

Technical Cooperation Abstract

I. Basic Project Data

▪ Country/Region:	REGIONAL/CCB - Caribbean Group
▪ TC Name:	Support for Enabling Environment Conditions for the design and execution of Innovative Financial Instruments in CCB
▪ TC Number:	RG-T4561
▪ Team Leader/Members:	DOHERTY BIGARA RODRIGUEZ, JENNIFER (CSD/CCS) Team Leader; COX, KAMBIRI SHANNON (INE/WSA) Alternate Team Leader; RUDDOCK, SHERIES ALETHEA (CCB/CCB); DESAI AMINA (CSD/CCS); PRATS CABRERA, JOAN ORIOL (IFD/CMF); FRANKLIN, ROCHELLE (CCB/CBA); GOMEZ, JUAN CARLOS (CSD/CCS); MENDOZA BENAVENTE, HORACIO (LEG/SGO)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	09 Jul 2024
▪ Beneficiary:	Barbados, Bahamas and Jamaica
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$750,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	CCB/CBA - Country Office Barbados
▪ Unit of Disbursement Responsibility:	CCB/CBA - Country Office Barbados
▪ TC included in Country Strategy:	Yes
▪ TC included in CPD:	Yes
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Institutional capacity and rule of law; Environmental sustainability

II. Objective and Justification

- 2.1 The objective of this TC is to build regional capacity to assess, understand and adapt to the use of innovative financing instruments to support the climate change and resilient agenda.
- 2.2 ONE Caribbean embraces and builds on the IDB Group's new Institutional Strategy by selecting four regional priorities: (a) climate adaptation, disaster risk management and resilience; (b) citizen security; (c) private sector engagement, and; d) food security. The regional TC is aligned to the objectives of ONE Caribbean by: (i) addressing inter-dependent underlying challenges in the Caribbean with a focus on high-impact resilient interventions under a regional approach; (ii) providing mechanisms to increase innovative financing and mobilization, improve capacity for project preparation and execution, enhance collaboration, and reduce risks; (iii) supplementing national focus, while deepening integration to boost scale, promote coordination and exploit comparative advantages; and (iv) boosting regional knowledge with partners to better address current challenges and identify opportunities and the next generation of priorities.
- 2.3 The regional TC proposal includes the following components, for total amount of USD \$750,000, which could be expanded to include the needs of other countries

benefitting from innovative financial instruments (cf. Debt for Nature in Bahamas, Green bonds in Jamaica. etc.) and would as of now include a pilot to be scaled to the other ONE Caribbean beneficiaries, focusing on strengthening the national climate and nature agenda in Barbados. It aims to integrate climate change and sustainability considerations into institutional level planning processes, specifically within the water and agricultural sectors.

III. Description of Activities and Outputs

- 3.1 **Component 1. Design of the governance required for the Debt for Climate/Nature transactions, or thematic bonds (US\$250,000).** This component will support countries as they design debt-for nature/climate instruments. It will finance activities such as: (i) advisory services to structure an independent account or trust fund; and (ii) cover legal fees linked to the structuring of Debt for Climate/Nature transactions.
- 3.2 **Component 2. Implementation of monitoring, reporting and verification (MRV) systems and institutional strengthening (US\$150,000).** This component will seek to enhance institutional arrangements and develop tools required to ensure a proper execution of sustainability investments and their monitoring. It will finance: (i) the collection, monitoring and assessment of indicators and KPIs agreed under innovative financial instruments in the Caribbean through the consulting services of individual consultants that would support national authorities in their efforts to fulfill their MRV responsibilities.
- 3.3 **Component 3. Climate resilience in the water and agricultural sectors (US\$350,000).** The resources of this component will allow the financing of consultancies to develop (i) a Climate Change Strategy for the Barbados Water Authority (BWA), including Climate Change Plan; (ii) a consultancy to conduct a tariff and governance assessment for the water sector in Barbados; and (iii) the development and implementation of a marketing campaign promoting water reuse

IV. Budget

Indicative Budget (US\$)

Activity/Component	IDB Funding	Total
Component 1. Design of Debt for Climate/Nature transactions,	250,000	250,000
Component 2. Implementation of MRV systems and institutional strengthening	150,000	150,000
Component 3. Climate resilience in the water and agricultural sectors	350,000	350,000
Total	750,000	750,000

V. Executing Agency and Execution Structure

- 5.1 The IDB will act as the executing agency due to its ability to leverage its extensive network of internal and external subject-matter experts and well-established relationships with stakeholders involved. The IDB Country Office in Barbados will be responsible for the supervision and implementation of the resources, in close collaboration and coordination with CCB, the divisions and specialists involved in the PBG. The Unit of Disbursement Responsibility in be in the IDB's Country Office in Barbados.

VI. Project Risks and Issues

- 6.1 The main risks will be related to coordination of all efforts in different countries with diverse demands

VII. Environmental and Social Aspects

- 7.1 This TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).