bankable projects may be rewarded with grant funding for its implementation. In addition, the programme will develop and execute an accelerator programme focussed on providing firms with a road map towards digital transformation. The programme will feature training using materials from the Digital Transformation Institute (DTI) and coaching programmes developed under the 11th EDF Regional Private Sector Development (II) Virtual E-Commerce Accelerator Programme (VEAP) to enhance their technical capacity in e-commerce and implementation of e-commerce strategies thereby growing online export sales from the Caribbean. Firms that are able to graduate from the accelerator would be able to access investors in Europe via the linkages from the on-going EU-LAC Digital Accelerator Programme. If the above outputs are delivered, the programme will be able to enhance the digital and innovation drivers for private sector in the Caribbean.

These three outputs will contribute to *SO1: Reinforce private sector's diversification and competitiveness in the Caribbean, with a special focus on MSMEs including women and youth owned enterprises.*

Fourthly, the programme seeks to enhance trade and investment between the Caribbean and the EU, using the existing EPA as the key framework. In order to do this, the programme will provide technical assistance and training to private sector firms interested in exporting to Europe, including through the expansion of the market intelligence platforms, awareness-raising action/events and a EU trade help desk to ensure efficiency using a hub-and-spoke model across the region.

Fifthly, the programme seeks to enhance European private sector investments in the Caribbean. In order to do this, the programme will establish strategic alliances and partnerships through B2B engagements including trade fairs and in-market missions. The programme will also facilitate business matchmaking and foster strategic partnerships through high-level events on trade and investment. If the above outputs are delivered the programme will support the Caribbean private sector to increase their exports to the EU by accessing the benefits of the EPA and will enhance partnerships and investments between the European and Caribbean private sector.

The fourth and fifth output will contribute to *SO2: Enhance Trade and Investment between the Caribbean and the EU in the framework of the Economic Partnership Agreement (EPA) assisting the Caribbean private sector to grow in a sustainable manner, including in relation to the area of services..*

In the longer term, a more diversified and competitive private sector in the Caribbean, in particular MSMEs including women and youth owned enterprises, and more trade and investment between the Caribbean and the EU in the framework of the EPA will contribute to the sustainable and inclusive economic growth and the most needed job creation that will directly benefit Caribbean society.

3.6 Logical Framework Matrix

	Results chain (@):	Indicators (@):	Baselines	Targets	Sources of data	Assumptions
Results	Main expected results (maximum 10)	(at least one indicator per expected result)	(values and years)	(values and years)		
Impact	To contribute to sustainable and inclusive economic growth and job creation in the Caribbean Region.	Number of new jobs created.	1569 jobs created as at Dec 2022.	3,500 new jobs created	Progress Reports and National unemployment reports	Not applicable
Outcome 1	Reinforce private sector's diversification and competitiveness in the Caribbean, with a special focus on MSMEs including women and youth owned enterprises	1.1 Revenue from new green and digital products and services developed by beneficiaries as a result of the programme.	1.1 TBC baseline will be established at the start of the project	1.1 15% increase in revenue	Progress Reports Documents/ Reports	
		1.2 Number of persons employed by green and digital sectors in the Caribbean . <i>(Disaggregated by women and youth)</i>	1.2 TBC at the start of the project	1.2 20% increase in the number of persons employed as a result of green and digital transition.	Progress Reports	
Outcome 2	Enhance Trade and Investment between the Caribbean and the EU in the framework of the Economic Partnership Agreement (EPA) assisting the Caribbean private sector to grow in a sustainable manner, including in relation to the area of services.	2.1 Value of trade (including exports, imports and investments) between beneficiaries in CARIFORUM and the EU	2.1 TBC at the start of the programme	2.1 5% Increase in trade between CARIFORUM beneficiaries and the EU	Progress Reports	
		2.2 Value of FDI between Caribbean beneficiaries and the EU as a result of interventions	2.2 - USD 1.2 million	2.2 2% increase in FDI from the EU	Progress Reports	

Output 1	Caribbean MSMEs have greater access to finance, increased capacity in the development of bankable projects and a wider variety of financing options	1.1.1 Number of beneficiaries trained to access finance from alternative sources	1.1.1 60 beneficiaries participated in access to finance workshops.	1.1.1 500 (440 more) beneficiaries trained to access finance.	Participants Lists/ Progress Reports	
relating to Outcome 1		1.1.2 Number of bankable project proposals developed to seek funding	1.1.2 15 proposals developed under the investment facilitation project.	1.1.2 75 (60 new) projects developed to seek financing, and least 1/3 ensures funding	Progress Reports/ Intervention reports	
		1.1.3 Value of financing accessed by beneficiary companies from alternative sources.	1.1.3 US\$650,000 in Co-investment grants awarded.	1.1.3 20% increase in the value of finance received as a result of access to finance interventions.	Financing partnerships formed and Progress Reports	
		1.1.4 Number of MOUs signed with financial institutions to support business growth via access to finance.	1.1.4 1 MOU signed with a financial institution.	1.1.4 5 (4 new) MOUs signed with financial institutions.	Partnership Documents/Signed MOUs	
Output 2	Enhance capacity of the Caribbean private sector actors to advance on its green transition	1.2.1 Number of participants trained in green energy transition. <i>(Disaggregated by women and youth)</i>	1.2. 1. 448 beneficiaries trained in green energy.	1.2.1 748 (300 more) persons exposed to green energy practices	Participants Lists/ Agency Progress Reports	
relating to Outcome 1		1.2.2 Number of grants awarded to firms for green energy transition.	1.2.2 26 grants awarded for green projects.	1.2.2 31 (5 new) grants awarded for large green energy transition.	Progress Reports/ Grant Reports	

		1.2.3 Value of cost savings on energy consumption by beneficiary companies	1.2.3 TBC at the start of the project	1.2.3 20% cost saving as a result of their green transition	Impact Assessment Reports	
		1.2.4 Revenue earned from new energy services offered by beneficiaries.	1.2.4 TBC at the start of the project	1.2.4 20% increase in the provision of energy services	Impact Assessment Reports	
Output 3	Digital and innovation drivers for private sector in the Caribbean are enhanced with a special focus on women owned enterprises and promoting entrepreneurship by women, youth and persons with disabilities.	1.3.1 Number of participants trained in digital innovation <i>(Disaggregated by women, youth and persons with disabilities)</i>	1.3.1 30 beneficiaries trained.	1.3.1 300 (270 more) people trained in digital innovation.	Participants Lists/ Progress Reports	
relating to Outcome 1		1.3.2 Number of grants awarded to firms for ICT and digitalization.	1.3.2 50 grants awarded for ICT projects.	1.3.2 55 (5 new) grants awarded for large ICT projects.	Grant Assessment Reports	
		1.3.3 Value of revenue from beneficiary firms as a result of eCommerce and digital transformation.	1.3.3 TBC at the start of the project.	1.3.3 20% increase in the value of revenue.	Impact Assessment Reports	
		1.3.4 Value of production cost savings as a result of digital transformation.	1.3.4 TBC at the start of the project.	1.3.4 20% reduction in the cost of production.	Progress Reports	

Output 1	Caribbean private sector has increased access to export related benefits of the EPA	2.1.1 Number of beneficiaries accessing the Market Intelligence platforms.	2.1.1 32,000 website visitors.	2.1.1 38,400 (20% increase) in the number of visitors to the Market Intelligence portal.	Website user data analytics	
relating to Outcome 2		2.1.2 Number of participants benefitting from capacity building workshops focused on entering EU market	2.1.2 796 beneficiaries participated in capacity building workshops.	2.1.2 946 (150 more) people to participate in capacity building workshops.	Participants Lists/ Progress Report	
		2.1.3 Value of exports from CARIFORUM to the EU from beneficiary companies.	2.1.3 TBC at the start of the project	2.1.3 At least 20% increase in exports by beneficiaries.	Progress Reports	
		2.1.4 Number of new CARIFORUM firms penetrating EU market.	2.1.4 47 beneficiaries penetrated the EU market.	2.1.4 107 (60 more) companies to penetrate the EU market.	Impact Assessment Reports/ M&E Intervention Surveys	
Output 2	European private sector has increased access to investment opportunities in the Caribbean.	2.2.1 Number of investment promotion activities undertaken.	2.2.1 4 activities focused on investment promotion.	2.2.1 9 (5 more) investment missions and investment forums conducted.	Project Documents/ Annual Statistical Publications	

relating to Outcome 2		2.2.2 Number of projects securing investment from the EU.	2.2.2 2 projects secured investment	2.2.2 10 (8 new) projects attract investment from EU in the RE and digital transformation sectors.	Project Progress Report	
		2.2.3 Number of FDI related partnerships realised between European and Caribbean firms.	2.2.3 2 partnerships established under the 11 th EDF	2.2.3 10 (8 new) partnerships between CARIFORUM and the EU.	Partnership Documents/ Annual Statistical publications	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

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

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 51 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 measures¹⁵.

4.3.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with Caribbean Export Development Agency (CEDA), the only CARIFORUM Regional Organisation with a mandate to support the private sector. The envisaged entity has been selected using the following criteria: 1) *A field presence* with technical and operational staff and an office in the Dominican Republic in addition to Caribbean Export's headquarters in Barbados; established network with BSOs and firms' acknowledgement of the competence of the Agency; 2) *Successful implementation of EU funded regional private sector development programmes* under the 9th, 10th & 11th EDF; and 3) *Capacity to effectively link EU funding with other donor supports*, thus scaling up the impact of operations, 4) *Efficient internal control system*, a reliable and timely accounting system. CEDA is subjected to an independent external audit, applies appropriate rules and procedures for the disbursement of grants and applies appropriate rules and procedures as it relates to EU procurement criteria.

The Agency is also undertaking a thrust towards becoming sustainable outside of EU funding (which has until now funded above 90% of the agency in the past 10 years). In 2022, they were able to attract Euro 3.5 million in funding from other donors such as the Caribbean Development Bank and the IDB to support the achievement of their mandate as noted in the organizations 2021 – 2024 strategic plan. They have targeted a further Euro 15 million in funding over the next three years and have made significant progress with potential donors. The agency also has the support of the regional governments through annual contributions that can sustain their operations in the absence of donor funds.

The entrusted entity would ensure coordination with the Team Europe in the Caribbean to optimize opportunities and carry out the following budget-implementation tasks (the list is not exhaustive):

Hiring of long term and short term technical assistance, the launch and management of Calls for Proposal and the Proposals and the award and award and management of grants contracts and, the procurement of printing/publication/visibility and communication services.

¹⁵ 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.

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.

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

With reference to point 4.3.1 in the event of exceptional circumstances beyond the Commission's control, direct grant management will be considered according to the criteria defined in section 4.3.1 in support of the objectives of this action.

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 services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution, in currency identified
Implementation modalities Indirect Management with Caribbean Export Development Agency. Cf section 4.3.1 (including communication and visibility)	8,000,000	4,000,000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	It will be covered by another Decision	N.A.
Totals	12,000,000	

4.6. Organisational Set-up and Responsibilities

The Programme will be implemented by the Caribbean Export Development Agency (CEDA), the regional trade and investment promotion agency among the African, Caribbean and Pacific (ACP) group that was established in 1996 by an Inter-Governmental Agreement among the Forum of the Caribbean Group (CARIFORUM) of ACP States.

CEDA is managed by the Executive Director and management team consisting of the Deputy Executive Director, the Chief Operating Officer, the Manager, Competitiveness & Export Promotion and the Manager, Services. CEDA is governed by a Board of Directors appointed by the member states from the public and private sectors. It includes Observers from the CARICOM Secretariat, the CARIFORUM Directorate, the

OECS Secretariat and the European Union. Board meetings are held twice annually. The Board is accountable to the CARIFORUM Council of Ministers.

A steering committee (SC) shall be set up to oversee and validate the overall direction and policy of the programme. The SC will be co-chaired by the Chairman of the Board of CEDA and by a EU representative, and will meet twice annually. The SC will include representatives from: CARICOM Secretariat/CARIFORUM Directorate; Caribbean Export's Board and Management; the OECS Secretariat; and, Private Sector Representatives.

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 and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

4.7. Pre-conditions

NA

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 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 and the partner's strategy, policy or reform action plan list.

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. To this end, Caribbean Export Development Agency will conduct structured annual surveys and field visits of all clients and beneficiaries to determine the impact of interventions; these will be led by Caribbean Export's M&E department along with technical staff to support. In addition, surveys pre and post interventions to beneficiaries will be used to measure programme impacts. Quarterly reports will be prepared which will feed into the publication of Caribbean Export's Annual Report. In case of need, baseline studies will be determined at the start of the implementation period (stated in the log frame) and will be measured on an annual basis to determine project progress, until the end of the project period. A final study will be undertaken at the end of the implementation period summarizing successes as well as lessons learned throughout the implementation period.

Other reports, publication, press release and updates will be coordinated with 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 this programme is regional and a geographic representation should be taken into account.

The Commission shall inform the implementing partner at least two months in advance of the dates envisaged 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 may be shared with the partners 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, apply the necessary adjustments.

The Financing of the evaluation may 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.

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.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, 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.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as:

Action level (i.e. Budget Support, blending)		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action