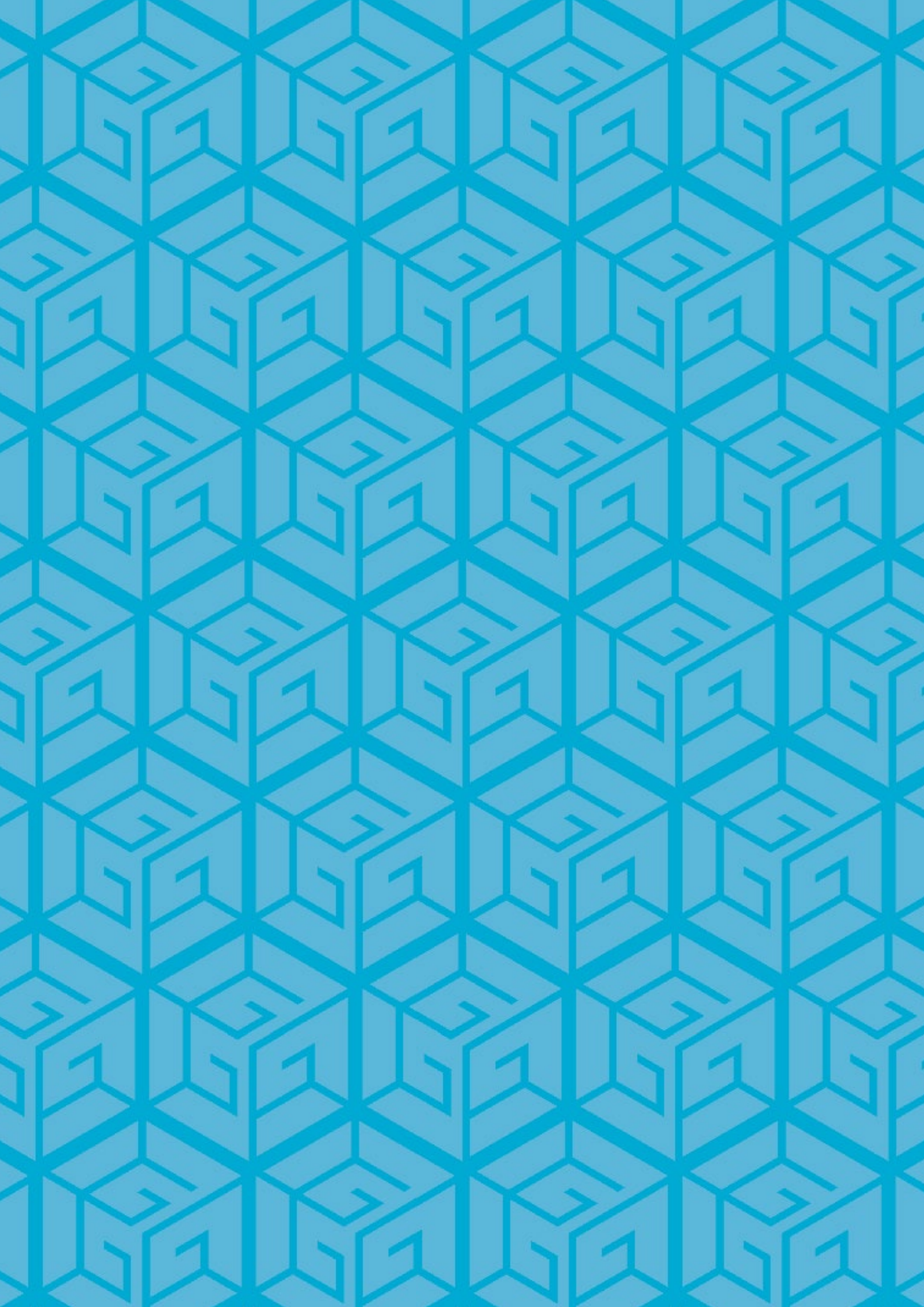




GGGI

Eastern Caribbean Regional Planning Framework 2022-2026







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Foreword

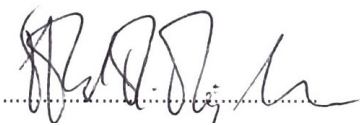
As small island developing states, the eleven member countries of the Organisation of Eastern Caribbean States (OECS) are particularly vulnerable to climate change and other external shocks. To address this challenge, OECS as a regional body and its member states are working towards transforming their economies as well advocating for change on a global level. The six independent member states of the OECS (Antigua and Barbuda, Commonwealth of Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines), were among the first in ratifying the Paris Agreement, and the countries have since established ambitious nationally determined contribution (NDC) goals, and have taken significant steps in implementing these goals. OECS as a regional body dedicated to facilitating regional integration and driving sustainable development through collective action and development cooperation has placed valuing the environment, building resilience, reinventing the economy, and advancing equity and inclusion among its key priorities, and works toward developing and implementing strategies to achieve these goals.

The primary objective of the Global Green Growth Institute (GGGI) is to support and promote strong, inclusive and sustainable economic growth in developing countries and emerging economies. In recognition of their common objectives, the OECS signed a Memorandum of Understanding with GGGI in 2018, and GGGI opened an office at OECS Commission headquarters in Saint Lucia the following year. In 2019, OECS became the first regional member of GGGI, and the two organizations are now working closely together to support achievement of regional and national goals.

This Eastern Caribbean Planning Framework outlines how the OECS and GGGI will further partner in support of these goals over a five-year period, covering 2022 to 2026. GGGI's Eastern Caribbean Program will focus on delivering climate action, mobilizing green investment, facilitating adoption of renewable solar energy, and supporting green industries, while integrating climate change adaptation and building resilience. Achieving these outcomes will help the member states of the OECS move towards a low carbon, climate resilient pathway that also results in improved livelihoods, enhanced environmental sustainability, and achievement of NDCs and Sustainable Development Goals (SDGs).

Affirming our partnership and commitment, both the OECS and GGGI extend their appreciation to the regional and national officials, local partners, and global stakeholders for their support and contribution to this CPF.

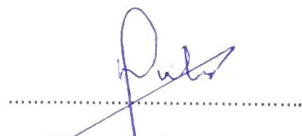
Signed by two parties,



Dr. Frank Rijsberman

Director General

Global Green Growth Institute



Dr. Didacus Jules

Director General

Organisation of Eastern Caribbean States

Acronyms and Abbreviations

BaU	Business as Usual
CAEP	Climate Action Enhancement Package
CARICOM	The Caribbean Community
CDB	Caribbean Development Bank
CPF	Caribbean Planning Framework
CROP	Caribbean Regional Oceanscape Project
FDI	Foreign Direct Investment
GCF	Green Climate Fund
GDP	Gross Domestic Product
GGGI	Global Green Growth Institute
GHG	Greenhouse Gas
GOP	Global Operating Priorities
LEDs	Low Emission Development Strategies
MSMEs	Micro, Small and Medium Enterprises
NDC	Nationally Determined Contributions
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
OECS	Organisation of Eastern Caribbean States
PS	Programmatic Solutions
PV	Photovoltaic
SIDS	Small Island Developing States
SDG	Sustainable Development Goals
SGD	St. George's Declaration of Principles on Environmental Sustainability
SO	Strategic Outcomes
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank

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Executive Summary

The Caribbean Planning Framework (CPF) is a 5-year planning and engagement strategy that describes the strategic initiatives that the Global Green Growth Institute (GGGI) aims to pursue in the Eastern Caribbean region, in partnership with its member organization the Organisation of Eastern Caribbean States (OECS) and OECS member states. The CPF is formulated based on the priorities expressed in key regional and national frameworks and policies and those of GGGI, as stated in the GGGI Strategy 2030.

In 2019, the OECS became the first regional member of GGGI. It comprises 11 members, including six independent countries and five overseas territories. The region has a total population of approximately 1.4 million people over an area of approximately 2,709 Mkm² (1,046 Msq mi). While GDP per capita in the region ranges from USD 7,500-26,000¹ and all the independent countries are classified as high-income or upper middle-income economies, its relatively small size and population, limited natural resources base, undiversified economy, high dependency on imports, high levels of central bank debt, and geographic location has left the region extremely vulnerable to external shocks, including weather events related to climate change as well as those exacerbated by economic events and the global health crisis.

Despite its income classification, the region also faces high levels of unemployment. Unemployment rates first began to rise after the global financial crisis, remained high, and have recently risen dramatically as a result of the Covid-19 crisis, for example reaching rates as high as 48% in Grenada².

To support the region's overall goals to become more economically and environmentally resilient, GGGI plans to support the OECS Commission and its member states in achievement of the goals embodied the OECS Development Strategy (2019-2028), the OECS Regional Green-Blue Economy Strategy and Action Plan, the St. George's Declaration of Principles for Environmental Sustainability, the Nationally Determined Contributions (NDCs) of the independent member states of the OECS, and other relevant national-level goals.

To this end, GGGI will focus on:

- Delivering on **climate action** by enhancing the capacity of countries to fulfil their NDC commitments and adapt to climate change through policy and strategy development
- Facilitate mobilization of **green investments** to support climate mitigation and adaptation projects
- Create an enabling environment for the development and widespread adoption of **solar PV** and mobilize finance for project implementation,
- Support the creation of **green industries** through green entrepreneurship and green technology development by building capacity and mobilizing finance for SMEs

To achieve these goals, GGGI will work at both the regional and national level in the Eastern Caribbean. At a regional level, GGGI will work with the OECS Commission to develop and implement support programs that advance achievement of regional goals across multiple countries. At a national level, GGGI will engage with national governments directly to provide targeted solutions specific to their green growth agenda and goals.

1 Source: National Accounts Estimates of Main Aggregates | United Nations Statistics Division via <http://data.un.org/Data.aspx?q=montserrat&d=SNAAMA&f=grID%3A101%3BcurriD%3AUSD%3BpcFlag%3A1%3BcrID%3A500> UN DATA.. Accessed 1 October 2021

2 Wood, Jonathan; Nartea, Alexandru and Bishop, Stephanie. The socio-economic impact of COVID-19 on children and young people in the Eastern Caribbean Area. USAID and UNICEF. April 2020

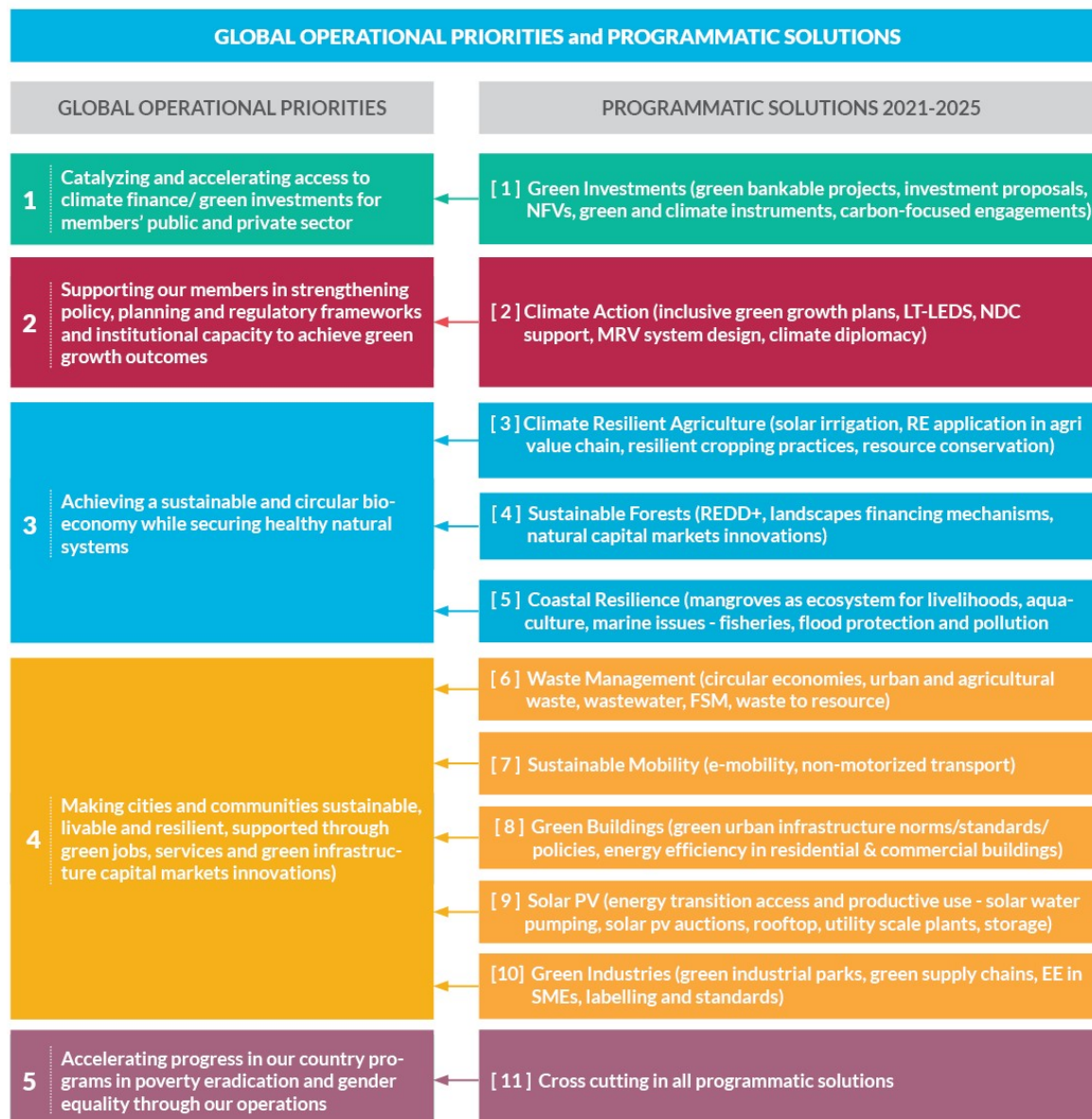


Chapter 1: Introduction

1.1 GGGI's Strategy 2030 and global operational priorities and programmatic solutions

GGGI envisions a low-carbon, resilient world of strong, inclusive, and sustainable growth. To this end, GGGI works to support Members in transforming their economies towards an environmentally sustainable and socially inclusive green growth model, with a focus on the delivery of the following five Global Operational Priorities (GOP): 1) catalyzing and accelerating access to climate finance and green investment for members' public and private sectors; 2) supporting GGGI members in strengthening policy planning, regulatory frameworks, and institutional capacity to achieve green growth outcomes; 3) achieving a sustainable and circular bioeconomy while securing healthy natural systems; 4) making cities and communities sustainable, livable, and resilient through supporting green jobs, services, and green infrastructures; and 5) accelerating progress in eradicating poverty and gender inequality. To support implementation of its priorities, GGGI has identified Programmatic Solutions aligned with each GOP, as shown in the table below:

Figure 1: Programmatic Solutions



1.2 Overview of GGGI’s operations in the Eastern Caribbean

GGGI’s engagement with the OECS began in 2017 in Bonn, Germany during COP 23. A relationship was later formalized through a Memorandum of Understanding signed in 2018 and aimed at facilitating knowledge sharing and capacity building in priority countries, identifying synergies across regional green growth programs, and identifying viable sources of climate finance.

In 2019, GGGI solidified its presence in the region by establishing an office within the OECS Commission in Saint Lucia. Later that same year, the OECS became the first regional organization to become a member of GGGI. Since then, GGGI has supported achievement of the following GGGI Strategic Objectives in the region:

- SO1: Reduced GHG Emissions through the development of innovative financing schemes for renewable energy and climate projects and indirectly through support for climate policy action.
- SO2: Creation of green jobs through green entrepreneurship and green job skills training as part of the Eastern Caribbean Green Entrepreneurship Initiative, and indirectly through facilitation of investment in renewable energy projects

- SO6: Enhanced adaptation to climate change and future economic shocks through policy development and assessment of green growth frameworks and Covid recovery program.

1.3 Objectives

The Caribbean Planning Framework lays out GGGI's green growth objectives and interventions that aim to support the OECS Commission and its member states during the 5-year period 2022-2026. The CPF aligns GGGI's 2030 Strategy to the goals of the OECS and its member countries. Because OECS is the only regional member of GGGI, the structure of the Caribbean program is unique within the organization. The CPF reflects the dual focus of GGGI's work at both the regional level and the national level - addressing broad issues where possible at the regional level while understanding that each country's specific challenges, goals, and approaches may differ, requiring focused approaches at the national level. In general, GGGI operates programs at the regional level in partnership with the OECS Commission, and at the national level in partnership with member country governments, tailoring support programs appropriately at each level.

1.4 Past and Current GGGI Activities

Thus far GGGI has provided support for the green growth transition in the Eastern Caribbean region under four of GGGI's Programmatic Solutions:

Climate Action

- Support for NDC revision and implementation fast-tracking in Antigua & Barbuda, Grenada, and Saint Lucia
- Joint GGGI/OECS project on using GGGI's Green Growth Index to assess progress toward regional green growth and blue economy goals, and to assess Covid recovery packages

Solar PV

- Technical support on renewable energy regulation for Saint Lucia and the OECS region as well as support for mobilization of investment for solar projects under the Eastern Caribbean Solar Challenge

Green Industries

- Joint GGGI/OECS Eastern Caribbean Green Entrepreneurship Initiative project

Green Investments

- Development of innovative financing mechanisms for OECS member states, including establishment of a National Financing Vehicle in Dominica, and mobilizing low-carbon climate finance and private investment in Saint Lucia (green bonds and debt-for-climate swaps frameworks and public private partnerships structure)
- Support for development of the Green Affordable Housing investment project in Saint Lucia and facilitating investment in rooftop PV under the Eastern Caribbean Solar Challenge.



Chapter 2: Overview of Strategic Approach

In the Eastern Caribbean, GGGI works at both the regional and national (member state) level and aligns its work to GGGI's overall approach to small island developing states (SIDS).

2.1 GGGI Approach to SIDS

GGGI has operations in small island developing states (SIDS) in other regions in addition to the Caribbean. GGGI has worked in the Pacific region since 2014 - Fiji, Vanuatu, Kiribati, and Tonga are GGGI members, and GGGI has also worked in the Solomon Islands and the Marshall Islands. GGGI's experience in the Pacific region has provided an evidence-based approach to working with SIDS through regional clusters as well as individually through national governments and has strengthened GGGI's experience in addressing the unique challenges that SIDS face.

Given the success of its Pacific program, GGGI aims to use this experience as an example and guide in working with the Eastern Caribbean and expanding further to other countries in the Caribbean region in the future.

In general, SIDS tend to have similar attributes such as small size and population, limited natural resources base, remoteness to markets, dependence on imported fossil fuels, vulnerability to climate change, high import prices and low export opportunities. These characteristics generally hold true for the OECS countries as well and present a number of distinct challenges as well as opportunities. GGGI will build on its years of experience in SIDS environments to design effective support programs for the OECS region, and where logical and applicable, will seek to replicate approaches that have been used successfully elsewhere³.

Additionally, GGGI will establish links and mechanisms for information, knowledge exchange, and relationship building across the various SIDS programs in its portfolio. This approach is built on an understanding of the importance of south-south cooperation as well the value of exchanging experiences specific to the unique challenges that SIDS environments present.

Although its SIDS programs to date have been mainly focused on climate mitigation, GGGI is working to ensure a balanced focus that includes both mitigation and adaptation, in recognition of the increased vulnerability to climate change that SIDS face. Accordingly, in the coming years GGGI's Caribbean program will work with the OECS Commission, member states, and partners to identify areas where GGGI can assist the region in charting a path to green, resilient countries and economies.

³ One such example is the **Greenpreneurs Program**. This GGGI program was first launched at the Global level, and then regionally in the Pacific in 2018 across 3 countries- Fiji, Kiribati and Vanuatu. In 2020, with funding support from the Qatar Fund for Development, the program expanded its reach in the Pacific and was established in the Caribbean. The **Pacific Greenpreneurs** was scaled up to a 3-year program in 6 Pacific Island countries. In the Caribbean, the Eastern Caribbean **Greenpreneurs** program is a parallel 3-year program implemented in partnership with the 6 OECS member states.

2.2 Regional Approach

Although specific policy and technical support interventions are generally more effective at the country level, regional programs are appropriate for development of guidance, capacity building, coordination of approaches across countries, and when country-specific interventions can be aggregated by umbrella programs. Regional approaches to attracting financing and investment can also be useful given the small size of the countries in the region.

To address some of its specific challenges, the Caribbean region has established several organizations, such as the OECS, CARICOM, the Caribbean Court of Justice, the Caribbean Development Bank, the University of the West Indies, and others. GGGI also utilizes a regional approach through its partnership with the OECS to deliver programs that can broadly reach member countries and utilize economies of scale.

The OECS's overall goal is to promote integration and harmonization across the region, and it has established a number of different regional frameworks related to green growth, including the St. Georges Declaration, the Green-Blue Economy Framework, the Sustainable Energy Framework, the Regional Oceanscape Plan. A regional NDC is also in development.

GGGI works with the OECS Commission on projects to support implementation of these frameworks at the regional level, as well as to jointly provide thought leadership and knowledge sharing in the region on key green growth topics. The program will strive to achieve a balance between work at the regional and national levels to address green growth issues and will also look to share experiences across countries, and replicate or expand approaches to the regional level where appropriate.

2.3 National Approach

GGGI's partnership with OECS allows the individual OECS member states, both independent nations and territories, to utilize the benefits of GGGI membership without being members of GGGI in their own right.

At the national level, GGGI works directly with governments to provide independent advice that is aligned to each country's goals and commitments. While the CPF is driven by a regional approach to green growth, a country-specific approach is often needed to address specific challenges at the national level. GGGI will look to solutions that are demand driven, country-led and designed specifically for each country based on assessments of their needs and commitments and GGGI's strategic objectives.

Although GGGI's support in region to date has mostly focused on the independent member states of OECS, GGGI aspires to work with all OECS member states in order to ensure balance and inclusivity and will strive to find ways to engage more heavily in the non-independent states as the program grows in the coming years.

The practice of having an embedded country office and staff within one (or more) ministries has been critical to GGGI's success in the Pacific and it is GGGI's intention to follow the same path in the Eastern Caribbean. Through its country level approach, GGGI is committed to a sustained long-term presence in the Eastern Caribbean and strives to develop projects that include GGGI staff embedded within counterpart ministries at the national government level, with a goal of having staff on the ground in at least four of the six independent OECS member states within the 5-year time horizon of this CPF, in addition to maintaining its staff embedded within the OECS Commission. To achieve this, GGGI will prioritize multi-year engagements that support government needs and goals, serve to deepen the relationship between GGGI and the government, and to attract staff that have and will develop a strong depth of expertise in each location through their in-country assignments.



Chapter 3: Regional Overview

While they differ in some ways, the member states of the OECS have many similar issues and challenges, from limited resource base, high vulnerability to external shocks, high dependence on external financial flows and vulnerability to the adverse effects from climate change. The OECS comprises 11 members, including 6 independent countries and 5 overseas territories of the UK and France. All members are English speaking, except for the French territories of Guadeloupe and Martinique. All members are characterized by small population (all independent member states have populations less than 200,000 people, and the overseas territories all less than 400,000). All are classified as high-income or upper middle-income economies, but despite this face some significant economic and development challenges which threaten their ability to achieve continued growth and stability in the face of external threats. The following table summarizes the current status of development according to various indicators for the independent OECS member states⁴.

Table 1 – Eastern Caribbean at a Glance

	OECS Independent countries	Year	Source
Population (total)	630,206	2020	World Bank
GDP per capita, PPP (current international \$) (average for each group)	18,246.68	2020	World Bank
World Bank income group classification	2 High-Income, (4 Upper Middle Income)	2020	World Bank
Poverty gap at national poverty lines (%)	N/A	N/A	N/A
Unemployment total (% of total labor force)	20%	2014-2016 e.	OECS ⁵
Informal Economy Employment Rate	N/A	N/A	N/A
Inflation, consumer prices annual %	.05 - 2.6	2017	CDB
Debt to GDP ratios - Central Government (in percent of GDP)	47-97	2020	ECCB
ODA as a percentage of overall government budget	N/A	N/A	N/A
Human Development Index (rank)	74-97	2020	UNDP
Gender Inequality Index	90 ⁶		UNDP
Gini coefficient	N/A	N/A	UNDP
CO ₂ emissions (metric tons per capita)	2.1-5.5	2018	World Bank
Forest area (% of land area)	73.2-18.8	2018	UNCCD
Agricultural land (% of land area)	17.4-33.3	2018	World Bank

⁴ Similar data for the overseas territories members of OECS is not readily available.

⁵ OECS Calculations. Macroeconomic Challenges. <https://www.oecs.org/en/component/sppagebuilder/?view=page&id=39> Accessed November 2021

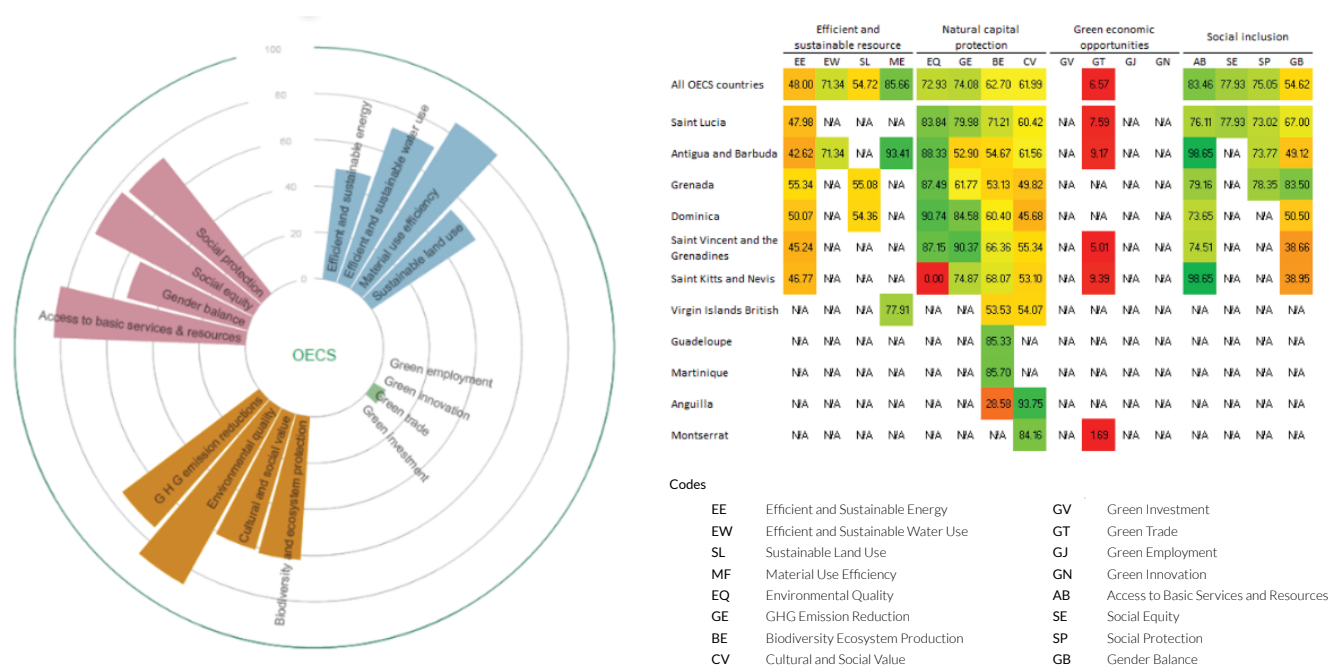
⁶ Information is only available for some countries

	OECS Independent countries	Year	Source
Agriculture, value added (% of GDP)	1.3 - 15.3	2020	World Bank
Renewable Energy consumption (% of final consumption)	0.9-10.39	2018	World Bank
Annual freshwater withdrawals, total (% of internal resources)	8-51	2020	World Bank
Urban population growth (annual %)	0.5-1.1	2020	World Bank
Urban population (% of total)	19-71	N/A	World Bank
Sanitation facilities (% of population with access)	N/A	N/A	N/A
Environmental Performance Index	63-95	2020	Yale
ND-GAIN Adaptation Index (%)	44-87	2019	ND-GAIN

3.1 Green Growth Context

GGGI Index

Figure 2 -GGGI Index



The GGGI Index measures performance in achieving sustainability targets for four green growth dimensions, including i) Efficient and Sustainable Resource Use; ii) Natural Capital Protection; iii) Green Economic Opportunities; and iv) Social Inclusion.

While the OECS region has performed well in the areas of social inclusion, natural capital protection and efficient and sustainable resource use, it is also evident that there is a lack of data available to evaluate the region.

Economic Growth

The economy of the Eastern Caribbean is marked by low GDP growth rates, high public debt, and a dependence on trade, tourism, agriculture, and external financial flows⁷, all of which make the region vulnerable to economic and global health shocks and climate change. The ongoing Covid-19 pandemic in particular has had a strong negative impact on economic growth.

High cost of natural disasters is exacerbated by high levels of public debt. As the impacts of climate change continue to affect the Eastern Caribbean and its economies, the overall cost of climate change will continue to climb, and the need to access climate finance becomes increasingly important.

According to research from the Overseas Development Institute (ODI) “the probability of at least one disaster occurring each year in Antigua and Barbuda, Dominica, Saint Kitts and Nevis, Saint Lucia and/or Saint Vincent and the Grenadines is 25%. While average losses from hurricanes in these countries range from 9% to 43% of gross domestic product (GDP), for individual events (such as Hurricane Maria in Dominica in 2017), they may exceed 200% of GDP.”⁸ It is clear that building resilience to climate change is critical for achieving economic stability and growth in the region.

Environmental Sustainability

The main threats to environmental sustainability in the Eastern Caribbean are natural risks such as coastal erosion and severe weather, climate change, and the exploitation of natural resources for economic growth.

As mentioned above, climate change has caused significant losses in the region as hurricanes and other storm systems become more extreme, however, warming temperatures and sea level rise are also a threat to marine and coastal life.

The Eastern Caribbean’s natural endowment has helped shape its economies but the main economic sectors in the region – tourism, and agriculture – can cause additional pressures in an already vulnerable region. High water usage, increasing waste generation, and limited waste disposal capacity are exacerbated by the tourism sector. In addition, unsustainable agricultural practices can cause soil degradation and water pollution.

In the energy sector, adoption of renewable energy remains low across the region, with countries dependent on fossil fuel-generated electricity, mainly from diesel. However, access to electricity is high, at over 95% in all countries⁹.

While each country has a diverse environmental landscape, many of the islands face natural risks, including hurricanes, floods, volcanic activity, and earthquakes.

To respond to these threats, the region has developed policy and regulatory frameworks to support environmental sustainability through appropriate resources management to mitigate and adapt to climate change effects. These policies and frameworks are examined further in Section 3.2.

Social Inclusion and gender equality

Given the region’s economic challenges, rising unemployment and its effects on the most vulnerable is a major concern. The lack of job opportunities has caused an estimated loss between 10 and 40 percent of the labour force in the Caribbean due to emigration, particularly highly skilled citizens who leave the region to work or study abroad.

Unemployment rates surpass the average in most world regions. Grenada, Saint Lucia, and Saint Vincent have unemployment rates above 20 percent, placing them in the highest decile in the world. Youth unemployment

7 OECS.2019. OECS Development Strategy: Shaping our Shared Prosperity (2019-2028).

8 ODI. Preparing for extreme weather in the Eastern Caribbean What role for forecast-based early action? Working Paper 603. March 2021.

9 <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=LC>

is of particular concern, with nearly one out of four young people unemployed in several countries, and almost half of the youth population unemployed in Grenada, Saint Lucia, and Saint Vincent.

Unemployment affects not only low- and semi-skilled youth, but also graduates of secondary and tertiary institutions, pointing to a skills mismatch between formal education and the labour market.¹⁰ This has also been exacerbated by the Covid-19 pandemic.

Female-to-male ratios of unemployment are high, mirroring averages in other regions, where gender discrimination is common. Although there is not a significant difference between the number of male and female owned businesses in the Caribbean, women experience additional barriers and exhibit characteristics that often limit the success and potential of their ventures. For example, many women entrepreneurs operate without employees, and only sell in local markets, curbing their potential growth and profit. They also experience additional challenges in accessing financing, mentorship, and training opportunities.¹¹

Throughout the most productive economic sectors, women predominate in positions that are precarious, lower paying and/or less secure, and largely reinforce stereotypical gender roles of domesticity and the provision of care¹². Governments across the region have committed to and are accountable for both protecting and ensuring equal rights for women and girls.

Furthermore, external shocks disproportionately affect the poorest sections of society; gender and social inclusion therefore plays an important role in determining the adaptive capacities of individuals and various social groups. Examples of these are severe weather events such as hurricanes and floods which threaten the homes, and livelihoods of the poorest segments of the population and COVID-19 which has led to the loss of life and income.

COVID-19

COVID -19 changed the world in a myriad of ways, worst of all, the loss of life. As of 1 October 2021, there have been 233,503,524 confirmed cases of COVID-19, including 4,777,503 deaths. In the OECS, 126,766 have been infected, causing 1,932 deaths.

As this health crisis continues to impact all countries, the overall impacts of the pandemic extend to everyday life. A comprehensive study led by the OECS¹³ details the impacts COVID 19 in the region. Two important effects to note have been (1) disruptions to supply chains - causing food insecurity, and affecting the manufacturing sector, in particular start-ups and MSMEs, and (2) international travel restrictions, affecting the tourism sector, which according to ECCB statistics, accounts for around 50% of GDP in the region and 40% of jobs¹⁴. According to a UNICEF report¹⁵, Eastern Caribbean countries have lost, or are losing an average of 27 per cent of their jobs due to COVID.

In addition, the pandemic has a potential of reinforcing and worsening pre-existing inequalities in the region e.g., there are accounts of women faring worse with the socioeconomic impacts of COVID-19 as they

10 According to: <https://www.oecs.org/oecs-yes-blog/146-dark-cloud-of-youth-unemployment#:~:text=Statistics%20within%20the%20Caribbean%20region,the%20youth%20in%20several%20ways.&text=Nearly%201%20in%20every%204,20%25%20for%20young%20men.%E2%80%9D>

11 According to: https://www.infodev.org/sites/default/files/profiling_caribbean_women_entrepreneurs_j-03.pdf

12 CDB Gender Assessment Report <https://www.caribank.org/publications-and-resources/resource-library/gender-assessments/country-gender-assessment-synthesis-report>

13 OECS. COVID 19 and Beyond: Impact Assessment and Responses. <https://drive.google.com/file/d/1W7QTdbTTzNB-4CtOZeYmHYB2CoEy3-rS/view>. Accessed 1 October 2021

14 OECS. 2021. Social Inclusion and Social Protection Strategic Framework. <file:///C:/Users/nmrr9/Downloads/Social%20Inclusion%20and%20Social%20Protection%20Strategic%20Framework%20July%202020.pdf> Accessed 2 October 2021

15 Wood, Jonathan; Nartea, Alexandru and Bishop, Stephanie. The socio-economic impact of COVID-19 on children and young people in the Eastern Caribbean Area. USAID and UNICEF. April 2020 <https://www.unicef.org/easterncaribbean/reports/socio-economic-impact-covid-19-children-and-young-people-eastern-caribbean-area> Accessed 18 October 2021

generally earn less, save less, and tend to hold more insecure jobs or are more likely to live in poverty than men.¹⁶ Additionally, the prevalence of unpaid care work has increased substantially during the pandemic with greater impact on women who typically take on majority of house tasks, and increased cases of gender-based violence.¹⁷

3.2 Policy Landscape

A robust set of regional strategic frameworks has been put in place in the OECS region to address the challenges that Eastern Caribbean States face. This includes the OECS Development Strategy 2019-2028, the OECS Regional Green-Blue Economy Strategy and Action Plan, and the Saint George's Declaration (SDG 2040: An Environmental Agenda for the Eastern Caribbean). These strategies focus on sustainable management of natural resources, inclusive socio-economic development, and climate resilience.

At the national level, the independent OECS member states have put into place NDCs and other relevant development strategies. NDC targets in the region generally focus on lowering GHG emissions through increases in use of renewable energy sources. Although early NDCs in the region focused mainly on mitigation, more recent NDC updates have begun to set goals and targets in the adaptation sector as well, and most of the independent member states have developed national adaptation plans (NAPs).

Other sector-specific policies and strategies that were assessed in development of the CPF include the Eastern Caribbean Regional Ocean Policy (ECROP) and its Strategic Action Plan (SAP); the OECS Sustainable Energy Framework; the Revised OECS Regional Plan of Action for Agriculture 2012 – 2022; and the Social Inclusion and Social Protection Strategic Framework. An OECS Strategic Plan based the results-based management framework is currently under development. GGGI will continue to refine its approach to align with this plan as more details are made available.

3.3 Regional and National Goals and Targets

GGGI has built this planning framework on consultations with regional and national stakeholders, and on reviews of the relevant policies mentioned above. The relevant goals of these strategies are further detailed in the table below, along with the specific GGGI programmatic solution areas that can support them.

Table 2: Goals and Targets

Strategy	Goal Target	Programmatic Solutions
OECS Development Strategy: Shaping our Shared Prosperity (2019-2028)	Target of maintaining annual economic growth at 3-5%,	Green Investments Green Industries
OECS Development Strategy: Shaping our Shared Prosperity (2019-2028)	Targets: -Reduce unemployment rates by ¼ within 10 years - Promote more socially optimal outturns in key growth enabling sectors thereby enhancing opportunities for growth and improving general societal welfare	Green Industries

¹⁶ UN 2020 *COVID-19 in Latin America and the Caribbean: How to Incorporate Women and Gender Equality in the Management of the Crisis Response* | UN Women - Americas and the Caribbean

¹⁷ UN Women, 2020. <https://caribbean.unwomen.org/en/news-and-events/covid-19-response>

Strategy	Goal Target	Programmatic Solutions
Saint George's Declaration: SDG 2040: An Environmental Agenda for the Eastern Caribbean	<p>Goal: To promote and support effective management and sustainable use of the natural capital of the EC by enhancing its integrity and strengthening resilience and adaptive capacity.</p> <p>Sustainable energy goal: To optimize the contribution of clean, reliable, and affordable energy to the sustainable development of the OECS region</p>	<p>Green Investments</p> <p>Solar PV</p>
OECS Social Inclusion and Social Protection Strategic Framework	<p>Goals: -Facilitate effective social protection responses</p> <p>-Build human and community resilience</p> <p>-Advocate for inclusion</p> <p>-Facilitate social reintegration and inclusive communities</p>	<p>Climate Action</p> <p>Green Industries</p> <p>Green Investments</p> <p>Solar PV</p>
Sustainable Energy Framework	<p>Goal: To optimize the contribution of clean, reliable and affordable energy to the sustainable development of the OECS region.</p> <p>OECS initiative: Eastern Caribbean Solar Challenge aim: increased deployment of renewable energy technologies in support of national, regional and global goals to increase climate resilience and towards keeping global temperature increase within 1.5°C.</p>	<p>Solar PV</p>
Nationally Determined Contributions	<p>Emission Reduction targets of independent country members of the OECS:</p> <p>-Antigua & Barbuda - 86% renewable energy generation from local resources in the electricity sector</p> <p>-Dominica - reduce total gross greenhouse gas (GHG) emissions below 2014 levels (164.5 Ggs est.): 17.9% by 2020; 39.2% by 2025; and 44.7% by 2030.</p> <p>-Grenada – reducing its GHG emissions by 40% of the 2010 emissions levels by 2030.</p> <p>-Saint Kitts & Nevis: reduce economy-wide CO2 emissions by 61% by 2030, compared to the base year 2010</p> <p>-Saint Lucia: 7% Greenhouse Gas (GHG) emissions reduction in the energy sector relative to 2010, by 2030.</p> <p>-Saint Vincent & Grenadines: economy-wide reduction in greenhouse gas (GHG) emissions of 22% compared to its business as usual (BaU) scenario by 2025</p>	<p>Green Investments</p> <p>Climate Action</p> <p>Solar PV</p>



Chapter 4: Programmatic Solutions and Intended Results

To help address the challenges discussed above and contribute to meeting the goals and targets of the region, during the next five years, GGGI will work with governments, development partners and the OECS Commission to:

- Deliver on climate action by enhancing the capacity of Eastern Caribbean countries to fulfil their NDC commitments and adapt to climate change through policy and strategy development
- Facilitate mobilization of green investments to support climate mitigation and adaptation projects
- Create an enabling environment for the development and widespread adoption of solar PV and mobilize finance for project implementation
- Support the creation of green industries through green entrepreneurship and green technology development by building capacity and mobilizing finance for SMEs

Further details of GGGI's planned involvement under each programmatic solution are detailed in the sections below and summarized in the impact pathway diagram in the Annex.

Climate Action

Taking urgent action to achieve climate goals is clearly a common objective for GGGI as well as for OECS and its member states. This includes setting, planning for, implementing, and measuring and tracking progress towards regional and national goals in both the mitigation and adaptation sectors. Strengthening inclusive policy and regulatory frameworks, as well as building capacity among relevant stakeholders will also be central to GGGI's support for achieving and realizing green growth outcomes in the Eastern Caribbean.

At the national level, GGGI seeks to support OECS member states in developing and implementing policies and inclusive green growth plans, including NDC Implementation plans, financing strategies, and Long-Term Low Emissions Development Strategies. GGGI will deliver policy guidance and frameworks to fast-track countries' fulfilment of their Nationally Determined Contributions (NDCs), while highlighting socio-economic co-benefits such as GDP growth and employment. GGGI will also support the implementation of data tracking systems to support robust measurement and reporting of progress towards national goals and other commitments, including the Paris Agreement and the Saint George's Declaration. GGGI will follow a country-led approach to planning climate action interventions, as well as working with the OECS Commission to identify specific needs in each country and to design and develop tailored support programs. GGGI's work in this area will build on expertise developed in similar support initiatives in other country programs as well as its experience supporting climate action initiatives in several OECS member countries as part of the Climate Action Enhancement Package program in 2020-2021.

At the regional level, GGGI will work with the OECS Commission to increase awareness of effective policy, planning, and tracking approaches to facilitate climate action in order to accelerate knowledge sharing and replication of successful approaches across the region. GGGI will work with the Commission to support regional support and coordination mechanisms including the NDC Finance Initiative, the Solar Challenge, and the Sustainable Energy Framework that aim to coordinate and harmonize climate action across the region, as well as to support the quantitative tracking and measurement of progress toward regional goals and frameworks.

Although GGGI's previous work in the region has focused mainly on the mitigation side of climate action, GGGI recognizes the critical importance of adaptation to small island developing states and will place an increasing emphasis on supporting adaptation as well in coming years. GGGI will seek to support increasing resilience and adaptation capacity of OECS countries through mobilization of finance for adaptation by development of adaptation investment plans and strategies, innovative financing mechanisms to support adaptation, and mobilizing investment for specific projects. As a starting point, GGGI will focus on the area of resilient green affordable housing, building on its current work in Saint Lucia. This initiative is focused on developing and financing resilient affordable housing developments which use green building techniques and offer alternatives for populations currently living in low-lying areas that are vulnerable to climate-related weather events. The program is intended not only to increase resilience of the housing stock and vulnerable populations, but also to increase awareness and use of renewable energy and green building technologies while growing a workforce skilled in these areas. The intention is to use the Saint Lucia project as a basis for replicating this approach across the region.

Green Investments

Building on its work supporting climate action planning in the region, GGGI will work to accelerate the flows of climate financing into the region that will be needed to achieve its climate goals. Throughout these efforts, GGGI will promote approaches that make green and climate finance work for women, youth, the poor and marginalized groups to ensure a fair and equitable transition for all members of society.

The average central government debt in Eastern Caribbean independent countries is 67%¹⁸. Such a high rate of debt threatens these nations' ability to meet their green growth goals, while the threats of climate change and other external shocks such as COVID-19 continue to increase government expenditures. The high debt ratios of the countries hinder their governments' ability to qualify for loans or to provide sovereign guarantees for energy projects. Furthermore, according to the OECS Sustainable Energy Framework, the framework to attract foreign investment for renewables is often not in place or is ineffective.

This makes climate financing, especially development of new approaches to financing, an urgent need in the region. GGGI will work at a national and regional level to develop frameworks and mobilize resources for innovative financing mechanisms as well as to mobilize investment for the implementation of specific projects in support of meeting NDC goals.

Innovative climate financing mechanisms such as green bonds, debt-for-climate swaps, public private partnerships, and national financing vehicles are relatively new approaches for the region, and GGGI seeks to build understanding of the benefits of these approaches with relevant stakeholders at the regional and national levels, as well as build capacity to implement and manage such mechanisms, in addition to developing the structures and mechanisms for the frameworks themselves. GGGI will also explore how it can support countries in preparation for securing finance via carbon market mechanisms, including those under the various Article 6 schemes by providing institutional readiness; governance frameworks, legal and contract structures, MRV and M&E; and coordinating with current measures already in place.

18 Central Development Bank

There may be certain advantages and disadvantages of developing such mechanisms at the regional level as opposed to the national level, and GGGI will work closely with the OECS Commission to explore where regional approaches may be feasible and advantageous to pursue. Further, GGGI will strive to work with existing local and regional financing institutions to incorporate environmental and social considerations into their business operations and integrate them into the new financing mechanisms in order to support a robust local and regional economy for green financing in addition to bringing in external sources of investment.

In supporting mobilization of finance for specific projects, GGGI will support development of project pipelines; identification, development and re-risking of projects to bring them to investment-ready stage; and attracting, structuring, and securing investment. GGGI will follow a country-led and prioritization-based approach to selecting investment projects to support, but will mainly focus on projects related to solar PV, adaptation, and green industries. Additional areas of potential interest for supporting green investment projects in the region, beyond the five-year time horizon of this planning framework, are sustainable mobility, sustainable agriculture, green buildings, and coastal resilience.

Solar PV

Supporting more widespread adoption of solar PV technologies in the OECS region will allow GGGI to help countries to achieve their emissions reductions goals as well as increase physical and economic resilience.

Globally, SIDS account for less than 1% of total GHG emissions; however, they are committed to fulfilling ambitious emissions reduction targets. Transitioning to low-carbon energy systems will not only allow countries to meet NDC targets, but it is also an opportunity to adapt and modernize their current energy systems, decreasing dependence on imported fossil fuels, lowering energy costs, and potentially increasing climate resilience.

OECS member countries in general currently face very high electricity prices and are dependent on imported diesel and power systems that are highly vulnerable to storms and climate change. To overcome these challenges, OECS countries are pursuing various renewable energy development initiatives, including geothermal, wind, and solar energy¹⁹.

The diversification of the energy sector to indigenous sources of energy will be critical to OECS countries' future economic prosperity. The use of renewable resources supports economic independence by decreasing the region's dependence on foreign energy sources as well as lowering costs. Increased energy independence can also allow for the redirection of public and private investments, thus promoting a more diversified economy. Lower energy costs will be of particular significance for MSMEs operating in the region, lowering their operating costs and helping them achieve profitability more easily.

Levels of renewable energy adoption are currently low across the region, even though renewables offer significant opportunities for cost reduction, climate change mitigation, and increased resilience. Among the barriers preventing a transition to greater levels of renewable energy use in OECS countries is the lack of regulatory frameworks that ensure technical and economic stability in the electricity sector as renewable energy sources come online. Strengthening these frameworks would create a more favourable investment environment for renewables by both utilities and the private sector. In parallel, financing mechanisms tailored to the regional context are necessary to overcome the often-high initial costs of the systems, and preliminary assessment of feasibility is important for de-risking projects and raising awareness of the benefits of solar PV.

GGGI will support implementation of the OECS Sustainable Energy Framework and help facilitate achievement of Eastern Caribbean Solar Challenge goals by contributing to expansion of renewable energy in the OECS region, specifically solar PV, in three main ways: by supporting formulation of appropriate policies and frameworks, strengthening and de-risking project pipelines, and supporting investment mobilization and finance flows. Specifically, in the near term, GGGI will focus helping countries overcome barriers to RE adoption by providing technical support and capacity building to support development of effective policy and

¹⁹ OECS. 2021. Sustainable Energy Framework.

regulatory frameworks for renewable energy, particularly solar PV. GGGI seeks to provide complementary support mechanisms in this area at both the regional and national level. At the national level, GGGI will provide direct technical assistance for the formulation and implementation of improved policies, processes, and regulation as well as capacity building, including by embedding of experts in relevant national bodies. At the regional level, GGGI will work with the OECS Commission to develop guidance and provide capacity building to member states intended to educate and guide development of regional electricity regulatory schemes in the OECS member states. Appropriate interventions will be developed and delivered at various levels, including high-level government officials as well as working level technical staff, and will be designed to be general enough to be applicable to the various energy market contexts in the region. In addition, GGGI will work with OECS at the regional level as well as with other partners to develop a wider support scheme for technical regulatory and policy support and harmonization of regulatory structures in the region.

GGGI will also work with regional and national bodies to develop and build solar PV project pipelines, perform pre-feasibility analysis, and work to mobilize investment for projects from both public and private sources of financing. Initially this work will focus on distributed rooftop PV as part of the Eastern Caribbean Solar Challenge, but will expand over time to encompass larger commercial and utility scale installations. In recognition of the adaptation challenges in the region, GGGI will incorporate resilience and efficiency components in the design of all solar PV projects where possible, such as micro-grids, storage, islanding/back-up capability, structural integrity of buildings/roofs, and energy audits.

Approaching the twin challenges of policy/regulatory barriers and project development/funding in parallel will allow GGGI to apply learnings from each workstream to the other and address the challenges to adoption of solar PV in a holistic manner, maximizing its impact in helping countries meet their energy and resilience goals.

Green Industries

The Eastern Caribbean's economic constraints, high reliance on natural resources, and high levels of unemployment make these small islands highly vulnerable to external shocks.

A transition to a green growth model will need to consider how MSMEs play a role in the economy and the environment and how they can promote gender equity and the integration of marginalized groups. GGGI's interventions in this area will focus on two parallel goals: empowering MSMEs to contribute to country and regional green growth goals; and on accelerating the creation of green jobs.

GGGI will continue to work with funding partners to develop and implement projects that support green MSMEs by providing them with training, tools, and finance necessary to accelerate growth of their green businesses, support the creation of green jobs, and foster development of local green industries. This will include direct training of green entrepreneurs and provision of grants and repayable loans through the "Greenpreneurs" brand of programs and GGGI's Green Innovation Trust Fund (GIF), as well as more indirect support, such as strengthening the enabling environment for green entrepreneurs through capacity building for support organizations and development of regional frameworks and networks. GGGI will also work with other stakeholders playing a role in facilitating a more effective ecosystem for green business development. This may include working with financing institutions to develop and enhance appropriate financing products and ensure they are accessible; mobilizing investment for infrastructure to support green industries; and facilitating knowledge sharing and capacity development to increase awareness, interest, and skill levels in green industries.

Impacts from GGGI's activities in the Green Industries sector will be primarily measured through direct and indirect jobs created but will also be reflected in contributions to reduced GHG emissions and enhanced adaptation to climate change.

Annex – CPF impact pathway diagram²⁰

Programmatic Solutions	Intermediate Outcomes			Estimated Strategic Outcomes (Impact)		Country/Regional Goals	
	Policy (Indicator: Policies adopted)	Financing Instruments (Indicator: \$ mobilized)	Investment Projects (Indicator: \$ mobilized)	Estimated Attributed Impacts (SOs and other impacts)	Estimated Contributed Impacts (SO and other impacts)		
Climate Action	<p>-- Fast-tracking achievement of NDC commitments (NDC Implementation Plans, NDC Financing Strategies, LEDS, other supporting policies)</p> <p>---Adaptation Investment plans, strategies and roadmaps are developed and adopted</p> <p>--Adoption of quantitative monitoring framework for regional green growth targets</p>	<p>-- Innovative climate financing mechanisms (green bonds, national financing vehicles, debt for climate swaps, public private partnerships) are developed and deployed (\$20 million)</p>	<p>--Funding is mobilized for adaptation projects (\$25 million)</p>	<p>SO6: Enhanced adaptation to climate change : 62,000 people²¹</p>	<p>SO1: Reduced GHG Emissions : 400,000 tons CO₂e²²</p>	<p>-Country NDC targets</p> <p>-St. Georges Declaration of Principles on Environmental Sustainability</p> <p>- OECS Regional Green-Blue Economy Strategy and Action Plan</p>	<p>OECS Social Inclusion and Social Protection Strategic Framework</p> <ul style="list-style-type: none"> • Facilitate effective social protection responses • Build human and community resilience • Advocate for inclusion • Facilitate social reintegration and inclusive communities

²⁰ All Strategic Outcome Targets are calculated using the top down ex-ante method and investment multipliers outlined in GGGI Technical Guideline 6-1 available here: <https://ggi.org/site/assets/uploads/2020/02/GGGI-Technical-Guideline-No.-6-1.pdf>

²¹ Figure estimated on a 5M USD investment in a Natural Capital project. Subject to change based on exact nature of investment.

²² Between 2025 and 2030; Calculated using the sum of reduction targets from Antigua and Barbuda, Grenada, Saint Lucia, St. Kitts and Nevis, and Saint Vincent

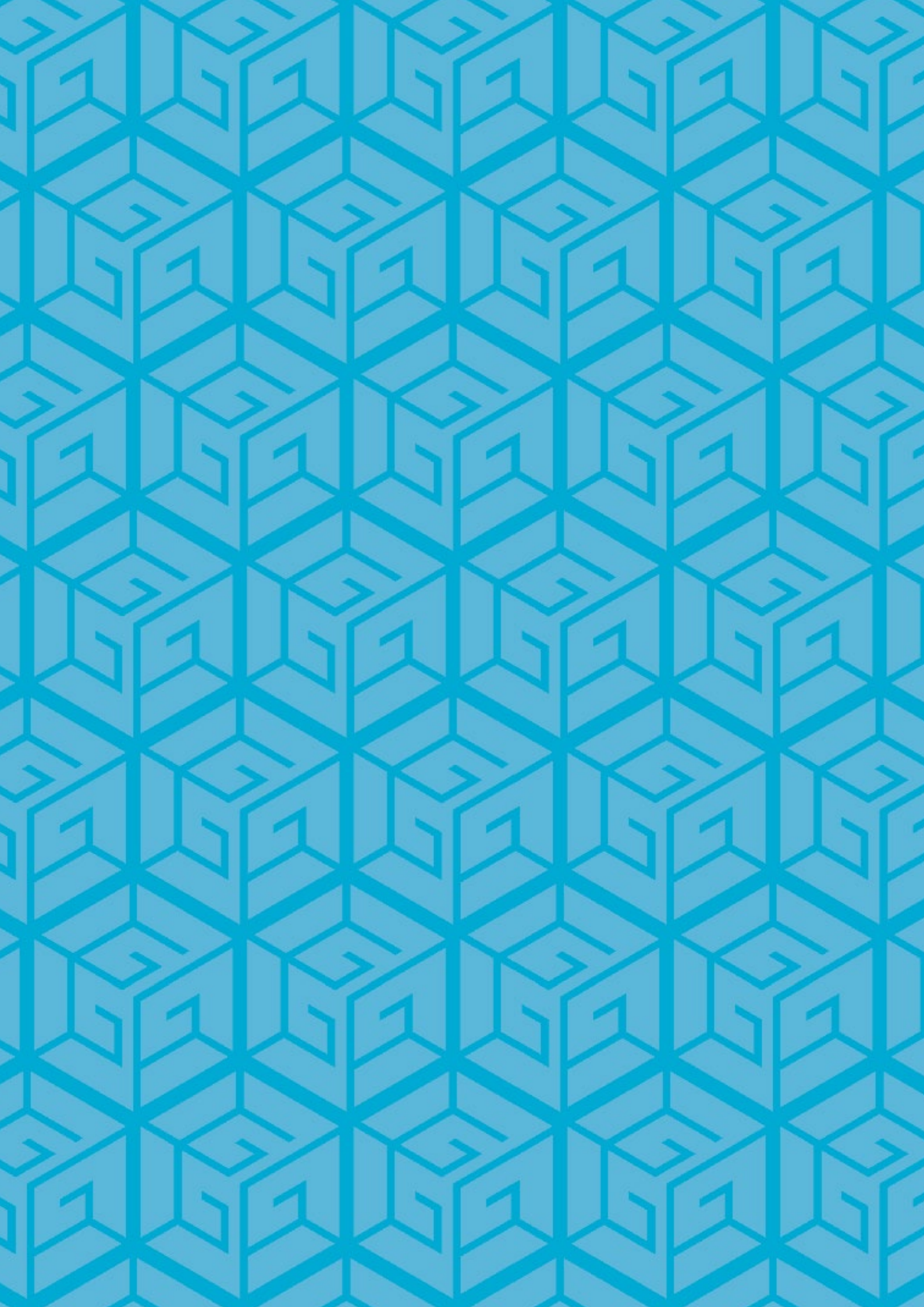
Solar PV	--Policies and frameworks are developed and adopted to support the development of solar PV	--Financing mechanisms developed to support implementation of solar PV (\$5 million)	--Investment is mobilized for solar PV projects (\$30 million)	SO1: Reduced GHG Emissions: 650 tons of CO ₂ e SO2: Creation of Green jobs: 500 jobs SO3.1: Enhanced Clean and Affordable Energy Access for 50,000 people ²³		- Emission reduction targets per NDCs -St. Georges Declaration of Principles on Environmental Sustainability -Eastern Caribbean Solar Challenge - OECS Sustainable Energy Framework	
Green Industries		--Funds are created and implemented to support green entrepreneurs and green industries (\$3 million)	--Investment is mobilized for shared infrastructure to support green MSMEs --Investment is mobilized for green entrepreneurship support mechanisms (ie regional center for green entrepreneurship) (\$5 million total)	SO2: Creation of Green jobs : TBC SO6: Enhanced adaptation to climate change : TBC ²⁴	SO2: Creation of Green jobs : 6000 ²⁵	-OECS Development Strategy: Shaping our Shared Prosperity (2019-2028)	

23 Strategic Outcome Targets (estimated attributed impacts) related to Solar PV are calculated estimating at 15M USD investment in Utility Scale Solar PV and 15M USD Investment in Off Grid Solar PV Systems, using the investment multipliers outlined in GGGI's Technical Guideline

24 Figures for estimated Attributed impacts related to Green Industries will depend on the nature of startup enterprises which GGGI invests in.

25 This figure was calculated as part of the Green Entrepreneurship project proposal submitted to the Qatar Fund for Development. It includes direct and indirect jobs from years 1-13.







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