

REGIONAL

**OPERATIONALIZATION OF THE NATIONAL CONSERVATION AND ENVIRONMENTAL
MANAGEMENT ACT (NCEMA) FOR A SUSTAINABLE ISLAND STATE OF ST KITTS AND
NEVIS**

(RG-T4859)

PROJECT DOCUMENT

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PROJECT SUMMARY

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| Operation Type: | Technical Cooperation |
| Sector: | PRIVATE FIRMS AND SME DEVELOPMENT |
| Subsector: | BUSINESS CLIMATE AND COMPETITIVENESS |
| TC Taxonomy: | Client Support |
| Project Number under the Operational Support Taxonomy: | N/A |
| Technical Responsible Unit: | PTI/CTI-Competitiveness, Technology, and Innovation Division |
| Unit with Disbursement Responsibility (UDR): | PTI/CTI-Competitiveness, Technology, and Innovation Division |
| Executing Agency: | Inter-American Development Bank |

PROJECT OBJECTIVE

To strengthen institutional readiness for the implementation of the National Conservation and Environmental Management Act (NCEMA) and to enhance private sector participation in national climate action and sustainability initiatives.

FINANCIAL INFORMATION

| Financing Type | Fund | Amount in US\$ |
|------------------------------|--------------------------------------|----------------|
| TCN - Nonreimbursable | CCP - Compete Caribbean + Trust Fund | 200,000 |
| Total IDB Financing | | 200,000 |
| Counterpart Financing | | 0 |
| Total Project Budget | | 200,000 |
| Donors: | N/A | |
| Disbursement Period: | 36 months | |
| Execution Period: | 36 months | |

ADDITIONAL FINANCIAL INFORMATION

N/A

I. JUSTIFICATION AND OBJECTIVE

- 1.1 **Diagnostic.** Saint Kitts and Nevis has advanced a critical reform of its environmental governance framework through the passage of the National Conservation and Environmental Management Bill (NCEMA). This landmark legislation replaces the National Conservation and Environment Protection Act (NCEPA) of 1987, providing a revitalized and comprehensive framework for managing the environment, conserving biodiversity and natural resources, and promoting sustainable development within the Federation¹. The NCEMA Bill represents a central pillar of the country's vision for a climate-resilient and sustainable economy under the Sustainable Island State Agenda (SISA)². However, the institutional mechanisms, technical capacity, and coordination systems necessary to operationalize the Act are not yet in place. Existing governance arrangements remain fragmented, with overlapping mandates, outdated provisions, and limited data systems, constraining effective implementation and enforcement of environmental policies. These institutional weaknesses have contributed to declining ecosystem integrity, limited climate preparedness, and reduced capacity to integrate environmental management into national development priorities.
- 1.2 The challenges stem from several structural and capacity-related determinants. Key agencies, including the Department of Environment (DOE) and related ministries, face gaps in technical expertise, human resources, and financial planning that hinder implementation of environmental and climate-related mandates. The absence of standardized operating procedures, digital monitoring systems, and cross-sectoral coordination mechanisms has led to inefficiencies and policy fragmentation between the national government and the Nevis Island Administration. Moreover, the private sector, particularly micro, small, and medium-sized enterprises (MSMEs), has not been fully engaged in national climate action due to limited incentives, technical constraints, and insufficient access to green financing. At the same time, the Government is preparing to update its Nationally Determined Contribution (NDC) under the Paris Agreement, offering a strategic opportunity to embed NCEMA's governance and data reforms into national climate commitments.
- 1.3 The Complete Caribbean IFPG survey for Saint Kitts and Nevis highlights critical constraints limiting MSMEs' contributions to climate resilience and sustainable growth. Environmental innovation remains weak due to the absence of policy instruments that stimulate green investment, as 51% of firms cite voluntary actions and sector codes as their primary drivers of innovation, while only 4% report access to government incentives. In the context of high disaster vulnerability, there

¹ Government of Saint Kitts and Nevis. Government Passes Landmark Environmental Management Act in Saint Kitts and Nevis, Paving the Way to a Sustainable Island State. October 31, 2025. <https://www.sknis.gov.kn/2025/10/31/government-passes-landmark-environmental-management-act-in-saint-kitts-and-nevis-paving-the-way-to-a-sustainable-island-state>

² Government of Saint Kitts and Nevis. 2023 Budget Address: Towards Our Transformation as a Sustainable Island State. Ministry of Finance, December 2022. Available at: <https://mof.gov.kn/wp-content/uploads/2022/12/2023-Budget-Address.pdf>

is a solid foundation for strengthening business continuity planning, with 88% of firms anticipating operational disruptions from natural or human-induced hazards and 99% reporting that they know which functions must resume quickly after an event. Gender disparities further restrict inclusive engagement in innovation and climate action, as women own only 10% of firms, hold senior leadership roles in 15%, and are actively promoted by just 7% of businesses, limiting equitable access to emerging opportunities in the green economy. Knowledge and information gaps also impede the uptake of climate-smart technologies since, although 51% of firms are aware of entrepreneurial support programs, only 15% know of technical assistance for technology adoption and management improvements and just 10% are aware of quality and certification programs. Post-COVID-19 data confirms the most persistent structural barriers to MSME resilience, with 22% of firms citing an inadequately educated workforce, 13% limited access to finance, and 9% restricted access to digital payment systems. These challenges represent strategic entry points for capacity building, improved access to finance and digital tools, and enhanced private sector engagement in sustainability as critical steps to strengthen competitiveness and readiness for the green transition envisioned in the SISA.

- 1.4 **Request.** The request seeks support to strengthen institutional readiness for the implementation of the forthcoming NCEMA and to advance the country's transition toward a climate-resilient and sustainable economy. The Government of Saint Kitts and Nevis, through the DOE under the Ministry of Environment, Climate Action and Constituency Empowerment, has requested the Inter-American Development Bank (IDB), under the Compete Caribbean+ (CC+) program, to provide technical cooperation to develop operational mechanisms, coordination systems, and data-driven management tools that will underpin the NCEMA's implementation. This includes building institutional capacity across ministries and agencies for monitoring, compliance, and reporting, and creating a governance structure that supports integration between environmental policy and national development planning. The request reflects the Government's recognition that institutional strengthening is a precondition for effective policy enforcement, access to international climate finance, and improved national accountability under the Paris Agreement.
- 1.5 An equally important dimension of the request is the mobilization of the private sector, particularly MSMEs as active partners in climate adaptation, innovation, and sustainable growth. The Government seeks to leverage the TC to design mechanisms that encourage business-led climate action through technical assistance, financial incentives, and knowledge platforms that promote competitiveness and environmental stewardship. This aligns with the pillars of the SISA, which emphasizes inclusive economic diversification, environmental protection, and resilience-building through strong public-private collaboration. The TC will therefore enable the creation of an enabling environment in which government institutions, the private sector, and communities can collectively drive national climate and sustainability outcomes, ensuring that the forthcoming NCEMA serves as both a governance framework and an economic catalyst for the green transition.
- 1.6 **Objective.** The general objective is to strengthen institutional readiness for the implementation of the NCEMA, and to enhance private sector participation in

national climate action and sustainability initiatives. The TC will build institutional capacity, establish coordination mechanisms, and develop operational tools necessary for effective environmental governance, while mobilizing the private sector, particularly MSMEs, as active partners in advancing national climate and competitiveness goals.

- 1.7 Specifically, the TC aims to (i) establish functional institutional systems and procedures for environmental coordination and reporting by the DOE in accordance with the NCEMA; (ii) design and implement an MSME Climate Action and Engagement Programme that fosters green innovation, sustainability practices, and resilience; and (iii) support the technical review, stakeholder validation, and submission of the updated NDC to the United Nations Framework Convention on Climate Change (UNFCCC). Together, these interventions will enable Saint Kitts and Nevis through the DOE, Ministry of Environment, Climate Action and Constituency Empowerment, to operationalize the NCEMA, deliver on its SISA priorities, and position the private sector as a key contributor to the country's low-carbon, climate-resilient development pathway.
- 1.8 **Complementarity.** The TC positions Saint Kitts and Nevis on a competitive, climate-smart development pathway consistent with the IDB Group's strategic priorities as articulated in the Sector Framework Documents (SFDs). It operationalizes the Climate Change SFD by advancing climate-resilient, low-carbon development through strengthened legal, regulatory, and institutional frameworks and fostering public-private coordination. The intervention is also aligned to the SFD's priority to support national efforts to design, strengthen, and implement NDCs. In addition, the TC advances the objectives of the Support to SMEs and Financial Access/Supervision SFD by mobilizing MSMEs as active partners in climate action through programs that promote green innovation, sustainability practices, and resilience. It also reflects the Gender and Diversity SFD mandate to reduce social and economic gaps by ensuring that the climate transition actively supports women's economic empowerment and their inclusion in green jobs and decision-making processes.
- 1.9 **Strategic Alignment.** The TC is consistent with the IDB Group Institutional Strategy 2024–2030 Transforming for Scale and Impact (CA-631) and is aligned with the objectives of Bolstering Sustainable Regional Growth by engaging the private sector to promote climate-smart innovation; and Addressing Climate Change by supporting the review and submission of an updated NDC. The project aligns primarily with the Climate Change Sector Framework Document (SFD) objective of climate-resilient and low-carbon development, specifically by strengthening institutional and regulatory frameworks necessary for the effective implementation of the NCEMA. Furthermore, the initiative complements the Innovation, Science, and Technology SFD and the Support to SMEs and Financial Access/Supervision SFD by prioritizing the mobilization of MSMEs and advancing green innovation, technology adoption, and financing across the productive sector, while also ensuring alignment with the Gender and Diversity Sector Framework Document mandate to reduce persistent socioeconomic gaps by establishing an explicit target of 60% for women-led MSMEs in the capacity building activities under component 2. It's also aligned to the Bank's operational focus areas: (i) Productive Development and Innovation through the Private Sector by mobilizing MSMEs via a knowledge and engagement platform and providing technical

assistance for climate-smart innovation; (ii) Institutional Capacity, Rule of Law, and Citizen Security by strengthening environmental governance through establishment of the NEC; and (iii) Biodiversity, Natural Capital, and Climate Action by supporting the review and submission of an updated NDC to advance national climate commitments. In addition, it's aligned with One Caribbean's priority areas of Climate Adaptation and Private Sector Development by advancing national climate commitments and promoting MSME-led climate action through a knowledge and engagement platform that fosters green business practices. The TC is aligned with Compete Caribbean Trust Fund Pillar 2, Enhancing Government Capabilities to Support Climate-Smart and Gender-Responsive Businesses, by (i) enhancing institutional frameworks and strengthening public governance through modernizing gender-responsive legislation, regulations, and policies and (ii) building and enhancing institutional capacity by enhancing knowledge and awareness of gender equity, social inclusion and implementing climate-smart actions.

II. COMPONENTS

2.1 **Component I. Institutional Operationalization and Governance Framework (US\$60,000).** This component aims to strengthen institutional capacity and coordination mechanisms for the effective implementation of the forthcoming NCEMA Bill, ensuring policy coherence, operational readiness, and evidence-based environmental governance.

- a. Activities include: (i) operationalizing a National Environmental Council (NEC), (ii) developing Standard Operating Procedures (SOPs) for coordination, monitoring, and reporting, (iii) and implementing inter-ministerial policy dialogues to harmonize environmental, fiscal, and developmental priorities.
- b. Procurement will include contracting a consulting firm for institutional design and SOP development, goods and services for workshops and coordination sessions, and limited equipment for institutional strengthening.
- c. Expected outputs include a functional NEC, adopted SOPs, completed institutional readiness assessment, and policy dialogues conducted with key sectors.

2.2 **Component II. MSME Climate Action and Engagement Programme (US\$100,000).** This component seeks to mobilize MSMEs as partners in climate adaptation, innovation, and sustainability advancing the economic goals of the SISA

- a. Activities include: (i) designing and implementing a Green Business Communication and Engagement Plan, (ii) develop a Green Business Knowledge Platform, and (iii) deliver capacity-building workshops on sustainability auditing, resource efficiency, and climate-smart innovation. It will also launch the Local Enterprise Adaptation Programme (LEAP) to provide five MSMEs with technical assistance to adopt green business

models valued at up to US\$5,000 each. The LEAP mechanism will function as a structured, demand-driven support window in which MSMEs receive technical assistance services, including a diagnostic assessment, a green business plan/model, advisory services (e.g., energy efficiency, waste reduction, resource management, compliance, green certification readiness) and capacity building relevant to implementing the recommended improvements.

- b. Procurement will involve contracting a consulting firm for platform design and communications, assigning individual experts for MSME training and sustainability assessments, and services for logistics, providing technical assistance to MSMEs, and outreach campaigns.
- c. Output includes the launch of the knowledge platform and communication plan, implementation of the MSME Climate Action Programme, training of at least 100 MSME representatives, execution of five MSME LEAP pilot projects, and completion of a national MSME sustainability audit report

2.3 **Component III. NDC Integration, Consultation, and Submission Mechanism (US\$40,000).** This component will support the review, stakeholder validation, and submission of the updated NDC, integrating institutional reforms and private sector contributions to enhance the country's climate reporting and international commitments.

- a. Activities include: (i) conducting a technical review of the existing NDC, (ii) integrating updated data and sectoral inputs, (iii) organizing multi-stakeholder consultations, and (iv) finalizing and submitting the revised NDC to the UNFCCC. A communication campaign will also be implemented to raise public awareness and transparency.
- b. Procurement will cover a specialized consulting firm to provide technical assistance and rigorous analysis to develop the updated NDC, as well as communications and facilitation services for consultations, design and publication of outreach materials.
- c. Expected output includes a completed technical review, at least two national consultations, validation and submission of the revised NDC, and dissemination of results through a communication campaign.

2.4 **Expected Results.** The TC is expected to deliver measurable improvements in institutional readiness, private sector engagement, and climate policy alignment in Saint Kitts and Nevis over 36 months. By the end of implementation, the country will have a functional coordination and governance framework that prepares national institutions for the effective roll-out of the NCEMA Bill once enacted. This framework will include an operational NEC, standardized operating procedures, and improved mechanisms for monitoring, reporting, and cross-sectoral coordination. These reforms will enhance policy coherence and improve national capacity to manage environmental priorities through a more integrated and data-driven approach. At the enterprise level, the MSME Climate Action and Engagement Programme will have empowered local businesses to incorporate climate resilience and sustainability into their operations. At least five MSMEs will

have implemented pilot projects under the LEAP, demonstrating cost-effective models of green innovation and improved productivity. Broader outreach and capacity-building activities will engage over 50 private sector actors, resulting in greater awareness and adoption of sustainability practices across key economic sectors such as tourism, agriculture, and energy. At the national level, the review and resubmission of the updated NDC will enable Saint Kitts and Nevis to strengthen its climate commitments under the Paris Agreement. The process will deliver a validated, data-driven NDC informed by inputs from public institutions, MSMEs, and civil society, reflecting a more inclusive and evidence-based approach to national climate planning. Collectively, these results will position the country to attract climate finance, improve competitiveness, and advance implementation of the SISA through a stronger interface between governance, policy, and business innovation.

- 2.5 **Beneficiaries.** The direct beneficiaries of this TC are the DOE and key government institutions responsible for environmental governance, climate policy, and economic development in Saint Kitts and Nevis. These include the Ministry of Environment, Climate Action and Constituency Empowerment, the Ministry of Finance, the Nevis Island Administration, and other agencies engaged in environmental management, tourism, energy, and agriculture. These entities will benefit from new coordination structures, capacity-building programmes, data systems, and technical tools that enhance readiness for implementation of the NCEMA Bill. Public officials will gain strengthened capacity to design, implement, and monitor integrated environmental and climate policies, improving efficiency and transparency in government operations. The final beneficiaries are the citizens and private sector enterprises of Saint Kitts and Nevis, particularly MSMEs that will participate in the MSME Climate Action and Engagement Programme. Through targeted training, knowledge-sharing, and financial support under the LEAP, these enterprises will enhance their competitiveness, reduce operational risks, and adopt more sustainable business models. The TC will also indirectly benefit workers, communities, and consumers by fostering a more resilient and resource-efficient economy, better environmental outcomes, and increased opportunities for green jobs and innovation. In the long term, the strengthened governance framework and inclusive climate policy process will contribute to national resilience and sustainable growth, advancing the objectives of the SISA.

III. BUDGET

- 3.1 **Budget.** The total cost of the TC will be US\$200,000.00 and will be entirely financed by Compete Caribbean + Trust Fund (CCP). The TC budget is presented in the following table:

| Components | CCP | Sub-Total |
|--|---------|----------------|
| Component 1: Institutional Operationalization and Governance Framework | 60,000 | 60,000 |
| Component 2: MSME Climate Action and Engagement Programme | 100,000 | 100,000 |

| | | |
|--|--------|----------------|
| Component 3: NDC Integration, Consultation, and Submission Mechanism | 40,000 | 40,000 |
| Total | | 200,000 |

IV. EXECUTION STRUCTURE

- 4.1 **Executing Agency.** The Inter-American Development Bank (IDB) will act as the Executing Agency for this Technical Cooperation, ensuring responsibility for technical oversight, procurement, and delivery of outputs in accordance with IDB policies and procedures. Given that Saint Kitts and Nevis is not a member country of the IDB, the Caribbean Development Bank (CDB) will serve as Financial Agent under the terms of the Financial Agency Agreement entered into between both institutions, and its modifications (FAA). The Bank will execute this TC through PTI/CTI in coordination with Compete Caribbean+ (CC+) and the Government of Saint Kitts and Nevis. The Bank will execute this TC due to the following reasons: (i) previous experience and knowledge on the part of the IDB in implementing project(s) similar to this proposed operation; and (ii) limited institutional capacity of the beneficiary. These justifications are in accordance with the Bank's Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), through the Unit of PTI/CTI. The UDR will be located in PTI/CTI for the management of the related contracts.
- 4.2 **Procurement.** All procurement to be executed under this TC have been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines.
- 4.3 **Execution and Disbursement Period.** The execution and disbursement period will be 36 months.
- 4.4 **Monitoring, Reporting, and Supervision.** The supervision activities for this TC will be carried out by the assigned Team Leader. As per the CC+ donors' request, the Bank is responsible for the overall execution of CC+. As this TC supports the execution of the CC+, the Bank will be the executing agency for this TC through the PTI/CTI Division and CC+'s Fund Coordination Unit (FCU) within the IDB Country Office in Barbados (CCB/CBA). This will facilitate project implementation, oversight, and foster effective communication with local counterparts. Project coordination will be maintained by the IDB PTI/CTI Division with technical representatives of the DOE. The DOE may optionally establish a Project Steering Committee, to include other institutions if necessary. The main functions of this coordination are: (i) to analyze the development of the project's work program; (ii) to review the terms of reference of main consultancies to be carried out under the project; (iii) to facilitate the development of activities in order to achieve the objectives of the project, including contact and cooperation with relevant

institutions, the provision of the necessary information to project consultants to carry out their work, participation in meetings and workshops organized, and the review of technical inputs and products generated within the framework of the project; and (iv) to establish a sustainability plan for the TC's products. Specialists from IDB's PTI/CTI Division will provide strategic and technical advisory support. The CC+ FCU in the IDB Country Office in Barbados (CCB/CBA) will be responsible for the supervision and implementation of the resources, in close collaboration and coordination with PTI/CTI.

V. POTENTIAL RISKS

- 5.1 Risks have been classified in accordance with the Bank's operational and fiduciary risk management framework, encompassing institutional, developmental, and coordination dimensions. A key risk is the limited technical and human resource capacity within implementing agencies, which may delay activities such as activation of the Environmental Council or finalization of the NDC. To mitigate this, the TC will engage technical experts early and ensure dedicated project coordination support during implementation. Another significant risk is limited stakeholder participation, particularly from private sector actors, civil society, and vulnerable groups. This will be mitigated through continuous engagement, including consultations, forums, and multimedia campaigns, with participation targets for women, youth, and MSMEs. Another potential risk is that legal and regulatory gaps within NCEMA may hinder enforcement or deter investment; mitigation includes a legal review and integration of reform recommendations into the NEMS. Therefore, coordination risks will be mitigated through regular inter-ministerial briefings and Project Steering Committee oversight. Finally, another potential risk is weak inter-agency cooperation or shifting institutional priorities, which could delay decision-making. To mitigate this, the Environmental Council will serve as a coordination mechanism, supported by high-level endorsement through regular inter-ministerial briefings.
- 5.2 **Intellectual Property.** All knowledge products derived from this TC will be the Bank's intellectual property and may be made available to the public under a *Creative Commons* license. However, at the request of the Government of Saint Kitts and Nevis the intellectual property of such products may also be licensed to the DOE under the Ministry of Environment, Climate Action and Constituency Empowerment.

VI. EXCEPTIONS TO BANK POLICIES

- 6.1 For CCP financed projects (GN-2851-2), procurements from non-IDB member countries are permitted, provided that the country of origin or nationality of such providers is recognized by the donors of the Facility as eligible.

VII. ENVIRONMENTAL AND SOCIAL ASPECTS

- 7.1 This TC is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them;

therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

REQUIRED ANNEXES:

- [Annex I: Request from Client](#)
 - [Annex II: Results Matrix](#)
 - [Annex III: Terms of Reference](#)
 - [Annex IV: Procurement Plan](#)
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