PUBLIC DISCLOSURE AUTHORISED

CARIBBEAN DEVELOPMENT BANK

REPLENISHMENT OF THE RESOURCES OF THE SPECIAL DEVELOPMENT FUND (UNIFIED) ELEVENTH CYCLE (SDF 11)

FINAL

RESOLUTION AND REPORT OF CONTRIBUTORS ON SDF 11

MARCH 2025

CARIBBEAN DEVELOPMENT BANK

SPECIAL DEVELOPMENT FUND (UNIFIED)

RESOLUTION AND REPORT OF CONTRIBUTORS TO SDF 11

WITH REPORT OF MEETINGS OF CONTRIBUTORS HELD

JANUARY 25, 2024; MARCH 20, 2024; JUNE 18, 2024;
OCTOBER 28, 2024; FEBRUARY 24, 2025; AND MARCH 14, 2025

AS SCHEDULE 3

ADOPTED __MARCH 14, 2025__

RESOLUTION OF CONTRIBUTORS TO THE SPECIAL DEVELOPMENT FUND (UNIFIED) OF THE CARIBBEAN DEVELOPMENT BANK (SDF 11)

WHEREAS:

The Board of Directors of the Caribbean Development Bank (hereafter called "the Bank") has determined that the Bank should carry out negotiations for a replenishment of its Special Development Fund (Unified) (hereinafter called "the Special Development Fund") to finance the Bank's concessional programme for the four-year period commencing January 1, 2025, and, for that purpose, should seek contributions to the Special Development Fund.

The Governments listed in Part A of Schedule 1 to this Resolution (herein called "Contributors") have indicated their intentions to make contributions to the Special Development Fund in accordance with the arrangements set forth in this Resolution and on the basis of the decisions and understandings contained in the Report of Contributors at Schedule 3 to this Resolution.

NOW THEREFORE, the Contributors hereby RESOLVE as follows:

1. Definitions

As used in this Resolution, unless the context otherwise requires, the several terms defined in the Rules for the Special Development Fund (adopted May 1983) have the respective meanings set forth therein, except that the term "Contribution Cycle" means the period of four years commencing January 1, 2025 and ending December 31, 2028, and the following additional terms have the following meanings:

(i) "cash portion" means that portion of a Contribution which is payable in cash as indicated by the Contributor in its Instrument of Contribution;

(ii) "currency of obligation" means the applicable currency of obligation indicated in the Third Column of Part A of Schedule 1 to this Resolution in which the relevant Contribution is to be made pursuant to paragraphs 3 (a) and 7 (a) of this Resolution;

(iii) "instalment" means a cash payment which is part of a cash portion or a deposit of a note which is part of a notes portion;

(iv) "notes" means non-negotiable non-interest-bearing notes payable at their par value on demand;

(v) "notes portion" means that portion of a Contribution which is payable by the deposit of notes as indicated by the Contributor in its Instrument of Contribution;

(vi) "qualified contribution" means a contribution as defined in paragraph 3 (d) of this Resolution;

(vii) "SDF 11" means the replenishment of the Special Development Fund for the Contribution Cycle; and

(viii) "unqualified contribution" means a contribution as defined in paragraph 3 (c) of this Resolution.

2. Contributions

(a) Pledges by Contributors

The Contributors hereby severally pledge to the Bank contributions to SDF 11 in amounts not less than those indicated for the respective Contributors. or in amounts to be determined between the Contributor and the Bank during the Contribution Cycle, and, where relevant, in the respective currencies of obligation set out in Part A of Schedule 1 to this Resolution.

(b) Additional Contributions

The Bank may accept from any of the Contributors listed in Part A of Schedule 1 to this Resolution and other Contributors additional contributions to SDF 11 during the Contribution Cycle on terms and conditions similar to those set out and referred to in this Resolution.

3. Contribution Agreement

(a) Agreements resulting from Pledges under this Resolution

By June 30, 2025, or such later date as may be determined by the Board of Directors of the Bank, each Contributor shall deposit with the Bank an Instrument of Contribution, substantially in the form set out in Schedule 2 to this Resolution or in such other form as the Bank may approve, agreeing to contribute to SDF 11 the amount of its contribution in the applicable currency of obligation as set forth in Part A of Schedule 1 to this Resolution and each such Instrument of Contribution shall constitute a Contribution Agreement.

(b) Agreements resulting from additional Contributions

Within three (3) months after the Bank has notified a Contributor that the Bank will accept an additional contribution to SDF 11 in the amount offered or proposed by such Contributor and on terms and conditions similar to those set out and referred to in this Resolution, or by such later date as may be determined by the Bank, such Contributor shall deposit with the Bank an Instrument of Contribution, substantially in the form set out in Schedule 2 to this Resolution or in such other form as the Bank may approve, agreeing to contribute to SDF 11 the amount of its contribution in the applicable currency of obligation and each such Instrument of Contribution shall constitute a Contribution Agreement.

(c) Unqualified Contribution

Subject to the provisions of paragraph 3 (d) below, each Contribution Agreement shall constitute an unqualified commitment by the Contributor to make payment of its contribution in the manner and on the terms set forth in or contemplated by this Resolution.

(d) Qualified Contribution

As an exceptional case, where an unqualified contribution cannot be given by a Contributor due to its legislative practice, the Bank may accept from the Contributor a Contribution under a Contribution Agreement which contains the qualification that payment of all instalments of the Contribution, except the first, is subject to subsequent budgetary appropriations. Such an agreement, however, shall include an undertaking by the Contributor to seek the necessary appropriations in order to make payments of the second and subsequent instalments in accordance with paragraphs 6 (a) and (b) below during the Contribution Cycle and to notify the Bank as soon as each such appropriation is obtained. Portions of a Contribution covered by such an agreement shall from time to time become unqualified to the extent that appropriations have been obtained.

4. Effectiveness of Contributions

Each Contribution or portion thereof shall become effective on the date of deposit with the Bank of the relevant Contribution Agreement.

5. Mode of Payment

All payments in respect of a Contribution shall be made in cash or by the deposit of notes of the Contributor or in both cash and notes.

6. Instalment Payments

(a) Amounts of Instalments and Payment Dates

Except as otherwise provided in this Resolution,

(i) each cash portion shall be paid to the Bank in equal instalments, each in an amount of not less than twenty-five percent (25%) of the relevant cash portion, in such manner that at least one (1) payment shall be made prior to July 31, 2025 and subsequent payments by July 31 in each subsequent year of the Contribution Cycle or by such later date or dates as the Bank may determine; and

(ii) each note portion shall be paid to the Bank in equal instalments, each in an amount of not less than twenty-five percent (25%) of the relevant notes portion, in such manner that at least one (1) payment shall be made prior to July 31, 2025 and subsequent payments by July 31 in each subsequent year of the Contribution Cycle or by such later date or dates as the Bank may determine.

(b) Payment of First Instalments and Drawdowns

Subject to the provisions of paragraph 6 (a) above and paragraphs 6 (d) and (e) below, each first instalment of a cash portion and/or a notes portion shall be made within thirty (30) days after the date of the deposit with the Bank of the relevant Contribution Agreement in the form of an unqualified Instrument of Contribution, and drawdowns by the Bank in respect of notes deposited shall be made semi-annually according to a fixed encashment schedule based on the Bank's historical disbursement profiles weighted by the expected composition of the SDF 11 programme or such other drawdown arrangements as may be determined by the Board of Directors. The fixed encashment schedule will be communicated to the Bank by each Contributor at the time of the deposit of an Instrument of Contribution.

(c) Payments of a Qualified Contribution

Payments of instalments of a cash portion or a notes portion of a Qualified Contribution shall be made in accordance with paragraphs 6 (a) and (b) above unless such payments cannot be made because of the legislative practice of the Contributor. In such cases, payments shall be made within thirty (30) days after, and to the extent that, each such instalment has become unqualified.

(d) Payments of a delayed Contribution

If any Contributor shall deposit a Contribution Agreement after the date when the first instalment shall be payable pursuant to paragraph 6 (a) above, payment of any instalment due up to the time of the deposit of the Contribution Agreement pursuant to the provisions of paragraph 6 (a) above shall be made within thirty (30) days after the date of the deposit of such agreement.

(e) Optional Arrangements

A Contributor, at its option, may:

(i) pay its Contribution in fewer instalments or in larger portions or at earlier dates than those specified in paragraph 6 (a) above, or in agreement with the Bank accelerate encashment of the note portion or portions of a Contribution, provided that such payment or accelerated arrangements are no less favourable to the Bank;

(ii) defer payment of its first instalment until Contribution Agreements for an aggregate amount equivalent to at least fifty percent (50%) of the total sum indicated in Part A of Schedule 1 to this Resolution have been deposited with the Bank; and

(iii) in the second or a subsequent calendar year of the Contribution Cycle, provided it has paid all instalments for the preceding calendar year, defer payments of further instalments so long as there is in arrears an aggregate amount equivalent to at least fifty percent (50%) of the instalments payable by the other Contributors.

7. Currency of Payment

(a) Currency of Obligation

Each Contributor shall make its Contribution in the applicable currency of obligation specified in Part A of Schedule 1 to this Resolution or, in the case of an additional Contribution, in the currency of obligation agreed to with the Bank.

(b) Acceptance by the Bank of other Currency

If a Contributor wishes to use a currency other than the currency of obligation for payment of any portion of its Contribution, the Bank, at the option of the Bank, may accept such other currency and the amount of such other currency at the time of such payment shall be determined by the Bank applying, as far as practicable, the principles applicable to the valuation of currencies forming part of the Bank's Ordinary Capital Resources.

8. Meetings of Contributors

If, during the Contribution Cycle, delays in the making of any instalments cause or threaten to cause a suspension in the Bank's concessionary lending operations, or otherwise prevent substantial attainment of the goals of SDF 11, the Bank shall convene a meeting of the Contributors to review the situation and consider ways of obtaining the necessary instalments and, based on the recommendation of such a meeting, the Bank shall adopt such measures as considered necessary.

9. Use of SDF 11

Contributions made under this Resolution shall be used and administered in accordance with the Rules for the Special Development Fund (adopted May 1983) and the decisions and understandings contained in the Report of Contributors at Schedule 3 to this Resolution.

SCHEDULE 1

CONTRIBUTIONS TO THE SPECIAL DEVELOPMENT FUND - ELEVENTH CYCLE (SDF 11)

	Relative Share %	Contributions[1/] ($'000s)	Unit of Obligation	Amount in Unit of Obligation ('000s)
Regional Members: BMCs				
Trinidad and Tobago	5.41	11,300	USD	11,300
Jamaica	7.90	16,500	USD	16,500
Guyana	4.41	9,200	USD	9,200[2/]
Bahamas, The Commonwealth of	0.00	TBD	USD	TBD
Barbados	1.37	2,868	BBD	5,736
Suriname	0.00	TBD	USD	TBD
Antigua and Barbuda	1.08	2,250	USD	2,250
Belize	1.05	2,200	USD	2,200
Dominica, The Commonwealth of	1.05	2,200	USD	2,200
Grenada	1.20	2,500	USD	2,500
St. Kitts and Nevis	1.08	2,250	USD	2,250
Saint Lucia	0.86	1,800	USD	1,800
Saint Vincent and the Grenadines	1.05	2,200	USD	2,200
Cayman Islands	0.00	TBD	USD	TBD
Anguilla	0.00	TBD	USD	TBD
Turks and Caicos Islands	0.00	TBD	USD	TBD
British Virgin Islands	0.00	TBD	USD	TBD
Montserrat	0.37	778	USD	778
Haiti[Δ]	0.00	TBD	USD	TBD
Sub-total	**26.84**	**56,046**		**56,046**
Regional Members: non-BMCs				
Brazil[Δ]	0.00	TBD	USD	TBD
Colombia	1.68	3,500	USD	3,500
Mexico	0.00	TBD	USD	TBD
Venezuela	0.00	TBD	USD	TBD
Sub-total	**1.68**	**3,500**		**3,500**
Non-Regional Members				
Canada	28.69	59,897	Canadian $	81,411[3/]
United Kingdom[Δ]	0.00	TBD	Pounds Sterling	TBD
Italy[Δ]	0.00	TBD	Euro	TBD
Germany[Δ]	0.00	TBD	Euro	TBD
China, People's Republic of	3.32	6,924	RMB	50,000[4/ 5/]
Sub-total	**32.01**	**66,821**		
Agreed Contributions	**60.53**	**126,367**		
Structural Gap	**39.47**	**82,409**		
TOTALS	**100**	**208,776**		

[1/]Contributions are subject to Parliamentary, budgetary and/or Cabinet approval
[2/]Guyana's pledge will be adjusted, if necessary, at the end of the pledging period to maintain its relative share of total SDF 11 pledges at 3.28%
[3/]CDN$1.3592 = $1 - Average daily exchange rate for the 6-month period ending June 30, 2024
[4/]RMB ¥ 7.2213 = $1 - Average daily exchange rate for the 6-month period ending June 30, 2024
[5/]The People's Republic of China's pledge will be adjusted, if necessary, at the end of the pledging period to maintain its relative share of total SDF 11 pledges at either 3.23% or 3.78% (excluding the structural gap in the case of the latter %), whichever is lower
[Δ]Contributor affirmed support for SDF 11 cycle and signalled intention to pledge before the end of 2025

SCHEDULE 2

INSTRUMENT OF CONTRIBUTION

(Insert)
(Office)
(Address of Signatory)

Your Ref. XX/XX/XX/X Date:
Our Ref.

The Vice-President, Finance & Corporate Services
Caribbean Development Bank
P.O. Box 408
Wildey
St. Michael
BARBADOS, BB11000

Dear Sir/Madam:

I am pleased to inform you that (name of country), by means of this letter, agrees to contribute to the Special Development Fund – Eleventh Cycle (SDF 11) of the Caribbean Development Bank (CDB) an amount of United States dollars[1/] (USD)[1/] of which $[1/] will be in cash and the remainder in notes[2/], pursuant to and in accordance with the conditions contained in the Resolution of the Contributors to SDF 11 adopted at the Meeting of Contributors on ....

[3/]Payment of the second and subsequent instalments of the Contribution is subject to budgetary appropriations and (name of country) hereby undertakes to seek the necessary appropriations in order to pay such instalments in accordance with paragraphs 6 (a) and (b) of the abovementioned Resolution and to notify CDB as soon as each such appropriation is obtained.

In the name and on behalf of (name of country), I declare that all the necessary legal requirements to assume this Instrument of Contribution have been fulfilled.

Yours faithfully,

[4/]

[1/] To be deleted if currency of obligation is other than US dollars. Where there is another currency of obligation, such currency is to be inserted in place of the phrase "United States dollars (USD)".

[2/] To be altered as appropriate.

[3/] Applicable only if the Contribution is qualified.

[4/] To be signed by the Governor of the member country on the Bank's Board of Governors except in the case of Anguilla, Virgin Islands, Cayman Islands, Montserrat and the Turks and Caicos Islands, and non-member contributing countries, when it should be signed by the proper authority of each such country.

ABBREVIATIONS AND ACRONYMS

[*Dollars throughout refer to United States dollars (USD) unless otherwise specified*]

ASERT 2030	-	Accelerated Sustainable Energy and Resilience Transition
ASPS	-	Agriculture Sector Policy and Strategy
BMCs	-	Borrowing Member Countries
bn	-	billion
BNTF	-	Basic Needs Trust Fund
BSOs	-	Business Support Organisations
CARICOM	-	Caribbean Community
CAWASA	-	Caribbean Water and Sewerage Association
CC	-	Climate Change
CCA	-	Climate Change Adaptation
CCRIF	-	Caribbean Catastrophic Risk Insurance Facility SPC
CDB/the Bank	-	Caribbean Development Bank
CDEMA	-	Caribbean Disaster Emergency Management Agency
CES	-	Country Engagement Strategies
CIIF	-	Cultural and Creative Industries Innovation Fund
CMVI	-	Caribbean Multidimensional Vulnerability Index
COVID-19	-	Novel Coronavirus
CPAs	-	Country Poverty Assessments
CRS	-	Climate Resilience Strategy
CSEC	-	Caribbean Secondary Education Certificate
CSME	-	CARICOM Single Market and Economy
CTCS	-	Caribbean Technological Consultancy Services
CWMAP	-	Caribbean Waste Management Action Plan
CWUIC SP	-	Caribbean Water Utility Insurance Collective Segregated Portfolio
CWWA	-	Caribbean Water and Wastewater Association
DFIs	-	Development Finance Institutions
DiMSOG	-	Disaster Management Strategy and Operating Guidelines
DRM	-	Disaster Risk Management
DRR	-	Disaster Risk Reduction
EA	-	Executing Agencies
ECPA	-	Enhanced Country Poverty Assessment
EE	-	Energy Efficiency
ESPS	-	Energy Sector Policy and Strategy
FAO	-	Food and Agriculture Organisation
GBV	-	Gender-Based Violence
GCF	-	Green Climate Fund
GDP	-	Gross Domestic Product
GDPpc	-	Gross Domestic Product per capita
GE	-	Gender Equality
GEAP	-	Gender Equality Action Plan
HCO	-	Haiti Country Office
ICT	-	Information and Communications Technology
IDB	-	Inter-American Development Bank
IT	-	Information Technology
LDCs	-	Less Developed Countries
Let's REAP	-	Learning Recovery and Enhancement Programme
MDB	-	Multilateral Development Bank
MSMEs	-	Micro, Small and Medium-Sized Enterprises

ABBREVIATIONS (Cont'd)

MTR	-	Mid-Term Review
NDC	-	Nationally Determined Contributions
NGO	-	Non-governmental Organisation
OECD	-	Organisation for Economic Cooperation and Development
OECS	-	Organisation of Eastern Caribbean States
PBAS	-	Performance-Based Allocation System
PFM	-	Public Financial Management
PPF	-	Project Preparation Fund
PSS	-	Private Sector Strategy 2023-2028
PWD	-	Persons With Disabilities
RCI	-	Regional Cooperation and Integration
RE	-	Renewable Energy
RMF	-	Results Monitoring Framework
RPG	-	Regional Public Goods
SDF	-	Special Development Fund
SDF (U)	-	Special Development Fund (Unified)
SDF 10	-	Special Development Fund (Tenth Cycle)
SDGs	-	Sustainable Development Goals
SE	-	Sustainable Energy
SEN	-	Special Education Needs
SIDS	-	Small Island Developing States
SPF	-	Social Protection Framework
SPU	-	Strategic Plan Update 2022-2024
TA	-	Technical Assistance
TVET	-	Technical and Vocational Education and Training
UWI	-	University of the West Indies
WB	-	World Bank

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EXECUTIVE SUMMARY

1. The Special Development Fund (Unified) [SDF(U)/the Fund] is a very special partnership between the Borrowing Member Countries (BMCs) of the Caribbean Development Bank (CDB/the Bank), and its Non-Borrowing and Borrowing, Member Countries all of which contribute to the resources of the Fund. Contributions to the Fund may also be made by countries which are not members of the Bank. SDF(U) has allowed the Bank to effectively begin to meet the challenge of an expanding role in the Caribbean. The Fund continues to play a crucial role in the regional efforts to achieve the Sustainable Development Goals (SDGs) and the effective implementation of the Bank's resilience framework. The next cycle (SDF 11) will cover the period 2025 to 2028 and will provide support for initiatives aimed at positioning the Region to thrive over the medium to long term. More specifically, it will play a crucial role in the regional effort to achieve the SDGs and to tackle issues related to climate change (CC), economic adjustment, regional cooperation, capacity development and other resilience themes and objectives, with particular focus on environmental resilience.

2. Consideration of the significant financial needs of the BMCs has underscored the urgent necessity for CDB and other Multilateral Development Banks (MDBs) operating in the Region to pursue affordable financing options to support BMCs' development initiatives and commitment to the SDGs. While a variety of traditional and innovative financing mechanisms exist, the reality remains that access to these resources can be elusive for some countries that may not meet the eligibility criteria of some funding sources, including maximum limits on per capita income, rendering them inaccessible to many of CDB's BMCs. This situation further amplifies the critical role of CDB/SDF in not only providing substantial concessionary financial resources directly to these countries but also in facilitating their access to other essential funding streams.

3. As the outcome document for SDF 11 Replenishment Negotiations, this Report constitutes an agreement between the Bank and the Contributors, on the basis of which Contributors will provide new resources for the SDF 11 period, subject to monitoring and a Mid-term Review (MTR). The undertakings by the Bank set out in this Report are critical elements of the agreement and key to the successful implementation of SDF 11.

4. It is proposed that the Bank's core theme of resilience-building as set out in the Strategic Plan Update 2022-2024 (SPU) be continued over the duration of SDF 11 (2025-2028). Contributors and the Bank agreed that the proposed new strategic framework for SDF 11 will encompass many aspects of the SPU and that its operational direction will be determined by the following five pillars of resilience:

(a) **Building Environmental Resilience –** Enhancing the ability of natural and human systems to withstand, adapt, respond to and recover from environmental stresses and disasters while performing the necessary functions to support life including environmental management, biodiversity management, climate adaptation and mitigation, disaster risk management (DRM) and promoting sustainable energy (SE) - renewable energy (RE)/ energy efficiency (EE) solutions.

(b) **Building Social Resilience –** Enhancing the ability of communities to withstand and recover from various social and economic shocks. Proposed areas of focus include education and training, water and sanitation, social protection and crime and citizen security.

(c) **Building Production Resilience –** Enhancing the ability of production systems to withstand, adapt to and recover from environmental and economic shocks. It encompasses sectors/areas such as resilient infrastructure, logistics, agriculture and food security, private sector development inclusive of micro, small and medium-sized enterprises (MSMEs); and support for blue economy initiatives.

(d) **Building Financial Resilience –** Enhancing financial capacity, systems and practices to improve the response of individuals, governments, and other public and private organisations to uncertainty and manage related risks.

(e) **Building Institutional Resilience –** Enhancing the ability of institutions to withstand and respond to various challenges and to enhance their operational efficiency.

5. Contributors also agreed that these themes will be supported by the cross-cutting areas of gender equality, good governance (including evidence-based decision-making), innovation (including digitalisation) and regional cooperation and integration (RCI).

6. Contributors also concurred with the replenishment being undertaken in the context of relevant agreements concluded in the international community and agreed to by CDB and its membership, including the conclusions resulting from the Summit for a New Global Financing Pact held in Paris on June 23, 2023.

7. **Regional context:** Contributors acknowledged the projections of low economic growth during the upcoming SDF cycle, caused by structural issues such as high export concentration and low resilience to external shocks which reflect gaps in infrastructure; lagging technical and managerial know-how particularly among MSMEs; and weak institutions which contribute to an inadequate enabling environment. Additionally, the Region's ability to address these challenges is constrained by limited fiscal space and high debt levels in many BMCs.

8. Contributors particularly noted that vulnerability to the effects of CC and natural hazard events remain one of the leading challenges to BMCs' development, and emphasised the importance of the SDF to BMCs in their continuing efforts to address the impact of CC on the relevant SDGs and sectors in which CDB operates. Additionally, investing in the preservation and sustainable use of biodiversity and natural capital cannot only protect the environment but can also drive economic growth and resilience in the Caribbean.

9. **CDB's comparative advantage:** Contributors agreed that important elements of CDB and SDF's comparative advantage include the Bank's close relationship with BMCs, its understanding of the issues and dynamics of the Region, the access of Bank personnel to regional policymakers and administrators and civil society organisations, and the ownership and confidence that BMC governments have in their own regional institution. Additionally, the multinational nature of CDB's partnerships, together with its non-regional and regional non-borrowing shareholders, has allowed the Bank to develop relationships and networks through which it can mobilise expertise to deliver assistance, even where it does not itself have such expertise. The Basic Needs Trust Fund (BNTF), has achieved remarkable success in targeting the poorest and most vulnerable, by providing a range of programming directed to rural development, basic housing, early childhood education, environmental sustainability, strengthening of small- and medium-sized private business enterprises, and small-scale credit.

10. **Climate finance targets:** Contributors encouraged the Bank to look for opportunities to scale up climate finance going into SDF 11, and to establish a standalone climate finance target specifically for SDF 11 resources. The SDF-specific climate finance target will be set at 35% for the first two years of the SDF 11 period, and may be increased to 40% for the final two years after assessing the Bank's progress up to that point. In addition to the SDF 11 climate finance target, CDB's existing portfolio-wide climate finance target will aim to allocate 30% of own resources (including, but not limited to, SDF) as climate finance. The Bank-wide target will be assessed after two (2) years with consideration for increasing to 35%. Contributions of individual projects toward these targets will be measured using the joint MDB methodology for tracking climate finance.

11. While a significant proportion of the Environmental Resilience Pillar is expected to be marked/allocated as climate finance, other pillars are also expected to contribute toward achieving the SDF 11 climate finance target. Projects in which the primary objective(s) are geared toward other SDF 11 pillars (e.g. enhancing social resilience, production resilience, financial resilience, institutional resilience) can still make significant contributions to CC Adaptation (CCA) and/or mitigation – for example by integrating incremental measures (and associated costs) that enhance climate resilience. Such projects will count toward the relevant SDF 11 pillar with which their primary objective(s) are most closely aligned, while the climate finance contained within those projects will count toward the Bank's SDF 11 climate finance target.

12. To help achieve the Bank's SDF 11 climate finance target, Contributors supported the adjustment in the focus of the natural hazard loan set-aside so that it can also support ex-ante CC projects. This set-aside, which has been renamed as the "environmental resilience loan" set-aside will support adaptation and mitigation projects, as well as post-hazard interventions. Eligibility for the set-aside will remain unchanged such that all BMCs can access these resources. Additional measures to be taken to help achieve the CDB SDF 11 climate finance target include: (1) training in the climate finance tracking methodology to ensure that all persons involved in the project cycle have been properly sensitised (this is particularly important in the design phase); (2) establishment of a Project Preparation Fund to support the development of CC-related projects; and (3) leveraging the Bank's enhanced Green Climate Fund accreditation to crowd-in resources to address CC impacts.

Building Environmental Resilience

13. **Climate Action:** Contributors agreed that the Bank and SDF should support updating climate-related action plans, such as Nationally Determined Contributions, to strengthen ex-ante preparedness in the policy space, as well as ex-post efforts; incorporation of CCA and DRM into national development plans, sector policies and strategies; and scaling-up of investment in CCA measures in key economic areas like agriculture, water resources management, and infrastructure at national and community levels.

14. **Disaster Risk Management:** Consistent with the experiences of SDF 10, the proposed scope of the environmental resilience grant set-aside will include proactive interventions that support DRM and CC initiatives as eligible activities, with all BMCs remaining eligible for the relevant technical assistance (TA) interventions. The Bank will also provide support following the onset of a natural hazard through: (1) an annual allocation to the Caribbean Disaster Emergency Management Agency and direct grants to support regional interagency coordination, as well as to finance BMCs' emergency response to exceptional or catastrophic hazards and slow-onset events; and (2) continuation of its partnership with the Caribbean Catastrophe Risk Insurance Fund to mobilise resources to enhance product offerings.

15. **Biodiversity:** Contributors concurred with the Bank's view of biodiversity, natural capital, and climate action as discrete priorities and cross-cutting issues to be mainstreamed throughout the sectors within which it operates. To that end, Contributors encouraged the development of a natural capital and biodiversity action plan by Q4, 2025 to further guide the Bank's involvement in this area and noted the importance of TA in building a favorable enabling environment and enhancing stakeholder awareness and knowledge.

16. **Renewable Energy and Energy Efficiency:** Contributors welcomed the use of SDF resources to strengthen individual and institutional capacities in BMCs to accelerate decarbonisation efforts and, through ASERT-2030, support BMCs to significantly increase the scale and pace of the energy resilience transition with emphasis on RE and EE.

Building Social Resilience

17. **Social Protection Framework (SPF):** Contributors supported the Bank's ongoing efforts to assist BMCs to develop policies and strategies for improving their SPFs, in order to enhance national social protection systems necessary to protect the most vulnerable and provide a springboard for BMCs' sustainable development beyond the impacts of the Novel Coronavirus (COVID-19) and other future shocks.

18. **Education and Training:** Contributors concurred that the Bank and the SDF will: (1) support the implementation of Model Special Education Needs (SEN) and Inclusive Education Policy and Strategy; and (2) invest in institutional strengthening and capacity building, with emphasis placed on children with SEN and initiatives that highlight school leadership and teacher efficacy, as well as early identification and treatment of risk factors for educational failure.

19. **Poverty, Inequality and Social Protection:** Contributors agreed that the reduction of poverty should remain at the core of the SDF's work and that the Bank should continue to offer intellectual leadership on the development of social protection and poverty reduction policies and strategies.

20. **Crime and Citizen Insecurity:** Contributors acknowledged that the Bank is already doing work in this space through its Youth Policy and Strategy, Education Policy and Strategy and the Gender Equality Action Plan (GEAP). In SDF 11, the Bank will engage in this area in a more holistic, structured and evidence-based manner to contribute to more inclusive development of Caribbean economies.

21. **Water and Sanitation:** Contributors supported the use of the SDF to support a range of initiatives that contribute to the achievement of SDG 6 through improved water resources management, solid waste management initiatives, infrastructural investments, expansion of services, disaster risk transfer products, human resource development institutional strengthening, support for regional water sector organisations, utility benchmarking, and areas of research.

22. **Basic Needs Trust Fund:** Contributors agreed that in SDF 11, the Bank must consider further actions to strengthen the pace and quality of project implementation, enhance results management and improve knowledge management for the BNTF programme.

23. **Civil Society Organisation Engagement and Partnership:** The Bank will develop a civil society engagement and partnership strategy that will set out how CDB will work with and support civil society in the medium to long term to give greater voice to those in the lower quintiles of BMC populations when they are in the targeted beneficiary group.

24. **Haiti:** Contributors recommended that further attention be given to the strengthening of partnerships, and coordination mechanisms with other development institutions working in Haiti, as well as risk management and security measures as they relate to the operations of the Haiti Country Office and its personnel. Additionally, the Bank's appraisal and design activities will be guided by the Organisation for Economic Cooperation and Development's Principles for International Engagement in Fragile States and Precarious Situations. Further, the planned Country Engagement Strategy (CES) for Haiti, which will principally utilise SDF 11 resources will incorporate approaches to adopt greater agility in adapting to changing circumstances in this BMC.

25. **Health Care:** Contributors agreed that continuing to support BMCs in building health resilience will positively impact CDB's work in addressing inequalities and safeguarding populations.

Building Production Resilience

26. **Agriculture and Food Security:** Contributors supported the expansion of SDF involvement in the sector and encouraged an increased focus on initiatives related to regional food security and biodiversity nexus with CC. To that end, the SDF will support interventions to: (1) improve the enabling environment for agricultural value chains; and (2) support for public and private infrastructural/equipment investments.

27. **Private Sector Development:** Contributors agreed that SDF will support: (1) legal and regulatory reforms; (2) the development of new financial instruments and markets; (3) intermediary lending that supports direct poverty reduction/resilience building of firms; (4) limited direct lending; and (5) capacity-building for Business Support Organisations (BSOs), MSMEs and financial institutions. Furthermore, the Bank will seek to "crowd-in" more private capital and form partnerships with bilateral, multilateral and international agencies for co-financing opportunities to effectively leverage CDB's limited resources. Also, the Bank will continue to seek out partnerships in the provision of technical and financial assistance as well as outreach/sensitisation to enhance its development effectiveness.

28. **Resilient Infrastructure:** Contributors supported the SDF's important role in the provision of resilient infrastructure in the water and transportation sectors as it relates to seaports, airports, and roads. Specifically, to enhance public transportation systems during the upcoming cycle, emphasis will be placed on ensuring that the appropriate governance frameworks are in place by promoting planning, transparency, strengthening technical and managerial capabilities, and enhancing institutional and regulatory frameworks.

Building Financial Resilience

29. Contributors supported the Bank's proposal to strengthen its own financial and risk management capacity by increasing the financial resources available to be blended with the SDF, and in so doing, enhance the development impact of SDF and the Bank. Through its membership drive and partnership outreach, the Bank is aggressively seeking avenues to channel new resources into the SDF. Additionally, contributors requested the Bank to more actively examine the issue of the Bank's capital adequacy.

Building Institutional Resilience

30. **Building Implementation Capacity:** Contributors and the Bank agreed to strengthen implementation capacity both in BMCs and at the Bank and supported the ongoing implementation study that will identify the capacity-building solutions to be addressed in BMCs and by extension, within CDB. To build its own implementation capacity, CDB will need to transform its internal systems and processes with greater focus on client engagement. While client engagement will be supported by the findings of the capacity-building study it will also be augmented by a more robust Pipeline Management system.

31. **Procurement:** Contributors concurred that CDB and the SDF will continue to support procurement reform, particularly in the Organisation of Eastern Caribbean States (OECS).

Cross-Cutting Themes

32. **Gender Equality:** CDB and the SDF will continue to prioritise gender mainstreaming as a strategic approach to reduce persistent gender gaps. Contributors therefore agreed that the Discussion Paper reviewed during the negotiation meetings in 2024 will be developed into the proposed GEAP. Further, an enhanced set-aside which supports the pillars of the GEAP and provides grant funding for GE-related interventions, infrastructure, and capacity building in all BMCs is proposed.

33. **Good Governance and Evidence-based Decision-making:** Contributors agreed with the deployment of SDF resources to improve procurement and other legislation and to enhance the capacity of senior officials to promote policy/strategy/project/public sector investment programme, implementation,

and to enact reforms. Further, the SDF will support capacity-building of national statistical offices, strengthening of development planning systems and embedding of a more focused results culture.

34. As it related to poverty data collection. Contributors also agreed with the proposed shift from fragmented, project-level techniques to a more coordinated and technology-driven approach, driven by encompassed in the Enhanced Country Poverty Assessments.

35. **Regional Cooperation and Integration:** During SDF 11, the Bank will support: (1) the promotion of cross-sectoral and cooperation-led reforms; (2) adaptation of the agriculture sector for long-term food security; (3) a strengthened regulatory framework for intra-regional trade; (4) institutional strengthening of collective action groups (BSOs, Non-governmental Organisations, Chambers of Commerce, government agencies, etc.) to support trade development; (5) enhanced market linkages through improved transportation logistics and port community systems; and (6) strengthening the Intellectual Property Ecosystem to increase the innovation, competitiveness and growth of regional businesses. Further, the SDF will support the crafting of a strategy for the OECS that addresses sub-regional challenges and devises common solutions.

36. **Innovation including Digitalisation:** The Bank will seek opportunities to incorporate digitalisation in its interventions, to build institutional capacity and strengthen outcomes. CDB will strengthen its use of TA and capital investment projects to advance digital transformation in the public sector, inclusive of the reconfiguration of business processes to accommodate and exploit the optimal use of digital solutions. In addition, the Bank will utilise its lending and non-lending services, including knowledge products, to deepen Information and Communications Technology development and to help improve BMCs' digital adoption index ranking.

Financial Resources and Programming Levels

37. Contributors agreed that the following developmental areas justify the urgent need for the deployment of SDF 11 resources: (1) Climate Action and DRM; (2) fragility in Haiti; (3) the BNTF programme; (4) Efficient implementation of interventions; (5) implementation of the Private Sector Strategy; (6) incorporation of vulnerability and resilience to the Performance-Based Allocation System; (7) RCI; and (8) the GEAP.

38. Therefore, Contributors settled on an overall programme level for SDF 11 of $460 million (mn) to be financed from internally generated resources within the SDF of $208.3 mn, agreed new contributions of $126.4 mn, resources released from portfolio management of $27.9 mn and an allocation from the Bank's OCR net income of $15 mn[1/] with an unallocated structural gap of $82.4 mn. Contributions to the latter are expected from existing Contributors who were unable to pledge at the Pledging meeting on March 14, 2025 but are expected to do so by the end of 2025, and prospective new members.

Results Monitoring Framework for SDF 11

39. Progress on the Bank's SDF 11 operations will be monitored and tracked at three levels with targets that are specific to programmes and projects that are wholly or partly funded by the SDF. The projections presented in the SDF 11 Results Monitoring Framework (RMF) leverages extensive data from the Bank's project management tools, resource documents, and financial systems to report on achievements of SDF 10 and to support projections for the period 2025-2028. As agreed with Contributors, the SDF 11 RMF will also report separately on outcomes from BNTF and Haiti Grant activities.

40. **Level 1 indicators** will monitor progress towards SDGs and Regional Development Outcomes, in the areas of poverty and income inequality, education and training, unemployment, intra-regional trade, affordable and clean energy, climate action, youth development, and good governance.

[1/]The allocation from OCR net income to SDF is subject to the recommendation by the Board of Directors and approval of the Board of Governors, respectively. Such action will be taken during the SDF 11 period and not later than 2027.

41. **Level 2 indicators** will track CDB's contribution to Development Outcomes and are grouped under the five key themes of the SDF11: Building Social Resilience, Building Environmental Resilience, Building Production Resilience, Building Financial Resilience, and Building Institutional Resilience.

42. **Level 3 indicators** will monitor how well the Bank manages its operations as it relates to operational processes and practices, portfolio performance; the quality of new and ongoing operations; resource allocation and utilisation; and selectivity and strategic focus.

Implementation of SDF 11

43. Contributors and the Bank agreed on an Implementation Plan for SDF 11 structured in terms of the agreed themes and cross-cutting areas with monitoring parameters and target timeframes/dates in each area, focusing on: (1) aligning the operational programme with strategic themes and crosscutting areas, within available resources and capacity; (2) ensuring that country programme planning is based on performance as well as needs; (3) on results-based CES; and (4) that TA operations are increasingly targeted at strategic priorities and results.

44. **Implementation Capacity:** While Contributors expressed concerns about the delays in the implementation of some projects, they agreed that the SDF is particularly well-established to lead on addressing stubborn implementation capacity deficits in a comprehensive manner, by increasing its focus on the entire project cycle from idea conception to monitoring and managing for results. This is currently being undertaken by the Bank in the form of an implementation diagnostic, which will perform a thorough assessment of the obstacles to project execution with a view to providing customised solutions for BMCs.

BUILDING RESILIENT PROSPERITY FOR SUSTAINED POVERTY REDUCTION

1. INTRODUCTION

1.01 The Special Development Fund (Unified) [SDF(U)][1/] is a key element in the development aid architecture for the Caribbean and has become a valuable instrument for addressing deep-seated issues of environmental sustainability, poverty reduction, vulnerability, and human development in the Borrowing Member Countries (BMCs). It has allowed the Caribbean Development Bank (CDB/the Bank) to position itself to play an increasing role on these issues and on the related challenges of climate change (CC), economic adjustment, and regional integration – key obstacles the Region needs to overcome if it is to thrive over the medium to long term. Indeed, SDF has played an important role in catalysing change and shaping the futures of Caribbean citizens. SDF(U) has also allowed the Bank to effectively begin to meet the challenge of an expanding role in the Caribbean. It has supported regional efforts to achieve the Sustainable Development Goals (SDGs) which encapsulate many aforementioned issues and the effective implementation of the Bank's resilience framework.

1.02 SDF(U) is a very special partnership between CDB's BMCs, and its Non-Borrowing and BMCs all of which contribute to the resources of the Fund. Contributions to the Fund may also be made by countries which are not members of the Bank.

1.03 Contributors noted that resources available for the current cycle of SDF (SDF 10), covering the period 2021 to 2024, are expected to be substantially committed by the end of 2024. Over successive replenishment cycles, the Bank, and Contributors, working together, have strengthened the policy and operational focus of SDF on core issues of poverty reduction, vulnerability and resilience, environmental sustainability and CC, gender equality (GE), private sector development, and implementation capacity.

1.04 The next cycle (SDF 11) will cover the period 2025 to 2028 and will provide support for initiatives targeting the achievement of the SDGs by 2030 and other strategic themes and objectives agreed at the Preparatory Meeting of Contributors held on January 25, 2024, and further confirmed at the First, Second, Third and Fourth Formal Negotiation Meetings held on March 20, 2024, June 18, 2024, October 28, 2024 and February 24, respectively. CC's negative impacts are pervasive and persistent across virtually all sectors of the development space. While the SDF will need to address a range of developmental issues simultaneously, it is recognised that environmental resilience is the paramount challenge facing BMCs and will therefore be the key priority for SDF 11. The upcoming cycle will be the final full replenishment cycle, which addresses the attainment of the 2030 International Development Agenda and the SDGs.

1.05 Contributors, in considering the discussion paper entitled "The Development Financing Needs of CDB's BMCs 2024-2033" noted the significant financing needs of the Region which amounted to $65.2 billion (bn) over the 10-year period or $36 bn over 2024-2028. They commented that the paper underscores the urgent necessity for Multilateral Development Banks (MDBs) to pursue affordable financing options to support BMCs' development initiatives and commitment to the SDGs. While a variety of traditional and innovative financing mechanisms exist, the reality remains that access to these resources can be elusive for some countries that may not meet the eligibility criteria of some funding sources, including maximum limits on per capita income, rendering them inaccessible to many of CDB's BMCs. This situation further amplifies the critical role of CDB/SDF in not only providing substantial concessionary financial resources directly to these countries but also in facilitating their access to other essential funding streams[2/]. In addition, Contributors welcomed the Bank's support for proposals by the G20 Leaders to, among

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[1/]References to SDF in this Report are to the SDF (U) established in 1983.

[2/]By offering more accessible and tailored financing solutions, CDB can significantly contribute to bridging the development finance gap, ensuring that BMCs are equipped to meet their urgent developmental needs and make meaningful progress towards the SDGs. This endeavour will require concerted effort to mobilise adequate support, advocate for fairer access to global financial mechanisms, and create innovative financing structures that respond to the unique challenges and potential of the Caribbean region.

other measures, encourage and support MDBs to recognise the need for a "a big push on investments" to deliver on national priorities, to respond to global challenges and to meet agreed international objectives, including the Paris COP21 agreement and the SDGs. They noted G20 leaders' triple agenda of reform proposals[3/] for strengthening the MDBs:

(a) tripling annual sustainable lending levels to $390 bn per year by 2030;

(b) adopting a triple mandate of eliminating extreme poverty, boosting shared prosperity, and contributing to Global Public Goods; and

(c) expanding and modernising funding models to broaden the investor base in flexible and innovative ways.

1.06 In this regard, Contributors advised the Bank to further strengthen its collaboration with other MDBs and to demonstrate flexibility and resilience in leveraging these partnerships.

1.07 During their negotiations, Contributors and the Bank met in four negotiation meetings and reviewed the various papers and reports evaluating progress in key areas, setting out proposed policy and operational directions and assessing resource requirements. [Refer to Appendix 1 – List of Meetings held and Documents reviewed]. There has been unanimous endorsement by Contributors of the need for the SDF 11 programme to remain focused on the agreed priority sectors and to adopt a programmatic approach where appropriate for developing the programmes and project pipelines.

1.08 Contributors supported the context in which the strategic approach is being developed for the programming and implementation of SDF 11 and welcomed the alignment with the Strategic Plan Update 2022-2024 (SPU) which has been extended through 2025. As resilience-building is a long-term endeavour, it is expected to form the foundation for the upcoming 10-year Strategic Plan. SDF 11 is aligned with the strategic approach to building resilience. They agreed that the case for the replenishment should be developed in the context of the agreements concluded by the international community, including CDB and its membership, and which are detailed in the following development frameworks:

- 2030 Agenda for Sustainable Development and the SDGs;
- Outcomes of the 28th Session of the Conference of Parties to the UN Framework Convention on CC (COP 28);
- Antigua and Barbuda Accord for the Small Island Developing States (SIDS) 2024-2034;
- Sendai Framework for Disaster Risk Reduction (DRR);
- Bridgetown Initiative 3.0;
- Forum for Financing for Development (Addis Ababa Action Agenda); and
- The MDBs' Vision Statement (Summit for A New Global Financing Pact - June 2023).

1.09 The SDF 11 strategy will be closely aligned with CDB's overall focus on building resilience, with a particular focus on environmental resilience, and will take account of the findings and approved recommendations of the mid-term review (MTR) of SDF 10; the various approved sector and thematic strategies and policies; the ongoing initiatives at the end of SDF 10; the lessons learned from implementing the SPU and previous SDF cycles.

[3/]Strengthening MDBs – The Triple Agenda – Report of the Independent Expert Group Volume 1 and 2 – June and September 2023.

1.10 Contributors agreed that the following themes would guide the development of the programme for SDF 11:

(a) **Building Environmental Resilience** – Enhancing the ability of eco-systems to prepare for, and respond to disasters and perform the necessary functions to support life including environmental management, climate adaptation and mitigation, disaster risk management (DRM) and promoting sustainable energy (SE) - renewable energy (RE)/ energy efficiency (EE) solutions.

(b) **Building Social Resilience** – Enhancing the ability of communities to withstand and recover from various social and economic shocks. Proposed areas of focus include education and training, water and sanitation, social protection and crime and citizen security.

(c) **Building Production Resilience** – Enhancing the ability of production systems to withstand, adapt to and recover from environmental and economic shocks. It encompasses sectors/areas such as resilient infrastructure, logistics, agriculture and food security, private sector development inclusive of micro, small and medium-sized enterprises (MSMEs); and support for blue economy initiatives.

(d) **Building Financial Resilience** – Enhancing financial capacity, systems and practices to improve the response of individuals, governments, and other public and private organisations to uncertainty and manage related risks.

(e) **Building Institutional Resilience** – Enhancing the ability of institutions to withstand and respond to various challenges and to enhance their operational efficiency.

1.11 Contributors also agreed that these themes will be supported by the cross-cutting areas of GE, good governance (including evidence-based decision-making), innovation (including digitalisation) and regional cooperation and integration (RCI). Contributors strongly supported the Bank's proposal to reprioritise its Gender Equality Action Plan (GEAP) while at the same time laying the foundations for proposed revision of its Gender Policy and Operational Strategy (including the proposal to increase the financial support for this work). They noted that gender inequalities persisted and even deepened and that it was clear that without GE, sustainable development is not possible.

1.12 Contributors voiced their concern about the continuing delays in the implementation of some projects for which BMCs had received funding commitment from the Bank and stressed the importance of resolving outstanding issues as these projects were aimed at bringing about lasting and positive changes in the lives of the people of the BMCs. They noted the ongoing steps being taken to improve project implementation in BMCs, which were detailed to Contributors in a presentation at the Third Formal Negotiation Meeting.

1.13 Contributors underlined the importance of focusing on the agreed priority areas consistent with the Bank's comparative advantage, resources and capacity, and of targeting, monitoring and reporting on results. They also stressed the importance of continuing to strengthen the Bank's capacity to undertake the approved level of operations in an effective and timely manner. The Bank will seek every opportunity to introduce innovation in its processes and systems to improve efficiency and strengthen its comparative advantage by pioneering new cutting-edge solutions in order to contribute meaningfully to a thriving Caribbean.

1.14 As the outcome document for SDF 11 Replenishment Negotiations, this Report constitutes an agreement between the Bank and the Contributors, on the basis of which Contributors will provide new resources for the SDF 11 period, subject to monitoring and an MTR. The undertakings by the Bank set out in this Report are critical elements of the agreement and key to the successful implementation of SDF 11.

1.15 The Report consists of six further chapters. Chapter 2 reviews the international and regional development context for the Replenishment and the analysis of issues that Contributors have considered in assessing the need for SDF 11. Chapter 3 discusses the comparative advantage and role of the SDF in assisting BMCs to secure resilient prosperity and sustained reduction in poverty. Chapter 4 sets out the agreed strategic approach and the key priorities for SDF 11. Chapter 5 provides the framework for the provision of financial resources and the setting of programme levels, and Chapter 6 outlines the elements of the Results Monitoring Framework (RMF) for SDF 11. A final chapter, 7, sets out the implementation plan and the basis for monitoring implementation.

2. INTERNATIONAL AND REGIONAL CONTEXT

International Context

2.01 BMCs are navigating a complex macroeconomic and socio-political international landscape, reflecting their deep integration with the global economy and extreme susceptibility to external factors. At this time, progress towards the 2030 Agenda and the implementation of the internationally agreed SDGs has been undermined by impacts of a series of global, regional and national shocks since early 2020. The fallout from the Novel Coronavirus (COVID-19) pandemic, conflicts in Ukraine and the Middle East, and the proliferation of CC-related events have severely hampered the achievement of each of the SDGs. In addition, there is insufficient integration of programmed actions to monitor progress towards the achievement of SDG targets into regional planning processes.

2.02 The SDGs, adopted by the United Nations in 2015, represent to date the most ambitious international framework to promote sustainable and inclusive international development. These 17 goals aim to, among other things, eradicate poverty in all its forms, promote good health, education, environmental sustainability, GE and peace.

2.03 Over the period up to 2020, the international community made some progress in many areas identified under the SDGs, e.g. reduction of poverty, better rates of educational attainment, increase in life expectancy. Nevertheless, since 2020, a slowdown in progress, or even a reversal, has been observed, driven by the health and economic shocks and the social consequences of the COVID-19 pandemic, and the ever more obvious manifestations of CC.

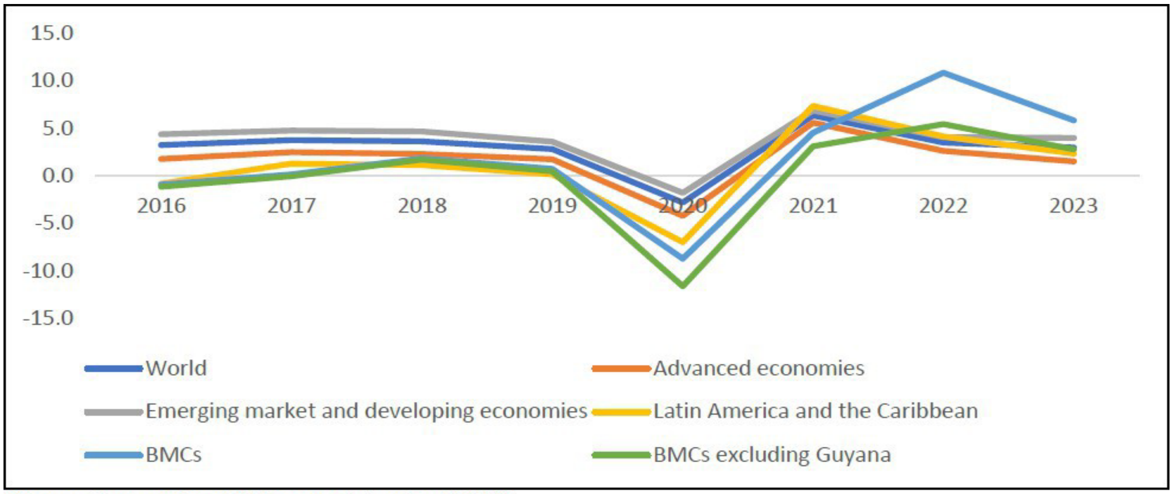
2.04 In addition, the global economic recovery since 2022 has been sluggish in the light of high inflation. Global growth moderated from 3.5% in 2022 to 3.0% in 2023, (see Chart 1), and is projected to decelerate again in 2024 to 2.9%, well below the average of 3.8% recorded between 2000 and 2019. Falling inflation and monetary policy easing provide positive prospects for global economic growth. However, downside risks to growth include escalating geopolitical tensions in Ukraine, and the Middle East, and potential disruptions in commodity markets largely compromise the timely achievement of the SDGs, which was already uncertain.

2.05 In the face of these challenges, the international community at the Summit for Global Financing mandated that MDBs[4/] should ‘continue to play a key role to promote just transitions and foster sustainable development at the global level through increased financing, policy advice and technical assistance (TA) for the benefit of developing countries, particularly the least developed and most vulnerable countries’.

2.06 Importantly, the Summit identified a series of priority actions aimed at achieving the objective of building a more responsive and resilient financial system fit for the challenges of the 21st century.

[4/]MDB Vision Statement, resulting from The Summit for a New Global Financing Pact held in Paris on June 23, 2023

CHART 1- SELECTED GDP OUTTURNS



Source: International Monetary Fund and CDB

2.07 The leaders at the Summit were of the view that MDBs are unprepared, to adequately respond financially to the needs arising from the impacts of global poverty and CC and recommended that the G20 advocate for a tripling of sustainable lending levels in each of the MDBs where they are shareholders. MDBs, including CDB, have historically relied on donor replenishment of concessional sovereign funding windows, such as the SDF, and ad hoc calls for additional capital increases to support non-concessional operations[5/]. It is also envisaged that concessional financing to low-income countries would be protected and expanded in order to assist vulnerable countries in the event of major natural disasters.

Regional Context

2.08 As the Region continues to confront these global headwinds, economic activity continues to moderate as BMC economies return to pre-pandemic output levels. Regional Gross Domestic Product (GDP) grew by a rate of 5.8% in 2023, decelerating from the robust rebound of 10.8% observed in 2022. Excluding Guyana, which has witnessed exceptional growth owing to its booming oil production, the economic performance across other BMCs is more modest, standing at 2.8% in 2023. As price-taking, import-dependent countries, global inflationary pressures have resulted in above-average consumer inflation, contributing to a higher cost of living throughout the Region.

2.09 Projections suggest a deceleration in economic activity for the majority of BMCs, with the regional economy (excluding Guyana) forecasted to have slowed to 2.2% in 2024 and reverting to their historically low growth rates over the medium term.

2.10 Low growth is a product of longstanding structural issues such as gaps in infrastructure; technical and managerial know-how particularly among MSMEs; weak institutions which contribute to an inadequate enabling environment; and high export concentration. Moreover, the Region's low resilience to external shocks exacerbates these challenges, as unforeseen events often have severe and prolonged impacts on the BMCs' economies.

2.11 The Region's ability to address these challenges, however, remains constrained by limited fiscal space and high debt levels in many BMCs. Despite a fall in public debt levels as economies recovered from the pandemic, many BMCs remain highly indebted with debt ratios above the 60% of GDP threshold in 2023 and above 100% of GDP in the cases of Barbados and Suriname. These fiscal vulnerabilities limit the capacity of governments to respond to external shocks and address structural issues. Simultaneously,

[5/]CDB's most recent general capital increase was in 2010.

governments are challenged by insufficient access to affordable financing as they strive to achieve and maintain fiscal and debt sustainability, while supporting economic growth and development.

2.12 The growth of urban poverty and the swelling of the ranks of the 'working poor', impacts of natural hazards intensified by CC and climate variability, and ageing populations, all contribute to increasing the Region's vulnerability. The resurgence of poverty due to the pandemic threatens to deepen gender poverty gaps. The sectors hardest hit by the pandemic were feminised sectors, characterised by low pay and benefits. Additional severe impacts of the pandemic were higher levels of unemployment and significant increases in reported cases of violence against women and girls.

2.13 Contributors noted these negative impacts and agreed on the importance of continuing and enhancing SDF support for efforts to reduce poverty and inequality in the context of the selected SDGs underpinned by resilience-building (refer to Appendix 2 – Selected SDGs, Targets and Means of Achievement). Contributors further underlined the critical importance of devoting increased effort and resources for assisting BMCs to reach their goals and targets in the countdown to 2030. They recognised that SDF 11 would be the last full replenishment cycle prior to the targeted schedule for achieving the SDGs and recommended an increased effort by the Bank and its partners to this end. They also recognised, however, that there would be a need to focus the work of SDF and target specific results, consistent with the needs of BMCs, the Bank's comparative advantages, and within available resources and capacity. Contributors and the Bank agreed on a framework for establishing such priorities and setting targets for expected results, as set out in Chapter 6 of this Report.

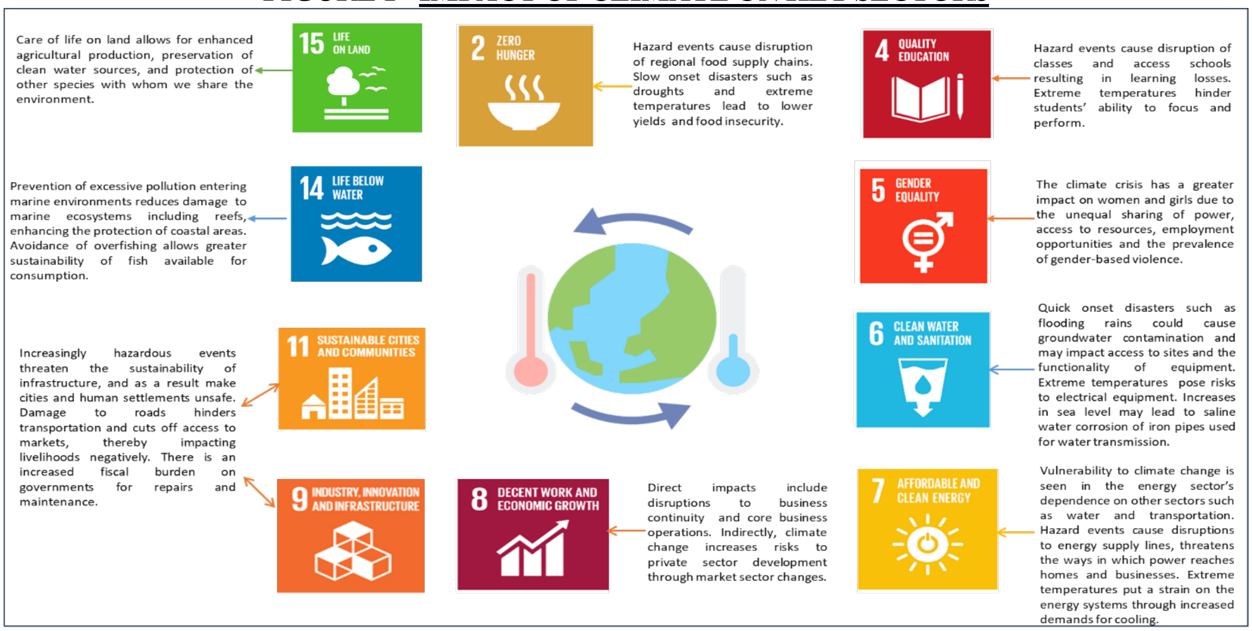
2.14 Contributors supported the strategic approach through which the Bank continues to promote interventions that will bring resilient prosperity to the Region. This approach will be based on five pillars of resilience, social, production, environmental, financial and institutional, all of which must be addressed simultaneously because they are interdependent. Addressing them must take account of the increasing threat of CC. Also ranked high among the issues to be addressed by BMCs is the implementation challenge, which is pervasive across countries and sectors, and needs to be addressed to expedite realisation of the development outcomes.

Environmental Vulnerability, Climate Change and Natural Hazard Events

2.15 Vulnerabilities to the effects of CC and natural hazard events remain one of the leading challenges to BMCs' development, and ultimately to the attainment of the SDGs by 2030. Frequent and costly natural hazards are a common feature of life in all BMCs. Disasters from natural hazards have large and enduring economic effects that range from lost income to the destruction of physical and human capital, infrastructure, and property. They take a deep toll on growth prospects and erode fiscal cushions. Huge reconstruction costs in their aftermath crowd-out scarce resources for health, education, and social spending. Debt dynamics inevitably worsen as governments borrow to finance recovery and growth slows. Figure 1 below provides a snapshot of the impacts of CC on various SDGs and sectors that CDB operates in.

2.16 CC will intensify these risks, making natural hazards more impactful. A significant proportion of the Region's population lives in high-risk areas with weak infrastructure. Moreover, their economies rely heavily on sectors sensitive to climate, such as tourism and agriculture, while for some countries, the capacity and resources to effectively manage risks and integrate CC considerations to their strategic planning processes are limited. Recurrent floods, droughts, hurricanes, and rising sea levels pose a threat to coastal areas and agriculture, and increase the risk of freshwater shortage and food insecurity. Contributors agreed with this assessment and emphasised the importance of the SDF to BMCs and the special role it plays in assisting BMCs in their continuing efforts to meet the SDG targets by 2030.

FIGURE 1 - IMPACT OF CLIMATE ON KEY SECTORS



2.17 The Caribbean region is one of the world's biodiversity hotspots, boasting diverse ecosystems and numerous endemic species of plants and animals. While these ecosystems are essential to the development and the livelihoods and well-being of Caribbean populations, high levels of ecosystem degradation and biodiversity and natural capital loss and fragmentation are rapidly being experienced[6/]. Nature loss poses structural risks for Caribbean economies and for achieving the SDGs. The Region faces several common and interconnected crises and threats, which directly or indirectly impact on biodiversity and natural capital. Expanding populations and competing land uses within small land masses; concentration of populations and critical infrastructure in coastal areas resulting in direct destruction of coastal ecosystems or indirect deterioration due to pollution from land-based sources. Overfishing, compounded by the deterioration of coral reefs and mangroves which serve as fish nurseries, and protect Caribbean coastlines from tropical storms and erosion. Global CC exacerbates the impacts of these threats which in turn rapidly accelerate the loss of biodiversity and decrease the climate resilience of ecosystems and species.

2.18 Natural capital provides essential services such as water purification, flood protection and soil fertility which are critical for agriculture and human settlements. Forests and mangrove ecosystem perform a climate regulatory function since they play a vital role in carbon sequestration, helping to mitigate CC. This natural carbon storage is economically valuable, as it contributes to global efforts to reduce greenhouse gas emissions. The tourism industry, a major economic sector for the Caribbean, depends heavily on the natural capital of the Region. In 2023, the tourism sector contributed approximately 14% of the Caribbean region's GDP the highest share of any Region in the world[7/]. It is well recognised that tourism activities if not managed sustainably can adversely impact biodiversity through habitat destruction, biodiversity loss, invasive species and pollution. Overexploitation of natural resources potentially undermines the livelihoods of communities dependent on such resources e.g. coral reef and fisheries. The tourism sector promotes several initiatives such as Nature Positive for Travel and Tourism, that minimise the tourism footprint on biodiversity and encourages environmentally responsible tourism. Investing in the preservation and sustainable use of biodiversity and natural capital not only protects the environment but also drives economic growth and resilience in the Caribbean.

[6/] According to World Wildlife Fund's *Living Planet Report 2022*, Monitored populations of vertebrates (mammals, birds, amphibians, reptiles and fish) **have seen a devastating 69% drop on average since 1970** and populations in Latin America and the Caribbean have fared worst, with an average decline of 94%.

[7/] The World Travel & Tourism Council https://www.firstcitizensgroup.com/bb/2023/01/09/tourism-in-the-caribbean/

Energy Insecurity

2.19 BMCs are pursuing the development of SE solutions as part of their national energy policies and climate resilience strategies, to address national energy security challenges and to achieve carbon emission reduction targets as part of their Nationally Determined Contributions (NDCs) commitments. The overriding energy issue confronting BMCs is the lack of energy security, rooted in an over-dependence on imported fossil fuels and subject to the volatility of the global energy commodity market. High fuel prices disproportionately affect poorer households, especially female-headed households, and smaller businesses.

2.20 BMCs are committed to transitioning their energy sectors away from the use of fossil fuels, with increased attention on social inclusiveness, gender responsiveness and equitable access to RE/EE resources. However, energy transition is advancing at an extremely slow pace and BMCs need to significantly increase the scale and pace of RE investments if they are to realise their 2030 national targets and the benefits of an early transition. Correspondingly, the Bank will need to increase its level of support for BMCs in achieving their SE objectives.

Poverty and Inequality

2.21 The impacts of the many challenges faced by BMCs are largely felt by vulnerable groups of people such as single-parent and matrifocal households, children, youth, indigenous groups and persons with disabilities (PWD). One implication of this is a rise in deprivation and multi-dimensional poverty, which require integrated approaches across various areas, including education, health, social services (with enhanced targeting), citizen security and the productive sectors, if poverty and inequality are to be addressed in a holistic manner. Work in this regard continued during SDF 10, aligned with the Bank's SPU and needs to be accelerated during SDF 11. Contributors and the Bank agree that the aforementioned critical issues must be addressed for development to progress, and for the SDGs and resilient prosperity to be realised in BMCs.

2.22 Rates of poverty and inequality in BMCs have undoubtedly been made worse by COVID-19 impacts. Poverty assessments conducted over time under CDB's supervision have identified the principal poverty drivers in the Region as:

(a) Limited access to income and employment opportunities;
(b) Economic shocks, natural hazard events and pandemics;
(c) Limited access to quality education and skills training opportunities;
(d) Limited access to social education;
(e) Unsafe housing conditions; and
(f) Living in disaster-prone areas.

2.23 In addition, the COVID-19 pandemic precipitated a category of the new poor[8/] and exacerbated existing sub-standard socio-economic conditions for the most vulnerable in society. As a result, there continues to be significant pressure on already overburdened social services, and in particular, the delivery of social assistance programmes, which have been scaled-up horizontally and vertically in response to increased need.

2.24 There is an increased likelihood that BMCs may not achieve the targets as agreed in the SDGs, especially SDG 1 that aims to ensure social protection for the poor and vulnerable; SDG 5 which calls for GE and recognising unpaid care work; and SDG 8 to achieve decent work for all.

[8/]Those who would not otherwise have been poor but for the impact of COVID-19 mainly due to employment losses, particularly in urban areas.

Quality of Education

2.25 The Region continued to place paramount importance on developing inclusive education systems as a critical path through which citizens can enhance their socio-economic wellbeing. However, the pandemic had significant impacts on education across the Caribbean. The closure of schools in favour of virtual classrooms exposed the inequalities in access to broadband services and computer equipment, putting the education of children in underserved and poor communities at a severe disadvantage. The cohort of students graduating in 2022 experienced the greatest adverse impact of COVID-19 as they had to rely on online learning (either fully or partially) during their two years of education immediately preceding the examinations. This effect is evidenced in notably weaker performances at the Caribbean Secondary Education Certificate (CSEC) General Proficiency levels and equivalent National Assessments.

2.26 Indeed, the deep and substantial impact of COVID-19 on learning loss during the 2020-2022 period exacerbated pre-existing challenges in the education sector. The collective problems have been demonstrated through the decline in the overall percentage pass rate in CSEC examinations by six percentage points from 81% in 2020 to 75% in 2021, 73.8% in 2022 and 74.4 % in 2023 and indications are that the sub-standard outcomes have continued into 2024. In terms of educational achievement, recent data show that only 69% of students at the end of primary school are achieving at least a minimum proficiency in mathematics, and 47% of students at the end of secondary school are attaining five subjects, including mathematics and English or other official languages, highlighting the need to strengthen the teaching profession regionally.

2.27 Notwithstanding the Region's embrace of the globalised philosophy of "education for all", equitable access and quality outcomes, particularly those related to Special Education Needs (SEN), remain largely unaccomplished. Against this backdrop, CDB developed the Model Regional Special Education/ Inclusive Policy and Strategy, which sets out the key policy considerations and strategic actions for BMCs to consider and localise in advancing inclusion and quality education for learners with SEN.

2.28 Education systems across BMCs have been challenged to adequately respond to skills-development needs for economic competitiveness and social cohesion. CDB's long-standing strategic focus on strengthening technical and vocational education and training (TVET) systems continues to assist BMCs in addressing key challenges such as low enrolment and gender disparities in participation, with insufficient access for persons with SEN, quality constraints including instructors' competencies/certifications, and sub-par facilities.

Crime and Citizen Insecurity

2.29 The reduction of serious crimes is a top priority of the populations of several countries of the Region. The high and increasing levels of violent crime, particularly those occasioned by gun violence, have the potential to put at risk the performance of key productive sectors, particularly the tourism industry, and render already fragile economies unattractive to investors. In addition, the increase in violent crime has prompted the population and policymakers to divert resources from productive purposes, such as education, to activities related to security and protection.

2.30 The sharp increases in violent crime, including high rates of homicide, are largely attributed to gang conflicts that arise from the illegal drug trade. However, there is a whole spectrum of criminal activity from assault, robbery, petty theft and extortion to gender-based and intra-family violence. Gender-based violence (GBV) and in particular violence against women and sexual abuse of girls and boys is one of the major insecurities facing citizens in the Region with tremendous effects on health, educational and economic outcomes.

2.31 Crime and citizen insecurity have several costs, both direct and indirect. The direct costs of crime include outlays associated with injury, damage, and loss; public and private spending on security; and the administration of the criminal justice system. Chief among the indirect costs is the response to crime, such as those associated with changes in behavior caused by fear. Crime/violence has a significant economic impact within BMCs, with the estimated cost as high as 5% of GDP in one BMC. The perpetrators of crime are disproportionately reflected among the youth (ages 18-35 years), many of whom experience violence, are socialised in sub-optimal conditions such as dysfunctional families without support and are susceptible to embracing gang cultures.

Inadequate Resilient Infrastructure

2.32 The provision of resilient infrastructure to support regional and national ambitions of competitiveness, safety and general wellness remains a pervasive challenge. Issues related to weak building code enforcement, lack of robust design, and inadequate planning, poor construction and maintenance of assets such as road networks, coastal protection and drainage systems undermine development gains.

2.33 The economic (and social) impact of natural hazards is protracted with effects including damage to physical infrastructure, property, and other physical capital, setting back progress on SDGs and other national development goals. Support for the provision of resilient infrastructure has been a mainstay of the Bank's operations and is an area in which it has built considerable expertise. However, with the increasing frequency and intensity of natural hazards because of CC, the need for enhancing adaptation measures to improve the provision of resilient infrastructure has become even more acute.

2.34 SDF can continue to play an important role in the provision of resilient infrastructure to the Region by addressing infrastructure deficits in the urban drainage, coastal protection and transportation sectors, (more specifically as it relates to seaports, airports, and roads). Additional emphasis will be placed on ensuring that the appropriate governance framework is in place by promoting planning, transparency, strengthening technical and managerial capabilities, and enhancing institutional and regulatory frameworks.

Weaknesses in Water and Sanitation Services

2.35 Many BMCs are classified as water-scarce or water-stressed. These countries continue to tackle inadequate tariffs, aging infrastructure and insufficient capital investment, water losses and poor regulatory and institutional arrangements for effective integrated water resource management. Also, some communities across the Caribbean lack adequate sanitation services, which makes them vulnerable to diseases and other negative impacts of inadequate waste disposal and wastewater systems. There has been little major investment in sanitary landfill infrastructure in almost 30 years, with very few BMCs operating such facilities. Frameworks for integrated solid waste management are lacking, resulting in an inability to support considerations of zero waste or circular economies. These challenges are exacerbated by risks associated with CC (e.g. sea-level rise) and impact most severely on the poor and most vulnerable citizens.

Agriculture and Regional Food Insecurity

2.36 In 2019, CDB and the Food and Agriculture Organisation (FAO) collaborated on a comprehensive study, "The State of Agriculture in the Caribbean," (CDB/FAO 2019). The Study highlighted the critical role of the agriculture sector in addressing socio-economic challenges and promoting sustainable development in the BMCs. It also highlighted a concerning decline in the sector's contribution[9/], which if left unabated was likely to impede the Region's development agenda and result in increasing levels of food and nutrition insecurity and poverty. Evidence of the latter is already visible with a 2023 survey[10/] finding

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[9/]CDB/FAO 2019 findings indicate that in eight BMCs the agricultural sector contributes between 7 and 17% of GDP and between 10 and 25% of employment. In 10 other countries, whilst the sector accounts for less than 4% of GDP, its contribution to employment and food and nutrition security, particularly in rural areas remains high

[10/]Caribbean Food Security & Livelihoods Survey: Natural Hazards and the Cost of Living Crisis - Regional Summary Report | May 2023 that an estimated 3.7 million moderately or severely food insecure people reside in the English-speaking Caribbean, which equates to over half of the population.

2.37 The aforementioned study revealed that the underperformance of the agricultural sector in BMCs is caused by two closely interlinked factors – low productivity and weak market linkages. These factors underpin the Region's low competitiveness amidst a rapidly growing demand for high-value produce within BMCs and regional and international export markets.

2.38 A positive finding of the Report was that the Region has huge potential for improving agriculture sector output and the sector's contribution to economic and social development. It further highlights the fact that agro-climatic conditions in several BMCs are suitable for the production of a wide range of agri-food products. There is also much scope to improve the allocation of resources to the production of high-value products and much potential for farmers, fishers, and agri-food companies to catch up with current best practices and market opportunities – including opportunities within the Region's tourism sector.

2.39 The issue of food security continues to be a priority for the Caribbean region with the Caribbean Community (CARICOM) Heads targeting a 25% reduction in the food import bill by 2025. However, COVID-19-related border restrictions and national lockdowns led to supply chain disruptions and brought the stark reality of the Region's inability to feed itself to the forefront, notwithstanding the earlier perception that collectively, the Region had the productive capacity to do so. The issue takes on added importance within the context of growing CC impacts, as changes in temperature, rainfall, availability of nutrient-rich soil and inadequate water resources can all impact agricultural productivity.

2.40 Events precipitated by the COVID-19 pandemic, the conflict in Ukraine and adverse weather conditions were significant contributors to the worsening food security situation – with severe food insecurity increasing by 72% since April 2020. Global and regional forecasts all indicate that the food security situation in the Caribbean could persist in the near term.

<u>Biodiversity in Agriculture</u>

2.41 Biodiversity is fundamental to sustaining life, supporting human well-being, and underpinning economic activities. It plays a crucial role in facilitating food and nutrition security. In the Caribbean, the agricultural sector is deeply intertwined with the Region's rich natural resources and biodiversity. This sector can substantially benefit from these resources while also promoting sustainable practices that support biodiversity conservation efforts. Understanding and leveraging this interrelationship is essential for aligning agricultural development with sustainability objectives, ensuring that efforts to increase agricultural production and productivity do not compromise the preservation of the Region's natural resources.

2.42 Biodiversity plays a crucial role in supporting agricultural productivity and sustainability in the Caribbean. It underpins essential processes such as pollination and can help enhance soil quality – factors that directly impact crop yields and resilience against climate-related challenges. Biodiversity can also aid in natural pest control - reducing the reliance on chemical pesticides, thereby lowering production costs and environmental and health risks.

2.43 Agricultural activities can have significant negative impacts on biodiversity. The expansion and or intensification of agriculture can lead to habitat loss, displacing native plants and animals, disrupting ecosystems, and making crops more vulnerable to pests and diseases. The use of fertilizers and pesticides can lead to water and soil pollution, adversely affecting both terrestrial and marine ecosystems. In the Caribbean, agricultural runoff has detrimental effects on coral reef, fisheries and tourism.

Private Sector Development

2.44 The Bank recognises that the development of a thriving private sector is a fundamental precondition for BMCs to attain sustainable economic growth and development, and to effectively combat poverty. The challenge confronting CDB and its BMCs is to create, in partnership with the public and private sectors, an environment that enables the private sector to achieve and sustain growth and international competitiveness.

2.45 MSMEs, are hindered by slow implementation of reforms to the business enabling environment in BMCs. As a result, financial markets and access to capital are underdeveloped, while productivity and competitiveness of these firms are inhibited.

2.46 To address these challenges, CDB identified three pillars that guide its Private Sector Development Strategy, i.e., improving the investment and business climate in the Region to enable the private sector to achieve and sustain growth and international competitiveness; expanding infrastructure for economic and human capital development; and promoting enterprise development, especially in MSMEs.

Weak Implementation Capacity

2.47 Even prior to the pandemic, one of the greatest challenges constraining BMCs' ability to meet the SDGs and other development objectives, was the relatively poor track record on implementation. The pandemic has further stretched already limited institutional capacity, as BMCs try to manage competing concerns in health, education, social services, and the economy within the context of extremely limited fiscal space and information asymmetries that contribute to fragmentation in the public sector. Such trade-offs, if not managed appropriately lead to suboptimal policy choices, exacerbate inequalities and hinder countries' recovery efforts. In this regard, the Bank considers the strengthening of implementation capacity to be a critical challenge to be addressed during this replenishment cycle.

2.48 Factors contributing to implementation delays include inadequate institutional capacity of Executing Agencies (EA) and project implementation units; unsatisfactory contractor/consultant performance and limited availability to provide services in the Region; and delays in project implementation activities due to natural disasters. Measures related to building institutional resilience will be widened to include both BMC and CDB implementing capacity, cognisant that both parties must work together to ensure that development solutions are delivered efficiently and effectively. CDB will invest more staff resources and intensify efforts to increase operational flexibility towards improving project implementation performance.

Status of Gender Equality in the Caribbean

2.49 Despite significant advances toward GE in the Region, there remain many deep-seated biases which significantly threaten progress achieved. The Country Gender Assessment Synthesis Report 2016 revealed that there are persistent gender inequalities in the Caribbean region marked by unequal political representation, access to health care, and inadequate legislative protection for women and access to justice. These further manifest in economic gaps leading to occupational segregation with women tending to have lower-waged occupations in the economy, and a lower female labour force participation. Higher educational achievements of girls still tend not to translate into better labour market outcomes for them. Across the Region, critical data for monitoring progress and designing evidence-based policies is missing.

2.50 In the area of women's economic empowerment, the COVID-19 pandemic resulted in disruption to careers, increased unpaid care responsibilities for women and significant impact to women-owned MSMEs. Additionally, approximately 65% of women-led MSMEs in developing economies are either financially unserved or underserved, resulting in a decrease in their growth potential. The International Finance Corporation estimates a $320 bn global funding gap between what women need to establish and grow businesses and what they actually receive.

2.51 Several factors, including social and legal constraints, continue to impede the access of women-owned enterprises to institutional financial services. According to studies, the growth of MSMEs is hindered by a lack of business management skills, bankable collateral, and financing options tailored to their specific needs. Globally, women hold 21% of jobs in the science, technology, engineering, and mathematics fields. These gender disparities impact women's economic empowerment in emerging technologies. Gender lens investing can offer solutions to reduce financial barriers for businesses traditionally removed from a diversity of financing opportunities such as women-led and women-owned businesses, as well as youth-owned businesses.

2.52 GBV remains one of the most pervasive and visible forms of gender inequality in the world, and indeed in the Caribbean. The most recent prevalence studies on GBV in five Caribbean countries – Grenada, Guyana, Jamaica, Suriname and Trinidad and Tobago – indicate that women in these countries experience Intimate Partner Violence at higher rates than the global average. Across these countries, on average, nearly one out of two or 46% of ever-partnered[11/] women aged 15-64 have experienced one or more of the four types of intimate partner violence in their lifetime (physical, sexual, psychological and/or economic violence). Incidences of violence would have seen a notably sharp increase across the Region during the COVID-19 pandemic, and the associated lockdown measures implemented by regional governments.

2.53 Beyond increasing incidences of GBV, the COVID-19 pandemic has posed a tremendous threat to global health, poverty reduction gains and advances made towards GE. As a result of the severe economic shock and tourism paralysis caused by COVID-19, income and employment loss has been felt across the board, but by women more so than men. Additionally, lone-parent households (the majority of which are headed by women) are often over-represented in economically vulnerable and poor quintiles. These intersecting vulnerabilities mean women are more exposed to negative shocks than men.

Regional Cooperation and Integration

2.54 In the CARICOM Community, regional cooperation is regarded as a tool or approach to arrive at solutions to commonly experienced problems in its geographical space – often with the expressed objective of facilitating or encouraging the further step of regional integration. This interdependence influences the depth and intensity of resilient outcomes and structures across the Caribbean, and collectively determines the speed. Support for RCI remains a key priority for CDB to streamline trade regulations and processes, and to attain greater efficiencies in regional transportation and food security systems. Attainment of these objectives can play a critical role in accelerating economic growth, reducing poverty and economic disparity, raising productivity, and strengthening institutions. It has the potential to narrow development gaps between the More Developed and Less Developed Countries in the Bank's membership by facilitating trade integration, the development of intra-regional supply chains, stronger financial links, and enabling slow-moving economies to speed up their own expansion.

2.55 The vulnerability of the Region therefore brings into sharp focus the realisation that recovery cannot be achieved by individual nation-states alone but requires collaborative effort to foster sustainable solutions. This 'coming together as a whole' brings new impetus and value to deepening the regional integration movement in support of the transition of BMCs from structural vulnerability to resilient prosperity in order to achieve sustainable poverty reduction.

[11/]Women reporting to having been in an intimate/romantic relationship

Digitalisation

2.56 Within the last two decades, there have been significant strides in advancing the uptake and use of Information and Communications Technology (ICT) in the Caribbean, largely due to the liberalisation and increased competition in service markets. Improved infrastructure and affordability have been critical stimulants of internet access and use. However, these strides are not evenly distributed. More than half of BMC citizens have not benefitted significantly from these Region-wide advances.

2.57 COVID-19 raised issues of digital adoption in both the public and private sectors and the need to fast-track efforts in these areas for greater efficiency, financial inclusion and market capture, and sector resilience. BMCs need to increase their digital capability at a faster pace and focus needs to be given to increasing the skills level of citizens in ICT to close the digital divide.

2.58 Digitalisation is a cornerstone of the Bank's SPU and will impact the rollout of SDF 11 programming as a crosscutting area. The Bank will support BMCs to close the digital divide and utilise its lending and non-lending services, including knowledge products, to deepen ICT development as an important growth enabler and to help improve BMCs' digital adoption index ranking. The Bank will infuse technology in traditional areas of lending, including education and agriculture, to increase the efficiency and transparency of government services and to improve development outcomes.

3. COMPARATIVE ADVANTAGE AND THE ROLE OF SDF

3.01 The comparative advantage of the Bank and SDF, and their contributions to resource mobilisation for the Caribbean are critical factors in assessing the strategic role and scope of SDF. Comparative advantage is a function of the accumulated experiences, expertise and capacities of the Bank and SDF, as well as the Bank's relationships with BMCs and other development partners. Important elements of CDB's comparative advantage include its close relationship with BMCs, its understanding of the issues and dynamics of the Region, the access of Bank personnel to regional policymakers and administrators, as well as civil society organisations (CSOs), and the ownership and confidence that BMC governments have in their own regional institution. These perspectives were borne out in the Bank's recent Perception Survey (2024) where 82% of respondents were of the view that the Bank's cultural and regional awareness was a strength compared to other MDBs. Also held in high regard was the Bank's role as a trusted advisor and partner in regional development (34%); its network of partners (25%) given greater efforts at collaboration, recent accreditations and successes at on-boarding new sources of funds.

3.02 The multinational nature of CDB's partnerships, together with its non-regional and regional non-borrowing shareholders, has allowed the Bank to develop relationships and networks through which it can mobilise expertise to deliver assistance, even where it does not itself have such expertise. In this regard, the Bank, in partnership with other development agencies, has been conducting and sponsoring robust research into the Region's key development issues, as well as offering thought leadership, insights and recommendations on alternative solutions (refer to Box 1 – List of Research Conducted/Supported by CDB/SDF). The Bank utilises sector studies, and other knowledge products, to enhance its country engagements. Such studies can underpin longer-term engagement with BMCs, allowing the Bank to adopt a programmatic approach that holistically addresses development needs in particular sectors, rather than simply enabling stand-alone projects.

BOX 1: LIST OF RESEARCH CONDUCTED/SUPPORTED BY CDB/SDF

- Logistics Chain Study for Saint Lucia (2023)
- Country procurement assessments under the Methodology for the Assessment of Procurement systems (2022)
- Measuring the Vulnerability and Resilience Nexus (2019)
- Study on the State of Agriculture in the Caribbean (jointly with the FAO) (2019)
- A Caribbean in Transition: Navigating the Changing Regional Energy Environment (Ongoing)
- Logistics Chain Study for Grenada (2023)
- Gender and Labour Market Differentials (Ongoing)
- Roadmap for the development of a cargo ferry service (Ongoing)
- Logistics Study (Ongoing)
- Preparation of Water and Wastewater sector policy, strategy and operational guidelines (Ongoing)
- Transport Sector Study (Ongoing)
- Urban Sector Assessment (Ongoing)

3.03 Considerable work has been done by the Bank on the policy and institutional elements that are essential for strengthening pro-poor governance, including the preparation of critically important Country Poverty Assessments (CPAs) and the development of National Poverty Reduction Strategies. Most of this experience has been garnered from the Bank's management of the SDF grant-financed Basic Needs Trust Fund (BNTF) programme and more recently its operations in Haiti. These programmes make a direct positive impact on the lives of vulnerable persons and groups in the BMCs. Contributors and the Bank agreed that the comparative advantage derived from the application of the BNTF community model should be leveraged to assist BMCs to scale-up the design and implementation of interventions focused on building resilience at the sector and national levels.

3.04 SDF has been at the forefront of the Bank's poverty reduction mandate in several other ways including:

(a) the expansion of resilient social and economic infrastructure that directly targets the poor disproportionately for greater benefit;

(b) the provision of TA for improved decision-making and good governance, as well as fostering greater regional cooperation;

(c) blending with other resources to reduce the cost of borrowing for BMCs; and

(d) the provision of resources during times of acute distress, e.g. the 2017 Atlantic Hurricane Season and the impact of the pandemic where uncommitted resources were quickly reprogrammed to respond to the needs of impacted BMCs.

3.05 CDB is recognised as an important development institution in the Caribbean, with a broad development mandate, and is well-placed as a focal point for dialogue, intermediation, and extended partnerships on behalf of BMCs, and for the strengthening of regional ownership of development programmes. Importantly, its exclusive focus on the Caribbean and close and mutually supportive relationship with other CARICOM institutions gives it a special role in relation to RCI and to the strengthening of governance and institutions of civil society. The Bank is also well-placed to encourage and convene constructive dialogue on key regional development issues.

3.06 Over the long term, the SDF has an even greater role to play in assisting BMCs to secure a future that is based on the attainment of resilient prosperity and sustained reduction in poverty. Strengthening the Region's resilience capacity by better managing DRM activities and CC impacts will be an important aspect of the SDF 11 operations. The Bank views this as necessary given that CC affects virtually every sector in the economy and directly contributes to key challenges facing the Region such as water scarcity, and food and energy insecurity.

3.07 Capacity limitations are a major weakness in BMCs. Contributors and the Bank agreed that the SDF is particularly well-established to lead on addressing stubborn implementation capacity deficits in a comprehensive manner, by increasing its focus on the entire project cycle from idea conception to monitoring and managing for results. This is currently being undertaken by the Bank in the form of an implementation diagnostic, which will perform a thorough assessment of the obstacles to project execution with a view to providing customised solutions for BMCs. Additionally, through SDF-financed TA initiatives, efforts will be continued to improve BMCs' capacity for the design and appraisal of programmes and projects operations, as well as for project implementation, and results monitoring and reporting. The Bank is also enhancing procurement capacity across the Region, by providing procurement reform support in 10 BMCs, establishing a regional procurement training centre, and collaborating with the Inter-American Development Bank to share best practices through their network.

3.08 In the context of the changing development landscape, the Bank/SDF recognises that its comparative advantage cannot be taken for granted and must be continuously strengthened and renewed. The Bank will continue to stay in touch and evaluate the changing realities in its BMCs, create easier access and timely opportunities to discuss challenges faced by BMCs, as well as to forge closer and broader partnerships with other development institutions working in the Region.

4. STRATEGIC APPROACH TO SDF 11

4.01 The theme of building resilience is the primary avenue through which the Bank and the SDF have been supporting BMCs to realise sustainable and inclusive economic growth through the SDF 10 cycle. It is proposed that the Bank's core theme of resilience-building as set out in the SPU be continued over the duration of SDF 11 2025-2028. Contributors and the Bank agreed that the proposed new strategic framework for SDF 11 will encompass many aspects of the SPU and that its operational direction will be determined by the following five pillars of resilience:

(a) **Building Environmental Resilience** - Enhancing the ability of ecosystems to respond to disturbances and perform the necessary functions to support life, plus support for initiatives in the areas of DRM, CC, RE, and water resources management.

(b) **Building Social Resilience** - Enhancing the ability of communities to withstand and recover from various shocks to social infrastructure. Proposed areas include education and training, water and sanitation, poverty reduction, social protection (BNTF and Haiti), health, and crime and citizen security.

(c) **Building Production Resilience** - Enhancing the ability of production systems to withstand, adapt to and recover from environmental and economic shocks. It encompasses sectors/areas such as economic infrastructure, logistics, agriculture and food security, resilient transport infrastructure, capacity development and private sector development.

(d) **Building Financial Resilience** – Enhancing Public Financial Management (PFM) and procurement capacity, systems, instruments and practices to improve the response of individuals and organisations to uncertainty and related risks (including country financial risk and debt profile management).

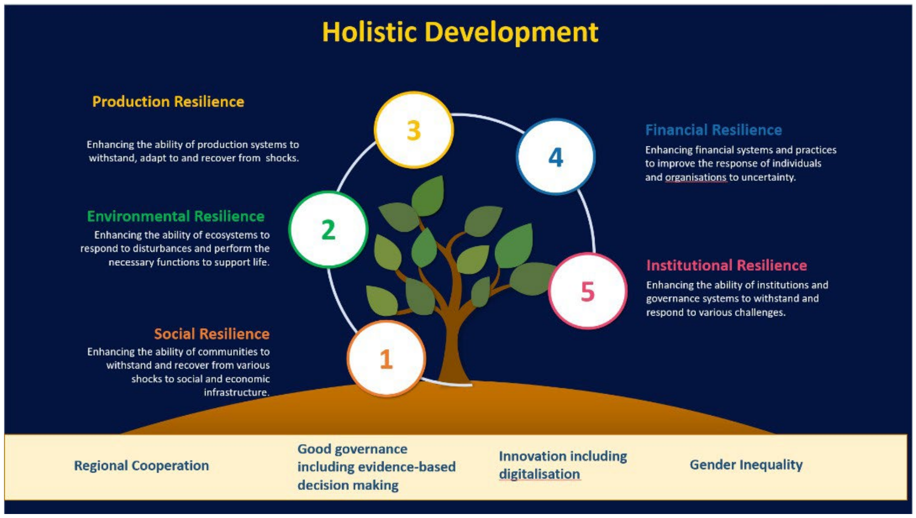
(e) **Building Institutional Resilience** – Enhancing the ability of BMCs institutions to implement policies, programmes and projects. While the need to build capacity is evident across sectors, it has been particularly noticeable in the areas of environmental resilience, doing business reforms and project implementation.

4.02 Contributors supported the Bank's proposal that these resilience themes be supported by the crosscutting areas of:

(a) RCI;
(b) Good governance including evidence-based decision making;
(c) GE; and
(d) Innovation inclusive of digitalisation.

4.03 Figure 2 illustrates the alignment of the SDF 11 themes with those of the SPU.

FIGURE 2: CDB MODEL OF HOLISTIC DEVELOPMENT



4.04 Contributors also agreed that the proposed SDF themes and crosscutting areas are essential for supporting BMCs' transition from structural vulnerability to resilient prosperity. They noted the Bank's undertaking to assist BMCs to reduce poverty and inequality, to build resilience to the impacts of natural hazard events and external economic shocks, and to identify and exploit opportunities for achieving inclusive and sustainable growth and development. Further, the Contributors and the Bank agreed that given the potentially devastating and wide spectrum of impacts of CC in the Region, Environmental Resilience will be the priority theme in SDF 11. In the pursuit of these objectives, the Bank will also identify and support measures for the achievement of Caribbean-relevant SDG targets specific to the SDGs. (Refer to Appendix 2 – Selected Sustainable Development Goals, Targets and Means of Achievement).

4.05 This development context provides a mix of important entry points for the SDF to further engage and to anchor its development support for the Region, as well as to strengthen its alignment with the 2030 international development agenda. These entry points will facilitate initiatives for supporting direct poverty reduction programming.

4.06 Contributors welcomed the Bank's intention to adopt a more programmatic approach where feasible, using SDF to support research and sector analysis in priority areas. These studies will identify constraints to meeting sectoral needs, which can be addressed by a blend of SDF and other resources as available. The modality of blending is well entrenched in how the Bank crafts its interventions as resource mobilisation is a core function of the institution. The Bank has also advanced the view that the Region needs access to adequate, reliable and affordable finance to support environmental sustainability and reduce long-term poverty, and consequently, accelerate the transition to resilient prosperity. It will therefore continue to blend concessional and non-concessional resources to reduce the average cost of borrowing for BMCs and at the same time, seek to onboard resources with the highest levels of concessionality.

4.07 Leveraging its comparative advantage in the Region, the Bank will utilise its TA, financial instruments, knowledge products and policy advice to advance BMC development. This will require that the Bank deploys its resources judiciously, appropriate to the scale and scope of the development challenge.

In this vein, the Bank through the SDF, will pursue more transformational interventions in its core themes to enhance its value-for-money proposition. Also, rethinking how the Bank deploys TA to advance its development mandate, e.g. more focused use of TAs to catalyse capital investment, will be important in ensuring that the SDF remains focused on its strategic priorities.

4.08 In response to requests from Contributors, CDB has established a new SDF-specific climate finance target amounting to 35% of SDF approvals during the first two years of the SDF 11 period. This may be increased to 40% for the final two years after assessing the Bank's progress up to that point. In addition to the SDF 11 climate finance indicator, CDB will maintain its existing portfolio-wide climate finance indicator under which the Bank aims to allocate 30% of CDB's resources as climate finance. After two years, this Bank-wide target will be assessed with a view to increasing to 35%. The Bank's progress against this corporate target has fluctuated between 9% of total approvals in 2020 and 24% in 2022, affected by the shift in focus to address the impacts of the COVID-19 pandemic. Climate finance flows for 2023 were approximately 14% of total project approvals. Contributions of individual projects toward both the SDF and CDB corporate climate finance targets will be measured using the joint MDB methodology for tracking climate finance, which CDB has been using since 2019.

4.09 While a significant proportion of the Environmental Resilience Pillar is expected to be allocated as climate finance, other pillars are also expected to contribute toward achieving the SDF 11 climate finance target. Projects in which the primary objective(s) are geared toward other SDF 11 pillars (e.g. enhancing social resilience, production resilience, financial resilience, institutional resilience) can still make significant contributions to Climate Change Adaptation (CCA) and/or mitigation – for example by integrating incremental measures that enhance climate resilience. Such projects will count toward the relevant SDF 11 pillar with which their primary objective(s) are most closely aligned, while the climate finance contained within those projects will count toward the Bank's SDF 11 climate finance target.

4.10 To help achieve the Bank's SDF 11 climate finance target, Contributors supported the adjustment in the focus of the natural hazard loan set-aside so that it can also support ex-ante CC projects. This set-aside, which has been renamed as the "environmental resilience loan" set-aside will support adaptation and mitigation projects, as well as post-hazard interventions. Eligibility for the set-aside will remain unchanged such that all BMCs can access these resources. Additional measures to be taken to help achieve the CDB SDF 11 climate finance target include: (1) training in the climate finance tracking methodology to ensure that all persons involved in the project cycle have been properly sensitised (this is particularly important in the design phase); (2) establishment of a Climate Change Project Preparation Fund (PPF) to support the development of CC-related projects; and (3) leveraging the Bank's enhanced Green Climate Fund (GCF) accreditation to crowd-in resources to address CC impacts.

Building Environmental Resilience

Improving Environmental Sustainability

4.11 All BMCs are located in one of the most disaster-prone regions in the world and remain highly vulnerable to the impacts of disasters caused by natural hazards. BMCs therefore require substantial concessional financial support from SDF and other development partners to effectively adapt to and mitigate natural hazard risks. Building environmental resilience acknowledges CC threats facing the Region and aligns with SDGs 6, 7, 11, 13, and 17. Resilient Infrastructure, CCA, and DRM remain common priorities across all BMCs. Capacity development remains urgent and imperative for achieving this resilience objective, and the Bank and BMCs must continue to address it over the long term.

4.12 Building on the existing Climate Resilience Strategy (CRS) 2019-2024[12/] and Disaster Management Strategy and Operational Guidelines (DiMSOG) 2021, the Bank will prioritise supporting BMCs in creating an enabling environment for climate action. This includes but not limited to updating climate-related action plans, such as NDCs, to strengthen ex-ante preparedness in the policy space, as well as ex-post efforts. The Bank will also support BMCs to incorporate CCA, and DRM into national development plans, sector policies and strategies. Additionally, BMCs must also scale up investment in CCA measures in key economic areas like agriculture, water resources management, and infrastructure at national and community levels. Contributors encouraged the Bank to increase its support to BMCs to meet these challenges and pledged their own support through CDB and the SDF.

4.13 CDB is committed to further mainstreaming gender and climate into its development activities and increasing gender-responsive climate finance for mitigation and adaptation. All the Bank's CCA and mitigation actions will be enhanced through a gender lens in line with the goals of the Paris Agreement, CDB's Gender Policy and Operational Strategy and the proposed updated GEAP 2025-2027[13/].

Climate Action

4.14 Caribbean countries are already encountering difficulties adapting to: (i) the increasing intensity of extreme weather events; (ii) declining freshwater availability; and (iii) rising sea levels (and associated increases in coastal erosion, flooding, and saltwater intrusion of freshwater aquifers). Under the broad theme of CC, most BMCs are facing significant challenges in meeting SDG 6 (Clean Water and Sanitation); SDG 7 (Affordable and Clean Energy); 14 (Life Below Water); and SDG 5 (Life on Land). Contributors emphasised the importance of support for environmental sustainability and the CC agenda and agreed that the overall strategy should assist BMCs to design and implement appropriate interventions. The CC agenda will continue to give focus to improving climate risk management as well as community resilience to CC in BMCs.

4.15 CDB supports projects and programmes that reflect BMCs' priorities and outcomes that are in keeping with commitments made in their NDCs and National Adaptation Plans, Sector adaptation strategies, biodiversity strategies, DRM and other CC-related key policy/strategic documents. SDF 11 programming for environmental management, DRR and CCA will continue to be guided by DiMSOG 2021 and the CRS 2024. The CRS update will commence in 2025 in alignment with the objectives of CDB's SPU.

4.16 Accreditation to global mechanisms to improve BMCs' access to concessionary resources and to reduce the cost of financing interventions remains an important element of CDB's CRS. The Bank will continue to prioritise strategic partnerships to leverage and mobilise new and innovative sources of concessional climate finance to support enhanced environmental resilience within BMCs. This will permit the Bank to build synergies with activities supported by other development partners, thereby potentially increasing the scale and impact of external support for resilience building in the BMCs.

4.17 Contributors urged the Bank to continue to expand its participation in global processes that are relevant to climate action, including the Global NDC Partnership and Conference of the Parties to the United Nations Framework Convention for CC, and seek where feasible to advance regional programmatic solutions to address the impacts of CC.

4.18 Based on the consolidated feedback from CDB staff members and previous stakeholder consultations, several issues have been identified as impediments to progress in identifying, preparing and implementing CC projects in BMCs. These issues include:

[12/]Update of the CRS and DiMSOG are programmed to begin in 2025 and 2026, respectively.

[13/]A Discussion Paper on the GEAP 2025-2027 was presented to Contributors at the Second Formal Negotiation Meeting SDF Unified – Eleventh Cycle on June 18, 2024. This update is designed to strengthen resilience and responsiveness to changes in the environment.

(a) large gap in climate finance flows relative to the Region's needs;

(b) the lack of technical capacity and resources to prepare a pipeline of high-quality and bankable climate action projects; and

(c) challenges in accessing existing project preparation facilities, such as lengthy application timelines; excessive data requirements; and competition for limited funding.

4.19 To address these issues, the Bank has established a PPF to assist BMCs with identifying and preparing high-impact climate action projects that contribute to their CC objectives and that will enhance their opportunities to access climate financing. The proposal for this PPF was approved by the Board of Directors at its 308th meeting in December 2024. It has been proposed that the PPF would be partially capitalised using SDF 11.

4.20 The primary objectives of the PPF are to:

- develop high-quality and bankable climate action projects which will enable successful project implementation;
- enhance the access of CDB's BMCs to international concessional climate finance;
- enhance the access of CDB's BMCs to CC-focused TA by CDB;
- mainstream climate resilience considerations in the preparation of capital projects;
- strengthen the capacity of CDB's BMCs in preparing climate action projects; and
- promote the development of regional projects and programmes to support regional cooperation and climate actions at a greater scale.

Disaster Risk Management

4.21 Preparing for disasters is generally more cost-effective than responding after the fact. Contributors acknowledge that the poor, particularly women, children, the elderly, PWDs and vulnerable populations are impacted disproportionately from natural hazards, disasters, and emergencies. They underlined the importance of BMCs with SDF assistance prioritising the implementation of measures that reduce the likelihood and cost of climate-related disasters and building resilience to future shocks.

4.22 The starting point is to assess the likelihood and potential impact of disaster and CC risks. If these risks are deemed high, policymakers could integrate them explicitly into their policy frameworks and prepare plans to mitigate them. Initiating information campaigns to raise awareness, setting-up early warning systems, investing in disaster-resilient infrastructure, enforcing land-use and zoning rules to limit deforestation and coastal exposure, and ensuring appropriate building standards could go a long way toward reducing risks.

4.23 Consistent with the lessons learned in SDF 10, the proposed scope of the environmental resilience grant set-aside will include proactive interventions that support DRM and CC initiatives as eligible activities. All BMCs will remain eligible for the relevant TA interventions. This is aligned with the intended impact of DiMSOG. The Bank will continue to work with the Caribbean Disaster Emergency Management Agency (CDEMA) and BMCs to elaborate Country Work Programmes that reflect BMCs' priorities and outcomes and are in keeping with their commitments under the Comprehensive Disaster Management and NDCs. The additional initiatives include but are not limited to:

(a) designing and implementing risk reduction, preparedness, prevention and mitigation measures;

(b) analytical assessments for national or sectoral DRM;

(c) systemic identification of natural hazards and vulnerable populations, and the dissemination of credible DRR/CC knowledge products to inform community resilience-building activities;

(d) undertaking a more targeted awareness campaign in BMCs to highlight the availability of funds to a broad range of relevant stakeholders (e.g., NDCs, Met Offices, relevant entities responsible for DRM and CC programmes). While the Bank has been actively working to raise awareness of the resource availability, there is still a need to intensify these efforts. Interactions with stakeholders in key BMC agencies have highlighted that there are still gaps in their awareness and understanding of these funds and what is required to access them. The Bank expects that the renewed efforts will mainly require increased communication by CDB staff with stakeholders at policy/decision-making and technical levels during appraisal, supervision and other scheduled mission activities with minimal additional costs and therefore represent good value for money. As this is an area that the Bank will continue to support under SDF 11, such a campaign will help to increase uptake for subsequent cycles; and

(e) increasing CDB's efforts in assisting BMCs through the engagement of short-term consultants to identify priority DRM and CC actions and facilitating the development of project proposals.

4.24 Consistent with SDF 10, the Bank will provide support to its BMCs following the onset of a natural hazard. This will include an annual allocation to CDEMA and direct grants to support regional interagency coordination as well as to finance BMCs' emergency response to exceptional or catastrophic hazards and slow-onset events.

4.25 The innovative Caribbean Catastrophic Risk Insurance Facility SPC (CCRIF) has demonstrated the importance of risk transfer as a mechanism in the suite of instruments necessary to address the increasing vulnerability of BMCs. Currently, although 17 BMCs are members[14/] of the Facility, their coverage remains a fraction of what their risk profiles currently demand. CDB will continue its efforts through its country strategy negotiations to encourage BMCs to improve on minimum coverage levels recommended by CCRIF and provide support for the development of plans to achieve adequate coverage. CDB will also maintain support to BMCs to develop and implement appropriate risk financing solutions.

4.26 The Bank will continue to partner with CCRIF to mobilise resources to enhance product offerings including targeting specific key stakeholder groups, e.g. utilities, agriculture, fishing, tourism and to expand its country membership. Contributors emphasised that climate vulnerability represented an existential challenge and agreed with the initiatives being undertaken by the Bank in the areas of climate finance and disaster risk financing.

4.27 SDF will be critical in advancing the Bank's ambitions to scale-up climate action (adaptation and mitigation) and its drive to advance nature-based solutions and promote biodiversity in its interventions as promoted under SDG 14 (Life under Water) and SDG 15 (Life on Land). Global trends reflect persistent challenges to biodiversity arising from loss of forest cover due in part to agricultural expansion. Several countries that depend heavily on fisheries for livelihood and food security also face challenges from

[14/] Anguilla, Antigua and Barbuda, The Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Dominica, Grenada, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos Islands declining fish stocks as a result of widespread pollution, rising temperatures and worsening acidification. In this regard, Contributors encouraged the Bank to strengthen its efforts in the areas of biodiversity, conservation and nature-based solutions including implementing sustainable fishing practices, expanding marine protected areas and addressing the pollution of waterways.

Biodiversity

4.28 CDB client countries are committed to addressing the biodiversity crisis. All the independent countries are signatories of the new framework (Kunming-Montreal Global Biodiversity Framework) under the Convention on Biological Diversity, which includes goals for 2030 such as halting and reversing nature loss and mobilising at least \$30 bn annually. CDB acknowledges the significance of nature-positive investments, including investments in biodiversity and natural capital, to support and sustain the development of its client countries. The Bank views biodiversity, natural capital, and climate action as discrete priorities and cross-cutting issues to be mainstreamed throughout the sectors within which it operates. This aligns with the CRS, Disaster Risk Strategy and Operational guidelines and the Environmental and Social Review Procedures. It is also consistent and aligns with the MDB Joint Statement on Nature, People, and Planet to mainstream natural capital and biodiversity which the Bank signed in 2021. This is also consistent with the integrated approach focused on harnessing co- benefits that the Bank applies across its operations given its limited resources.

4.29 Several key challenges exist for effective biodiversity conservation in the Caribbean. These include limited financing for nature-positive projects; difficulties in proving bankability of these projects to attract major investments; an unfavorable enabling environment with insufficient incentives for large-scale investments benefiting both nature and communities; and the inherent risks posed by the involvement of diverse stakeholders with varying expectations. CDB has been proactive in addressing these challenges and remains committed to integrating environmental sustainability, including nature, into its policies, assessments, investments, and operations. CDB recognises the need to explore a variety of approaches, common, innovative, and tailored, to implement viable nature-positive and biodiversity projects. The Bank will continue to prioritise developing and strengthening strategic partnerships to mobilise concessional finance and to scale up viable nature-positive actions across client countries.

4.30 Contributors agreed that CDB will continue to seek opportunities to incorporate nature-based solutions for resilience and adaptation where possible, in resilient infrastructure projects. Additionally, Contributors encouraged the development of a natural capital and biodiversity action plan by Q4, 2025 to further guide the Bank's involvement in this area, and noted the importance of TA in building a favorable enabling environment (e.g., relevant policies, strategies, and regulatory frameworks) and in enhancing stakeholder awareness and knowledge.

Renewable Energy and Energy Efficiency

4.31 In the area of RE development, it was intended that SDF 10 resources be used to address the inadequacy of regulatory frameworks for the energy sector in the Region, and the overall lack of investment funding for RE and EE, through the strengthening of existing governance frameworks and advancing instruments in investment areas such as: climate resilience in the public sector; increasing access for low-income groups to solar photovoltaic and micro-grids; and RE generation for MSMEs. While some progress has been made in the implementation of interventions to meet the set objectives, the overall progress has been slow due mainly to capacity constraints. It is considered that all these targeted areas for intervention will remain relevant for implementation in the SDF 11 cycle.

4.32 SDF resources will continue to target efforts to strengthen individual and institutional capacities in BMCs to accelerate decarbonisation efforts. In so doing, this will simultaneously fulfil climate mitigation objectives while also advancing their energy security, as reflected in CDB's Energy Sector Policy and Strategy (ESPS), which promotes RE to provide increased energy sustainability, affordability and access.

4.33 The dominant characteristic of the energy transition across BMCs is the extremely slow pace of progress towards the set targets. Against this background, a key strategy of the ESPS is the Accelerated Sustainable Energy and Resilience Transition (ASERT-2030) framework.

4.34 Through ASERT-2030 the Bank seeks to encourage BMCs (with the support of partners) to implement transformative RE, EE and electricity infrastructure initiatives towards radically increasing the scale and pace of the energy resilience transition in BMCs.

4.35 This is done through structured consultations to reduce key barriers to rapid investments in RE and EE, and to develop relevant transformative initiatives, which can be implemented through strategic partnerships with BMCs, other members of the Bank, regional and international partners. ASERT-2030 emphasises: (i) stretch scenarios and ambitions for the radically increased scale and pace of RE investments through the dismantling of identified barriers, while mobilising the appropriate resources to facilitate the investments; and (ii) complementarity, building on existing and ongoing initiatives at national and regional levels.

4.36 Another important feature of the ASERT 2030 Framework is that it enables the Bank to be nimbler in engaging BMCs and partners on SE matters on a continual basis, allowing for the identification and reshaping of strategies to address needs and exploit opportunities in a dynamic manner. In this context, the Framework allows the Bank to pursue full engagement with BMCs on relevant SE issues/opportunities during the CES cycle and facilitates timely and appropriate modification to the strategy for supporting the BMCs.

4.37 Contributors welcomed the emphasis on RE and EE and urged the Bank to accelerate efforts on implementation. It is therefore intended that the ASERT 2030 Framework will form the backdrop for the SE interventions under SDF 11. Against this background, the following priorities are proposed:

(a) **Strengthening Governance of the Electricity Sector:** For improved private investment in RE/EE/electricity infrastructure, as part of the Regional Regulatory ASERTive. Among other things, this will include:

(i) Support for specific regulatory reform and capacity-strengthening interventions (emerging from the Minimum Regulatory Function base-line assessments conducted in 2024).

(ii) Strengthening regional regulatory capacity: Establishment of a Regional Regulatory Help Desk (also facilitate partners' contributions) at the Organisation of Caribbean Utility Regulators, or within the Caribbean Centre for RE and EE.

Establishment of a Regional Regulatory Coordinating Framework to ensure timely county-level tracking of progress towards goals, partners' contributions address gaps, and lessons from the implementation.

(iii) Strengthening regional energy information system and reporting: To implement harmonisation of BMCs reporting, building on existing efforts.

(b) **Improved resilience of the electricity grid and scaling of RE**: To unlock regional RE potential for improved energy security and economic transformation. This intervention will support regional energy storage strategy initiatives and the implementation of the Caribbean grid Interconnection and RE Scaling ASERTive.

(i) De-risking strategy for interconnection of electricity grids towards improved resilience of electricity systems and for facilitating the scaling-up of RE in off-shore wind and geothermal energy.

(ii) Strategies for improved resilience to disaster risks for critical components of the electricity grids.

(c) **Promotion of Just Energy Transition**
(i) Promotion of RE and EE solutions for low-income households.
(ii) Enhanced mini/micro-grid for remote and rural communities.

(d) **Promotion of SE in the Public Sector**
(i) Support for strategy for greening of public sector facilities
(ii) Promotion of e-mobility in the public sector.

Building Social Resilience

4.38 A key concern for SDF 11 will be the need to address the challenges of poor and vulnerable groups whose conditions have now been made worse by COVID-19. The priority in this regard will be a focus on building social resilience and pursuing the SDF mandate of reducing poverty and inequality. Social resilience builds the coping, adaptive and transformative capacities of individuals, households, groups, communities and states to build and sustain their well-being. Building social resilience is integral to the core mandate of CDB, the sustainable development of BMCs and is in keeping with ongoing development partnership commitments including the fulfilment of the SDGs and the CARICOM Strategic Plan.

4.39 The social resilience initiatives envisaged for the SDF 11 period are expected to contribute directly and indirectly to the achievement of SDGs 1, 2, 4, 5, 6, 8, 10, and 11. Strong guidance for the design of various social sector initiatives for eligible BMCs will be provided by the new Social Protection Framework (SPF), the Enhanced CPAs (ECPA) and the respective CES. Contributors supported the Bank's ongoing efforts to assist BMCs to develop policies and strategies for improving their SPFs. The SPF will provide the institutional framework for the short, medium and long-term support to build social resilience and enhance shock-responsive national social protection systems necessary to protect the most vulnerable and provide a springboard for BMCs' sustainable development beyond the impacts of COVID-19 and other future shocks.

4.40 Contributors acknowledged that building health resilience will positively impact CDB's work in addressing longstanding inequalities and safeguarding populations, communities, groups, and individuals in situations of poverty and vulnerability. Notably a survey among BMCs and Development Partners' Interviews (February 2024) shows that high-priority health issues include (a) strengthening capacity of the health systems to prepare for and respond to health threats, pandemics, and emergencies and preserving continuity of care; (b) addressing conditions that negatively impact the health systems and people's health resilience, such as NCDs, exclusion, environmental hazards and CC; and (c) greater financial investments and effective partnerships in building health system resilience and health resilience for underserved and vulnerable populations and communities.

<u>Education and Training</u>

4.41 The negative impact of the pandemic and the associated fall in secondary schooling and decline in attainment of qualifications has not gone unnoticed and warrants greater focus by the Bank. This human development outcome, though disappointing, is not surprising. The Bank/SDF is already supporting measures aimed at reversing these negative trends and proposes to promote the development and adoptions of innovative education strategies and policies.

4.42 BMCs are implementing measures to address the level of learning loss, while also addressing some of the pre-COVID-19 structural deficits in the education system. The solutions include promoting learning enhancement (not just learning recovery) which is reflected in the SDF-funded Learning Recovery and Enhancement Programme (Let's REAP), mainstreaming diagnostic assessments to support students' individual learning needs, expanding teacher training and continuous professional development, promoting special needs, and pre-primary and post-secondary education.

4.43 The Bank, through the SDF, will continue to play a leading role in transforming the education sector. This has already begun as the Bank is leading the development of a model Special Needs Education Policy and Strategy, which will be shared with the CARICOM Council for Social and Human Development with the intention that this could serve as a template for the Bank's BMCs. The Bank is also in consultation with the United Nations Children's Fund and the University of the West Indies (UWI) to help determine how it can best intervene to support transformation in the education sector.

4.44 SDF will also ensure that all its interventions take place within physical environments that are climate-resilient, and fit-for-purpose. Gender considerations will be mainstreamed across all education interventions to take on board differences in educational circumstances and outcomes of boys and girls, and provide gender-responsive solutions to tackle issues such as drop-outs and anti-social behaviour.

4.45 Attention is also being focused on educational quality and relevance, and a significant amount of the SDF's investments will be on institutional strengthening and capacity building, particularly to address the needs of vulnerable groups who are not currently fully benefitting from education. Emphasis will therefore be placed on children with SEN. Interventions will range from policy development to teacher training, to the provision of appropriate resources and specialised facilities to respond to the needs of these special groups.

4.46 Future interventions will also place greater emphasis on addressing the factors that contribute to the achievement of students at the level of the school, as well as in relation to their social and emotional background, particularly those factors that place them at risk for educational failure. The Bank's initiatives will therefore highlight school leadership and teacher efficacy, as well as early identification and treatment of risk factors for educational failure. Furthermore, in promoting gender equity and equality, attention will continue to be heavily placed on interventions that encourage participation in non-traditional areas[15/] for both sexes, and the development and implementation of programmes that keep boys in the system, given the worrying trend of decreasing participation of males in upper secondary and post-secondary programming.

4.47 In recognition that many of the issues affecting education across BMCs are of a similar nature, Contributors supported the strategic approach outlined for addressing issues in the education sector and agreed that increased efforts should be made to support regional, and where feasible, programmatic solutions that can reach the largest possible number of beneficiaries. In this regard, the Bank proposes to produce more knowledge products that will help to standardise education inputs and promote more empirical measurement of achievements regionally. To provide a more effective framework for these new initiatives, the Bank is reviewing its Education and Training Policy and Strategy.

Special Education

4.48 The Bank will support BMCs with the implementation of the Model SEN and Inclusive Education Policy and Strategy completed in 2024, to ensure that inclusion is systemic and that learners with SEN and disabilities (SEND) have access to high-quality, appropriate education to meet their individual needs. A key starting point for achieving inclusive societies is transforming the education system from the administration of general education towards inclusive pedagogy and practices that account for the range of differences in the classroom. Achieving inclusive education systems in the Region will require concerted efforts to shift to a rights-based, non-discriminatory approach that equally values the presence, participation, and contribution of all children regardless of where they are on the abilities spectrum.

4.49 The Policy and Strategy proposes establishing a multi-level framework for legislative action, cross-sectoral partnerships, the transformation of organisational structures that support SEND, an integrated approach to identification, intervention, and placement, curricular adaptations and modifications, appropriate and adequate infrastructure, suitably trained human resources, and active stakeholder engagement and involvement. These areas of action vary across BMCs, so targeted and demand-driven

[15/] E.g. Female engineers, pilots, chefs; male nurses, teachers, etc.

investments are anticipated to address country-specific gaps. The transformation of learning environments to support inclusive and high-quality access for SEND learners remains a priority. However, mainstreaming diagnostic assessment and intervention, providing resources to schools and educational institutions, the professional development of teachers, and institutionalising core specialised SEN support teams to support schools are expected to be areas of priority for BMCs. SDF will assist BMCs to adopt/adapt the Model SEN Policy and Strategy to ensure institutional arrangements, processes and procedures, facilities, resources and services to align and entrench SEND in the public education system.

Poverty, Inequality and Social Protection

4.50 Poverty and vulnerability increased as COVID-19 worsened existing structural inequalities, compounded impediments to citizens' participation in socio-economic development activities across BMCs and increased the likelihood that the Region may not achieve the targets as agreed in the SDGs. The confluence of these factors has hastened the need for CDB to further support BMCs beyond the current round of ECPA, designed to improve the availability of timely and reliable multidimensional poverty data, build institutional and technical capacity across BMCs to enhance their ability to undertake assessments more seamlessly, and support development initiatives at the national and regional levels.

4.51 The impact of the pandemic has laid bare the importance of ensuring appropriate Social Protection Systems are in place to reduce exposure to risks and improve protection against shocks at the enterprise, sectoral or national level. In this regard and given the value of education to poverty reduction, enhancing social protection resilience post-pandemic must ensure that students of all sexes (including SEND learners) have equal access to quality education that will assist in bridging gender gaps, and support higher-level labour market participation and economic empowerment, necessary to reduce inequality. The Bank's SPF contemplates support across key areas that SDF is well placed to continue supporting, consistent with its poverty reduction mandate and the need to improve social resilience, including:

(a) expanding and harmonising protective and promotional social protection, e.g. through labour market support initiatives;

(b) strengthening preventative social protection which includes horizontal and vertical scaling-up of cash transfers and measures to improve financial inclusion and literacy; and

(c) advancing transformative social protection by supporting unemployment insurance and universal health insurance mechanisms.

4.52 Contributors and the Bank agreed that the reduction of poverty should remain at the core of the SDF's work and that the Bank should continue to offer intellectual leadership on the development and/or enhancement of social protection interventions and programmes and the inclusion of poverty reduction policy and strategies in national development frameworks.

Crime and Citizen Insecurity

4.53 Inadequate citizen security continues to have detrimental impacts on economic and human capital growth in the Region. In this regard, the Bank has sought to provide support to BMCs in addressing the economic challenges and social maladies that could retard progress towards achieving their development objectives. CDB's approach has therefore been informed by the Region's needs and challenges, its capacity, and the work of other development partners, leading to a proactive role that focusses on assessing the social determinants of crime and violence, and developing interventions aimed at their prevention. Importantly, the Bank is already doing work in this space through its Youth Policy and Strategy, Education Policy and Strategy and GEAP. Under SDF 11, the Bank proposes to engage in this area in a more holistic, structured and evidence-based manner to contribute to more inclusive development of Caribbean economies.

4.54 CDB's proposed framework for assisting its BMCs to address the critical issue of crime and insecurity is developed in the context of:

(a) The World Health Organisation's World Report on Violence (2002);
(b) Findings of the UNDP's Human Development Report (2012); and
(c) The CARICOM Action Plan for Social Development and Crime and Crime Prevention.

4.55 The objective of enhancing the capacity of BMCs to improve citizen security will be pursued through support for interventions to:

(a) strengthen the role of the school in instilling prosocial behaviour and preventing early drop-outs, particularly boys (these include interventions in education projects to develop early identification systems to target and provide coordinated multi-agency support to male and female students and youth-at-risk of educational and societal failure);

(b) enhance community cohesiveness, resilience and efficacy for violence prevention;

(c) increase the resilience of at-risk youth (the unemployed, and those who have come in contact with the law as victims and perpetrators);

(d) improve living conditions through environmental design (upgrade settlements and provide safe green spaces for community activities);

(e) enhance the policy and legislative frameworks for citizen security; and

(f) strengthen the Bank's work in GBV as a citizen security thematic focus.

4.56 The availability of resources for citizen security projects will determine the size, number and type of the Bank's interventions, and compels that efforts be made to seek and exploit synergies, in particular joint projects, with other development partners. To the extent feasible, CDB will continue to leverage its resources with those of other partners to create additional and more efficient interventions in this field. The Bank will also encourage development partners to use the Bank as a channel for some of their bilateral resources intended for citizen security operations, where appropriate.

4.57 Collaborative, gender-sensitive interventions have also been developed with key stakeholders to reduce crime and violence and improve citizen and community security. These have been designed to strengthen coordination, monitoring and evaluation systems, and capacity building of Ministries, agencies, civil society, and non-governmental organisations (NGOs) involved in project implementation.

<u>Water and Sanitation</u>

4.58 The Region's water and sanitation (wastewater and solid waste) sector faces several challenges including inadequate tariffs, aging infrastructure, insufficient capital investment, a limited (and aging) workforce, and poor regulatory and institutional arrangements for effective integrated water resource management and integrated solid waste management. Specifically with respect to the water sector, additional challenges include a significant number of BMCs being either water scarce or water stressed, high levels of non-revenue water, and a need for digitalisation. With respect to wastewater, there is no or low sewer coverage in urban areas, and where wastewater is collected, there is little treatment prior to discharge to the marine environment. In solid waste, there is little disposal to engineered facilities, which would feature daily covering of waste, some level of leachate collection and treatment and collection of landfill gas. The resource potential of both wastewater and solid waste is also largely untapped. These challenges are exacerbated by risks associated with CC and variability, and impact most severely on the poorest and most vulnerable citizens. Generally, livelihoods are critically linked to access to water and wastewater services. Specifically in the solid waste sector, livelihoods of vulnerable groups such as waste pickers are even more directly impacted as they make their living on the landfill sites.

4.59 It is proposed that SDF 11 support:

(a) increased support for mainstreaming an integrated water resources management approach, including the sectoral assessment of climate risk using CDB's WaterRISK tool[16/], smart water systems, and tariff setting;

(b) increased support for integrated solid waste management initiatives, and the promotion of a zero waste and/or circular waste approaches;

(c) continued support for inclusive, resilient and sustainable infrastructural investments towards increasing the availability of safe drinking water and wastewater services, particularly in rural communities;

(d) promotion of inclusive, resilient and sustainable investments towards expanding wastewater services, and including reuse;

(e) support for disaster risk transfer products such as the parametric insurance offered by Caribbean Water Utility Insurance Collective Segregated Portfolio (CWUIC SP);

(f) increased support for human resource development and public awareness initiatives in areas such as utility management, project management, recycling and water conservation;

(g) institutional strengthening support for existing regional water sector organisations such as the Caribbean Water and Wastewater Association (CWWA), the Caribbean Water and Sewerage Association (CAWASA) and CWUIC SP; and

(h) support primarily through regional institutions such as the Caribbean Institute for Meteorology and Hydrology, CWWA, CAWASA, CWUIC SP and UWI for initiatives such as utility performance benchmarking, DRM, water economics research and data hubs.

4.60 These proposed areas of intervention are consistent with the commitment to contribute to the achievement of SDG 6 – to ensure the availability and sustainable management of water and sanitation for all. Initiatives in integrated solid waste management will also contribute to the achievement of SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable; SDG 12 - Ensure sustainable consumption and production pattern; and SDG 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

4.61 These interventions are informed by the Bank's research for the development of its water and wastewater policy and strategy, and regional plans for the water and sanitation sector as articulated in the Regional Strategic Action Plan (RSAP) for Building Climate Resilience in the water sector, the Caribbean Waste Management Action Plan (CWMAP) and the Integrated Water Resources Management Framework recently adopted by CARICOM.

<u>Basic Needs Trust Fund</u>

4.62 CDB's BNTF was launched in 1979 and is the principal vehicle for CDB's targeted poverty reduction initiatives in participating countries. It is the Bank's flagship direct poverty reduction programme, which assists poor and vulnerable persons through a community development modality that aims to improve the lives and livelihoods of beneficiaries. This is achieved by enhancing basic economic and social infrastructure and services, and increasing opportunities for economic activity through skills training, capacity building and institutional development support.

[16/]WaterRISK is a self-assessment tool designed for use by national teams to identify the strengths and weaknesses of current practices and to identify opportunities to enhance the integration of climate resilience in the water supply services sector in the Caribbean

4.63 The programme is distinguished by its community-targeted, demand-led participatory approaches to the engagement of vulnerable segments of the society for sustained people-focused development, which reflects the strategic sector priorities as defined by the respective participating countries. The priority areas eligible for funding include resilient physical access to basic education, water and sanitation, community roads and other community environmental improvements, human resource development, capacity building, and livelihoods enhancement.

4.64 The BNTF programme has been quite successful over the past years in meeting the needs of vulnerable groups. However, the implementation of BNTF 10, which occurred within the context of the pandemic, highlighted the flexibility, responsiveness and preparedness of BNTF to meet such challenges and underscored the importance of forward-thinking and crisis management.[17/] Additionally, direct feedback received from BMCs suggests that the BNTF modality has been tremendously beneficial to countries and represents a distinct advantage of the Bank when compared with other development partners.

4.65 BNTF over the years has engaged in wide-ranging reforms to enhance its service delivery and effectiveness, as well as its efficiency. The MTR of SDF 10 and the BNTF 10 programme highlighted further opportunities for improvement. For the next cycle of SDF/BNTF, the Bank will consider further actions to strengthen the pace and quality of project implementation, enhance results management and improve knowledge management to ensure that lessons learnt from MTRs, programme evaluations, country portfolio reviews, workshops, etc., are shared with all relevant BNTF stakeholders. Some of the actions which the BNTF has committed to undertake for accelerating the pace of implementation include:

(a) hiring university graduates and skilled interns to assist implementing agencies in participating countries to expedite BNTF 10 and prepare BNTF 11;

(b) increasing the frequency of face-to-face missions;

(c) conducting capacity assessments of implementing agencies' staff to identify skill gaps and develop change management strategies; and

(d) revising the template for Country Policy Frameworks which should allow implementation to start earlier.

4.66 One notable finding of the review was the need to increase the BNTF allocation to enhance the effectiveness of the programme. The review noted that the pandemic had created a class of newly poor persons within existing vulnerable communities, and consequently, ramped up demand for further sub-projects. Exacerbating the situation is the higher cost of implementation associated with inflationary pressures. These pressures have a material impact on the quality and pace of the sub-projects with downstream implications for timely realisation of outcomes.

<u>Strengthening Civil Society Organisation Engagement and Partnership</u>

4.67 A challenge faced by those in the lower quintiles of BMC populations is the lack of voice and influence on policies and actions that are intended to benefit or significantly impact these groups. Through CSOs, greater agency and representation can be given to these marginalised segments of society (e.g. PWD, indigenous people) ensuring their concerns are accounted for at policy formulation and execution stages.

4.68 Within the specific context of the CDB, a range of entry points can be considered to engage with CSOs, including:

(a) Project design and implementation;
(b) Strategy preparation and review;

[17/]BNTF 10 Mid-term Evaluation

(c) Capacity-building;
(d) GE and social inclusion;
(e) Indigenous and tribal peoples' issues; and
(f) Information exchange and networking.

4.69 Recent evaluation of the SDF-funded BNTF and Community DRR Fund highlighted the need for greater inclusion and participation of CSOs in the design of poverty reduction initiatives. Previous work undertaken by the Bank through BNTF has highlighted the need for the enhancement of proposal writing and project management skills of CSOs to provide better advocacy for local communities in the design and execution of projects. As this represents an area of support for SDF 11, the Bank will develop a civil society engagement and partnership strategy which will set out how CDB will work with and support civil society in the medium to long term.

<u>Haiti</u>

4.70 Haiti is a fragile state in the sense defined by the Organisation for Economic Cooperation and Development (OECD), i.e., a state which "has only a weak capacity and legitimacy to perform the essential functions which consist in governing a population and its territory".

4.71 Working in a fragile state such as Haiti requires sensitivity and understanding of the fluid local situation, while maintaining reasonable due diligence and some degree of flexibility in the approach to implementation. Contributors commended the Bank on its valuable long-term partnership with Haiti as well as the critical role of the Haiti Country Office (HCO). They however recommended that due attention be given to the strengthening of partnerships, and coordination mechanisms with other development institutions working in Haiti, as well as risk management and security measures as they relate to the operations of the HCO and its personnel.

4.72 Executing such initiatives in Haiti, requires a greater level of effort from CDB in terms of its engagement with the key stakeholders on national priorities, consensus building and accountability, than for most of its other client contexts. As a result, CDB through the HCO has adopted a more flexible and proactive approach in how it interacts with Haiti's national institutions and processes to influence development project outcomes. This approach includes the involvement of non-state actors (civil society) to support national institutions with responsibilities for project implementation and management.

4.73 HCO has to date, supported the Bank's Haiti programme by:

(a) coordinating the Bank's aid and providing project implementation support;

(b) building/strengthening partnerships, developing closer relationships and facilitating information sharing with the Government of Haiti, development partners and other stakeholders;

(c) participating in policy dialogue, improving communication with, and responsiveness to, various stakeholders; and

(d) participating in working and discussion groups in the relevant national priority sectors.

4.74 Evaluations of the Bank's Haiti country strategy and programmes since 2007 have emphasised the need for a different approach in Haiti given its fragile context, which requires closer supervision and monitoring compared to other BMCs. Furthermore, Haiti's development assistance requirements are enormous and demand significant financial and human resource inputs. However, it is imperative that CDB's interventions focus only on those areas that have been afforded the highest priority, that can deliver maximum strategic impact, and that take full account of Haiti's fragile state.

4.75 During SDF 11, the Bank will work to strengthen implementation through enhanced country engagement and collaboration with development partners, augment capacity in the HCO, and implementation of a framework for operating in fragile states for greater effectiveness. Despite HCO's relevance and achievements, it is recognised that a more hands-on approach to project implementation will likely provide more timely results. The Bank will continue to be guided by the OECD's Principles for International Engagement in Fragile States and Precarious Situations. Taking the context as a starting point, a solid understanding of the country's context and an appropriate strategic response is necessary. These Principles emphasise the importance of adapting interventions to the context and avoiding predetermined approaches. Instead of the normal approach used in other BMCs, the Bank will seek to adopt a flexible approach to programming and be realistic in its expectations given the fragile context.

Building Production Resilience

4.76 Strengthening capabilities and capacities in areas of productive and economic infrastructure is critical for improving BMCs' prospects for building resilience and limiting the magnitude of production losses arising from economic shocks over the medium to long term and to recover from such setbacks. This includes the strengthening of areas such as agriculture, food security, private sector development and resilient infrastructure. In keeping with the need to increase resilience in BMCs' capacity to produce goods and services as a basis for sustained growth and development, the Bank will intensify its focus on measures to support these sectors.

<u>Agriculture and Food Security</u>

4.77 Interventions in this sector are guided by the Bank's Agriculture Sector Policy and Strategy (ASPS), and will incorporate digital solutions, such as the SDF-funded Climate Smart Knowledge and Information Platform, approved in 2023, which will improve farmers' access to climate-smart agricultural technologies and practices. Contributors supported the expansion of SDF involvement in the sector and encouraged increased focus on initiatives related to regional food security, biodiversity and the nexus with CC. The ASPS mandates that the Bank interventions in the agricultural sector should:

(a) Be viewed through a value chain perspective. This approach allows for identifying the key constraints to agricultural development and for addressing them in an integrated manner to ensure that the entire agricultural value chain can become more efficient, competitive, inclusive and sustainable.

(b) Explore ways to integrate natural resource management including biodiversity considerations and the Blue Economy paradigm. Accordingly, the Bank proposes to re-evaluate its role in the fisheries sub-sector. Fisheries are among the oldest traditional activities of the Caribbean, and all BMCs have access to marine resources. However, the fisheries sector in the Caribbean has been over-exploited, and in general, been the recipient of limited political and investment support. CDB will accordingly support measures aimed at the sustainable management of fisheries resources, and investment in marine and land-based aquaculture.

(c) Focus on farmers and fishers with the potential to step-up. The Bank differentiates three types of entrepreneurs (farmers and fishers): commercially oriented (Level 1); semi-commercial entrepreneurs (Level 2); and subsistence-oriented (Level 3). The Bank explicitly aims to assist operators at Levels 2 and 3 with the potential to "step up". The focus on operations with the potential to step up is considered the most cost-effective way to drive agriculture sector productivity, stimulate economic growth, and reduce poverty. Bank engagement with Level 1 operatives will be to achieve further improvements in their efficiency/competitiveness and through the establishment of strategic linkages, support Level 2 and Level 3 participants to improve their production capacity, productivity and linkages to markets and to provide options for increased employment, particularly for residents in rural communities.

(d) Support measures to strengthen the CARICOM Single Market and Economy (CSME). The Bank recognises that the Region suffers from inefficiencies in port operations and non-tariff barriers. Inefficient port operations and non-tariff barriers, ineffective sanitary and phytosanitary regulations and technical standards, hinder the smooth trade flows and increase the cost of trade in agricultural products within the Region. Within the framework of CSME, CDB will support the development of infrastructure and services that can improve intra-regional trade and BMC integration into global food markets.

(e) Create incentives to stimulate investment in the sector. Priority areas for public sector support include the development of policies and regulations for the effective operation of value chain financing, the legal framework for contract enforcement and dispute resolution, and appropriate tax breaks.

(f) Support BMC efforts to reduce reliance on smallholders operating independently. The agricultural production landscape in the Caribbean is and is likely to continue to be dominated by smallholders. Smallholders are unlikely to, on a standalone basis, benefit from the economies of scale necessary to achieve sustainable agriculture sector operations. Accordingly, the Bank will, through its interventions, consider supporting BMC efforts to facilitate the clustering of smallholders. Clustering could provide the platform for those participants to achieve the benefits of economies of scale, by for example, enabling growers to reduce their cost of production through efficiency gains in the use of shared assets, bulk purchase of production inputs and coordination mechanisms that meet market demands for products on a more consistent basis.

(g) Explore innovative mechanisms to reduce and transfer agricultural risks. Given the challenges associated with CC and associated natural hazard events, the Region must increase investment in appropriate/location-specific climate-smart agriculture approaches.

(h) Address cross-cutting issues to bring about a more competitive, and sustainable agri-food system, specifically food and nutrition insecurity, GE and empowerment of youth, CCA and mitigation, good governance and technology products/digital agriculture.

4.78 The SDF can support interventions in the following three broad areas:

(a) **Investments to improve the enabling environment for Agricultural Value Chains:** The Bank recognises that in an environment with stronger institutions and regulatory frameworks, agricultural sector stakeholders and entrepreneurs will have improved access to the technologies and services required to increase their production and productivity and have greater incentives to adopt/invest in modern and climate-resilient farming technologies and systems, and FinTech products. Further support measures aimed at improving the enabling environment will include stakeholder and institutional capacity building at the level of governmental bodies, agricultural support institutions and agencies, MSMEs in the agri-food sector, farmers, and financial institutions; increasing access to financial services for agribusiness MSMEs; and investing in regional public goods and multi-country systems.

(b) **Support for public and private infrastructural/equipment investments:** These investments are necessary to:

(i) increase sector productivity and reduce the cost of production;

(ii) reduce trade costs;

(iii) enable farmers and fisherfolks in BMCs to comply with the requirements of high-value markets;

(iv) improve the resilience of the agricultural sector to CC and natural hazard events; and

(v) support poor rural household efforts to increase their own production/food and nutrition security.

(c) **Support for biodiversity:** Recognising the complex interrelationship between biodiversity and agriculture in the Caribbean, CDB can ensure that agricultural development is both productive and sustainable. Through targeted investments, policy support, and regional collaboration, the Bank can play a key role in safeguarding the Caribbean's rich biodiversity while enhancing agricultural resilience and securing food security systems.

Private Sector Development

4.79 The attainment of a dynamic, export-oriented and internationally competitive private sector is an absolute necessity for sustained regional growth. However, with most of the private sector comprising small and medium-sized enterprises with productivity levels that are below the average for Latin America and the Caribbean and with high levels of informality, the sector is not well positioned for sustained growth[18/]. The report described in the footnote below also suggested that key constraints were skills mismatches, limited access to finance, gaps in trade policy, trade facilitation, and connectivity, vulnerability to CC, high cost of electricity and inadequate digital uptake. It also notes the importance of addressing firms that seem to be particularly underserved by the current financial system. These constitute "the missing middle firms" which are too large to qualify for microfinance, often considered too risky to qualify for commercial bank loans, and not yet attractive to investors, and women-owned businesses which cite high collateral requirements and unfavorable terms to access finance.

4.80 In support of a dynamic and externally competitive private sector, and mindful of the particular challenges facing the underserved groups mentioned above, SDF will seek to deepen its partnership with the private sector and will support the targeted outcomes of the recently approved Private Sector Strategy 2023-2028 (PSS) in alignment with the focal areas of:

(a) improving the enabling environment;
(b) promoting access to finance; and
(c) promoting enterprise development.

The PSS prioritises knowledge management, innovation, digitalisation, GE, and CC as important areas of engagement for building resilience at both the national and regional levels.

4.81 More specifically, SDF 11 will support:

(a) **legal and regulatory reforms:** Principally through TA, SDF will support BMC-led reforms to enhance components of the entrepreneurial ecosystem such as property registration, insolvency legislation, commercial contract enforcement, and address business facilitation processes;

(b) **the development of new financial instruments and markets:** Through TA, SDF would guide Development Finance Institutions (DFIs) on the design (or feasibility) of new

[18/] Regional Private Sector Diagnostic: Promoting Private Sector-led Growth to Foster Recovery and Resilience in the Caribbean (ifc.org) financial instruments and markets that could be developed to enhance access to finance. CDB would also look to widen the range of its offerings;

(c) **intermediary lending that supports direct poverty reduction/resilience building of firms:** This is an area in which SDF has typically played a role, especially through DFIs. It is proposed that the SDF continue to do so with a focus on interventions that have strong poverty reduction elements;

(d) **limited direct lending:** Example, through co-financing with other international and multilateral agencies to support development projects with high poverty reduction component, e.g. in agriculture; and

(e) **capacity-building for Business Support Organisations (BSOs), MSMEs and financial institutions:** This includes capacity-building (training-of-trainer programmes) for BSOs; TA to assist dynamic MSMEs at the regional level with the potential to scale-up; and training or technical support to DFIs to enhance critical areas of business operations such as governance.

4.82 Notably, as a particular success story of the Bank, SDF will seek to scale-up activities of the Caribbean Technological Consultancy Services (CTCS) programme, as well as of the cultural and creative industries through the Cultural and Creative Industries Innovation Fund (CIIF) as an integral part of tapping into the unrealised business potential of those industries as well as fostering regional cultural connectivity.

4.83 Contributors strongly supported the ambitions of the PSS and encouraged the development of greater access to capital by the regional small and medium-sized enterprises as being critical for sustainable, inclusive economic growth in the Caribbean. They have also requested the Bank to develop a plan for the use of concessional resources to support private operations.

4.84 The abovementioned initiatives will complement the Bank's ongoing efforts to "crowd-in" more private capital through a comprehensive set of financial instruments, such as guarantee instruments, mobilisation of additional concessional resources via blended finance, market-based debt financing arrangements (e.g. loan syndication), and special funding solutions. It will form partnerships with bilateral, multilateral and international agencies for co-financing opportunities to effectively leverage CDB's limited resources.

4.85 Partnerships with other bilateral organisations and other International Financial Institutions also allow the Bank to add value in areas where other agencies may have a comparative advantage. Over the past few years, the Bank has partnered with the Inter-American Development Bank (IDB), the Multilateral Investment Fund, GCF, the Pan-American Health Organisation and others to encourage the private sector to take climate action, supporting green entrepreneurs, derisking and sensitising the private sector to mental health impacts of shocks and coping strategies. The Bank will continue to seek out partnerships in the provision of technical and financial assistance as well as outreach/sensitisation in order to enhance its development effectiveness.

Resilient Infrastructure

4.86 Building resilient infrastructure is meant to support BMCs as they undertake hazard mitigation projects and reduce the risks they face from disasters and natural hazards, as well as to improve the continuity of critical services such as energy, transportation and water and sanitation. SDF 11 can play an important role in the provision of resilient infrastructure to the Region by addressing infrastructure deficits in the water and transportation sectors, specifically as it relates to seaports, airports, and roads.

4.87 Opportunities for the improvement of public transport systems abound in BMCs. In this regard, it is proposed to commission an updating of the Public Transportation Study to identify a potential pipeline of projects. During the SDF 11 cycle, additional emphasis will also be placed on ensuring that the appropriate governance framework is in place by promoting planning, transparency, strengthening technical and managerial capabilities, and enhancing institutional and regulatory frameworks. The Bank will continue to support national DFIs to address climate risks, as part of their credit risk due diligence. This support will serve to strengthen knowledge flow and information dissemination about CC to financial institutions and the private sector to better inform their business decisions.

Building Financial Resilience

4.88 The Bank gives greater priority to financial resilience in recognition that strong PFM frameworks alongside the provision of, and access to sustainable low-cost financing, are critical to BMCs' medium and long-term development needs. CDB continuously assesses the modalities through which it can provide appropriate funding, i.e. (i) crowding-in additional concessional, non-concessional/market and other resources; (ii) strengthening its ability to generate capital internally including the determination of the need for a general capital increase; and (iii) engaging in co-financing arrangements.

4.89 Contributors in their consideration of Discussion Paper – The Development Financing Needs of CDB's BMCs 2024-2033 (SDF 11/1-NM-2) agreed with the Bank's financing needs analysis and its proposals for facilitating BMCs access to other essential funding streams to include the unlocking of callable capital in line with G20 recommendations to MDBs. Ensuring that the Region has sufficient resources to finance its development inclusive of responding to exogenous shocks, is a priority for both BMCs and the Bank. Over the medium term, SDF 11 will support measures that:

(a) improve the management of financial resources and creditworthiness (i.e. external credit rating for non-rated countries, debt profile management, debt restructuring and long-term financial sustainability management) of countries so that they can access a wider pool of resources for development;

(b) encourage the development of innovative financial instruments;

(c) better incorporate financial and non-financial risk management into budgetary processes; and

(d) support the building of fiscal buffers.

4.90 The Bank proposes to strengthen its own financial and risk management capacity to support regional development by engaging in a suite of measures which should increase the stock of resources available to be blended with the SDF, and in so doing, enhance the development impact of SDF and the Bank. Through its membership drive as well as reaching out to development partners who may be amenable to supporting the SDF as Contributors, the Bank is aggressively seeking avenues to channel new resources into the SDF.

4.91 It is recognised that while concessional financing contributes a significant and important proportion of CDB's financial resources for grants and on-lending, non-concessional sources provide the bulk of the development financing needed for investment in the BMCs. In this regard, Contributors requested the Bank to more frontally examine the issue of capital adequacy in the context of improving the efficiency of existing and future capital (including the treatment of callable capital), as well as measures for augmenting capital through non-traditional mechanisms, and significantly increasing new equity from shareholder contributions and retained earnings.

Building Institutional Resilience

4.92 The implementation capacity challenges warrant urgent attention by the Bank if it is to appropriately support the transformation of BMCs to more resilient economies. The institutional resilience pillar acknowledges that both BMCs and the Bank working with other development partners must work together to ensure that development solutions are delivered efficiently and effectively. This imperative of building implementation capacity will supplement the other corporate priorities required to build the Bank's institutional resilience such as a focus on results and development outcomes, enhancing disclosure and transparency, improving value-for-money and enhancing the quality of operations.

4.93 Contributors and the Bank agreed on the absolute necessity for strengthening implementation capacity both in BMCs and at the Bank. Contributors supported the proposals for improving implementation capacity at the Bank and suggested that further analysis be continuously undertaken, and the approved initiatives be adequately resourced to ensure the desired outcomes.

Building BMC Implementation Capacity

4.94 Strengthening BMCs' implementation capacity remains a top priority for the Bank. Challenges in implementing both national development strategies and projects in the face of socio-economic and natural hazard vulnerabilities, impede the Region's progress towards attaining development outcomes.

4.95 CDB estimates that 70% of implementation activities occur in BMCs and hence, strengthening in-country systems must be given the highest priority by the Bank and other development partners as they try to deliver resources more efficiently and assist BMCs to realise targeted development outcomes within planned schedules. Over the medium-term, support for strengthening countries' implementation capacity will rest on three interconnected pillars, namely governance, digitalisation, and partnerships. The ongoing implementation study will identify, based on detailed knowledge of capabilities, the capacity-building solutions to be addressed in BMCs and by extension within CDB. While these recommendations can provide solutions to BMCs, the Bank recognises there may also be opportunities to apply regional, as well as programmatic approaches to the assistance to benefit from economies of scale and secure additional buy-in from beneficiaries working collaboratively in the development space.

4.96 The challenge of building implementation capacity in BMCs does not only reside with CDB but is also highlighted among other development partners/agencies. As a result, the Bank will seek to leverage partnerships to help remove bottlenecks and deliver resources more efficiently to its BMCs. Importantly, building country capacity is a potential area in which CDB can show leadership. The Bank will leverage its knowledge of country and local systems, its position as a trusted advisor and its relationship with other development partners operating in the Region, to explore the feasibility of joint operations to identify and remove obstacles to implementation.

Building CDB Implementation Capacity

4.97 The Bank took concrete steps to improve the pace at which it can deliver project results through its Transformation Programme. Under this Programme, the Bank commenced implementation of the client relationship management system and reorganised critical aspects of its operations. In addition, the Bank has been able with the rollout of OP365 management information system to more efficiently track investments in TA product, which has been functioning as expected. Further, by the end of 2024, the Bank completed recruitment of the previously frozen and newly approved staff positions. The Bank will also continue to enhance staff capacity. Already the Bank has redesigned the process through which new staff are on-boarded to allow for more mentoring and training between the start date and assignment of key deliverables and ramped up training of existing staff to develop expertise in monitoring and evaluation. Key elements of the Bank's thrust to support delivery of results in BMCs will include:

(a) Strengthening its client engagement model, based on the findings of the capacity-building study and the development and adoption of country-specific capacity-building plans; and

(b) Implementing a more robust Pipeline Management system and Economic Capital and Exposure limits framework by end of 2025, subject to available risk capital, financial and other resources. Pursuant to the achievement of greater institutional and financial resilience, and cognisant of the desire to incorporate greater evidence-based decision-making through the tracking of progress on key resilience indicators, the Bank is in the process of developing a new Pipeline Management Framework. The Pipeline Management Framework will promote a more sales-oriented operations structure.

Procurement

4.98 CDB/SDF will continue to support procurement reform, particularly in the Organisation of Eastern Caribbean States (OECS). The nearly completed OECS Public Procurement Reform Phase II Project has had some very positive outcomes with new procurement legal-regulatory frameworks having been prepared for six BMCs and with advisory services currently being provided to enhance existing procurement law/regulations. Support has also been provided for the preparation of a procurement manual and the development of standard bidding documents in two additional countries.

4.99 A programmatic Phase III Reform Project is being developed to include:

(a) the completion of the legal-regulatory reform work in some BMCs;

(b) support to further existing World Bank (WB) efforts to develop harmonised standard bidding documents across the OECS;

(c) development of more procurement manuals/guides;

(d) support for the wider introduction of e-procurement and a capacity-building initiative in partnership with the OECS Commission and WB; and

(e) support for procurement reform in CARICOM institutions.

Cross-Cutting Themes

Gender Equality

4.100 The Bank is deeply committed to addressing the differential needs of males and females as it relates to building environmental, social, production, financial and institutional resilience. The multiple crises and fragility in the global political economy have led to fundamental changes that influenced the implementation of the GEAP 2020-2024 and have revealed emerging areas that need attention. GE is a critical precondition for the achievement of sustainable development. To build resilience, it is imperative that CDB continues to prioritise gender mainstreaming as a strategic approach to reduce persistent gender gaps.

4.101 The Gender Equality Policy and Strategy alongside the GEAP reinforces the Bank's drive to ensure inclusive and equitable outcomes in all interventions by promoting gender mainstreaming and advancing gender-specific projects. Given persistent gender inequalities and the continuing institutional weakness of national gender machineries, the Bank is in the process of reviewing and revising its GEAP. The updated GEAP seeks to address the exacerbating effects that several unprecedented global crises have had on the Bank's BMCs, and on the most vulnerable members of these countries such as women, girls, PWDs, migrants and youths. The GEAP also identifies the disproportionate burden of unpaid care work borne by women and the fact that it this is an impediment to the achievement of GE.

4.102 While the GEAP Update 2025-2027 will be instrumental in providing additional guidance on the proposed orientation for SDF 11, based on the unfinished agenda of SDF 10 and preliminary thinking around the next cycle, some indicative areas of focus include the generation of gender knowledge products for the Caribbean, assistance to strengthen GBV prevention and response, pursuing opportunities to advance women-owned enterprises[19/], ensuring equal access to economic and social infrastructure, and ensuring equitable access to psychosocial support following natural hazards or other impacts.

4.103 Contributors appreciated the continued focus on GE within the Bank and the opportunity to engage on the proposed way forward for 2025-2027, as set out in the discussion paper. They noted that despite some progress over the past few years, GE and the elimination of GBV remain elusive goals in the Region and supported having clear policy commitments to increase ambition on gender equity, including gender mainstreaming together with a gender lens on climate issues, advancing gender-specific projects and the strengthening of results measurement of gender outcomes. The Discussion Paper will be developed into the proposed GEAP 2025-2027, which is intended to inform the GE programme to be supported in the SDF 11 programme.

4.104 Contributors further advocated for an integrated GE and social inclusion approach and suggested that the new GEAP should balance the need for more data with practical implementation of initiatives on the ground. Given the pervasiveness of gender inequality across the Region, a set-aside which supports the pillars of the GEAP and the following aims is proposed:

(a) extends eligibility to grant funding for gender interventions to all BMCs;

(b) makes grant funding also available to infrastructure for GE – such as one-stop centers to reduce GBV in the Region;

(c) targets governance and capacity building in BMCs' National Gender Machineries; and

(d) allocates resources for GE capacity building, procedural and institutional change required to the current climate negotiation process – including but not limited to centering the needs of the most vulnerable through greater representation at sites of negotiation.

Good Governance and Evidence-based Decision-making

4.105 Good governance is critical to timely and effective project and policy implementation and is a necessary condition for improved development effectiveness. Yet, it is an area in which the Region has consistently struggled. Over the medium term therefore, building on its Public Policy Analysis and Management/Project Cycle Management project, the Bank proposes to focus on improving procurement and other legislation; and enhancing the capacity of senior officials to promote policy/strategy/ project/public sector investment programme, implementation, and to enact reforms. These and other areas will be critical in helping to enhance the capacity of regional agencies to more effectively execute projects and policies.

4.106 Furthermore, addressing the capacity gap in the areas of institutional reform, evidenced-based policy formulation, economic management, judicial and public service delivery, legislative and regulatory frameworks and statistics is crucial to progress on the SDGs and BMCs' development ambitions. Support for the critically important area of data collection and statistics will require strengthening national statistical systems, upgrading and integrating ICT in statistics collection, compilation and dissemination, promoting careers in statistics, as well as developing a regional approach for the development of statistics. Together with key development partners, the SDF can support capacity-building of national statistical offices, strengthen development planning systems and embedding a more focused results culture.

[19/] Bocconi University, Phenix Capital Group, Politecnico di Milano and UN Women (2024): Empowering Women, Building Sustainable Assets: Strengthening the depth of gender lens investing across asset classes; Retrieved from: empowering- women-building-sustainable-assets.pdf (unwomen.org)

4.107 Improved governance in BMCs is central to the achievement of the Region's growth and development objectives, and it is also an essential component of CDB's risk management, and organisational efficiency and effectiveness. In view of this, it is important that the treatment of good governance in SDF 11 be accompanied by a clear and actionable Governance programme.

4.108 While TA loans and grants will continue to be the primary instruments used by CDB in pursuing good governance interventions in its BMCs, there are several existing opportunities to give it a sharper focus and mainstream it in the Bank's operations. These include:

(a) incorporating governance assessments and programming into the CES, making this the main document for identifying governance issues;

(b) carrying out governance and fiduciary assessments at project, sector and implementing agency level during project appraisal and supervision;

(c) rationalising CPAs Institutional Assessment process and findings with CES and Project Cycle Management/Public Policy Analysis and Management governance assessments;

(d) addressing governance in sector institutions through institutional strengthening components in project loans, and follow-on TA as necessary; and

(e) continue leadership and engagement with key stakeholders on corruption, compliance and related areas.

Strategic Approach to Poverty Data Collection

4.109 By shifting from fragmented, project-level efforts to cohesive, coordinated, and technology-driven strategies, this approach would provide a more accurate and actionable picture of poverty and vulnerability, facilitating evidence-based policymaking and targeted interventions in the Region. A more strategic approach to poverty data collection would therefore involve continued support to strengthening national and regional integrated systems, through the Bank's institutionalised ECPA Programme buttressed by Development Partners' efforts. This strategic approach is informed by CDB's experience in supporting its BMC since 1995 in undertaking poverty assessments, and implementation of the current ECPA Programme which incorporates current global good practice re: framework for poverty data collection, analysis and dissemination. CDB's strategic approach therefore encompasses several key components of the ECPA currently being implemented in OECS and non-OECS BMCs with mainstreamed gender analysis of datasets and qualitative data in alignment with the Bank's Gender Equality Policy and Operational Strategy. These include:

(a) Establishing/Enhancing national databases by supporting among other things, centralised data systems, household surveys, poverty and vulnerability mapping.

(b) Supporting the harmonisation of regional standards to allow for greater comparability of regional data.

(c) Supporting digital tools that allow for real-time poverty data collection.

(d) Integrating with social protection systems by facilitating the use of data from social protection programmes to continuously update poverty metrics to develop and enhance targeting mechanisms.

(e) Increasing the frequency of data collection - Support to Labour Force Surveys with the inclusion of key multidimensional poverty indicators to capture data in a timely manner.

(f) Supporting Disaster and Vulnerability Assessments - Integrate DRR metrics with poverty data by utilising the ECPA Programme Toolkit to ensure greater multi-dimensional and quantitative analysis of how natural hazard events, CC and climate variability are affecting households' living conditions.

(g) Supporting Regional Data-Sharing Platforms **-** Strengthen a Caribbean-wide data-sharing system to allow governments and organisations to access and use poverty data collaboratively through coordinated efforts of CDB and other partners including ECLAC.

Regional Cooperation and Integration

4.110 As a charter-derived mandate of the Bank, RCI must play an important role in the Bank's operations to support the drive for resilient prosperity. Over the SDF 11 period, regional cooperation will not only look at multi-country solutions but will also be driven by regionally agreed policies or strategies. Importantly, the Bank will also give some priority to regional initiatives that have the potential to lead to capital investments. More specifically, during SDF 11, the Bank will seek to support:

(a) the promotion of cross-sectoral and cooperation-led reforms (legal, institutional, regulatory, infrastructure) to improve the regional trade environment and its overall competitiveness;

(b) the transformative adaptation of the agriculture sector for long-term food security in a way that positions the sector for high growth. Special emphasis on increased resilience of food systems to natural hazards and CC;

(c) a strengthened regulatory framework for intra-regional trade which, *inter alia*, facilitates the coordination and improvement of the regional quality infrastructure to provide efficient testing and inspection systems for trade facilitation leading to the harmonisation and mutual recognition of standards;

(d) institutional strengthening of collective action groups (BSOs, NGOs, Chambers of Commerce, government agencies, etc.) to support trade development and market entry activities, as well as trade cooperation and trade integration activities;

(e) enhanced market linkages through improved transportation logistics and port community systems; and

(f) strengthening the Intellectual Property Ecosystem to increase the innovation, competitiveness and growth of regional businesses. This will include the promotion and adoption of regional IP management frameworks for the protection and commercialisation of innovative products and services in regional and international markets.

4.111 During the programme period, the Bank will intensify its support for the continuation of the commissioned research project "Logistics for Intra-Regional Trade and Economic Development"; CARICOM's preparation of special monographs from census data on youth, PWD, women and children under a regional statistics project; and the development of Guidelines and Protocols for priority commodities to facilitate intra-regional trade.

4.112 The motivation for developing an OECS CES is strongly influenced by the shared challenges and vulnerabilities that member states face including economic fragility due to small market sizes and limited diversification, susceptibility to natural disasters, and environmental risks. This shared landscape presents opportunities for a coordinated approach that can effectively and efficiently address common issues, harmonise policies, and enhance cooperation that can bolster the resilience and economic stability of the entire Region.

4.113 The impetus for developing this strategy is also deeply rooted in the founding principles of the CDB. The Bank's purpose includes the promotion of economic cooperation and integration among BMCs, having "special and urgent regard to the needs of the less developed members of the Region". Furthermore, the Bank's SPU and the priorities of the SDF underscore the importance of RCI as critical goals. By crafting a strategy for the OECS that addresses sub-regional challenges and devises common solutions, the Bank aims to significantly advance its foundational purpose and strategic priorities.

4.114 Consistent with both the OECS Development Strategy (2019-2028) and CDB's own strategic focus, the objectives of the OECS Strategy will seek to support sustainable and inclusive economic growth that can sustain improved quality of life of citizens of the OECS territory by potentially focusing on areas aimed at:

- Enhancing productivity and competitiveness;
- Enhancing equitable and easy access to quality social services, including health, education and social protection;
- Promoting and maintaining environmental integrity while supporting enhanced growth, productivity, social equity, resilience and adaptive capacity; and
- Enhancing evidence-based decision-making.

Innovation including Digitalisation

4.115 The Bank has previously articulated that resilience building needs to be done through a lens of innovation. The application of new ideas, approaches and methodologies is a principal way in which BMCs can attain higher rates of development while helping to ensure that the system, sector or economy, once impacted by a shock can quickly resume operations. Consequently, the Bank and its BMCs must apply new ideas to projects, policies, strategies and processes, and in general, support an environment that encourages innovation, to help deliver meaningful results faster.

4.116 The Bank has long recognised the transformational impacts of the digitalisation ranging from lower transaction costs, increasing decentralisation/flexibility in the provision of services, and easier retrieval of information for decision-making. The Bank has been gradually infusing technology into its interventions with perhaps the most recent being in the education sector as part of Let's REAP to address learning loss; and to UWI to support its digitalisation efforts following the pandemic. In addition, the Bank has supported digital interventions in agriculture.

4.117 Importantly, there have also been efforts to infuse technology into the Bank's private sector offerings, most notably through the CTCS's business adaptation programme, and other support to connect MSMEs to potential digital market spaces. Looking forward, therefore, the SDF will be leveraged to mainstream digitalisation across the Bank's sectors of engagement including infrastructure, private sector – potentially through the use of innovation hubs, digital platforms for government services, and education and training.

4.118 As a cross-cutting theme, the Bank will seek opportunities to incorporate digitalisation in its interventions, to build institutional capacity and strengthen outcomes. CDB will strengthen its use of TA and capital investment projects to advance digital transformation in the public sector, inclusive of the reconfiguration of business processes to accommodate and exploit the optimal use of digital solutions. The development and roll-out of innovation hubs in BMCs and at the Bank are expected to give impetus to the adoption of digitisation measures in countries. The Bank will continue to seek out other opportunities to enhance innovation (e.g. supporting related research, providing training on entrepreneurship etc.).

4.119 In addition, the Bank will support BMCs to close the digital divide. It will utilise its lending and non-lending services, including knowledge products, to deepen ICT development as an important growth enabler and to help improve BMCs' digital adoption index ranking. The Bank will infuse technology in traditional areas of lending including education and agriculture to improve development outcomes; and promote newer areas such as cybersecurity.

5. FINANCIAL RESOURCES AND PROGRAMME LEVELS

Programme Levels and Funding

5.01 Contributors agreed on an overall programme level for SDF 11 of $460 mn (See Box 2), to be financed from internally generated resources within the SDF of $208.3 mn, agreed new contributions of $126.4 mn, resources released from portfolio management of $27.9 mn and an allocation from the Bank's OCR net income of $15 mn[20/] with an unallocated structural gap of $82.4 mn. Contributions to the latter are expected from additional pledges expected from current SDF Contributors in the second half of 2025, prospective new members and Contributors and, to the extent possible, by inflows from adjustments in encashment of demand notes or payment schedules.

5.02 SDF has done remarkable work in a development space which continues to become more complex as new development challenges need to be addressed. The proposed SDF programme levels are essential to enable SDF and the Bank to assist BMCs to reduce poverty and inequality, to build resilience to natural hazard events and external economic shocks, to identify, and exploit opportunities for achieving inclusive and sustainable growth and development, and to support measures for the achievement of Caribbean-relevant SDG targets.

5.03 Contributors agreed that the following developmental priorities justify the urgent need for the deployment of SDF 11 resources:

- **Climate Action and DRM** activities are viewed as the key priorities to be addressed in SDF 11, requiring greater ex-ante support for CCA lending in alignment with the outcomes of the Perception Survey.

- To address **fragility in Haiti**, SDF 11 will need to support an increased capacity to appraise and supervise projects in-country through bolstering of the HCO's capabilities and the deepening donor collaboration.

- The **BNTF** is instrumental in reducing poverty and inequality across its participating countries. Actioning the relevant recommendations arising from the SDF-10 MTR will enhance BNTF's effectiveness and reach.

- **Implementation capacity** has been identified an impediment to effective execution of projects across the Region. The ongoing TA study will propose solutions to the root causes of this challenge**,** that are likely to require additional investment.

- The recently approved **PSS** includes among its priorities improvements to legal and regulatory frameworks that enhance the enabling environment for MSMEs, as well as greater access to financing for private sector entities which is a key enabler of their sustainable growth.

BOX 2: SDF 11 PROGRAMME LEVEL AND FUNDING

	('000)
Commitment Authority Carried Over	24,728
Expected net income	4,302
Loan repayments	179,294
Sub-total internally generated SDF resources	*208,324*
Pledged new contributions as of March 2025	126,367
Resources released from Portfolio Management	27,900
Allocation from OCR Net Income	15,000
Sub-total available and committed resources	***377,591***
Unallocated structural gap/New contributions	82,409
TARGET PROGRAMME LEVEL	***460,000***

[20/]The allocation from OCR net income to SDF is subject to a recommendation by the BOD and approval of the Board of Governors, respectively. Such action will be taken during the SDF 11 period and not later than December 31, 2027.

- **Vulnerability and resilience** will now be incorporated to the **SDF Performance-Based Allocation System (PBAS)**. With the proposed enhancements, there will be more countries that become eligible for lending, requiring expansion of SDF country loan allocations.

- Additional support is needed for **RCI** initiatives, including food security, intra-regional trade, transportation logistics, port community systems and enhancing of intellectual property ecosystems.

- The actions arising from the **GEAP (2025-2027)**, will need enhanced support from the SDF programme.

Allocation of Resources

5.04 Contributors also agreed that the SDF 11 programme should consist of the allocations set out in Box 3 below, subject to review as appropriate. As compared with the SDF 10 allocations, the SDF 11 allocations provide for:

BOX 3: PROGRAMME ALLOCATIONS

	SDF 10	**SDF 11**
Loans		
Country and Regional Loans	211,000	229,000
Environmental Resilience	40,000	70,000
Sub-Total – Loans	**251,000**	**299,000**
Set-Aside for:		
BNTF	40,000	46,000
Haiti	45,000	50,000
BMC Capacity Building	12,000	
Environmental Resilience	18,000	23,000
Capacity Building (public and private sector)	-	33,000
Private Sector Development	15,000	
GE	2,000	9,000
Sub-Total Grants	**132,000**	**161,000**
Total Programme Level	**383,000**	**460,000**
Structural Gap	**32,004**	**82,409**
Percentage of Grants (%)	**34.5**	**35.0**

5.05 The set-asides, other than those for BNTF and Haiti, are not allocated to countries but to specific purposes targeted to ensure the most effective use of available resources to achieve the objectives of the replenishment, and to maximise outcomes within the timeframe of SDF 11 and the 2030 target dates for the SDGs. The Bank will pursue opportunities for blending SDF 11 and other concessionary as well as non-concessionary resources which can catalyse additional investment in targeted areas. Contributors also requested that the Bank review and streamline the grant set-asides to the extent possible, to allow greater flexibility in the use of the grant resources while having regard to the priority given to the "Environmental Resilience" and "Gender Equality" set-asides. To that end, the "BMC Capacity Building" and "Private Sector Development" set-asides have been consolidated to "Capacity Building (public and private sector)". At the MTR of the cycle, set aside amounts and other allocations will be reevaluated and reallocated as necessary.

Country Eligibility, Groups and Financing Terms

5.06 Following discussion of some challenges with the existing PBAS at the first and second SDF formal negotiation meetings this year[21/], Contributors agreed to a set of adjustments to enhance the effectiveness and efficiency of SDF resources in the upcoming cycle.

5.07 **Eligibility:** The Caribbean Multidimensional Vulnerability Index (CMVI) will be incorporated in the PBAS to account for vulnerability and resilience in determining country eligibility for SDF resources. This will be done through the determination of a "composite score" for each eligible BMC, which is calculated by dividing each country's Gross Domestic Product per capita (GDPpc)[22/] by its CMVI score. Countries with composite scores above 250 will be classified in Group 1, whilst those with composite scores below this threshold will be in Group 2 and therefore eligible for an SDF loan allocation. The GDPpc, CMVI and composite score for each country are found in Appendix 3.

5.08 **Allocation:** The existing formula used for the allocation of SDF resources will be updated (see Appendix 5) such that the variable representing the total country population will be removed while the variable representing the number of poor people in the country will remain, as the latter is more representative of the disadvantaged portion of society. Further, the existing economic vulnerability variable will be replaced by the CMVI and the existing exponent increased from 2 to 3, giving greater prominence to vulnerability and resilience in the calculation.

5.09 **Minimum Threshold:** A minimum threshold of $10 mn will be established for all country allocations to ensure that SDF resources have a meaningful impact on the reduction of poverty and enhancement of resilience in eligible BMCs.

5.10 **Impact:** As a result of the proposed changes to country eligibility, Guyana will move from Group 2 to 1 due to the large increases in its GDPpc, while the methodology indicates that Barbados and Trinidad and Tobago would move from Group 1 to Group 2 due to above-average CMVI scores and below-average GDPpc respectively. However, Trinidad and Tobago has requested that they be treated as a Group 1 country and hence will remain in Group 1 for this cycle. Additionally, it was agreed that Guyana will remain eligible for support from BNTF during SDF 11, as there remains an important role for this programme in relieving poverty, particularly in rural areas.

5.11 All BMCs will be eligible for Environmental Resilience loans and grants given the CC challenges faced regionally, and the priority placed on enhancing environmental resilience in SDF 11. As in previous SDF cycles, Group 1 countries will benefit from regional projects, support for Regional Public Goods (RPG) and capacity-building initiatives. They are also eligible for highly poverty-focused projects such as CPAs and the preparation of National Poverty Reduction Strategies, and for emergency assistance in the event of a natural hazard.

5.12 Contributors approved the continued use of country groupings, for setting terms and conditions for SDF lending and providing a basis for the blending of SDF and OCR at the country level. While no BMC is ineligible for SDF resources, countries in Group 1 do not receive a country allocation (see Table 1 – Country Groups and Terms of Lending for SDF 11).

5.13 Contributors noted that SDF has traditionally included grant financing, as particularly appropriate for certain types of activity, such as BNTF, capacity building, RPGs, immediate disaster response, and was the appropriate form of financing for Haiti as a fragile state. They agreed that grants continue to be important for these purposes and for support to some development areas, as reflected in the programme allocations.

[21/]SDF 11/1-NM-3 "Country Eligibility, Vulnerability & Allocation of the Special Development Fund resources" was discussed at the first SDF negotiation meeting, and "11/2-NM-5 "Country Eligibility, Vulnerability and Allocation of the Special Development Fund Resources" was discussed at the second SDF negotiation meeting

[22/]GDPpc was also rebased from 2005 to 2015 dollars

5.14 Considering the ongoing economic and fiscal challenges confronting BMCs, coupled with ongoing effort being made among MDBs to restrict non-concessional debt growth for low- and middle-income countries at risk of high debt distress, Contributors approved lending rates and tenors applicable to SDF 11 loans which increases the concessionality of SDF 11 lending. Utilising the composite score methodology discussed in paragraph 5.07 above, the country groupings and corresponding terms of lending for SDF 11 are shown in Table 1 below.

TABLE 1: COUNTRY GROUPS AND TERMS OF LENDING FOR SDF 11

Country Group	Country	Terms of Lending
Group 1 (Mainly OCR)	Anguilla Antigua and Barbuda Bahamas, The British Virgin Islands Cayman Islands Guyana Montserrat St. Kitts and Nevis Turks and Caicos Islands Trinidad and Tobago*	Interest rate – 1% Maximum Grace Period – 5 years Maximum Overall Maturity – 25 years
Group 2 (Blend of SDF and OCR)	Barbados Belize Dominica Grenada Jamaica Saint Lucia Saint Vincent and the Grenadines Suriname	Interest rate – 0.75% Maximum Grace Period – 5 years Maximum Overall Maturity – 35 years
Group 3 (Mainly SDF)	Haiti	

*Remains in Group 1 at request of country

Projected Commitment Authority and Contributions

5.15 SDF commitment authority for new financing, as in the case of other MDBs' concessional funds, is derived from new contributions and internally generated resources, including any carryover into the period. The impact of any exchange rate changes or other adjustments will be considered at the end of each financial period.

5.16 The projected commitment authority for SDF 11 is shown in Table 2 as a phased series of annual levels consistent with the flow of internally-generated resources and the approximately equal instalments in which contributions are normally made.

5.17 Contributors welcomed this presentation of SDF 11 commitment authority as consistent with the practice of other concessional funds. They supported the advance payment of instalments on new contributions where individual Contributors can make such payments, as a contribution to increasing SDF income and thereby financing a part of the structural gap for SDF 11.

5.18 To ensure that the momentum of SDF operations can be maintained pending the deposit of Instruments of Contribution, Contributors authorised the Bank to use Instruments of Contribution as these are deposited, as well as any advance installments, as commitment authority during 2025, unless otherwise indicated by the Contributor concerned.

TABLE 2: PROJECTED COMMITMENT AUTHORITY FOR SDF 11
($'000)

	2025	2026	2027	2028	2025-28
Commitment Authority at the beginning of the period	**24,728**	**40,958**	**15,797**	**36,137**	**24,728**
Plus: Net Income	774	860	1,076	1,592	4,302
Plus: Repayments	44,062	44,454	45,369	45,409	179,294
Commitment Authority from pledged and new contributions	25,273	52,194	75,324	55,985	208,776
Allocation from OCR net income	3,750	3.750	3,750	3,750	15,000
Resources released from Portfolio Management	1,395	6,975	9,765	9,765	27,900
Funds Available for commitment	**112,299**	**165,258**	**156,733**	**156,387**	**460,000**
Less: Approvals for SDF Loans	35,928	84,269	77,151	99,702	297,050
Less: Approvals for SDF Grant financing	19,346	45,376	41,543	53,685	159,950
Commitment Authority at end of the period	**57,025**	**35,613**	**38,039**	**3,000**	**3,000**

6. RESULTS MONITORING FRAMEWORK FOR SDF 11

6.01 Progress on the Bank's SDF 11 operations will be monitored and tracked at three levels (Levels 1 to 3 of the SDF 11 RMF). These targets are specific to programmes and projects that are wholly or partly funded by the SDF. The projections presented in the SDF 11 RMF leverages extensive data from the Bank's project management tools, resource documents, and financial systems to report on achievements of SDF 10 and to support projections for the period 2025-2028. The SDF 11 RMF will also report separately on outcomes from BNTF and Haiti Grant activities. The detailed RMF is set out at Appendix 4. Wherever relevant, impact stories will be used to cover results of engagements that are not directly captured by the RMF indicators.

Level 1: Progress towards SDGs and Regional Development Outcomes

6.02 Level 1 indicators track regional progress on poverty and income inequality, education and training, unemployment, intra-regional trade, doing business or business competitiveness, affordable and clean energy, climate action, youth development, and good governance. Indicators at this first level of the RMF are consistent with priorities highlighted in the 2030 Agenda including SDGs 1, 4, 6, 7, 8, 10, and 13. Performance in relation to the indicators and targets at Level 1 reflects the results of combined efforts of BMCs and other development partners. This information provides a regional context and direction for CDB's interventions (projects, policy-based loans, TAs) in line with its strategies and policies.

6.03 Given the magnitude and persistence of development challenges, progress on key indicators at Level 1 may not shift in the short term. Nonetheless, investigating the relationships between these indictors can provide valuable insights and inform management decisions, course corrections, and prioritisation.

Level 2: CDB's Contribution to Development Outcomes

6.04 Indicators at this level are grouped under the five SDF11 themes and the cross-cutting areas. These themes are aligned with the overarching goal of fostering resilient development, as outlined in the SDF 11 Programme. In addition, Level 2 of the RMF continues to monitor the BNTF's contribution to development outcomes.

6.05 The indicators remain consistent with the core message of the Bank's Strategic Plan 2020-24 and the SDG Agenda, which is focused on building resilient capacities and achieving resilient development outcomes, particularly with respect to the SDGs. As before, beneficiaries of SDF-funded initiatives at this level will be disaggregated by sex and age, where possible. It should be noted that the targets in the draft RMF (Appendix 4) represent outputs and outcomes related to ongoing projects and projects in the pipeline. These targets will need to be updated at the end of 2025 or when the SDF 11 funds are substantially programmed, whichever is sooner.

Level 3 - How well the Bank manages its operations

6.06 A key factor in strengthening CDB's agility and responsiveness is its operational efficiency and effectiveness. The Bank recognises that it can only increase its contribution to country and regional outcomes and overall development effectiveness by continuing to improve its operational performance. This involves, producing high-quality country strategies, designing well-structured projects and programme, ensuring satisfactory supervision; and sharing lessons to inform future strategies and projects.

6.07 Level 3 of the RMF tracks operational performance through four categories of indicators: operational processes and practices, portfolio performance; the quality of new and ongoing operations; resource allocation and utilisation; and selectivity and strategic focus. These indicators ensure that CDB prepares and designs high-quality initiatives that support better strategic planning, enhance project readiness, and ultimately improve implementation timelines. Additionally, these indicators also facilitate more efficient tracking of how the Bank allocates resources to its BMCs.

Review of the RMF Indicators and Targets

6.08 To ensure continued alignment with the Bank's strategic direction and priorities, Management will review and amend the SDF11 RMF as needed, following the Board's approval of the Strategic Plan (2026-2035) and the corporate RMF. The revised SDF11 RMF will then be presented to Contributors for review and approval by Q1, 2026.

7. IMPLEMENTATION OF SDF 11

7.01 Contributors and the Bank have laid great emphasis on the primary objectives of building social, economic and environmental resilience, reducing poverty and inequality, and transforming lives. The SDF 11 programme will also focus on assisting BMCs to accelerate progress towards the SDGs in the countdown to 2030. In particular, the Bank will support the achievement of SDG targets relevant to the Caribbean. The successful implementation of an increased level of well-targeted SDF operations during SDF 11 is an opportunity for the Bank/SDF to further its objectives in the areas of Social Protection, GE, DRM and CC, and private sector development, including MSME growth.

7.02 Contributors and the Bank agreed on an Implementation Plan for SDF 11 structured in terms of the agreed themes and cross-cutting areas with monitoring parameters and target timeframes/dates in each area.

7.03 The Implementation Plan focuses on a relatively small number of key guidelines that are critical to the attainment of SDF 11 objectives: aligning the operational programme with strategic themes and crosscutting areas, within available resources and capacity; ensuring that country programme planning is based on performance as well as needs; on results-based CES; and that TA operations are increasingly targeted at strategic priorities and results.

7.04 The priorities for implementation are summarised in Table 3: Implementation Plan for SDF 11.

TABLE 3: IMPLEMENTATION PLAN FOR SDF 11

OBJECTIVES	PROPOSED ACTIONS	MONITORING PARAMETERS
Building Social Resilience Leaving No One Behind: Addressing the Challenges of Poor and Vulnerable Communities and Countries and contributing directly and indirectly to the Achievement of SDGs 1, 2, 3, 4, 5, 6, 8, 10, and 11.	**Education and Training**: i. Support implementation of a model Special Education Needs Policy and Strategy for the Region. ii. Continued upgrade of learning environments and initiatives to improve the quality of education by enhancing school leadership, teacher efficacy and student support services. iii. Expanding access to demand-driven TVET programmes. iv. Review and update the Bank's Education and Training Policy and Strategy.	Appraisal Reports; OP365 data; Project Progress Reports; PSRs, PCRs; WPB
	Poverty Inequality and Social Protection: i. Support and expand social protection assessments, policies and legislation. ii. Strengthen social protection through scaling-up of cash transfers, unemployment insurance and measures to improve financial inclusion and literacy.	Appraisal Reports; OP365 data; Project Progress Reports; PSRs, PCRs; WPB
	Crime and Citizen Security: i. Support interventions to strengthen the role of the school in instilling prosocial behaviour and preventing dropouts. ii. Enhance community cohesiveness, resilience and efficacy for violence prevention. iii. Enhance the policy and legislative frameworks for citizen security.	Appraisal Reports; OP365 data; Project Progress Reports; PSRs, PCRs; WPB
	BNTF Programme: Support sub-projects aimed at enhancing basic infrastructure and improving access to educational facilities and quality of teaching in impoverished and rural communities, in the following focus areas: (i) enhancement of education infrastructure and training of teachers and principals across early childhood, basic education, and post-secondary (TVET) levels; (ii) initiatives to increase access to improved water and sanitation services; and (iii) construction and enhancement community facilities, roads, landslip protection, and urban drainage systems.	Annual BNTF Reports; Country Level Progress Reports; Data from OP365; Mid-term Evaluation report
	Civil Society Engagement: Develop a civil society engagement and partnership strategy which will set out how CDB will work with and support civil society in the medium to long term.	Appraisal Reports; WPB
	Haiti: Implement CES for Haiti (approved 2024) and strengthen capacity for implementation of operations in Haiti by augmenting capacity in the HCO; and developing a framework for operating in fragile states.	CES Mid-term evaluation/ review;
	Water and Sanitation i. Increased support for mainstreaming an integrated water resources management approach, including the sectoral assessment of climate risk using CDB's WaterRISK tool, smart water systems, and tariff setting. ii. Increased support for integrated solid waste management initiatives, and the promotion of zero waste and/or circular waste approaches. iii. Continued support for inclusive, resilient and sustainable infrastructural investments towards increasing the availability of safe drinking water and wastewater services, particularly in rural communities. iv. Promotion of inclusive, resilient and sustainable investments towards expanding wastewater services, and including reuse.	Appraisal Reports; Project progress Reports; PSRs, PCRs, OP365 data

OBJECTIVES	PROPOSED ACTIONS	MONITORING PARAMETERS
	v. Support for disaster risk transfer products such as the parametric insurance offered by CWUIC SP. vi. Increased support for human resource development and public awareness initiatives in areas such as utility management, project management, recycling and water conservation. vii. Institutional strengthening support for existing regional water sector organisations such as CWWA, CAWASA and CWUIC SP. viii. Support primarily through regional institutions such as CWWA, CAWASA, CWUIC SP and UWI for initiatives such as utility performance benchmarking potentially through the expansion and update of the RSAP and IDB Caribbean Water Study, water economics research and data hubs a regional waste characterisation study, and update of the CWMAP.	
Building Production Resilience: Consistent with the targeting of SDGs 2, 5, 8, 9, 11 and 15, 4 actions will be focused on limiting the magnitude of production losses arising from economic shocks, and improving recovery from setbacks over the medium to long-term.	**Agriculture**: Support agricultural and rural development initiatives to strengthen the sector's resilience, improve food security, improve access to markets, and promote sustainable agricultural practices. i. Pillar 1: Investments to improve the enabling environment for Agricultural Value Chains. This will include TA and research to enhance value chains, improve agriculture data management and sharing, strengthen food safety standards, and promote gender-responsive approaches to improve agrifood distribution and logistics systems. ii. Pillar 2: Support public and private infrastructure/equipment investments to increase sector productivity and reduce the cost of production; reduce trade costs; enable farmers and fisherfolks in BMCs to comply with the requirements of high-value markets; improve the resilience of the agricultural sector to CC and natural hazard events; and support poor rural household efforts to increase their own production/food and nutrition security.	Appraisal Reports; Project progress Reports; PSRs, PCRs, OP365 data
	Private Sector: i. Provide TA and investment lending to assist BMCs in improving the entrepreneurial ecosystem. ii. Provide TA to DFIs to support the development of new financial instruments and markets. iii. Build capacity of BSOs, MSMEs, and financial institutions to strengthen business operations and governance. iv. Crowd-in additional private capital. v. Scale-up the CTCS and CIIF programmes	Annual Report on Private Sector activities; Reports from DFIs, PSRs, PCRs
	Resilient Infrastructure: i. Increased investment in climate resilient economic infrastructure in BMCs, including sea defenses, drainage, roads and bridges. ii. Update and Implement Urban Sector Policy.	Appraisal Reports; Project progress Reports; PSRs, PCRs, OP365 data
Building Environmental Resilience: through measures that support DRR, Energy Security and the mitigation and adaptation to the effects of CC consistent with the attainment of SDGs 5, 7, 11, 13, 15 and 17.	**Climate Action and DRM**: i. Mobilise additional concessionary resources to support BMCs' DRM and climate action agendas, including developing a pipeline of initiatives for the GCF. ii. Develop and implement a Climate Resilience Strategy and Action Plan. iii. Raise awareness and build capacity among communities to improve response and adaptation to natural hazards and CC. iv. Review and update environmental and disaster management policies, plans, and legislative frameworks. v. Upgrade early warning and risk management systems, incorporating advanced technology for disaster preparedness and response.	Appraisal Reports; Project progress Reports; PSRs, PCRs, OP365 data

OBJECTIVES	PROPOSED ACTIONS	MONITORING PARAMETERS
	SE: i. Support for capacity-building to strengthen BMCs energy sector governance framework. ii. Support the development of Integrated Resource and Resilience Plans for the electricity sector in BMCs, in collaboration with other development partners. iii. Strengthen the Electricity Sector Governance for improved private investment RE/EE/EI in support of the Regional Regulatory ASERTive. iv. Promotion of Just Energy Transition: a. Promotion of RE and EE solutions for low-income households. b. Enhanced mini/micro-grid for remote and rural communities. v. Promotion of SE in Public Sector: a. Support for strategy for greening of public sector facilities. b. Promotion of E-mobility in the public sector. vi. Improve resilience of electricity grid and scaling of RE to unlock regional RE potential for improved energy security and economic transformation.	Appraisal Reports; Project progress Reports; PSRs, PCRs, OP365 data
Building Financial Resilience: to ensure that the Bank and BMCs have sufficient resources to finance development objectives and respond to exogenous shocks	Strengthen the Bank's own financial and risk management capacity and increase the stock of resources available to be blended with the SDF to enhance the development impact of SDF.	**CDB Annual Reports; Risk Agency Ratings and Reports**
	Support measures that improve the management of financial resources and creditworthiness of BMCs to improve their access to a wider pool of resources; encourage the development of innovative financial instruments; incorporate financial and non-financial risk management into budgetary processes; and support the building of fiscal buffers.	**International risk ratings and reports; CDB Risk Assessments and Reports**
Building Institutional Resilience: Strengthening CDB and BMC implementation capacity, increasing focus on results and development outcomes, enhancing disclosure and transparency, improving value-for-money and enhancing the quality of operations	Implementation Capacity: i. Implement a more robust Pipeline Management system and Economic Capital and Exposure limits framework. ii. Strengthen the Bank's client engagement model, based on the development and adoption of country-specific capacity building plans. iii. Complete 9 CES for Group 2 countries and Haiti that will have access to SDF 11 resources during 2025 to 2028.	**Progress reports; CES documents and CES MTRs**
	Procurement: Implement Phase III Reform Project, with focus on: i. Completing the legal and regulatory reform in remaining BMCs. ii. Furthering WB efforts to harmonise standard bidding documents across the OECS. iii. Developing additional procurement manuals and guides. iv. Promoting the wider introduction of e-procurement, in collaboration with the OECS Commission and WB and extending procurement reform to CARICOM institutions.	**Progress Reports on OECS/ WB collaborative work on procurement reform; Knowledge Products and Deliverables**
Gender Equality (SDG 5)	i. Implement the updated GEAP as a programmatic approach to mainstreaming GE into SDF/CDB programmes and projects. ii. Conduct research on Gender-related issues including Road Safety and GBV. iii. Update the Gender Equality Policy and Operational Strategy (GEPOS) 2019. iv. Develop and implement Diversity, Equity and Inclusion standards and indicators for CDB. v. Improve internal systems for tracking and reporting on GE.	GEAP Annual Progress Report; Project Progress Reports;

OBJECTIVES	PROPOSED ACTIONS	MONITORING PARAMETERS
Good Governance (SDG 16)	i. Engage with National Statistics Agencies and Regional Partners to further improve the collection, analysis, and dissemination of economic, social, and environmental data and knowledge products through a modernisation of the existing statistical infrastructure, and increased capacity-building in BMCs. This includes integration of new technologies and methodologies in the collection and compilation of national data, and greater focus on the use of administratively produced statistics. ii. Develop a clear and actionable Governance Programme to incorporate governance assessments into the CES process.	**Project Appraisal Reports; Progress reports from implementing agencies; Final reports from TAs** **MTRs of CES**
Digitalisation Reform	Mainstream digitalisation across the Bank's operations. Strengthen the use of TA and capital investment projects to advance digital transformation in the public sector, including the reconfiguration of business processes to accommodate and exploit the optimal use of digital solutions. Develop and implement innovation hubs in BMCs.	**Project Appraisal Reports; progress reports; Deliverables/ Knowledge products**
Promoting regional cooperation and support for RPGs	i. Develop and implement new RCI Strategy. ii. Enhance intra-regional logistics and improve the efficiency of the maritime transport sector, focusing on the movement of goods and people. iii. Strengthen Regional Security Systems to ensure a safer and more resilient environment for trade and development. iv. Strengthen institutional capacities of collective action groups (BSOs, NGOs, Chambers of Commerce, government agencies) to support trade development, market entry, and trade cooperation activities. v. Develop a programmatic approach to research to support Inter- and Intra-Regional Trade and Economic Development for BMCs.	Appraisal Reports; Project progress Reports; PSRs, PCRs, OP365 data; knowledge products; sector reports

APPENDIX 1

LIST OF MEETINGS HELD AND DOCUMENTS REVIEWED BY CONTRIBUTORS

PROPOSED DATES	DOCUMENTS REVIEWED
Preparatory Meeting **January 25, 2024**	1. Updated Management Response to the Conclusions and Recommendations of the Mid-term Review of SDF Tenth Cycle **– SDF 11/1-PM-2** 2. Status Report on the Implementation of SDF Tenth Cycle – **SDF 11/1-PM-3** 3. BNTF Tenth Cycle Mid-term Review and Management Response – **SDF 11/1-PM-4** 4. SDF Eleventh Cycle Replenishment Negotiations: Themes, Issues and Timelines – **SDF 11/1-PM-5** 5. Discussion Paper: Optimising Resource Allocation in the SDF – **SDF-11/1-PM-6** 6. Caribbean Technological Consultancy Services Network Strategic Plan – **SDF 11/1- PM-7**
First Formal Negotiation Meeting **March 20, 2024**	1. Discussion Paper – The Development Financing Needs of CDB's BMCs 2024-2033 – **SDF 11/1-NM-2** 2. Country Eligibility, Vulnerability & Allocation of SDF Resources – **SDF 11/1-NM-3** 3. Discussion Paper – Advanced Draft Report of the Multicycle Evaluation of SDF Eighth and Ninth Cycles – **SDF 11/1-NM-4** 4. Haiti Position Paper – **SDF 11/1-NM-5** 5. Approach Paper: Haiti Country Office – **SDF 11/1-NM-6** 6. Updated Discussion Paper on the Role of CDB in Enhancing Citizen Security in the Region – **SDF 11/1-NM-7** 7. Special Development Fund Eleventh Cycle Strategic Focus Paper – **SDF 11/1-NM-8**
Second Formal Negotiation Meeting **June 18, 2024**	1. Presentation: Strengthening BMCs Implementation Capacity 2. Discussion Paper: Updated GEAP – **SDF 11/2-NM-2** 3. Discussion Paper - Role of CDB in Enhancing Health Resilience in the Region – **SDF 11/2-NM-3** 4. Discussion Paper: Update on the Estimation of the Caribbean Multidimensional Vulnerability Index – **SDF 11/2-NM-4** 5. Discussion Paper: Country Eligibility, Vulnerability and Allocation of the Special Development Fund Resources – **SDF 11/2-NM-5** 6. Discussion Paper: Update on the Estimation of the Internal Resilience Capacity, Recovery Duration Adjuster and Vulnerability and Resilience Assessment Tools – **SDF 11/2-NM-6** 7. Management's Response to the Conclusions and Recommendations of the Evaluation of the Eighth and Ninth Cycles of the Special Development Fund (Unified) of the Caribbean Development Bank – **SDF 11/2-NM-7** 8. Draft Resolution and Report of Contributors to SDF 11 – **SDF 11/2-NM-8** 9. Level of Resources and Commitment Authority for SDF 11 – **SDF 11/2-NM-9**
Third Formal Negotiation Meeting **October 28, 2024**	1. Updated Gender Equality Action Plan 2025-2027 – **SDF 11/3-NM-2** 2. Assessment of Special Development Fund Undisbursed Balances – **SDF 11/3-NM-3** 3. Revised Level of Resources and Commitment Authority for the Special Development Fund – Eleventh Cycle – **SDF 11/3-NM-4** 4. Updated Draft Resolution and Report of Contributors on the Special Development Fund Eleventh Cycle (Pledging Meeting) – **SDF 11/3-NM-5**
Fourth Formal Negotiation Meeting **February 24, 2025**	1. Discussion - Response to Comments on the Assessment of SDF Undisbursed Balances, Revised Levels of Resources and Commitment Authority and Draft Resolution and Report of Contributors on SDF Eleventh Cycle **(SDF 11/4-NM-2)** 2. Draft Final Report – Revised Resolution and Report of Contributors on the Special Development Fund – Tenth Cycle **(SDF 11/4-NM-3-Add. 2)**
Pledging Meeting **March 14, 2025**	1. Updates to the Report of Contributors 2. Presentation of SDF 11 Programme

APPENDIX 2

SELECTED SUSTAINABLE DEVELOPMENT GOALS, TARGETS AND MEANS OF ACHIEVEMENT

	Sustainable Development Goals	Targets	Means of Achievement
SDG 1	End poverty in all its forms everywhere.	1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 per day.	1a. Ensure significant mobilisation of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries (LDCs), to implement programmes and policies to end poverty in all its dimensions
		1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.	1b. Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender sensitive development strategies, to support accelerated investment in poverty eradication actions.
		1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.	
SDG 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	2.1 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	2a. Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular LDCs.
		2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to CC, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.	
SDG 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.	4a. Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.

	Sustainable Development Goals	Targets	Means of Achievement
		4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.	4c. By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially LDCs and SIDS.
		4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	
		4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	
		4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including PWD, indigenous peoples and children in vulnerable situations.	
		4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.	
SDG 5	Achieve GE and empower all women and girls.	5.1 End all forms of discrimination against all women and girls everywhere.	5a. Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.
		5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.	5c. Adopt and strengthen sound policies and enforceable legislation for the promotion of GE and the empowerment of all women and girls at all levels
SDG 6	Ensure availability and sustainable management of water and sanitation for all.	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all.	6a. By 2030, expand international cooperation and capacity-building support to developing countries in water and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies.
		6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	6b. Support and strengthen the participation of local communities in improving water and sanitation management.

	Sustainable Development Goals	Targets	Means of Achievement
		6.4 By 2030, substantially increase water use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	
SDG 7	Ensure access to affordable, reliable, sustainable and modern energy for all.	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.	7a. By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including RE, EE and advanced and cleaner fossil fuel technology, and promote investment in energy infrastructure and clean energy technology.
		7.2 By 2030, increase substantially the share of RE in the global energy mix.	7b. By 2030, expand infrastructure and upgrade technology for supplying modern and SE services for all in developing countries, in particular LDCs, SIDS and landlocked developing countries, in accordance with their respective programmes of support.
		7.3 By 2030, double the global rate of improvement in energy efficiency.	
SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% GDP growth per annum in the LDCs.	8a. Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade related Technical Assistance to Least Developed Countries.
		8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors.	
		8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of MSMEs, including through access to financial services.	
		8.5 By 2030, achieve full and productive employment and decent work for all women and	
		men, including for young people and PWD, and equal pay for work of equal value.	
		8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.	
		8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.	

	Sustainable Development Goals	**Targets**	**Means of Achievement**
		8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.	
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.	9b. Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities
		9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries to financial services, including affordable credit, and their integration into value chains and markets.	9c. Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.
		9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	
SDG 10	Reduce inequality within and among countries	10.1 By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average	
		10.4 Adopt policies especially fiscal, wage, and social protection policies and progressively achieve greater equality	
SDG 11	Make cities and human settlements inclusive, safe, resilient and sustainable	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.	11b. By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.
		11.3 By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.	

	Sustainable Development Goals	Targets	Means of Achievement
SDG 13	Take urgent action to combat climate change and its impacts.	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	13b. Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities
		13.2 Integrate climate change measures into national policies, strategies and planning.	
		13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	
SDG 17	Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	17.1 Strengthen domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.	
		17.13 Enhance global macroeconomic stability, including through policy coordination and policy coherence.	
		17.15 Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development.	
		17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.	
		17.17 Encourage and promote effective public, public/private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	
		17.18 By 2020, enhance capacity-building support to developing countries, including for LDCs and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts.	

	Sustainable Development Goals	Targets	Means of Achievement
		17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.	

APPENDIX 3

OPTION 1: GDP, CMVI AND COMPOSITE SCORES BY SDF (10) GROUP

Country	GDPpc 2015 Average 2020-22	CMVI score	Composite score
Group 1 (SDF 10)			
Anguilla	18,072.72	67.28	268.60
Antigua and Barbuda	15,437.56	60.28	256.09
Bahamas	26,662.27	59.62	447.22
Cayman Islands	78,324.65	66.52	1,177.40
Guyana	12,542.23	40.88	306.77
Montserrat	17,655.26	57.76	305.65
St. Kitts and Nevis	19,319.48	56.86	339.77
Trinidad and Tobago	14,122.74	57.66	244.93
Group 2 (SDF 10)			
Belize	5,639.51	54.36	103.73
Barbados	15,526.04	62.94	246.68
Grenada	8,204.13	63.63	128.93
Guyana	12,542.23	40.88	306.77
Jamaica	4,981.49	50.53	98.58
Saint Lucia	9,324.48	60.87	153.19
Saint Vincent and the Grenadines	8,161.47	57.63	141.62
Suriname	7,149.08	43.24	165.34
Haiti	1,229.87	70.31	17.49

APPENDIX 4

SDF RESULTS MONITORING FRAMEWORK

Grouping Indicator Level 1		Groups 2&3 BMCs			Related SDG
		Baseline Year	Baseline Value	Target 2028	
1	MPI [Headcount (%)]	2023	2.74	Decrease	1
1.1	MPI [Headcount (%)] Haiti	2023	41.3	Decrease	1
2	Adjusted Headcount Index	2022	0.486	Decrease	10
2.1	Adjusted Headcount Index Haiti	2022	0.335	Decrease	10
3	Human Development Index (HDI)	2022	0.726	Increase	1
3.1	Human Development Index (HDI) Haiti	2022	0.552	Increase	1
4	Inequality Adjusted HDI	2022	0.486	Increase	10
4.1	Inequality Adjusted HDI (Haiti)	2022	0.335	Increase	10
5	Social Protection expenditure as a percentage of GDP	2023	2.1	Increase	10
5.1	Social Protection expenditure as a percentage of GDP Haiti	2023	0.4	Increase	10
6	GDP per capita growth rate (%)	2023	11.3	Increase	8
6.1	GDP per capita growth rate (%) Haiti	2023	-3.2	Increase	8
7.1	Secondary school graduates achieving five CXC General Proficiency or equivalent in National Assessment passes or more, including Mathematics and English (%) - Female	2022	35.3	Increase	4, 5, 8
7.2	Secondary school graduates achieving five CXC General Proficiency or equivalent in National Assessment passes or more, including Mathematics and English (%) - Male	2022	33.4	Increase	4, 5, 8
8.1	Students completing at least one Level 1 course in TVET (%) - Female	2022	80.8	Increase	4, 5, 8
8.2	Students completing at least one Level 1 course in TVET (%) - Male	2022	55.0	Increase	4, 5, 8
9	National unemployment rate (%)	2023	6.6	Decrease	8
9.1	National unemployment rate (%) - Female	2023	5.8	Decrease	8, 10
9.2	National unemployment rate (%) - Male	2023	7.7	Decrease	8, 10
9.3	National unemployment rate (%) - Haiti	2023	16.4	Decrease	8
10	Youth unemployment rate				
10.1	Youth unemployment rate (%) - Female	2023	23.2	Decrease	8, 10
10.2	Youth unemployment rate (%) - Male	2023	16.8	Decrease	8, 10
10.3	Youth unemployment rate (%) - Haiti	2023	37.2	Decrease	8, 10

Grouping Indicator Level 1		Groups 2&3 BMCs			Related SDG
		Baseline Year	**Baseline Value**	**Target 2028**	
11	Intra-regional trade as a percentage of total regional trade (%)	2023	11.0	Increase	8
12	RE as a % of total energy mix produced	2022	12	17	7
12.1	RE as a % of total energy mix produced - Haiti	2022	n/a	17	7
13	Greenhouse gas emissions per capita (metric tons per capita)	2022	3.2	Decrease	13
13.1	Greenhouse gas emissions per capita (metric tons per capita) Haiti	2022	1.2	Decrease	13
14	Reported economic losses resulting from natural disasters and climate variability (% of GDP, 3-year average)	2020 -2022	1.3	Decrease	11
14.1	Reported economic losses resulting from natural disasters and climate variability (% of GDP, 3-year average) Haiti	2020 - 2022	10.5	Decrease	11
15	Governance Index (-2.5 to 2.5) /The governance index ranges from -2.5 to 2.5 and involves six categories: Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption.	2023	0.25	Increase	16
15.1	Governance Index (-2.5 to 2.5) - Haiti	2023	-1.5	Increase	16

Grouping Indicator Level 2		Target 2021-2024 Regional, Groups 2 & 3 Countries	BNTF Target 2021-2024	Actual 2021-2023 Regional, Groups 2&3 Countries	Target 2025-2028 Regional, Groups 2&3 Countries	Related SDG
	Building Social Resilience and Leaving No One Behind					
A	**Education: Improving access to quality, inclusive, and equitable education, and training**					
1	Classrooms and educational support facilities built or upgraded according to minimum standards (number)	1,634	281	730	1,700	4, 5, 8
1.1	Classrooms and educational support facilities built or upgraded according to minimum standards (number) BASIC	1,362	281	710	1,500	4, 5, 8
1.2	Classrooms and educational support facilities built or upgraded according to minimum standards (number) POST SECONDARY / TERTIARY	272	-	20	200	4, 5, 8
1.3	Classrooms and educational support facilities built or upgraded according to minimum standards (number) HAITI	520	-	120	100	4, 5, 8
2	Teachers and principals trained or certified (number)	10,302	120	3,816	18,500	4, 5, 8
2.1	Teachers and principals trained or certified (number) FEMALE	7,187	50	2,670	11,000	4, 5, 8
2.2	Teachers and principals trained or certified (number) HAITI	3,060	n/a	403	3,000	4, 5, 8
3	Students benefitting from improved physical classroom conditions or enhanced teacher competence (number)	182,559	20,502	111,267	350,000	4, 5, 8
3.1	Students benefitting from improved physical classroom conditions or enhanced teacher competence (number) FEMALE	90,605	1,509	52,042	180,000	4, 5, 8
3.2	Students benefitting from improved physical classroom conditions or enhanced teacher competence (number) HAITI	74,670	-	34,024	46,000	4, 5, 8
4	Beneficiaries of skills training activities under BNTF (number)	2,570	2,570	8,340	6,000	4, 5, 8
4.1	Beneficiaries of skills training activities under BNTF (number) FEMALE	1,509	1,509	4,167	2,000	4, 5, 8
B	**Water and Sanitation: Improving access to safe, reliable, and sustainable water and sanitation services**					
5	Installed water capacity (cubic metres/day)	23,649	2,049	19,997	38,000	5, 6, 11
5.1	Installed water capacity (cubic metres/day) URBAN	-	-	8,640	17,000	5, 6, 11

G5rouping Indicator Level 2		**Target 2021-2024 Regional, Groups 2 & 3 Countries**	**BNTF Target 2021-2024**	**Actual 2021-2023 Regional, Groups 2&3 Countries**	**Target 2025-2028 Regional, Groups 2&3 Countries**	**Related SDG**
5.2	Installed water capacity (cubic metres/day) RURAL	23,649	2,049	11,357	21,000	5, 6, 11
6	Supply lines installed or upgraded (km)	103.3	63.0	39.2	160	5, 6, 11
6.1	Supply lines installed or upgraded (km) URBAN	15.0	-	4.7	10	5, 6, 11
6.2	Supply lines installed or upgraded (km) RURAL	88.3	63.0	34.5	150	5, 6, 11
7	Households with access to improved sanitation and water supply (number)	62,467	4,767	61,282	32,500	5, 6, 11
7.1	Households with access to improved sanitation and water supply (number) URBAN	46,600	-	57,500	12,500	5, 6, 11
7.2	Households with access to improved sanitation and water supply (number) RURAL	15,867	4,767	3,782	20,000	5, 6, 11
7.3	Households with access to improved sanitation and water supply (number) FEMALE HEADED	35,400	2,500	n/a	10,000	5, 6, 11
C	**Citizen Security, Social Protection, Social Inclusion and Community Development Access to Basic Social Infrastructure and Services**					
8	Beneficiaries of BNTF community infrastructure construction and enhancement projects (number)	38,158	5,842	3,463	6,000	5, 9, 11
8.1	Beneficiaries of BNTF community infrastructure construction and enhancement projects (number) FEMALE	19,165	3,935	1,691	3,000	5, 9, 11
9	Beneficiaries of community-based citizen security interventions (number)	2,850	-	52	3,000	4, 10, 16
9.1	Beneficiaries of community-based citizen security interventions (number) FEMALE	1,450	-	30	1,000	4, 10, 16
10	Beneficiaries of youth at risk interventions (number)	2,550	-	810	2,500	4, 10, 16
10.1	Beneficiaries of youth at risk interventions (number) FEMALE	1,275	-	n/a	1,500	4, 10, 16
11	Persons benefitting from social protection initiatives (number)	2,650	-	10,289	20,000	4, 10, 16
11.1	Persons benefitting from social protection initiatives (number) FEMALE	1,325	-	6,230	10,000	4, 10, 16

Grouping Indicator Level 2		Target 2021-2024 Regional, Groups 2 & 3 Countries	BNTF Target 2021-2024	Actual 2021-2023 Regional, Groups 2&3 Countries	Target 2025-2028 Regional, Groups 2&3 Countries	Related SDG
12	Direct beneficiaries of gender specific/GBV/social inclusion initiatives	n/a	-	1,001	400	4, 10, 16
12.1	Direct beneficiaries of gender specific/GBV/social inclusion initiatives FEMALE	n/a	-	627	250	4, 10, 16
	Building Environmental Resilience					
D	**Energy – Increasing access to reliable, affordable, and modern energy (energy security)**					
13	Renewable energy capacity installed (MW)	4.0	-	2.3	6	5, 7, 11
14	Greenhouse gas emissions reduction (t CO2 equivalent/year)	26,000	-	5,214	30,000	5, 7, 11
15	Energy savings as a result of EE interventions (GWh)	36.3	0.3	7.3	4	5, 7, 11
16	Transmission or distribution lines installed or upgraded (length in km)	30.0	-	14.3	0	5, 7, 11
17	Number of BMCs with new/improved and inclusive institutional, policy and regulatory Frameworks and Strategies for Sustainable Energy (NEW)	6	n/a	0	12	7
E	**Increasing resilience and adaptive capacity of national and local institutions and communities to disaster risk and CC impacts**					
18	Number of BMCs with strengthened resilience and adaptive capacity to climate related hazards (including DRR strategies)	4	-	1	5	13, 15
19	Additional communities with improved capacity to address CC and DRM (number)	4	-	-	20	13, 15
	Building Production Resilience					
F	**Agriculture and rural development - Promoting sustainable agriculture and rural development**					
20	Stakeholders trained in improved production technology (number)	6,000	-	9,331	10,500	2, 5, 8
20.1	Stakeholders trained in improved production technology (number) FEMALE	3,268	-	4,165	4,000	2, 5, 8
20.2	Stakeholders trained in improved production technology (HAITI)	2,993	-	6,090	5,000	2, 5, 8

Grouping Indicator Level 2		Target 2021-2024 Regional, Groups 2 & 3 Countries	BNTF Target 2021-2024	Actual 2021-2023 Regional, Groups 2&3 Countries	Target 2025-2028 Regional, Groups 2&3 Countries	Related SDG
21	Land improved through irrigation, drainage and/or flood management (hectares)	1,000	-	485	2,000	2, 5, 8
21.1	Land improved through irrigation, drainage and/or flood management (hectares) HAITI	900	-	485	600	2, 5, 8
22	Beneficiaries of improved agriculture, land management and land conservation climate-smart agricultural practices (number)	6,337	-	14,180	20,000	2, 5, 8
22.1	Beneficiaries of improved agriculture, land management and land conservation climate-smart agricultural practices (number) FEMALE	n/a	-	n/a	8,000	2, 5, 8
22.2	Beneficiaries of improved agriculture, land management and land conservation climate-smart agricultural practices (number) HAITI	6,337	-	10,243	10,000	2, 5, 8
G	**Economic Infrastructure – Increasing the provision of quality, reliable, safe, sustainable, and resilient infrastructure**					
23	Sea defenses, landslip protection, and urban drainage (km)	3.7	-	3.5	10	5, 8, 9, 11, 14
24	Primary, secondary, other roads built or upgraded (km)	184.0	15.0	145	200	5, 8, 9, 11, 14
25	Beneficiaries (direct) of infrastructure construction or enhancements (number)	415,368	13,268	318,833	300,000	5, 8, 9, 11, 14
25.1	Beneficiaries (direct) of infrastructure construction or enhancements (number) FEMALE	201,500	6,824	159,586	155,000	5, 8, 9, 11, 14
H	**Private sector operations and MSMEs – Promoting private sector operations and MSMEs**					
26	Value of credit made available to the private sector ($ mn)	21.6	-	13	75	5, 8, 9
27	MSMEs benefitting from credit (number)	1,166	-	394	1,250	5, 8, 9
27.1	MSMEs benefitting from credit (number) FEMALE OWNED	237		123	500	5, 8, 9
28	Beneficiaries of mortgage programmes (number)	60	-	45	150	5, 8, 9
28.1	Beneficiaries of mortgage programmes (number) FEMALE BORROWERS	40	-	23	75	5, 8, 9
29	Beneficiaries of TA interventions targeted at MSMEs (number)	3,300	-	2,069	10,000	5, 8, 9

Grouping Indicator Level 2		**Target 2021-2024 Regional, Groups 2 & 3 Countries**	**BNTF Target 2021-2024**	**Actual 2021-2023 Regional, Groups 2&3 Countries**	**Target 2025-2028 Regional, Groups 2&3 Countries**	**Related SDG**
29.1	Beneficiaries of TA interventions targeted at MSMEs (number) FEMALE	1,214	-	1,650	5,000	5, 8, 9
30	Beneficiaries from CTCS interventions	2,800	-	2,704	7,500	5, 8, 9
30.1	Beneficiaries from CTCS interventions FEMALE	1,400	-	1,761	3,000	5, 8, 9
31	Beneficiaries of CIIF interventions	500		304	800	5, 8, 9
31.1	Beneficiaries of CIIF interventions FEMALE	250		171	400	5, 8, 9
31.2	Beneficiaries of CIIF interventions HAITI	n/a	-	n/a	100	5, 8, 9
32	Business climate and competitiveness enhancement projects implemented – Compete Caribbean (number)	4	-	15	10	5, 8, 9
	Building Financial and Institutional Resilience					
J	**Governance and Accountability**					
33	Ministries, departments and agencies benefitting from CDB supported initiatives to improve systems and services (Sum of 33.1, 33.2 and 33.3) (number)	-	-	17	20	5,16
33.1	Ministries, departments and agencies with improved Public Financial Management systems (FMS) and public sector investment programmes and public service delivery (number)	18	-	5	4	5, 16
33.2	Ministries, departments and agencies with improved capacity to plan, implement and monitor development projects and programmes	10	-	6	10	5, 16
33.3	Ministries, agencies and departments with enhanced statistical and data analytics capacity	5	-	6	6	5, 16
	Cross Cutting Themes: Regional Cooperation, Digitalization, Gender Equality					
K	**RCI – Enhancing economic integration and deepening cooperation**					
34	Regional public goods created or strengthened (e.g. statistical capacity, quality standards, procurement, and debt relief) (number)	12	-	5	12	8, 9
35	Trade facilitation measures created, strengthened, or expanded (number)	5	-	7	7	8,9
L	**Digitalization**					
36	Ministries, agencies and departments with enhanced public service efficiency and delivery through modern systems and digital technologies, including public e-procurement systems (MAPS)	9	-	6	11	5, 16
M	**Gender Equality**					
37	Number of people directly benefitting from operations that intentionally seek to advance gender equality (NEW)	-	-	-	Monitor	5

*New Indicators are highlighted in yellow

Grouping Indicator Level 3	**Baseline Year**	**Baseline Value**	**Target 2028**
Strengthening operational processes and practices, and improving portfolio performance			
3.1. Portfolio Performance rating for implementation (% rated Highly Satisfactory or Satisfactory)	2023	66	90
3.2. Completed Projects with timely Project Completion Reports (PCRs) (%)	2023	57	100
3.3. Projects at Risk (% of Portfolio)	2023	7	5
3.4. Average Time Taken from appraisal mission to first disbursement (months)	2023	15	6
3.5. Projects under implementation with extensions (revised final disbursement date) (%)	2023	50	50
3.6. Average Length of project extension (months)	2023	48	24
Average Length of Project Extensions (HAITI Portfolio) (NEW)[1]			
Resource Allocation and Utilisation			
3.11. Concessional Resources allocated according to PBAS (%)	2023	100	65
3.12. Disbursement Ratio (%)	2023	21	25
Disbursement Ratio - HAITI Portfolio (%) (NEW)[2]			
3.13. Disbursement Efficiency rate (%)	2023	178	100
Selectivity and Strategic Focus			
3.14. Financing Directed to less developed BMCs (%, 3 year-average)	2023	78	80
3.15. Approved Country Strategies in use with Results Frameworks (number)	2023	5	11
3.16 Gender Equality			
a. Approved projects with a Gender Mainstreamed rating (% of total projects approved annually)	2023	76	90
b. Approved projects rated as Gender Specific (% of total projects approved annually)	2023	4	10
c. Projects and Initiatives in the Gender Equality Action Plan 2024-2027 implemented (% of planned)	2023	68	80
3.17 Climate Resilience			
a. Capital Projects with climate-informed design or CVRA (%)	2023	100	100
b. Climate finance (% total SDF approved for CF)[3] (NEW)	2023	14	35 (by 2026) 40 (by 2028)
c. Number of PPF-supported TA projects approved (NEW)	2024	0	12
d. Total value of CF in approved climate action projects supported by the PPF (USD millions) (NEW)	2024	0	150
3.18 SDF Approvals supporting (as a % of total SDF financing)			
a. Building Social Resilience	2023	66	50
b. Building Economic Resilience	2023	16	18
c. Building Environmental Resilience	2023	14	26
e. Gender Equality	2023	1	1

[1] The methodology for calculating this indicator and means of verification are to be finalised
[2] The methodology for calculating this indicator and means of verification are to be finalised
[3] The CF target will be evaluated at mid-cycle to determine whether an SDF-specific target of 40% is credible for the entire cycle

Grouping Indicator Level 3	**Baseline Year**	**Baseline Value**	**Target 2028**
f. Good Governance	2023	4	5
3.19 Partnerships with other MDBs, IFIs[4] (NEW)			
Disclosure, Transparency and Risk Management			
3.19. Number of Independent Evaluation and PCR Validation Reports published on CDB's website (target is cumulative for the period)	2023	24	24
3.20 Published IATI data on all capital projects approved (%)	2023	100	100

*New indicators are highlighted in yellow

[4]The methodology for calculating this indicator and means of verification are to be finalised

APPENDIX 5

PERFORMANCE-BASED ALLOCATION SYSTEM FOR SDF 11 COUNTRY LOAN RESOURCES

1. During SDF 11 negotiation meetings in March and June 2024, four options were presented to Contributors to improve the efficiency and effectiveness of the Performance-Based Allocation System for SDF 11 BMC loan resources by incorporating vulnerability and resilience. In three of the options, the existing economic vulnerability index was replaced by the more comprehensive CMVI in the allocation formula. During the negotiation meetings, Contributors expressed a preference for the "Composite score eligibility" methodology option.

COMPOSITE SCORE ELIGIBILITY METHODOLOGY

2. Under this methodology, a "composite score" is calculated by dividing the GDPpc for each BMC by its CMVI score as a proxy for the risk-adjusted average income for that BMC. BMCs are then assigned to three different groups based on their composite score, as set out in Table 1 below.

TABLE 1: ELIGIBILITY AND GROUP THRESHOLDS FOR BMC GROUPS

Country Group	Eligibility	Group thresholds based on composite score
1	While eligible for access to SDF under limited circumstances, BMCs in this group do not have country-specific allocations.	Composite score greater than 250
2	Each BMC in this group has an indicative country-specific loan allocation which can be blended with the Bank's Ordinary Capital Reserves to lower the effective financing cost and provide more concessional repayment periods.	Composite score between 50 and 250 (inclusive)
3	Eligible for grant resources	Composite score below 50

3. The thresholds for Group 1 were identified based on an analysis of the composite scores for BMCs, and the observed natural breakpoint of a score at the 250 level.

4. Table 2 below illustrates the GDPpc, CMVI score and resulting composite score for each BMC by the previous SDF10 groupings

TABLE 2: GDPpc CMVI & COMPOSITE SCORES BY SDF 10 GROUP

BMC	GDPpc 2015$ Average 2020-22	CMVI score	Composite score
Group 1 (SDF 10)			
Anguilla	18,072.72	67.28	268.60
Antigua and Barbuda	15,437.56	60.28	256.09
Barbados	15,526.04	62.94	246.68
Cayman Islands	78,324.65	66.52	1,177.40
Montserrat	17,655.26	57.76	305.65

BMC	GDPpc 2015$ Average 2020-22	CMVI score	Composite score
St. Kitts and Nevis	19,319.48	56.86	339.77
Trinidad and Tobago*	14,122.74	57.66	244.93
Group 2 (SDF 10)			
Belize	5,639.51	54.36	103.73
Dominica	6,982.62	60.81	114.83
Grenada	8,204.13	63.63	128.93
Guyana	12,542.23	40.88	306.77
Jamaica	4,981.49	50.53	98.58
Saint Lucia	9,324.48	60.87	153.19
Saint Vincent and the Grenadines	8,161.47	57.63	141.62
Suriname	7,149.08	43.24	165.34
Group 3:			
Haiti	1,229.87	70.31	17.49

*Remains in Group 1 at request of country

5. The results of this eligibility scenario show the following shifts in BMC eligibility for SDF 11 as compared to SDF 10:

- **Group 2 to Group 1:** Guyana
- **Group 1 to Group 2:** Barbados [excluding Trinidad and Tobago, as per country request]

6. Guyana moves to Group 1, as its composite score exceeds the threshold of 250, due to the recent large increase in GDPpc for this BMC. Barbados moves from Group 1 to Group 2 due to its relatively high CMVI score.

ALLOCATION METHODOLOGY

7. The individual country loan allocations for Group 2 are determined by use of the following allocation formula:

$$\text{Allocation score} = (\text{country need}) \times (\text{country performance})$$
$$= (\text{POOR}^{0.1} \times \text{GDPpc}^{-0.9} \times \text{CMVI}^{3.0}) \times (0.7\text{PRES}+0.3\text{PORT})^{2.0}$$

where: POOR is the number of poor people in the country; GDPpc is gross domestic product per capita (at constant prices); CMVI is the Caribbean Multidimensional Vulnerability Index; PRES is country performance on policy and institutions: 41 and PORT is the performance of the country's portfolio of CDB loans as measured by the Project Performance Index (PPI).

8. Table 3 below summarised the updated BMC allocations based on the composite score eligibility methodology and also incorporating a minimum "floor" of $10 mn for BMC allocations as presented to Contributors at the Third Negotiation Meeting in June 2024 in the discussion paper "Country Eligibility, Vulnerability and Allocation of the Special Development Fund Resources" (BD69/24). A total core BMC lending programme of $179 mn is assumed in this allocation scenario to allow easy comparison with

theoretical SDF 10 allocations. The BMCs highlighted in red (Barbados and Trinidad and Tobago) would transition from Group 1 to Group 2 while the country highlighted in blue (Guyana) moves from Group 2 to Group 1 based on its GDPpc.

TABLE 3: SDF 11 ALLOCATION USING THE COMPOSITE SCORE ELIGIBILITY METHODOLOGY

SDF 10 (for comparison)		Option 1 (Composite Index)	
Country	**Allocation ($ mn)**	**Country**	**Allocation ($ mn)**
Group 1 (SDF 10)			
Anguilla	-	Anguilla	-
Antigua and Barbuda	-	Antigua and Barbuda	-
The Bahamas	-	The Bahamas	-
Barbados	-	Barbados	14
Cayman Islands	-	Cayman Islands	-
Montserrat	-	Montserrat	-
St. Kitts & Nevis	-	St. Kitts & Nevis	-
Trinidad & Tobago	-	Trinidad & Tobago	16
Group 2 (SDF 10)			
Belize	29	Belize	25
Dominica	11	Dominica	18
Grenada	12	Grenada	26
Guyana	38	Guyana	-
Jamaica	48	Jamaica	32
Saint Lucia	17	Saint Lucia	19
Saint Vincent & the Grenadines	13	Saint Vincent & the Grenadines	19
Suriname	11	Suriname	10
TOTAL	**179**		**179**

9. However, in subsequent communications, Trinidad & Tobago indicated a preference to remain Group 1. Therefore, the revised allocation is as shown below in Table 4.

TABLE 4: SDF 11 ALLOCATION USING THE COMPOSITE SCORE ELIGIBILITY METHODOLOGY

SDF 10 (for comparison)		Option 1 (Composite Index)	
Country	**Allocation ($ mn)**	**Country**	**Allocation ($ mn)**
Group 1 (SDF 10)			
Anguilla	-	Anguilla	-
Antigua and Barbuda	-	Antigua and Barbuda	-
The Bahamas	-	The Bahamas	-
Barbados	-	Barbados	16
Cayman Islands	-	Cayman Islands	-
Montserrat	-	Montserrat	-
St. Kitts & Nevis	-	St. Kitts & Nevis	-
Trinidad & Tobago	-	*Trinidad & Tobago	-

SDF 10 (for comparison)		Option 1 (Composite Index)	
Country	**Allocation ($ mn)**	**Country**	**Allocation ($ mn)**
Group 2 (SDF 10)			
Belize	29	Belize	27
Dominica	11	Dominica	19
Grenada	12	Grenada	29
Guyana	38	Guyana	-
Jamaica	48	Jamaica	35
Saint Lucia	17	Saint Lucia	21
Saint Vincent & the Grenadines	13	Saint Vincent & the Grenadines	21
Suriname	11	Suriname	10
TOTAL	**179**		**179**

*Remains in Group1 at request of country.

SUMMARY OF ELIGIBILITY FOR SDF 11 RESOURCES

Based on the discussions in the main body of this report, Table 1 below presents a summary of the eligibility of BMCs for the various components of the SDF 11 programme.

TABLE 1: SUMMARY OF ELIGIBILITY FOR SDF 11 RESOURCES

SDF 11 COMPONENT	BMC ELIGIBILITY
GRANTS:	
Basic Needs Trust Fund	All current participating countries (Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Barbados)
Haiti Allocation	Haiti only
BMC Capacity Building	Group 2 BMCs (Barbados, Belize, Dominica, Grenada, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Suriname) and Group 1 if part of regional programming
Environmental Resilience	Open to all BMCs
Private Sector Development	Group 2 BMCs (Barbados, Belize, Dominica, Grenada, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Suriname) and Group 1 if part of regional programming
Gender Equality	Open to all BMCs
LOANS:	
Environmental Resilience	Open to all BMCs
Regional Programming	Through regional programmes or regional entities (e.g. UWI, CARICOM, CROSQ etc.)
Country Loans	Eligible to group 2 BMCs as per Performance-Based Allocation Systems (See Appendix 5 above) Barbados, Belize, Dominica, Grenada, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Suriname

APPENDIX 7

MATRIX OF ADDITIONAL INDICATORS AND TARGETS FOR CONSIDERATION IN SDF 11 IN RESPONSE TO COMMENTS RAISED BY CONTRIBUTORS

Theme: Proposed Indicator	Action	Target
Country Poverty Assessments (CPA): **Number of CPAs completed.**	8 CPAs completed: - British Virgin Islands - Grenada - Saint Lucia - St. Kitts & Nevis - Saint Vincent and the Grenadines - Turks & Caicos - Belize - Jamaica	2025
CES: **Number of CES completed.**	6 CES completed: - Trinidad and Tobago - Jamaica - OECS sub-regional - The Bahamas - Dominica - Saint Lucia All CES for the existing and proposed Group 2 BMCs (Barbados to become a Group 2 BMC in SDF 11) will be up to date by Q2 2026.	2026
Gender Mainstreaming: **Proportion of GM and GS approved projects.** **Proportion of GEAP projects achieving expected gender outputs.**	By the end of the GEAP implementation period, the quality of gender mainstreaming projects across the project cycle and GS projects will be improved through the strategic approaches identified to meet the following targets: • 90% of all approved projects are rated as Gender Mainstreamed. • 10% of all approved projects are rated as GS. • 80% of all projects implemented under the GEAP achieve expected gender outputs. Annual report of the Gender Equality Action Plan Implementation (which will be shared with Contributors in time for discussion at the Annual Meetings)[1/] highlighting:	2027
# of BMCs receiving support to improve policy framework and statistical capacity	- Number of BMCs who have received support from CDB to improve their overall policy framework and statistical capacity to advance gender equality (annually)	3
# of knowledge lab activities	- Number of knowledge lab activities that provide support to BMCs to improve capacity to conduct gender mainstreaming (annually)	4

[1/] GE is tracked in the RMF under indicators 2.40 and 3.16. The methodology for estimating these indicators is detailed in the annex.

Theme: Proposed Indicator	Action	Target
CF Target: **% of total SDF approved for climate financing (as a % of total SDF financing).**	Through adjustments in the natural hazard set-aside to include ex-ante climate change projects, training employees in the CF tracking methodology, establishment of a Climate Change Project Preparation Fund, leveraging the Bank's enhanced Green Climate Fund accreditation to crowd-in resources. The Bank will achieve: • 35% CF over the first 2 years of SDF 11; and • will assess its performance at mid-cycle with a view to increasing the CF target to 40% for the final two years.	 2026 2028
Governance Review:	**Possible Completion milestones:** Milestones and targets to be determined by the Governance Review Committee of the Board to track implementation. The Bank will provide full support to facilitate the process.	
Partnerships:	**Joint Missions:** Article IV surveillance missions conducted jointly with IMF in CDB's BMCs (annually) **Procurement:** undertake evaluation of the other MDBs' procurement policies and procedures to allow mutual reliance agreements to be signed whereby the lead financer's procurement framework is adopted under joint co-financing scenarios, as allowed for under the Alternative Procurement Arrangements (APAs) modality detailed in CDB's Procurement Framework[2/].	8 1 (Islamic Development Bank)
Implementation Diagnostic: **Delivery of preliminary results:** **Presentation of final report to BOD**	 Preliminary results and diagnostic report Final Report to BOD	 Q2, 2025 Q4, 2025
Admin Expenses: **Present briefing on existing administrative expense allocation methodology to Contributors** **Review allocation of administrative expenses**	 Briefing on the existing administrative expense allocation methodology presented to Contributors. Review of allocation of administrative expenses completed and presented to BOD.	 Q2, 2025 Q4, 2025
TA review: **Review of TA portfolio**	Review of TA portfolio including reasons for challenges with effective management of the portfolio.	2025
Biodiversity: **Completion of Biodiversity Action Plan**	 Biodiversity Action Plan with related indicators completed.	 2025

[2]This would complete the signing of mutual reliance APAs with MDBs/equivalent entities whom CDB is likely to partner with in the region, with existing APAs in place with EIB, IDB, IFAD and WB

ANNEX

TECHNICAL NOTES TO RESULTS MONITORING FRAMEWORK FOR SDF 11: 2025-28

The Technical Notes provide the following information: what each indicator measures, the relevance of the indicator for CDB policy, the main data sources, required disaggregation, and the method of calculation.

LEVEL 1: Progress Towards Sustainable Development Goals and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
1.1 MPI [Headcount Ratio (%)]	MPI refers to the Multidimensional Poverty Index, which calculates the overall level of multidimensional poverty by considering both the incidence (percentage of people considered poor) and the intensity (average number of deprivations experienced by poor individuals). The Global MPI uses 10 indicators across 3 dimensions: Health; Education; Standard of Living and ten indicators. The incidence or headcount ratio is reported as the proportion of the population who are multidimensionally poor.	Poverty is multi-dimensional; thus, it is important to look beyond monetary metric measures of poverty to gain a comprehensive picture. The MPI is always broken down by indicator to show the composition of multidimensional poverty. In addition, the MPI can be disaggregated by different population groups, such as, urban or rural areas, age groups, and employment characteristics, allowing decision-makers to use the information to support better targeting of social programmes and poverty reduction strategies. It tracks progress on SDG 1.	Global Multi-Dimensional Poverty Index Report published by UNDP. Latest: [2024 Global Multidimensional Poverty Index (MPI) | Human Development Reports] It is expected that this indicator will be updated using information from completed ECPAs.	Reports are published Annually with at least a one-year lag as not all countries provide updated data each year. To be updated using data from the ECPA where data from Surveys of Living Conditions are available.
1.2 Adjusted Headcount Index [MPI]	The adjusted headcount ratio or the MPI is the multidimensional poverty index, which is the product of incidence and intensity: MPI = H × A, where (H) is the incidence or headcount ratio (the proportion of the population who are multidimensionally poor); and Intensity (A) refers to the severity or depth of poverty experienced by individuals or households.			
1.3 Human Development Index (HDI)	The HDI is a summary measure of achievements in three key dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions.	Information from this indicator will assist CDB in supporting investments in human capital development in spite of COVID-19 and other exogenous shocks such that there are minimal/no overall decline in HDI.	HDI Report	Frequency of availability of data varies by country. At least a one-year lag.
1.4 Inequality Adjusted HDI	The Inequality-adjusted HDI adjusts HDI for inequality in the distribution of each dimension across the population..	IHDI measures the level of human development after accounting for inequality across HDI dimensions by "discounting" each dimension's average value according to its level of inequality. The IHDI equals the HDI when there is no inequality across people but falls below the HDI as inequality rises.	HDI Report	Frequency of availability of data varies by country. At least a one-year lag.
1.5 Social Protection expenditure as a percentage of GDP (percentage point increase)	This indicator is measured as the sum of government expenditure on social programmes in a given year, calculated in national currency units and USD as a percentage of GDP.	Social protection is a measure of the extent to which countries assume responsibility for supporting the standard of living of disadvantaged or vulnerable groups. Benefits may be targeted at low-income households, the elderly, disabled, sick, unemployed, or young persons. Social spending comprises cash benefits, direct in-kind	Government budget estimates National Insurance/Social Security Schemes Country Poverty Assessment Data Survey of Living Conditions	Annually

LEVEL 1: Progress Towards Sustainable Development Goals and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
		provision of goods and services, and tax breaks with social purposes. (OECD). Private transfers between households are not considered as "social" and not included in the calculation.		
1.6 GDP per capita growth rate (%)	Annual change in GDP based on constant 2005 US dollars divided by mid-year population estimate. Reported and measured for each BMC and reported for all Group 2 and 3 countries as a block; and also for Haiti separately.	Measures annual change in the level of total economic output relative to the population of a country. This per person, or per capita, value indicates the ability of those people and their country to afford the goods and services they need and want, including spending on public systems such as education, health, welfare, security, and environmental protection. Tracks progress on SDG 8.	Official data from Central Banks of BMCs.	One-year lag for GDP information. Variable lags for population information across BMCs.
1.7 Secondary school graduates achieving five CXC General Proficiency or equivalent in National Assessment passes or more, including Mathematics and English (%)	% of candidates who have achieved passes in five subjects including Mathematics and English generally in one sitting. Candidates obtaining Grades I - III at the General and Technical proficiencies of the Caribbean Secondary Education Certificate (CSEC) of CXC, or an equivalent performance in national examinations in BMCs such as The Bahamas General Certificate of Secondary education (BGCSE), are considered as satisfying the matriculation requirement for tertiary and post-secondary programmes.	The indicator is used to monitor the supply of students who (a) satisfy the matriculation requirements for tertiary and post-secondary programmes; and (b) meet requirements for the world of work. It is monitored to track progress on SDG 4.	Examination performance data are compiled for MOEs within the respective BMCs. Officers in the Social Sector Division (SSD) obtain the data from MOEs.	Annual data are reported for the last completed school year. There is a lag of one year.
1.8 Students completing at least one Level 1 course in TVET (%)	Tracks the number of students in a given year completing a Level 1 course in TVET or an equivalent programme as a percentage of the total students number of students taking the CSEC exams in that year. These include: CSEC TVET subjects, National Vocational Qualifications and CVQ Level 1 programmes, City and Guilds Level 1 programmes and BGCSE TVET subjects or their equivalent.	TVET is concerned with the acquisition of knowledge and skills for the world of work. The expansion and flexibility of the education system to offer training pathways that address the career interests and prospects of all students is an International Labour Organisation (ILO)/ UNESCO goal. It is monitored to track progress on SDG 4.	MOEs within the respective BMCs compile these data. Officers in SSD obtain the data from MOEs.	Annual data are reported for the last completed school year. There is a lag of one year.
1.9 National Unemployment rate (%)	The unemployment rate is a measure of the proportion of the population currently in the labour force that are unemployed. According to the ILO, "the unemployed comprise all persons of working age who were: (a) without work during the reference period, i.e. were not in paid employment or self-employment; (b) currently available for work, i.e. were available for paid employment or self-employment during the	The unemployment rate is an indicator of the extent to which employment opportunities are being provided. It is monitored to track progress on SDG 8.5.1.	ILO, Key Indicators of the Labour Market database.	Frequency of availability of data varies by country. At least a one-year lag.

LEVEL 1: Progress Towards Sustainable Development Goals and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
	reference period; and (c) seeking work, i.e. had taken specific steps in a specified recent period .			
1.10 Youth unemployment rate (%)	The youth unemployment rate is a measure of the proportion of the labour force ages 15-24 that is not in paid employment or self-employment but is available for work and has taken steps to seek paid employment or self-employment.	The unemployment rate is an indicator of the extent to which employment opportunities are being provided. It is monitored to track progress on SDG 8.6.1. Youth possess tremendous potential to serve as agents of social and economic transformation in the region. One key challenge to moving out of poverty is extremely high level of youth unemployment, which is of critical concern to the Caribbean Region. CDB intends to incorporate youth employment opportunities and development into its interventions.	ILO, HDI	Frequency of availability of data varies by country. At least a one-year lag.
1.11 Intra-regional trade as a percentage of total regional trade (%)	Intra-regional trade is defined as the value of imports plus the value of exports between CARICOM member countries. Total regional trade is defined as imports from all countries to CARICOM member countries plus exports to all countries from CARICOM member countries. Intra-regional trade will be a subset of total regional trade. Trade covers goods carried by sea or air.	This indicator reflects the importance of the intra-regional trade (the movement of goods and services (i.e. e-commerce)) among Caribbean countries. It is an indication of growing markets in the Region and the effectiveness of particular regional arrangements in facilitating trade. It measures the degree of interdependence and connectivity among Member States from the perspective of international trade. It is monitored to track progress on SDG 8.	www.caricomstats.org, National statistical offices	Calendar year data. Variable lags; usually a year for more developed countries and longer for less-development countries (LDCs).
1.12 RE as a % total energy mix produced	Measures energy produced from renewable sources as a percent of total energy production.	RE is the most sustainable form of energy. The larger % of RE in a country's energy mix, the greater its energy security. Further, RE technologies are clean sources of energy that have a much lower environmental impact than conventional energy technologies. (Source: UN Statistics Division) The indicator tracks progress on SDG 7.	CARICOM.	The most recent data available is from 2012. Data is only available for five BMCs.
1.13 Greenhouse gas emissions (metric tons per capita)	Measures greenhouse gas emissions per person in each country. Carbon dioxide or greenhouse gas emissions (GHG) are those stemming from the burning of fossil fuels. They include energy produced during consumption of solid, liquid, and gas fuels through industrial processes, agriculture and waste.	With rising greenhouse gas emissions, CC is occurring at rates much faster than anticipated and its effects are clearly felt worldwide. While there are positive steps in terms of the climate finance flows and the development of NDCs, far more ambitious plans and accelerated action are needed on mitigation and adaptation. Reducing greenhouse gas emissions is a key component of the Paris Agreement for Climate Change including NDCs, of which a number of CDB's BMCs are signatories.	The WB: https://data.worldbank.org/indicator/EN.ATM.CO2E.PC?view=chart	Annually

LEVEL 1: Progress Towards Sustainable Development Goals and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
1.14 Reported economic losses resulting from natural disasters and climate variability (% of GDP, 3 year average)	Estimated financial cost of loss from natural hazard events in the reporting year (as normally determined by a Damage and Loss Assessment) expressed as a percentage of GDP. Natural hazard events are divided into five sub-groups: Geophysical; Meteorological; Hydrological; Climatological and Biological. The costs are generally replacement costs to rehabilitate essential buildings and infrastructure (including any new builds) at current prices. Depending on the scale of the damage and loss, the costs are used by governments and international agencies to make appeals for assistance.	The Region is highly susceptible to natural hazard events, particularly those of a meteorological, geophysical and hydrological nature. This makes preparedness for and mitigation against natural hazards a very important issue for Caribbean governments, and for development. Good DRM can help reduce costs (both financial and human) when natural events occur and dampen the impact on affected economies. The indicator tracks progress on SDG 13.	Estimated cost of damage data is sourced from the International Disaster Database (EM-Data) http://www.emdat.be/database. GDP in current prices (USD) is taken from Central Statistical Offices, or International databases, such as the IMF.	Date of event and estimated damage recorded. Current
1.15 Governance Index (score: -2.5 to 2.5)	The Worldwide Governance Indicators (WGI) published by the WB Group includes aggregate and individual governance indicators for six dimensions of governance: (a) Voice and Accountability; (b) Political Stability and Absence of Violence; (c) Government Effectiveness; (d) Regulatory Quality; (e) Rule of Law; and (f) Control of Corruption.	Improved governance in BMCs is central to the achievement of the Region's growth and development objectives, as well as SDG 16.8. This indicator will support tracking of governance arrangements at the regional level and will be used to guide the development of CDB's interventions. Information from other documents will be used to support the WGI Governance Index including the Public Expenditure and Financial Accountability (PEFA) [1]Framework and the Methodology for Assisting Procurement Systems (MAPS)[2].	The WB, PEFA. MAPS	Yearly

[1] PEFA is a methodology used to assess Public Financial Management performance. It provides the foundation for evidence-based measurement of countries' PFM systems, processes and institutions contribute to the achievement of desirable budget outcomes.
[2] MAPS is a tool used to assess public procurement systems. It is organised around four pillar, namely, Legislative, Regulatory and Policy Framework; Institutional Framework and Management Capacity; Procurement Operations and Market Practices; and Accountability, Integrity and Transparency of the Public Procurement system.

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
Building Social Resilience				
Education and Training				
2.1 Classrooms and educational support facilities built or upgraded according to minimum standards (number)	Number of classrooms in basic or post-secondary/tertiary education, which are built or upgraded in the reporting period, complying with standards approved by respective local authorities.	A constraint to the attainment of the goal of universal education is the availability and quality of educational facilities, including appropriate pedagogical equipment, tools, and materials as part of the enabling environment for learning. All facilities - classrooms, laboratories, workshops, multi-purpose rooms and other specialised rooms are included. The indicator aims to measure CDB's contribution to closing the deficit in fit-for-purpose education facilities. The supply of quality education facilities has transformative impact. It positively supports instructional effectiveness, particularly the capacity to meet the differentiated learning needs of students and consequently, improved student performance.	Derived from project level information from two main sources: The BNTF sub-projects and programmes; SSD projects identified through CSPs targeting access to basic education in all BMCs.	Data reported as at December 31st of the last completed year.
2.2 Teachers and principals trained/certified (number)	Number of teachers in basic and post-secondary/tertiary education who have received about 40 hours (about 1 week) of training through CDB support. This covers principals and teachers.	Learning outcomes, to make sure every child performs up to a regional minimum standard upon completing primary and secondary education, depend among other things on the quality of teaching. Research has consistently shown that the teacher quality is one of the highest school-based correlate of student learning. The indicator is a supply one, capturing the number of teachers receiving training. Better teaching should in turn lead to improved learning outcomes.	The MOEs within the respective BMCs, or project documentation of BNTF and SSD.	Data reported as at December 31st of the last completed year.
2.3 Students benefiting from improved physical classroom conditions, enhanced teacher competence, or access to student loan financing (number)	Count of pupils who benefit from new classrooms or upgrades (Indicator 2.1 in the RMF), or enhanced teacher training (Indicator 2.2), or who receive financing for tertiary education programmes. The indicator counts pupils benefiting at all levels of education in any one year and presents the results disaggregated by sex.	The indicator quantifies the number of students benefitting from CDB financed interventions in these main areas of support for the education sector - improving the learning environment; the quality of taught education, and access to finance for education - interventions which can enhance learning outcomes and employment potential.	Project level information systems record the number of beneficiaries from classroom construction/ rehabilitation, teacher training and student-loan financing and BNTF skills training interventions.	Data reported as at December 31st of the last completed year.
2.4 Beneficiaries of skills training activities under BNTF (number)	Count of beneficiaries of skills training under the BNTF in any one year and present results disaggregated by sex.	BNTF has as strong focus on improving skills that can enhance income earning opportunities and employment potential.		
Water and Sanitation				
2.5 Installed water capacity (cubic metres/day)	Installed capacity of water (in cubic metres per day) in storage, water and sewage treatment facilities and pumping stations, through Bank-supported operations.	The indicator describes the extent to which there is adequate provision of efficient, reliable and sustainable supply of safe water to consumers. Installed sewage capacity with effective treatment will also help to mitigate against adverse public health and environmental impacts.	BNTF and EID. Project Reports.	Annual, calendar year for the last completed year.
2.6 Water Supply lines installed or upgraded (length of network in km)	Kilometers of water supply lines laid or upgraded under Bank-supported operations. The indicator is disaggregated into urban and rural areas.	The indicator is a measure of the extent to which sustainable access to improved water supply has been increased, based on the assumption that improved sources of water are more likely to provide safe water,	Supervision reports for water projects managed by EID. BNTF sub-project reports, and the BNTF information system.	Calendar year data for the last completed year.

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
		also reducing the risk of waterborne and waste-related diseases. Water losses through poor infrastructure is also a major issue in the Caribbean.		
2.7 Households with access to improved sanitation and water supply (number)	Number of households that have benefited from installed/ upgraded water supply lines, installed potable water sources, or from improved sanitation facilities, including upgraded or new sewerage infrastructure, public toilets, laundry, or bathroom facilities. The indicator is disaggregated by urban and rural areas.	The indicator contributes to the SDG for the proportion of the population with sustainable access to an improved water source, and improved sanitation. Although the Caribbean region is close to attaining the targets for access, access to improved water and sanitation is poorer in rural areas for many Caribbean countries, and hence the indicator counts separately rural and urban households who have benefited.	Supervision reports for Water and Sanitation projects managed by EID. BNTF Sub-project reports.	Calendar year data for the last completed year.
Citizen Security, Social Protection, Social Inclusion and Community Development Access to Basic Social Infrastructure and Services				
2.8 Beneficiaries of BNTF community infrastructure construction and enhancement projects (number)	Number of people who benefit from enhanced social and economic community infrastructure interventions, financed by Bank-supported operations, computed as the number of people that the new/upgraded community building can cater for or accommodate, according to the building specification, or from community records of the numbers of beneficiaries; households benefitting from river training; and beneficiaries of retaining walls built to protect the community infrastructure in event of landslips and other natural hazards. .	Poor and vulnerable communities often lack access to basic infrastructure and services, which limits their prospects and social and economic development. The indicator is a measure of the number of persons who can benefit from the new or upgraded community infrastructure.	BNTF sub-projects in BMCs. SSD loan-funded community-based projects.	Calendar year data, as at 31st December
2.9 Beneficiaries of community -based citizen security interventions (number)	Number of youth (aged 15-24) who are considered at risk of causing or being a victim of crime, provided with Bank supported community development training initiatives or anti-crime sensitisation projects.	Citizen security is a development priority in the Caribbean. CDB has a tailored programme that takes into account the variety, complexity and variability of insecurity in BMCs.	Project documents PSRs	Data reported as at December 31st of the last completed year.
2.10 Beneficiaries of youth at risk interventions (number)		This indicator is intended to capture youth-specific initiatives in the area of citizen security, including youth reached through education and infrastructure development.	CDB officials in SSD are responsible for collating these data from primary sources.	
2.11 Persons benefitting from social protection initiatives (number)	This indicator tracks the total number of individuals who receive direct support from social protection programs, that provide monetary or non-monetary benefits targeted to individuals identified as vulnerable through income-based, multidimensional poverty assessments, proxy means testing, or geographic targeting. Social protection initiatives may include cash transfer programs and/ or social services, food assistance, social insurance and safety nets, unemployment benefits, and subsidies In the case of improved social protection frameworks, which improve targeting mechanisms, beneficiaries are those who gain access due to the improvements in the Framework.	Social protection plays a critical role in poverty alleviation, economic stabilization, and resilience-building. This indicator helps monitor the reach and effectiveness of social safety nets, ensuring that vulnerable populations, including women, children, elderly, and persons with disabilities, receive adequate support. It also aligns with SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities) by assessing access to essential services and financial security for marginalized groups.	Ministries of Social Development Reports	Annual

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
2.12 Direct beneficiaries of gender/GBV/social inclusion initiatives	This indicator tracks the number of individuals who directly benefit from programs, policies, or interventions aimed at promoting gender equality, preventing and responding to gender-based violence (GBV), and enhancing social inclusion across CDB interventions (TA and investment projects).	Achieving gender equality and social inclusion is critical for sustainable development and resilience-building. Align with international commitments such as SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities).	CDB officials in SSD are responsible for collating these data from primary data sources, including project management system.	Annual
Building Environmental Resilience				
Energy				
2.13 Energy: Conventional or renewable power generation capacity installed (MW)	Megawatts of generation capacity of conventional and RE constructed or rehabilitated under Bank-supported projects and programmes. RE is defined to include hydropower, and power from wind, solar, geothermal and other renewable sources.	Lack of energy security is one of the most pressing challenges among net-energy importing BMCs. This challenge is linked to high import fuel costs and an over-dependence on imported fuel. The indicator measures increased access to conventional, as well as alternative RE generating capacity (both on grid and off-grid).	CDB officials in BNTF, SSD and PSDU are responsible for collating data from primary sources. Caribbean Energy Information System for on-grid RE capacity installed figures.	Data reported as at December 31st of the last completed year.
2.14 Greenhouse gas emissions reduction (t CO_2 equivalent/year)	Greenhouse gas reduction is calculated as the amount CO2 equivalent emissions per year reduced as a result of the Bank's intervention.	CDB is committed to assisting BMCs in achieving the global and regional commitments including NDCs.	PSRs prepared by EID.	Annually, December 31.
2.15 Energy savings as a result of EE/RE interventions (GWh)	Energy savings due to EE measures or the adoption of RE technologies (converted to MWh), directly attributable to Bank supported projects. Since energy savings cannot be directly measured, as it represents the absence of use, projected savings are calculated against baseline or business-as-usual scenarios in the absence of the project.	The determination of energy savings gives facility owners and managers valuable feedback on their energy conservation measures (ECMs), including the installation of renewable technology. This feedback helps them adjust ECM design or operations to improve savings, achieve greater persistence of savings over time, and lower variations in savings.	Projects database of RE/EE initiatives in MSME, public sector operations, and communities.	Annually, December 31.
2.16 Transmission or distribution lines installed or upgraded (length in km)	Total length in Km of energy transmission or distribution lines installed or upgraded through CDB operations.	Installing/upgrading access increases populations' access to energy/access to more reliable energy, supporting SDG 7.	CDB officials in EID are responsible for collating these data from primary sources.	Data reported as at December 31st of the last completed year.
2.17 Number of BMCs with new/improved and inclusive institutional, policy and regulatory Frameworks and Strategies for Sustainable Energy (NEW)	Tracks enhanced governance for Sustainable Energy at Regional, and national levels. BMCs are considered to have an improved institutional and regulatory framework when progress is reported on delivery of specific indicator in the project's results or policy matrix	Strengthening the policy and regulatory environment is essential for achieving sustainable energy goals, attracting investment, and ensuring that clean energy solutions are scalable and accessible. This indicator supports the Bank's commitment to: Improving governance and institutional capacity in the energy sector; Ensuring policy alignment with climate resilience and low-carbon development; Promoting energy access, affordability, and inclusion for vulnerable populations. Tracks contribution to SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).	CDB officials in the Sustainable Energy Unit are responsible for collating these data from primary sources.	Annually ; PSRs and end-of-project evaluations
Environmental Sustainability				
2.18 No. of BMCs with strengthened resilience and adaptive capacity to climate related hazards (including DRR strategies)	Disaster risk governance at the national, regional and global levels is vital to the management of DRR in all sectors and ensuring the coherence of national and local frameworks of laws, regulations and public policies that, by defining roles and responsibilities, guide, encourage	CDB will monitor BMCs commitments made under the Sendai Framework for DRR. This indicator is linked to building resilience and strengthened capacity for DRM at the policy level. The DRR approach will help governments and communities to	CDB officials from ESU.	Annually

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
	and incentivise the public and private sectors to take action and address disaster risk.	manage, mitigate, cope, adapt and respond to natural hazards.		
2.19 Number of people supported to better adapt to the effects of climate change (NEW)	Tracks the number of individuals reached through interventions aimed at enhancing adaptive capacity to climate change. It aligns with SDG 13.1, supporting resilience and adaptive capacity to climate hazards. Where necessary, estimate number of people based on census data in communities in which interventions are delivered. Disaggregate results by sex and disability where possible.	This indicator supports SDG 13.1 (Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries) by quantifying the human impact of adaptation efforts. This indicator is similar to Green Climate Fund (GCF) Core 2 Outcome Indicator, measuring direct and indirect beneficiaries in adaptation efforts. Other MDBs tracking this: ADB, WBG, IDB, AfDB, IFAD	Based on direct and indirect beneficiaries of projects at completion. Data in project management system.	Projects and initiatives completed as at December 31st of the last completed year.
Building Production Resilience				
Agriculture and Rural Development				
2.20 Agriculture: stakeholders trained in improved production technology (number)	Number of farmers or associated workers in the agricultural sector adopting improved agricultural technology or practices under Bank-supported operations.	Agriculture interventions increase production, productivity, and competitiveness of the sector. This indicator tracks beneficiaries of CDB's interventions that build capacity in to improve productivity and adapt to climate changes using smart agriculture techniques.	Project level data provided by the respective BMCs/project execution and implementing agencies.	Calendar year as at December 31st
2.21 Land improved through irrigation, drainage and/or flood management (hectares)	Area provided (in hectares) with new and/or improved irrigation, through drainage, flood or irrigation works.	One of the most direct ways to promote inclusive and sustainable growth is through investments in the agriculture sector including irrigation systems. These investments are aimed at increasing agricultural production and productivity and enhancing competitiveness of the sector. A major concern for the Region is related to natural hazards which negatively impact the agricultural ecosystem including crops and water systems. Climate-resilient and efficient irrigation services are required to facilitate optimal crop and livestock production.	Project level data provided by the SSD from the respective BMCs/project execution and implementing agencies.	Usually annual, but variable reporting times and lags based on country.
2.22 Beneficiaries of improved agriculture, land management and land conservation climate smart agricultural practices (number)	Total number of people benefiting from improved agricultural productivity as a result of the Bank's intervention.	The indicator quantifies the number of persons benefitting from CDB's interventions - climate smart agricultural practices, and improvements of agricultural practices, land management and conservation.	Project level data provided by the SSD from the respective BMCs/project execution and implementing agencies.	Annual, calendar year for the last completed year.
Economic Infrastructure				
2.23 Sea defences, landslip protection and urban drainage (km)	Kilometers of protective structures/structures built for the protection of vulnerable infrastructure or communities, financed by CDB.	The purpose of the indicator is for disaster mitigation. Strengthened infrastructure leads to better protection of the built-up environment/minimises economic losses as a result of natural hazard events. It also protects residents of coastal communities from the effects of waves and storm surges.	EID infrastructure projects.	Annual, calendar year

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
2.24 Transport: Primary, secondary and other roads built or upgraded (km)	Kilometers of all roads constructed or upgraded. CDB's road development/maintenance projects cover Primary Roads: major roads intended to provide large-scale transport links within or between key economic and social areas in a country; Secondary Roads: roads that supplement a primary network by feeding traffic from local roads on the primary network, and Other and tertiary roads: minor roads which provide access to local communities and areas of agricultural and other economic activity.	Good quality road infrastructure is a key ingredient for sustainable development, making it easier for economic actors to do business, generating employment and enhancing a country's ability to trade. It also improves the delivery of and access to vital social services, such as health and education.	Projects and programmes from the EID and BNTF contribute to these results.	Data reported as at December 31st of the last completed year.
2.25 Beneficiaries (direct) of resilient and gender-responsive infrastructure construction or enhancements (number)	Number of people who benefit from newly constructed or improved infrastructure. From road usage surveys or estimated as the catchment area population served by the road, where data are not provided by road usage surveys.	Good quality infrastructure is a key ingredient for sustainable development. All countries need robust infrastructure if they are to prosper and provide a decent standard of living for their populations. Investments in infrastructure can contribute to the achievement of SDGs including SDG 9.	Numbers of beneficiaries of resilient infrastructure projects determined by the projects' scoping reports or estimated from data on the catchment population that could benefit from the infrastructure improvement. In most cases, the catchment population will be a Census estimate.	Annual reporting.
Private Sector Development and MSMEs				
2.26 Value of credit made available to the private sector ($ mn) (disaggregated by sector)	Value of credit in a calendar year (in $US mn) to MSE and businesses in the service and agricultural sectors. These private sector enterprises will receive credit through DFIs and other FIs, underwritten by CDB financing.	The indicator is one of several proxy measures under private sector development used to describe the extent to which business viability has been enhanced and growth is potentially expanded through the provision of private sector credit.	DFIs and other FI reports, covering the loan portfolio of countries of PSDU.	Annually, with lag of 3-6 months
2.27 MSMEs benefiting from credit (number)	Number of people with approved applications of business credit or mortgage financing, disaggregated by the sex of the applicant. The business application will usually be made by one of the following size of business: micro (owner-managed with less than five employees), small (less than 25 employees) and medium enterprises (25-50 employees), where the indicator counts the individual(s) making the application for the business.	The indicator is one of several proxy measures under private sector development used to describe the extent to which business viability is potentially enhanced through the provision of credit.	Sub-loan applications and reports from DFIs to whom loan is advanced.	Annual, calendar year
2.28 Beneficiaries of mortgage programmes (number)	Beneficiaries of mortgage financing, where the borrower will take out a mortgage to finance, among other things, the purchasing of a new property or major renovation to an existing property.	Mortgage financing will usually contribute to improved living standards and social well-being of persons benefiting.	Sub-loan applications and reports from DFIs to whom loan is advanced.	Annual, calendar year
2.29 Beneficiaries of TA interventions targeted at MSMEs (number)	Number of recipients of: (a) direct TA, training attachments, and national and regional workshops through the Caribbean Technical Consultancy Service network. (b) TA support for innovation, entrepreneurship and ICTs. (c) Other TA which may be carried out by DFIs through line of credit activities. The recipient will usually be involved with a MSME (see indicator 2.18 for the definition of MSME.).	This is a leading indicator of enhanced capacity in business development of individuals or enterprises supported by the CTCS network, or other TA modalities. Capacity of agencies that provide assistance to MSMEs will also be enhanced. Enhanced capacity may lead to a number of economic benefits, such as increased production, employment and sales/ revenue of affected MSMEs.	Data from PSRs, Back to Office Reports, and consultancies and agencies involved in project implementation, collated by the Private Sector division	Data reported as at December 31st of the last completed year.

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
2.30 Beneficiaries of CTCS interventions	Count of direct beneficiaries of CTCS interventions in any year. Disaggregate by sex and age of beneficiaries wherever possible.	To effectively foster private sector growth, BMCs require an enabling policy and regulatory environment and need to provide incentives and support for MSME development.	Sub-projects are tracked separately in the project monitoring system OP365 and aggregated.	Data reported as at December 31st of the last completed year.
2.31 Beneficiaries of CIIF interventions	Count of CIIF beneficiaries in any year – include individuals and enterprises that directly benefit from interventions under the CIIF. Disaggregate by sex and age of beneficiaries wherever possible.	CIIF supports the growth, sustainability, and competitiveness of the cultural and creative industries (CCIs) by providing grants, technical assistance, capacity-building programs, and market access support. The creative economy is a key driver of economic diversification, job creation, and cultural preservation. Activities under CIIF ensure Bank's alignment with SDG 8 (Decent Work & Economic Growth) – promoting sustainable jobs in the creative sector; and SDG 11 (Sustainable Cities & Communities) – preserving and enhancing cultural heritage.	CIIF project reports and grant tracking system; CIIF Independent evaluation	Annually and at end of CIIF cycles
2.32 Number of Initiatives to enhance business climate and competitiveness of MSMEs – Compete Caribbean	Count of beneficiaries of Compete Caribbean supported Initiatives in any year – disaggregate by sex and age of beneficiaries wherever possible.	This is a leading indicator of enhanced capacity in competitiveness enhancement for individuals or enterprises supported by the Compete Caribbean	Sub-projects are tracked separately in the project monitoring system OP365 and aggregated.	Data reported as at December 31st of the last completed year.
Governance and Accountability				
2.33 Ministries, departments and agencies with improved systems and service delivery: a. Public Financial Management systems, PSIPs, and service delivery (number) b. improved capacity to plan, implement and monitor development projects and programmes c. Ministries, agencies and departments with enhanced statistical and data analytics capacity	These indicators assess whether Bank interventions have helped countries link a comprehensive and credible budget to policy priorities, strengthen financial management systems, and improve the timeliness and accuracy of accounting, fiscal reporting, and auditing. The indicator is expressed as a count of countries in which the Bank is observed to have supported relevant reforms, based on documented evidence. .	An improved governance environment is central to the achievement of the Region's growth and development objectives and improving competitiveness. Strong institutions, robust data systems, and inclusive governance are essential for effective development planning, implementation, and impact measurement. These indicators track improvements in institutional capacity, digital transformation, trade facilitation, public procurement, and gender-responsive operations across ministries, agencies, and departments	CDB officials in Economics and Projects departments are responsible for collating data from ministries of planning and finance within BMCs.	Annual, calendar year
Cross Cutting Areas				
2.34 RCI: Regional public goods created or strengthened (e.g. statistical capacity, quality standards, procurement, and debt relief) (number)	Number of RPGs created or strengthened through initiatives supported by the Bank. These include completed projects aimed at improving access to information, the administration of the free movement regimes under the CSME, the competitiveness of the Region's priority/high potential export sectors, improving networking and collaboration among regional MSMEs to exploit export opportunities, and increasing capacity within Ministries of Trade.	Regional Integration in the Caribbean offers the best opportunity for small countries of the region to accelerate growth, reduce economic disparities and facilitate closer policy coordination and collaboration on a range of issues affecting their development including regional and global public goods.	Project documents and reports from CDB officials in TCD.	Annual, calendar Year

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
2.35 RCI: Trade facilitation measures created, strengthened or expanded (number)	Number of certification or accreditation systems that were created, strengthened, or expanded through initiatives supported by the Bank, which are expected to support an increased free regional movement of goods and persons.	To meet its overarching goal of integrating Caribbean markets through its regional integration policy and strategy the Bank intends to scale up its investments in hard and soft infrastructure development, while helping member countries and regional communities to enhance their trade policies and build their facilitation and finance capacity.	Project documents and reports from CDB officials in the Technical Cooperation Division.	Annual, calendar year
2.36 Digitalisation: Ministries, departments and agencies with enhanced public service efficiency and delivery through modern systems and digital technologies, including e-procurement systems (MAPS)	This indicator assesses whether Bank interventions have helped countries to advance digitalization objectives to improve efficiency and effectiveness in service delivery.	Track support for improvements in institutional capacity, digital transformation in operations across ministries, agencies, and departments	CDB officials in Economic s and Projects departments are responsible for collating data from ministries of planning and finance within BMCs.	Annual, calendar year
2.37 Gender Equality: Number of people directly benefitting from operations that intentionally seek to advance gender equality (NEW)	This indicator tracks the number of individuals who directly benefit from projects, programs, and policy interventions explicitly designed to promote gender equality. Beneficiaries include women, men, and gender-diverse individuals who gain from targeted actions addressing gender disparities in economic participation, access to services, leadership opportunities, and protection from gender-based violence.	Achieving gender equality is central to inclusive development and social resilience. This indicator aligns with: SDG 5 (Gender Equality) by measuring the reach of gender-focused development interventions; SDG 10 (Reduced Inequalities) by ensuring marginalized populations have improved access to economic and social opportunities; and The Bank's Gender Strategy, tracking how effectively operations contribute to closing gender gaps. Tracking this indicator enables the Bank to: Assess the scale and impact of gender-focused interventions; improve program design by identifying gaps in gender-responsive service delivery; and strengthen accountability in gender-related funding and policy implementation.	Project reports and monitoring data in OP365 and in PSRs and PCRs.	Semi- Annually to inform planning

Level 3: How Well CDB Manages its Operations				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
Operational processes and practices and portfolio performance				
3.1 Portfolio performance rating for implementation (% rated excellent to satisfactory)	A measure of the effectiveness of CDB's projects and programmes during implementation is the Portfolio Performance Index (PPI), a composite indicator covering six criteria: strategic relevance, poverty relevance, efficacy, cost efficiency, institutional development, impact and sustainability.	Projects and programmes with PPI ratings of satisfactory or above (highly satisfactory or Excellent) in (PSR provide an indication that CDB's investments are largely meeting their objectives. The indicator measures the % of projects/programmes with PPI ratings of Satisfactory to Excellent.	Project Rating scores in PSRs that have been entered in the PPMS - and reported in Annual Review for Project Performance (ARPP). The scores cover projects under implementation for IPB loans.	As at December 31, each year.
3.2 Completed projects/loans with timely PCRs (%)	% of projects ended in the two years prior to current year, which have completed Project Completion Reports signed off by the Operations Area. For example, 2020 data will look at the completion rate of projects ended in 2019 and 2018.	This is a measure of compliance with PCM, and accountability. The aim is to be fully compliant, i.e. 100% of projects with completed PCRs on the system.	PPMS, and covers CDB's Operations Area (Economics and Projects Departments)	As at December 31, each year.

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
3.3 Projects at risk (% of portfolio)	Projects which exhibit more than two of the following six risk criteria are considered at risk: (a) weighted score for any criterion is equal to or below 0.5; (b) a composite performance score below 4.0; (c) a decline in any project performance rating score by more than 15%; (d) timing performance more than 15% behind target; (e) CDB performance unsatisfactory; and (f) Borrower performance unsatisfactory.	Fewer projects at risk is an indicator of good project management.	PPMS, Annual Review of the Project Portfolio	Annual, calendar year.
3.4 Average time taken from appraisal mission to first disbursement (months)	Average number of months from date of project appraisal mission to first disbursement for CDB's loan investments that have become effective during the reporting period.	Time to first disbursement is a measure of project effectiveness and efficiency. This can be influenced by a number of factors, such as the readiness of the implementer to meet project conditions.	PPMS, Annual Review of the Project Portfolio	Annual, calendar year.
3.5 Projects under implementation with extensions (revised final disbursement date) (%)	The proportion of CDB loan and grant ($1M+ only) projects which have been extended beyond their originally planned completion date based on their current TDD as entered in FlexCube.	It is known that a project's implementation is delayed when its final disbursement date is revised. A delayed project has implications in terms of its ongoing cost to the borrower and the lender, as well as reduced development effectiveness. If the average time of extension can be brought down, savings in costs and gains in efficiency in managing the portfolio of projects can be achieved.	Projects under implementation as at December 31st based on information in FlexCube. This list is cross-referenced with the list of projects in the portfolio considered active as at December 31st by the ARPP.	As at December 31.
3.6 Average length of project extension (month)	The average length of time (in months) that a CDB loan or grant ($1M+ only) project is extended based on their current TDD as entered in FlexCube.	The difference between the original TDD and the current TDD provides information about the length of extension given to a project. A delayed project has implications in terms of its ongoing cost to the borrower and the lender, as well as reduced development effectiveness.	Projects under implementation as at December 31st based on information in FlexCube. This list is cross-referenced with the list of projects in the portfolio considered active as at December 31st by the ARPP.	As at December 31.
Quality of operations and development outcomes				
3.7 Quality of new loans and grants appraised (Capital loans/grants, PBLs and TAs)	The indicator reflects the quality of project design, taking into a number of dimensions including relevance, rationale, results measurement and logic, M&E, and sustainability. The methodology for this indicators in currently under review. .	The process commences at appraisal with an assessment of the Quality at Entry (QAE) of the intervention. QAE is an evaluability instrument that measures whether the appraisal and results projected for a development intervention are robust enough to be able to demonstrate results at completion of that intervention.		During appraisal process
3.8 Quality of CSPs (score)	The indicator reflects the quality of CSP design, taking into a number of dimensions including economic and sector work, strategic relevance,	Demonstration of CDB's development results based on empirical evidence requires measurement of performance from strategy formulation to evaluation. At the strategy	Readiness Review/ QAE Mechanism CSPs	Annual

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
	partner coordination, lessons learnt, M&E and results.	formulation stage, the measurement process starts with an assessment of QAE of the proposed country strategy. QAE is an evaluability instrument that measures whether the results projected in a CSP are robust enough to be able to demonstrate the same results at the completion of the associated assistance programme.		
3.9 Completed operations rated Satisfactory and Highly Satisfactory (%)	Measures the quality of completed CDB projects and programmes.	Projects and programmes with performance ratings of satisfactory or above (highly satisfactory or Excellent) in PCRs provide an indication that CDB's investments are largely meeting their objectives.	Project Completion Reports	Annual
3.10 Completed CSPs rated Satisfactory and Highly Satisfactory (%)	Measures the quality of completed CSPs.	CSPs with PPI ratings of satisfactory or above (highly satisfactory or Excellent) in PSR provide an indication that CDB's investments are largely meeting their objectives.	Project Completion Reports	Annual
Resource Allocation				
3.11 Concessional resources allocated according to performance-based allocation system (%)	Concessional resources (SDF) for core country lending and the BNTF that have been apportioned using a performance-based resource allocation formula, of total available concessional resources.	The performance-based resource allocation system is designed for planning financial resources to core country lending on the basis of needs. It is also used for the allocation of BNTF resources among countries participating in BNTF.	Approvals of SDF resources.	Annual
3.12 Disbursement ratio (%)	The disbursement ratio is computed as disbursements for the year under review as a percentage of the total undisbursed balances at the beginning of the year, plus undisbursed balances of projects entering the portfolio minus cancellations or withdrawn balances during the year.	The disbursement ratio is an important measure of the Bank's operational performance because it tracks the pace at which resources are being made available to its clients.	PPMS, ARPP	Annual, calendar year.
3.13 Disbursement (efficiency) rate (%)	The disbursement (efficiency) rate is computed to compare actual to planned disbursements and is a measure of actual disbursement efficiency against anticipated targets for any given year. PBLs are not included in the calculation.	A disbursement efficiency rate close to 100% is desirable: i.e. actual disbursements match those anticipated by project supervisors at the beginning of the period. However, it is possible for the rate to be higher than 100% due to project specific variation, for example, fast disbursing loans can cause the rate to be above 100%. Other factors, such as slow implementation and long gestation periods can cause lower efficiency rates than expected.	PPMS, ARPP	Annual, calendar year.
Strategic Focus				
3.14 Financing directed to less developed BMCs (%, three-year average)	Approved financing (OCR, SDF, and Other Special Funds) to BMCs designated as Less Developed (LDC) (Reference CDB Annual Report) as percentage of total approved financing. A three-year average is taken of the proportion to account for the variability from year to year in the level of approvals.	An important part of the Bank's mandate of contributing to the harmonious economic growth and development of the member countries in the Caribbean is to have special and urgent regards to the needs of the LDCs. The indicator monitors the average proportion of	FlexCube	Annual, calendar year.

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
		finances approved for the benefit of LDCs over a three-year period.		
3.15 Approved country strategies in use with results frameworks (number)	CES (formerly country strategy papers) for BMCs prepared by CDB, that have RFs including planned outcome performance indicators that comply with international good practices (SMART, evaluable, data sources and collection methods identified). These CSPs are actively being implemented.	CDB is committed to developing CES for its BMCs to support them in achieving their national development objectives and SDGs. Robust RFs are utilised to track progress towards the achievement of the relevant objectives and outcomes outlined in CES.	As reported by the Economics Department, CDB	Annual, calendar year.
3.16 Gender Equality a. Approved projects that are gender mainstreamed (%) b. Approved projects that are Gender Specific (%) c. Projects and initiatives in the Gender Action Plan implemented or under implementation as percentage of planned interventions	Measures the extent to which CDB investments considered gender issues in their planning, design, implementation monitoring and data collection in line with the cross-cutting theme of supporting GE. A Gender Marker is used to rate the extent to which interventions are rated as gender mainstreamed (1-4) or gender specific.	Advancing gender equality in development financing is essential for promoting inclusive growth, social equity, and sustainable development. These indicators track the extent to which gender considerations are integrated into the Bank's operations and strategic priorities, ensuring that interventions contribute meaningfully to reducing gender disparities. The GEAP sets out the Bank's commitments in implementing GEPOS. The actions support the objectives of enhancing GE in the BMCs and within CDB. Tracks alignment with SDG 5	Project appraisal reports. TA Papers PSRs PPMS	Annual, calendar year.
3.17 Climate Action a. Capital Projects with climate-informed design or CVRA (%) b. Climate finance (% total SDF approved for CF) c. Number of PPF-supported TA projects approved (NEW) d. Total value of CF in approved climate action projects supported by the PPF (USD) (NEW)	a. Tracks the extent to which climate-related issues have been incorporated in the assessment and analysis as well as designs of the investment project (capital loans and grants). b. Tracks the proportion of SDF concessional financing that was approved for CF activities, based on the MDG Methodology for Climate Adaptation and Mitigation Finance estimation. c. Tracks the d. Tracks the value of the PPF by capturing the downstream investments funded due to support from the PPF during an earlier project design or feasibility phase. Include all approved projects annually whether SDF funded or not.	To drive resilience and low-carbon development, it is essential that climate considerations are fully integrated into investment decisions, financing allocations, and technical assistance initiatives. These indicators collectively track the mainstreaming of climate action within the Bank's operations. Tracking these indicators allows the Bank to ensure climate risks are systematically integrated into project planning and investment decisions; measure the extent to which concessional financing is supporting climate resilience and low-carbon development; demonstrate the effectiveness of the PPF in mobilizing climate finance and strengthening project design; and support accountability and alignment with global climate finance frameworks, including the Paris Agreement and SDG 13.	Project appraisal reports; PCRs, Project Monitoring System	Annual
3.18 Approvals supporting key priority areas as a % of total approvals	Approvals in the calendar year for projects or programmes concerned with: a. Building Social Resilience b. Building Economic Resilience c. Building Environmental Resilience	The indicator gives a measure of the level of commitment each year in the areas (a) to (f)	Projects approved as at December 31st based on information in the Project Portfolio Management System	Annual, calendar year.

LEVEL 2: CDB's Contribution to Sustainable Development Goals, Country, and Regional Development Outcomes				
Indicator No.	**Description**	**Rationale**	**Data Source**	**Frequency**
	e. Gender Equality f. Good Governance expressed as a percentage of total approvals.			
3.19 Bilateral Partnerships with other MDBs, IFIs and Agencies of the United Nations system.	This indicator tracks documented partnerships with other MDBs, IFIs and DFIs, including WBG, IDB Group, the Multilateral Investment Fund, GCF, the Pan-American Health Organisation, FAO, and other agencies in the UN system.	Partnerships with other bilateral organisations and other International Financial Institutions also allows the Bank to add value in areas where other agencies may have a comparative advantage.	To be finalized. To include formal MOUs signed with other agencies; co-funded projects; joint missions and evaluations.	Annually