

## Technical Cooperation Document

### I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Supporting the Development of the Blue Economy in the Organization of Eastern Caribbean States OECS
▪ TC Number:	RG-T4169
▪ Team Leader/Members:	Doherty Bigara Rodriguez, Jennifer (CSD/CCS) Team Leader; Dohnert De Lascrain, Sylvia Eva (IFD/CTI) Alternate Team Leader; Alex Sanchiz (IFD/CTI); Gomez, Juan Carlos (CSD/CCS); June Alleyne (IFD/CTI); Liana Welch (IFD/CTI); Vila Saint-Etienne, Sara (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	16 Aug 2022.
▪ Beneficiary:	National Coordinating Committees/Agencies responsible for the coordination and Management of Blue Economy development/Ocean Governance from Antigua and Barbuda, Commonwealth of Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Compete Caribbean Partnership Facility(CCP)
▪ IDB Funding Requested:	US\$200,000.00
▪ Local counterpart funding, if any:	US\$36,000.00 (In-Kind)36,000
▪ Disbursement period (which includes Execution period):	18 months
▪ Required start date:	September 30th, 2022
▪ Types of consultants:	Firms and Individuals
▪ Prepared by Unit:	CSD/CCS-Climate Change
▪ Unit of Disbursement Responsibility:	CCB/CBA-Country Office Barbados
▪ TC included in Country Strategy:	Yes
▪ TC included in CPD:	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Environmental sustainability; Gender equality; Institutional capacity and rule of law; Productivity and innovation

### II. Objectives and Justification of the TC

- 2.1 The Organization of Eastern Caribbean States (OECS) has recognized the need to harness the full potential of the Blue Economy, that is, its ability to enhance economic opportunity for local communities, while safeguarding ocean and coastal ecosystems and long-term sustainable development. As a result, the region has been involved in several recent efforts aimed at placing the Blue Economy on a more sustainable footing. In this context, the considered definition of Blue Economy would be one that: (i) recognizes marine ecosystems as natural capital; and (ii) protects and maintains those ecosystems accordingly, aspiring for social and economic stability through the use of clean technology and renewable energy (World Wildlife Fund). To achieve this mission, there is the need for a strong policy and institutional framework to guide the process and ensure a successful outcome. It will require the strengthening of

institutional capacity, at the level of knowledge and agencies, which will help inspire and support innovation. It will also require greater sensitization or communication concerning the benefits and scope of the Blue Economy and will involve outreach to a broad stakeholder base.

- 2.2 The Eastern Caribbean region can be described as having small economies and populations with unique geographical assets and challenges. The economies of the OECS vary from service-based businesses to large-scale commodity exporters with tourism and financial services as the main economic activity for foreign direct investment and employment. Their condition as smaller and less diversified economies has significantly affected their Gross Domestic Product (GDP) growth given the demand and supply shocks to tourism as a result of the Covid-19 pandemic. In 2020, the cumulative GDP of the OECS member states was under US\$6 billion, and it contracted by 13.7% on average, due to COVID-19's impact on tourism (World Economic Outlook, April 2022). Furthermore, the effects of climate change and natural disasters have thwarted the strategies and policies to provide the high levels of sustainable growth essential to building resilient economies. The accelerated development of the ocean economy will allow the OECS member states to bolster their economy and tackle fundamental difficulties like high unemployment rates, low economic growth, food security, resilience to climate change and poverty. A pivot towards a Blue Economy offers opportunities for the OECS member states to diversify their economies into new emerging ocean-based activities and sectors, generate employment and growth while ensuring the sustainable use of ocean resources and making their current ocean-based industries more resilient. This is in alignment with the OECS' vision of becoming "an exemplar of Blue Economy development."
- 2.3 The OECS has made significant advancement on the tools necessary for a successful Blue Economy, particularly in the area of policy, through the 2020 Eastern Caribbean Regional Oceans Project (ECROP). Within the ECROP framework, the OECS has implemented further Blue Economy solutions through Global Environmental Fund/World Bank funded Caribbean Regional Oceanscape Project (CROP) (2017-2021), which focused on preserving and strengthening the "resilience of coastal and marine resources, and implementation of regional policies to stimulate blue growth". CROP has resulted in the development of national ocean policies (NOP), coastal master and marine spatial plans (CMSP) and national ocean governance committees (NOGC). Additionally, with support from the Government of Norway, the region has embarked on the Building Resilience in the Eastern Caribbean through Reduction of Marine Pollution (ReMLit) project which seeks to "harmonize policy and legislation related to waste management, influence positive behaviour change with respect to waste practices, and to assist with the implementation of concrete interventions on the ground to reduce marine litter at the country level". In parallel, the World Bank-funded Unleashing the Blue Economy in the Eastern Caribbean (UBEEC) project addresses "institutional strengthening, policy formulation, MSME advancement, governance and direct investments in infrastructure development within the marine and coastal areas of Grenada, St. Lucia and St. Vincent and the Grenadines". A sustainable Blue Economy in the OECS will be dependent on these types of efforts, together with programming that is closely linked to climate change resilience and crucial decarbonization efforts leading to energy sovereignty. The mitigation and adaptation ecosystem services of a healthy ocean are being recognized as key components in helping countries address the impacts of climate change. The OECS member states recognize this important connection and have incorporated elements of the Blue Economy into its Green-Blue Economy (G-BE) Strategy and Action Plan (SAP).

- 2.4 In the Caribbean, women in fisheries adopt many supportive roles and post-harvest work. Traditionally, men have occupied many of the roles in marine and maritime management. According to an End-of-Project Review and Evaluation Report conducted for the Caribbean Regional Oceanscape Project (CROP), greater emphasis should be placed on ensuring that women are sensitized to entering male-dominated career fields within the Blue Economy. Therefore, women and other traditionally underrepresented groups should all be supported as part of an effective Blue Economy approach.
- 2.5 The objective of this technical cooperation is to strengthen the policy and institutional framework for coordinating the development of the Blue Economy in the OECS member states linked to the Islands Management System Framework, while ensuring its alignment to the Climate Paris Agreement. The OECS Secretariat will be a key stakeholder in this project, but it will also involve other relevant stakeholders in the Blue Economy sector across the OECS region.
- 2.6 The operation is consistent with the Second Update to the Institutional Strategy (AB-3190-2) and is aligned with its development challenge of *productivity and innovation* as it supports policies that will encourage technological development and foster innovation in the Blue Economy. The operation is expected to have a positive impact on the development of the Blue Economy through a clearer policy framework i.e., a strategic action plan, and better capacity of the OECS Secretariat and other participating agencies to support the growth of the sector. The operation is also aligned with the cross-cutting themes of: (i) *climate change* and biodiversity since the Blue Economy approach promoted seeks to ensure the conservation, protection and proper evaluation of its coastal and marine ecosystems and provides means for a resilient and low carbon measures, enhancing a sustainable recovery from the Covid-19 pandemic; (ii) *institutional capacity and rule of law* as the capacity building efforts support the strengthening of the institutional capacity of the participating agencies to deliver on their mandates; and (iii) *gender equality and diversity*, as the Blue Economy is an approach that pursues gender equality by integrating the interests of different genders into the sustainable use of ocean resources.
- 2.7 The operation is also aligned with the intervention areas of the Corporate Results Framework 2020-2023 (CRF) (GN2727-12), namely: (i) conservation and sustainable use of biodiversity and/or ecosystem services (including but not limited to the creation/management of marine and terrestrial protected areas); and (ii) support for new or improved environmental legislation and/or governance, including financial mechanisms and incentives targeted at promoting environmental sustainability.
- 2.8 The project is also aligned with the priorities of the "Proposal for the Establishment of the Compete Caribbean Partnership Facility" (GN-2851), specifically Pillar II, which seeks to enhance the legal, institutional, and regulatory framework for business and innovation climate.
- 2.9 The TC will complement the IDB's project *Support to Economic Recovery in the Caribbean through Trade and Investment in Blue Economy* (ATN/CO-19236-RG), which seeks to develop and implement a BE Foreign Direct Investment (FDI) promotion strategy, using digital tools to create contents and generate more qualified leads at a lower cost.

### **III. Description of Activities/Components and Budget**

- 3.1 Component 1. Strengthening the policy and strategy framework for the development of the OECS Blue Economy (US\$100,000)** This component will enhance the policy and institutional framework to promote the Blue Economy as a means for a sustainable development and will finance consultant services for the development of a legislative gap analysis in the OECS countries with established National Ocean Policies (NOPs) and the development of a regional strategic plan in a holistic and integrative approach for the Blue Economy sector in the OECS. This component will finance consultant services for the development of a legislative gap analysis in the OECS countries with established National Ocean Policies (NOPs) and the development of a regional strategic plan in a holistic and integrative approach for the Blue Economy sector in the OECS. The activities of the component are: (i) a Legislative Gap Analysis Report, which will include an analysis of the regulatory and legislative framework of the countries with NOPs. The report should seek to identify gaps in the existing legislative framework that will inhibit implementation momentum in improving the priority actions within the NOPs, as well as synergies to be considered with each of the countries' Nationally Determined Contributions (NDCs) and National Biodiversity Strategy and Action Plan (NBSAPs). The legislative gap analysis report will be used to inform the development of the Blue Economy Regional Strategic Action Plans by laying the groundwork for public and private sector decision-makers for improving BE investment promotion strategies; and (ii) a Regional Strategic Action Plan which will provide a vision and workplan for the OECS, including the identification of strategic themes, including climate and gender targets, for the Blue Economy to guide the OECS' work over the next three to five years. The strategic plan should include the identification of key baseline indicators for the development of the Blue Economy in the OECS and should link all resources already mobilized to results, indicate gaps, and sources of additional funding.
- 3.2 Component 2. Strengthening Coordinating Mechanisms and Reporting, Monitoring and Evaluation Systems (US\$70,000).** This component will finance consultant services to support an institutional capacity building program for the OECS to improve its planning, reporting, monitoring and evaluation, accountability, and investment attraction for Blue Economy Development. This component will finance: (i) the development of a monitoring, reporting and verification (MRV) system for the Blue Economy, including the identification and development of climate, biodiversity and gender indicators with capacity building for the OECS Secretariat and other relevant line ministries and agencies in the utilization of the system.
- 3.3 Component 3. Implementation of Gender Sensitive Communication Strategy (US\$25,000).** This component will (i) finance knowledge generation and dissemination efforts to increase awareness among public sector stakeholders on the definition and strategic importance of the Blue Economy for growth in the OECS; (ii) prioritize the creation of awareness among male and female entrepreneurs on the strategic approach the OECS Secretariat is taking to promote the Blue Economy agenda of the OECS, based on the strategic action plan generated under Component 1. This component will (i) finance the design and execution of a high-level stakeholder sensitization program including the development of workshops with key stakeholders for consultations, input and dissemination of findings and knowledge; and (ii) the design and launch of digital publications geared at male and female entrepreneurs to disseminate the main findings of the TC regarding blue growth for the OECS. The component will take into consideration the vulnerability of women to climate change

as well as their leadership in creating and implementing solutions to increase resilience and enhance low carbon options.

- 3.4 **Component 4. Monitoring and Evaluation (US\$5,000).** The OECS Secretariat will work closely with CCPF on the execution of the project including monitoring and evaluating progress towards achieving planned results. The OECS Secretariat will also use the baseline data generated during Component 1 to monitor and evaluate and report on its performance in terms of level of services delivered to stakeholders (disaggregated by number of institutions, gender of stakeholders, etc.). CCPF will work with the OECS Secretariat to collect data and prepare Quarterly Project Progress Reports and a Close-off Report. This component will cover expenses related to compiling and analyzing data required for a final evaluation for the project.
- 3.5 The total estimated cost of this project is US\$236,000, which will be financed with resources from the Compete Caribbean Partnership Facility (CCP) and in-kind contribution of the OECS Commission of US\$36,000.

**Indicative Budget (US\$)**

<b>Component Description</b>	<b>IDB/Fund</b>	<b>Counterpart</b>	<b>Total</b>
<b>Component 1.</b> Strengthening the policy and strategy framework for the development of the OECS Blue Economy	100,000	8,000	108,000
<b>Component 2.</b> Capacity building to advance the Blue Economy development in the OECS	70,000	12,000	82,000
<b>Component 3.</b> Implementation of Gender Sensitive Communication Strategy	25,000	16,000	41,000
<b>Component 4.</b> Coordination, Monitoring and Evaluation	5,000	0	5,000
<b>Total</b>	<b>200,000</b>	<b>36,000</b>	<b>236,000</b>

#### **IV. Executing Agency and Execution Structure**

- 4.1 The execution of this TC will be carried out by the Bank through the Climate Change Division (CSD/CCS) in coordination with Competitiveness and Innovation Division (IFD/CTI) and the Compete Caribbean Partnership Facility (CCPF), approved under GN-2851. Project output indicators will be monitored following the Monitoring and Evaluation (M&E) framework of the CCPF. Quality review of the final products will be the responsibility of CSD/CCS.
- 4.2 The Bank will follow its procurement policies and guidelines related to hiring processes: (i) individual consultants will be hired according to the guidelines established in policy AM-650; (ii) consulting firms of an intellectual nature will be hired according to the "Policy for the selection and contracting of consulting firms for operational work carried out by the Bank" (GN-2765-4) and its Operational Guides (OP-1155-4); and (iii) other non-consulting services in accordance with the "IDB Institutional Procurement Policy" (GN-2303-28).
- 4.3 As per the "Proposal for the Establishment of the Compete Caribbean Partnership Facility" (GN-2851, paragraph 2.24), goods, works, services and consulting services from non-IDB member countries may be eligible in the procurement processes for activities to be financed entirely with resources from the Facility, provided that the country of origin or nationality of such providers is recognized by the donors of the Facility to be eligible.
- 4.4 All knowledge products derived from this Technical Cooperation will be the Bank's intellectual property.

- 4.5 As per Annex 10 of document GN-2629-1, the Bank is the proposed executing agency given the Bank has demonstrated its ability to coordinate and motivate action among diverse stakeholders across the region and the Blue Economy is a highly specialized subject matter that requires technical expertise to ensure the selection and hiring of quality consulting services. Furthermore, the OECS Secretariat faces the usual challenges of any institution, that is, constrained resources and competing mandates, which in this particular case exists in addition to the mandate of moving forward all matters related to the Blue Economy. The OECS Commission is the beneficiary of World Bank IDA Financing in the amount of US\$8 million and will not have the operational capacity to implement that grant along with this TC which has a very tight implementation schedule. The TC will help to build the capacity required to implement the World Bank grant. Therefore, the assistance the Bank will offer as the executing agency is crucial for the successful implementation of the TC's components and the delivery of its proposed products. A letter from the OECS Commission requesting that the IDB acts as the executing agency has been included as an annex.
- 4.6 In accordance with a Financial Agency Agreement signed between the IDB and the Caribbean Development Bank (CDB), the CDB will act as the Financial Agent for the purposes of administering the Facility's grant resources that will finance the implementation of individual projects in the Organization of Eastern Caribbean States.

## **V. Major Issues**

- 5.1 Cooperation from Implementation Partner. A key assumption of this TC is the full support of the OECS Secretariat as an active partner in review of deliverables and facilitation of consultation. The OECS Secretariat was involved in the preparatory research activities which informed the development of the TC, chiefly through facilitation of stakeholder engagement. Considering the goal of this programme to have an equitable impact across all beneficiary member states, it is essential that key stakeholders in all six countries be sensitized and onboarded to the programme in the shortest possible time.
- 5.2 A key risk to the development of the Strategic Action Plan for the Blue Economy is the availability to gather relevant data pertaining to the various pillars of the concept. To mitigate this risk, the involvement of all key ministries and agencies across the OECS will be required to gain access to data and useful information.
- 5.3 Multi-Agency input required: Most of the activities in this project will require the input of several public and private sector entities and stakeholders. To mitigate this risk, all relevant departments and agencies will be included in stakeholder consultations, ensuring frequent and effective communication to maintain cooperation. In addition, a key output of this TC is the design of an effective monitoring mechanism to ensure continuous and active participation of relevant stakeholders.

## **VI. Exceptions to Bank policy**

- 6.1 No exception of the Bank Policy is required for this TC.

## **VII. Environmental and Social Strategy**

- 7.1 This TC will not finance feasibility or pre-feasibility studies of investment projects with associated environmental and social studies; therefore, it is excluded from the scope of the Bank's Environmental and Social Policy Framework (ESPF).

## **Required Annexes**

[Request from the Client - RG-T4169](#)

[Results Matrix - RG-T4169](#)

[Terms of Reference - RG-T4169](#)

[Procurement Plan - RG-T4169](#)