



**ONE
CARIBBEAN**



Contents

04 Introduction
Our Approach

06 **Pillar 1.**
Climate Adaptation & Resilience
and Disaster Risk Management

05 Beneficiary Countries
Priority Areas

07 **Pillar 2.**
Citizen Security



08 **Pillar 3.**
Private Sector Development

10 Cross-cutting: Institutional Strengthening
and Digital Transformation Project
Preparation Coordination (PPC)
mechanism

09 **Pillar 4.**
Food Security

11 Development Impact
Fundin

Introduction

The IDB Group's ONE Caribbean strategic framework and regional program promotes collective actions for tackling shared problems with regional solutions. Set within the context of the IDB Group's new Institutional Strategy, ONE Caribbean provides for a comprehensive regional approach to promoting sustainable development in the Caribbean.

ONE Caribbean was established directly in response to a request from Caribbean Governors and other regional stakeholders for a "Whole of Bank" approach to tackling shared regional challenges to improve the lives of Caribbean citizens. This collaborative, regional, approach has the deep potential to enhance climate resilience, increase growth and promote social development across the region, in line with the IDB Group's core objectives and the United Nations' Sustainable Development Goals (SDGs).

Our Approach

ONE Caribbean's "Whole of Bank" approach brings together IDB, IDB Invest and IDB Lab to:

- Address inter-dependent issues with a focus on high-impact interventions under a regional approach.
- Provide tools to increase innovative financing and mobilisation, improve capacity for project preparation and execution, enhance collaboration, and reduce risks.
- Supplement national focus, while deepening integration to boost scale, promote coordination and exploit comparative advantages.
- Boost regional knowledge with partners to better address current challenges and identify new opportunities.

ONE Caribbean serves Caribbean countries and is directly responsive to their needs. The IDB Group is committed to building upon existing and forging new partnerships to tackle shared challenges together.

Including with member country Governments as well as MDBs (e.g. World Bank, Caribbean Development Bank), regional institutions (e.g. CARICOM, Caribbean Export, Caribbean Shipping Association), Academia (e.g. University of the West Indies) and the private sector.



Beneficiary Countries

ONE Caribbean's direct beneficiary countries are:

-  Barbados
-  Belize
-  Guyana
-  Jamaica
-  Suriname
-  The Bahamas
-  Trinidad and Tobago

In addition, Organisation of Eastern Caribbean States (OECS) countries will also benefit through IDB's partnership with the Caribbean Development Bank.

Priority Areas

ONE Caribbean focuses on 4 critical shared regional challenges:

- Climate Adaptation & Resilience and Disaster Risk Management
- Citizen Security
- Private Sector Development
- Food Security

In addition, integral to realizing the objectives across all priority areas, is the need to strengthen institutions and facilitate digital transformation.



Pillar 01 Climate Adaptation & Resilience and Disaster Risk Management

- Due to their small size and geographic location, Caribbean Small Island Developing States (SIDs) are particularly vulnerable to the effects of climate change as evidenced by higher temperatures, more intense and prolonged hurricane seasons and droughts, severe rainfall and increased flooding.
- Between 1980 and 2020, damages and losses from natural disasters have accounted for 2-3% of regional GDP annually.
- The region's susceptibility to climate-related events calls for the development of modern resilient infrastructure to mitigate the adverse impacts of these shocks.
- Poor and vulnerable households have fewer resources to prepare for and recover from the effects of climate related shocks and disasters.
- Comprehensive disaster risk management requires effective systems for risk assessments, response, governance and the availability of financial resources.



Pillar 02 Citizen Security

- Public security is often ranked the most serious social issue in the Caribbean with the percentage of victims of assault and threat as a share of the population (6.8%) being much higher than the global average (4.4%).
- Caribbean SIDS have seen a 20% rise in homicide rates over the past decade, with countries in the region now leading globally in certain types of homicides. Homicide offenders and victims in the region are often young men aged 18-25.
- A study conducted in 5 Caribbean countries showed that, on average, 46% of women aged 15-64 who had been in a relationship experienced one or more types of intimate partner violence.
- Almost 3 out of 4 children experience physical punishment at home.
- The impact of crime and violence on economic growth is significant, with more than 1 in 4 firms reporting losses resulting from theft, robbery, vandalism or arson.



Pillar 03 Private Sector Development

- The private sector is being held back by a range of challenges including impacts from climate change, crime, currency and exchange rate fluctuations, inflation, supply chain costs / logistics, insufficient infrastructure and inadequate regulatory frameworks.
- The region requires billions of dollars in investments from private sources to accelerate growth and resolve fiscal bottlenecks.
- Caribbean Micro, Small and Medium Sized Enterprises (MSMEs) contribute between 60% and 70% of GDP to their respective economies, however, productivity levels remain low compared with those of other small economies.
- High levels of public indebtedness, which are common across Caribbean countries, continue to limit investments in resilient infrastructure.



Pillar 04 Food security

- 43% of the region (English and Dutch speaking Caribbean) is food insecure.
- The Caribbean region has the highest costs for a healthy diet per person globally. Noncommunicable Diseases (NCDs) are the leading cause of death and disability in the Caribbean.
- Several Caribbean islands, particularly The Bahamas and Barbados, are limited by the scarcity of arable land and freshwater, with droughts becoming more frequent and longer due to climate change.
- The Caribbean region is a net food importer. In 2021, the food import bill was over \$8 billion and the CARICOM Heads of Government committed to reducing it by 25% by 2025.
- Caribbean SIDS remain disadvantaged by high regional CARICOM tariffs on agricultural goods.
- The increasing intensity and frequency of natural disasters further threatens food security in the Caribbean.

Cross-cutting: Institutional Strengthening and Digital Transformation

Across all pillars, ONE Caribbean will work to strengthen institutions and promote digital transformation. Strengthening institutional capacities necessary for sustainable development, such as helping to build local technical expertise for implementing projects. Promoting digitalisation of the public sector, can lower the private sector's cost of interacting with government and can also improve transparency and accountability by providing greater citizen access to information. Using digital tools also presents an opportunity to leverage technology's transformative power to enhance service delivery, for example, for healthcare and education.

Project Preparation Coordination (PPC) mechanism

One of the framework's key features is the design and implementation of a Project Preparation Coordination (PPC) mechanism to catalyse investment into the region through the preparation of viable, marketable and bankable projects. A key challenge for most Caribbean countries is often not the lack of good project ideas or appetite among investors, but insufficiently well-prepared and viable projects brought to market (IDB-EU Infrascopes Report 2022).

The PPC mechanism draws together extensive expertise from across IDB Invest, IDB Lab, IDB Sector Teams and the IDB Public Private Partnership Unit, augmented with deep external multi-sectoral expertise. The PPC mechanism draws upon lessons learnt from a range of initiatives, including from within the Caribbean region. The IDB Group has extensive experience in this space - building on more than 60 years' work in the Caribbean and as the largest multilateral development partner in the region.

The PPC mechanism is open to public, private and PPP projects in any sector – the distinguishing characteristic is for projects to have the potential for regional impact. This may include, for example, a Port development that facilitates greater trade across the region.

Specifically, the PPC mechanism offers the following support:

- **Upstream:** Strengthening institutional and regulatory frameworks to improve the enabling environment for sustainable investment.
- **Project identification and prioritization:** Working with all stakeholders – public, private and regional organizations – to identify and prioritize projects.
- **Project structuring:** Providing technical, commercial, environmental and other expertise as needed for project preparation services such as pre-feasibility, feasibility, technical design, financial modelling, procurement and legal documentation.

Development Impact

In order to promote sustainable development in the region, ONE Caribbean will contribute to the following high-level objectives:

- Increase climate adaptation and resilience in the Caribbean.
- Strengthen disaster risk management in the Caribbean.
- Increase citizen security in the Caribbean.
- Foster private sector development in the Caribbean.
- Enhance food security in the Caribbean.
- Strengthen institutions and digital adoption in the Caribbean.

A robust Impact Framework will provide a basis for monitoring and evaluation as well as facilitate lesson learning throughout the lifetime of the initiatives. There will be annual progress reports and a mid-term and final evaluation. ONE Caribbean will invest in data generation and research to help fill data gaps.

Funding

In line with the 'Whole of Bank' approach, ONE Caribbean initiatives will be funded through a combination of:

- IDB Group's lending resources – comprising a suite of instruments such as loans, guarantees, credit lines and equity.
- US\$20 million of IDB Ordinary Capital (OC) over 5 years – to fund technical assistance.
- Crowded in external resources through implementation of a Partnerships and Resource Mobilisation Strategy.

Please contact:

ONECaribbean@iadb.org



ONE Caribbean 11

The logo features the word "ONE" in a large, bold, sans-serif font. Each letter of "ONE" is filled with a different green and yellow pattern of tropical plants and animals. Below "ONE" is the word "CARIBBEAN" in a smaller, bold, sans-serif font, colored in a solid green.

ONE
CARIBBEAN